UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	Chapter 11
XERIUM TECHNOLOGIES, INC., et al.,	:	Case No. 10-_____ ( )
Debtors.	:	Joint Administration Requested

PLAN SUPPLEMENT

(Supplement to Debtors' Amended Joint Prepackaged Plan of Reorganization Under Chapter 11 of the Bankruptcy Code)

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Amended and Restated Credit Agreement

SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT
(SECOND LIEN)

dated as of [_____], 2010

among

XERIUM TECHNOLOGIES, INC.,
XTI LLC,
XERIUM ITALIA S.P.A.,
XERIUM CANADA INC.,
HUYCK.WANGNER AUSTRIA GMBH and XERIUM GERMANY HOLDING GMBH
as Borrowers,

CERTAIN SUBSIDIARIES OF THE BORROWERS,
as Guarantors,

VARIOUS BANKS,

CITIGROUP GLOBAL MARKETS INC.
as Lead Arranger and Bookrunner,

CITICORP NORTH AMERICA, INC.,
as Collateral Agent,

and

CITICORP NORTH AMERICA, INC.,
as Administrative Agent

U.S. Dollars [_____]
EUR [_____]
Canadian Dollars [_____]

"**NOTE**: THE TAKING OF THIS DOCUMENT OR ANY CERTIFIED COPY OR ANY DOCUMENT WHICH CONSTITUTES SUBSTITUTE DOCUMENTATION THEREOF, INCLUDING WRITTEN CONFIRMATIONS OR REFERENCES THERETO, INTO AUSTRIA AS WELL AS PRINTING OUT ANY E-MAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE MAY CAUSE THE IMPOSITION OF AUSTRIAN STAMP DUTY. ACCORDINGLY, IN PARTICULAR KEEP THE ORIGINAL DOCUMENT AS WELL AS ALL CERTIFIED COPIES THEREOF AND WRITTEN AND SIGNED REFERENCES THERETO OUTSIDE OF AUSTRIA AND AVOID PRINTING OUT ANY EMAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE."

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SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT (SECOND LIEN)

This **SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT (SECOND LIEN)**, dated as of [_____], 2010, is entered into by and among **XERIUM TECHNOLOGIES, INC.** ("**Xerium**"), a Delaware corporation, as reorganized pursuant to and under the Plan of Reorganization (as defined herein), **XTI LLC** ("**XTI**"), a Delaware limited liability company, as reorganized pursuant to and under the Plan of Reorganization, **XERIUM ITALIA S.P.A.** ("**Italia SpA**"), an Italian società per azioni, as reorganized pursuant to and under the Plan of Reorganization, **XERIUM CANADA INC.** ("**Xerium Canada**"), a New Brunswick (Canada) corporation, as reorganized pursuant to and under the Plan of Reorganization, **HUYCK.WANGNER AUSTRIA GMBH** ("**Huyck Austria**"), an Austrian limited liability company (formerly known as Huyck Austria GmbH) , as reorganized pursuant to and under the Plan of Reorganization, and **XERIUM GERMANY HOLDING GMBH** ("**Germany Holdings**"), a German limited liability company, as reorganized pursuant to and under the Plan of Reorganization, (each of Xerium, XTI, Italia SpA, Xerium Canada, Huyck Austria and Germany Holdings, individually, a "**Borrower**" and, collectively, the "**Borrowers**"), **CERTAIN SUBSIDIARIES OF THE BORROWERS**, as Guarantors, the Banks party hereto from time to time, **CITIGROUP GLOBAL MARKETS INC.**, as Lead Arranger and Bookrunner (in such capacity, "**Lead Arranger**"), **CITICORP NORTH AMERICA, INC.**, as Administrative Agent (together with its permitted successors, in such capacity, "**Administrative Agent**") and **CITICORP NORTH AMERICA, INC.**, as Collateral Agent (together with its permitted successors, in such capacity, "**Collateral Agent**").

RECITALS:

WHEREAS, capitalized terms used in these Recitals and not otherwise defined herein shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, the Borrowers, the Guarantors, the Banks party hereto and the Agents are party to that certain Amended and Restated Credit and Guaranty Agreement dated as of May 30, 2008, as amended by Waiver and Amendment No. 1 dated as of September 29, 2009, Waiver and Amendment No. 2 dated as of December 14, 2009, Waiver and Amendment No. 3 dated as of January 29, 2010 and Waiver and Amendment No. 4 dated as of February 26, 2010 (the "**Prepetition Credit Agreement**");

WHEREAS, on March [_____], 2010 (the "**Petition Date**") the Borrowers, together with certain direct and indirect wholly-owned Subsidiaries of Xerium (collectively, the "**Debtors**") filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court and the cases in the Bankruptcy Court have been consolidated for purposes of joint administration of the Debtors (the "**Bankruptcy Cases**");

WHEREAS, the Debtors' respective chapter 11 cases (collectively, the "**Bankruptcy Cases**") have been consolidated for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure;

WHEREAS, on [_____], 2010, the Bankruptcy Court entered an order (the "**Confirmation Order**") confirming the Plan of Reorganization pursuant to Section 1129 of the Bankruptcy Code and authorizing the Borrowers and the other Debtors to implement the Plan of Reorganization, including entering into this Agreement, the other Credit Documents and the transactions contemplated hereby and thereby;

WHEREAS, in connection with the Recapitalization and confirmation and implementation of the Plan of Reorganization and as contemplated by the Plan of Reorganization, the Prepetition Credit Agreement is being restated in its entirety as set forth herein; and in connection therewith, (i) holders of the Shared Collateral Claims and Unsecured Swap Termination Claims (each as defined in the Plan of Reorganization) shall, as of the Closing Date, automatically become parties to this Agreement and be issued Term Loans hereunder in the aggregate principal amount of $410,000,000, and (ii) the Banks, as of the Closing Date, shall be deemed to have advanced Term Loans to the Borrowers in the aggregate principal amount of $410,000,000 and the Prepetition Credit Agreement shall be amended and restated in its entirety as set forth herein;

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

SECTION 1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"**Adjusted EBITDA**" means, with respect to any Person for any period, the total of (A) the Consolidated Net Income of such Person and its Subsidiaries for such period, plus (B), without duplication, to the extent that any of the following were included in computing such Consolidated Net Income for such period: (i) provision for taxes based on income or profits, (ii) Consolidated Interest Expense, (iii) Consolidated Depreciation and Amortization Expense, (iv) reserves for inventory in connection with plant closures, (v) Consolidated Operational Restructuring Costs, (vi) Consolidated Financial Restructuring Costs, (vii) non-cash charges or gains resulting from the application of purchase accounting, including push-down accounting, (viii) non-cash expenses resulting from the granting of stock options, restricted stock or restricted stock unit awards under equity compensation programs solely with respect to Common Stock, (ix) non-cash items related to a change in or adoption of accounting policies, and (x) expenses incurred as a result of the repurchase, redemption or retention by Xerium of Common Stock earned under equity compensation programs solely in order to make withholding tax payments. Notwithstanding the foregoing, taxes paid and provision for taxes based on the income or profits of, and the Consolidated Depreciation and Amortization Expense of, a Subsidiary of such Person shall be added to Consolidated Net Income of such Person to compute Adjusted EBITDA only to the extent (and in the same proportion) that the Consolidated Net Income of such Subsidiary was included in calculating Consolidated Net Income of such Person. Notwithstanding the foregoing, Adjusted EBITDA for the Fiscal Quarter ended December 31, 2009 shall be $24,600,000.

"**Administrative Agent**" as defined in the preamble hereto.

"**Adverse Proceeding**" means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Xerium or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims), whether pending or, to the knowledge of Xerium or any of its Subsidiaries, threatened against or affecting Xerium or any of its Subsidiaries or any property of Xerium or any of its Subsidiaries.

"**Affected Bank**" as defined in Section 2.18(b).

"**Affected Loans**" as defined in Section 2.18(b).

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 10% or more of the Securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"**Affiliate Subordination Agreement**" means the Amended and Restated Affiliate Subordination Agreement, dated the date hereof, among the Credit Parties and the Administrative Agent, substantially in the form of Exhibit J, as amended, supplemented or otherwise modified from time to time.

"**Agent**" means each of the Administrative Agent, the Collateral Agent and the Lead Arranger.

"**Agent Parties**" as defined in Section 5.1(o)(iii).

"**Agent's Spot Rate of Exchange**" means the Administrative Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the foreign exchange market at or about 11:00 a.m. (New York City time) on a particular day.

"**Aggregate Amounts Due**" as defined in Section 2.17.

"**Agreement**" means this Second Amended and Restated Credit and Guaranty Agreement (Second Lien), as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Applicable Margin**" means, from time to time, the following percentages per annum determined by reference to the Xerium's Leverage Ratio as set forth on the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 5.1(d); provided that if the Administrative Agent does not receive the Compliance Certificate in accordance with Section 5.1(d), then the Applicable Margin shall be based on Pricing Level II. On the Closing Date, Pricing Level II shall apply.

Pricing Level	Leverage Ratio	Applicable Margin
I	Less than 2.75:1.00	5.75%
II	Equal to or exceeds 2.75:1:00	6.25%

"**Asset Sale**" means a sale, lease or sublease (as lessor or sub-lessor), sale and leaseback, assignment, conveyance, transfer or other disposition to, or any exchange of property with, any Person (other than Xerium or any of its Subsidiaries), in one transaction or a series of transactions, of all or any part of Xerium's or any of its Subsidiaries' businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including, without limitation, the Capital Stock of any of Xerium's Subsidiaries, other than (i) inventory (or other assets) sold or leased in the Ordinary Course (excluding any such sales by operations or divisions discontinued or to be discontinued), (ii) substantially worn, damaged or obsolete property disposed of in the Ordinary Course, (iii) returns of inventory in the Ordinary Course, (iv) the use of cash and Cash Equivalents in a manner not inconsistent with the provisions of this Agreement and the other Credit Documents, (v) leases of real property in the Ordinary Course, (vi) licenses or sublicenses of patents, trademarks, copyrights and other intellectual property in the Ordinary Course and (vii) sales of other assets for gross consideration of less than $100,000 with respect to any transaction or series of related transactions.

"**Assignment Agreement**" means an Assignment and Assumption Agreement substantially in the form of Exhibit C, with such amendments or modifications as may be approved by the Administrative Agent.

"**Australia Asset Sales**" means Asset Sales relating to the business, assets or properties of Huyck.Wangner Australia Pty Limited.

"**Australian Obligor**" means Huyck.Wangner Australia Pty Limited.

"**Austria Term Loan**" means an Austria Term Loan deemed made by a Bank to Huyck Austria pursuant to Section 2.1(a)(v).

"**Austria Term Loan Amount**" means the principal amount of the Austria Term Loan a Bank is deemed to have made on the Closing Date. The "Austria Term Loan Amount" of each Bank, if any, is set forth on Appendix A-5 or in the applicable Assignment Agreement. The

aggregate amount of the Austria Term Loan Amounts as of the Closing Date is set forth on Appendix A-5.

"**Austria Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount in Base Currency of the Austria Term Loans of such Bank.

"**Authorized Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person's chief financial officer or treasurer.

"**BA Loan**" means a Term Loan or any portion thereof bearing interest by reference to the BA Rate.

"**BA Rate**" means, in relation to any Term Loan denominated in Canadian Dollars, CDOR as of approximately 11:00 a.m. (New York City time) on the Interest Rate Determination Date; provided, that in no event shall the BA Rate be less than 2.00% per annum.

"**Bank**" means each financial institution listed on Appendix A-1, A-2, A-3, A-4, A-5 or A-6, and any other Person that becomes a Bank party hereto pursuant to an Assignment Agreement.

"**Bank Counterparty**" means each Bank, or any Affiliate of a Bank, counterparty to the applicable documentation creating Hedging Obligations (including any Person who is a Bank (and any Affiliate thereof) as of the Closing Date and party to such documentation as of the Closing Date but subsequently, after entering into the applicable documentation creating Hedging Obligations, ceases to be a Bank) including, without limitation, each such Affiliate that enters into a joinder agreement with the Collateral Agent.

"**Bankruptcy Cases**" as defined in the recitals hereto.

"**Bankruptcy Code**" means Title 11 of the United States Code, as amended, and applicable to the Bankruptcy Cases.

"**Bankruptcy Court**" means the United States Bankruptcy Court for the District of Delaware.

"**Base Currency**" means Dollars.

"**Beneficiary**" means each Agent, Bank and Bank Counterparty.

"**Borrower**" as defined in the preamble hereto.

"**Business Day**" means (i) with respect to all matters except those addressed in clause (ii), any day, excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state or jurisdiction are authorized or required by law or other governmental action to close and (ii) with

respect to all notices, determinations, fundings and payments in connection with LIBOR Loans, Euribor Loans or BA Loans, means any such day that is a Business Day described in clause (i) and (A) in connection with LIBOR Loans, that is also a day on which banks in the City of London are generally open for interbank or foreign exchange, (B) in connection with Euribor Loans, that is also a TARGET Day and (C) in connection with BA Loans, that is also not a day on which banks in the City of Toronto are authorized or required by applicable law to remain closed.

"**Business Plan**" as defined in Section 5.1(q).

"**CAM Exchange**" means the exchange of the Banks' interests provided for in Section 8.2.

"**CAM Exchange Date**" means the date on which any Event of Default referred to in Section 8.01(f) or (g) shall occur.

"**CAM Percentage**" means, as to each Bank, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate outstanding principal amount in Base Currency of the Designated Obligations owed to such Bank (whether or not at the time due and payable) on the date immediately prior to the CAM Exchange Date and (b) the denominator shall be the aggregate amount in Base Currency of the Designated Obligations owed to all the Banks (whether or not at the time due and payable) on the date immediately prior to the CAM Exchange Date.

"**Canadian Dollars**" means the lawful currency of Canada.

"**Canadian Guarantor**" as defined in 7.14(e).

"**Canadian Pension Plan Event**" means (i) the failure by Xerium Canada, or any Affiliate of Xerium Canada to make any required contribution or premium payment to a Canadian Registered Pension Plan in a timely manner in accordance with the terms of the applicable Canadian Registered Pension Plan and all applicable laws; (ii) the withdrawal by Xerium Canada or any Affiliate of Xerium Canada as a participating employer under any multi-employer pension plan, as defined under applicable laws; (iii) the termination, in whole or in part, of any Canadian Registered Pension Plan; (iv) the institution of proceedings by a pension regulator which has jurisdiction over a Canadian Registered Pension Plan to terminate the Canadian Registered Pension Plan in whole or in part; or (v) the occurrence of any event or condition which could reasonably be expected to result in the institution of proceedings by the applicable pension regulator to terminate a Canadian Registered Pension Plan, in whole or in part.

"**Canadian Registered Pension Plan**" means a "registered pension plan", as defined in subsection 248(1) of the Income Tax Act (Canada) which is or, within the preceding six years, was sponsored, maintained or contributed to by, or required to be contributed to by, Xerium Canada or any Affiliate of Xerium Canada.

"**Capital Expenditures**" means, with respect to any Person, all expenditures that, in accordance with GAAP, are or should be included in "purchase of property and equipment" or similar items reflected in the cash flows of such Person.

"**Capitalized Lease Obligation**" means, as applied to any Person, any obligation incurred or arising out of in connection with a Capital Lease.

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

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests, membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"**Cash**" means money, currency or a credit balance in any Deposit Account.

"**Cash Collateral Account**" means a deposit account maintained by the Borrowers with the Administrative Agent, for the Secured Parties, for the purpose of holding deposits of Net Asset Sale Proceeds and Net Insurance/Condemnation Proceeds that are allowed to be reinvested by the Borrowers in accordance with Sections 2.14(a) and 2.14(b), respectively; provided that the Administrative Agent shall require any such deposits remaining in such deposit account for three hundred sixty-one (361) days to be applied by the Borrowers to repay Term Loans, in each case, to the extent required by and in a manner consistent with Section 2.15(b).

"**Cash Equivalents**" means (i) Dollars or any foreign currency freely exchangeable into Dollars and, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the Ordinary Course, (ii) securities issued or directly and fully guaranteed or insured by the US government or any agency or instrumentality thereof, (iii) certificates of deposit, time deposits and Eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $1 billion and whose long-term debt is rated at least "A" or the equivalent thereof by Moody's or S&P, (iv) repurchase obligations for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in the immediately preceding clause, (v) commercial paper issued by a corporation (other than an Affiliate of Xerium) rated at least "A-2" or the equivalent thereof by Moody's or S&P and in each case maturing within one year after the date of acquisition, (vi) investment funds investing substantially all of their assets in securities of the types described in clauses (i) through (v) above, (vii) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P, (viii) instruments equivalent to those referred to above denominated in Euros or any other foreign currency that are comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any

jurisdiction outside the United States and (ix) money market funds as defined in Rule 2a-7 of the General Rules and Regulations as promulgated under the Investment Company Act of 1940.

"**CDOR**" means, on any date and with respect to any Term Loan, the annual rate of interest which is the rate based on the average rate applicable to Canadian Dollar bankers' acceptances for the applicable Interest Period appearing on the "Reuters Screen CDOR Page" (as defined in the International Swaps and Derivatives Association, Inc. 2000 definitions, as modified and amended from time to time), rounded to the nearest 1/100th of 1% (with .005% being rounded up), at approximately 11:00 a.m. (New York City time), on such date, or if such date is not a Business Day, then on the immediately preceding Business Day; provided, that if such rate does not appear on the Reuters Screen CDOR Page on such date as contemplated, then the CDOR on such date shall be calculated as the arithmetic mean of the rates for the Interest Period referred to above applicable to Canadian Dollar bankers' acceptances quoted by the banks listed in Schedule 1 of the Bank Act (Canada) that are Banks as of 11:00 a.m. (Toronto time) on such date or, if such date is not a Business Day, then on the immediately preceding Business Day.

"**Certificate re Non-Bank Status**" means a certificate substantially in the form of Exhibit D.

"**Change of Control**" means, at any time, (i) any Person or "group" (within the meaning of Section 13(d) and 14(d) under the Exchange Act) shall have acquired beneficial ownership (as defined in Rule13d-3 under the Exchange Act), directly or indirectly, of 35% or more on a fully diluted basis of the voting and/or economic interest in the Capital Stock of Xerium; (ii) Xerium shall cease to directly or indirectly beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock its Subsidiaries (other than Xerium Technologies Brasil Indústria e Comércio S.A., Stowe Woodward AG and PMP Xibe Roll Covering Co Ltd and except as a result of transactions permitted under this Agreement) including, but not limited to, if a Person shall attain the right, even if not exercised, by contract, share ownership or otherwise, to appoint the majority of the board of directors of any such Subsidiary or to direct the manner in which the board of directors of such Subsidiary conducts its affairs**;** (iii) the majority of the seats (other than vacant seats) on the board of directors (or similar governing body) of Xerium cease to be occupied by Persons who either (a) were members of the board of directors of Xerium on the Closing Date or (b) were nominated for election by the board of directors of Xerium, a majority of whom were directors on the Closing Date or whose election or nomination for election was previously approved by a majority of such directors; or (iv) any "change of control" or similar event under the First Lien Credit Agreement or the documents governing Subordinated Debt, if any, shall occur. Notwithstanding the foregoing, the consummation of the transactions contemplated by the Plan of Reorganization shall not constitute a Change of Control.

"**Class**" means (i) with respect to Banks, each of the following classes of Banks: (a) Banks having Xerium Term Loan Exposure, (b) Banks having XTI Term Loan Exposure, (c) Banks having Italia Term Loan Exposure, (d) Banks having Xerium Canada Term Loan Exposure, (e) Banks having Austria Term Loan Exposure and (f) Banks having German Term Loan Exposure, and (ii) with respect to Term Loans, each of the following classes of Term

Loans: (a) Xerium Term Loans, (b) XTI Term Loans, (c) Italia Term Loans, (d) Xerium Canada Term Loans, (e) Austria Term Loans and (f) German Term Loans.

"**Closing Date**" means the date on which all conditions precedent set forth in Section 3.1 are satisfied or waived in accordance with the terms of this Agreement.

"**Closing Date Bank Affiliate**" means [American Securities LLC, Carl Marks Strategic Investments, L.P., Cerberus Capital Management, L.P., on behalf of its affiliated funds and accounts].

"**Closing Date Certificate**" means the Closing Date Certificate substantially in the form of Exhibit E.

"**Closing Date Mortgaged Property**" means, each Real Estate Asset listed in Schedule 3.1(j) and which has been encumbered by fully executed and notarized Mortgages, and recorded in all appropriate places in all applicable jurisdictions.

"**Collateral**" means, collectively, all of the real, personal and mixed property (including Capital Stock) and interests therein and proceeds and products thereof, whether now or hereafter acquired, in or upon which Liens are purported to be granted and/ or confirmed pursuant to the Collateral Documents as security for the Obligations.

"**Collateral Agent**" as defined in the preamble hereto.

"**Collateral Documents**" means the Pledge and Security Agreements, the Mortgages, the Landlord Personal Property Collateral Access Agreements, if any, and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant and/ or confirm to the Collateral Agent, for the benefit of the Secured Parties, a Lien on any real, personal or mixed property of that Credit Party as security for the Obligations.

"**Collateral Questionnaire**" means a certificate in form satisfactory to the Collateral Agent that provides information with respect to the personal, real and mixed property of each Credit Party.

"**Common Stock**" means the common stock of Xerium, par value [$0.001] per share.

"**Communications**" as defined in Section 5.1(p)(i).

"**Compliance Certificate**" means a Compliance Certificate substantially in the form of Exhibit B.

"**Confirmation Order**" as defined in the recitals.

"**Consolidated Capital Expenditures**" means, with respect to any Person for any period, the aggregate of all Capital Expenditures of such Person and its Subsidiaries during such period determined on a consolidated basis.

"**Consolidated Current Assets**" means, at any date of the determination, the total assets (other than cash and Cash Equivalents) of Xerium and its Subsidiaries on a consolidated basis that may properly be classified as current assets in conformity with GAAP), excluding the current portion of current and deferred income taxes, deferred debt expense and property held for sale so long as any future changes in the balance sheet values of such property held for sale are non-cash events, and the proceeds from the sale of such property is intended to be applied to prepay the Loans in accordance with Section 2.14(a).

"**Consolidated Current Liabilities**" means, at any date of determination, the total liabilities of Xerium and its Subsidiaries on a consolidated basis that may properly be classified as current liabilities in conformity with GAAP, excluding the current portion of any Indebtedness, accruals of interest expense, and the current portion of current and deferred income taxes.

"**Consolidated Depreciation and Amortization Expense**" means, with respect to any Person for any period, the total amount of depreciation and amortization expense of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, including without limitation non-cash impairment charges resulting from the application of Statements of Financial Accounting Standards No. 142 and No. 144 and any amortization of intangibles arising pursuant to Statement of Financial Accounting Standards No. 141.

"**Consolidated Financial Restructuring Costs**" means cash, fees and expenses (including professional and accounting fees and expenses) incurred in connection with the Recapitalization; provided, that the amount of such costs for Fiscal Year 2010 shall not exceed $30 million in the aggregate.

"**Consolidated Interest Expense**" means, with respect to any Person for any period, consolidated interest expense of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, however, that for the purpose of calculating the Interest Coverage Ratio only, amortization of deferred financing fees and any non-cash gains and losses resulting from marking to market Hedging Obligations shall be excluded from the calculation of Consolidated Interest Expense. For purposes of clarifying the intention of the parties, the calculation of Consolidated Interest Expense shall be net of interest income and the effect of all interest rate Hedging Obligations.

"**Consolidated Net Income**" means, with respect to any Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, however, that the following, without duplication, shall be excluded in determining Consolidated Net Income: (i) any net after-tax extraordinary or non-recurring gains, losses or expenses (less all fees and expenses relating thereto), (ii) the cumulative effect of changes in accounting principles, (iii) any fees and expenses incurred during such period in connection with the issuance or repayment of Indebtedness, any refinancing transaction or amendment or modification of any debt instrument, in each case, as permitted under this Agreement and (iv) any gains resulting from the returned surplus assets of any Pension Plan or Canadian Registered Pension Plan; and provided, further that, without duplication, (x) the net income for such period of any Person that is not a

Subsidiary of such Person or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to such Person or a wholly-owned Subsidiary thereof in respect of such period (and if such net income is a loss it will be included only to the extent such loss has been funded with cash by such Person or a wholly-owned Subsidiary thereof in respect of such period), and (y) the net income (loss) for such period of any Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of its net income is not at the date of determination permitted without any prior governmental approval (which has not been obtained and which is not expected by Xerium to be obtained in the Ordinary Course) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders (other than any loan agreement or similar agreement which restricts the payment of dividends or similar distributions upon the occurrence of or during the existence or continuance of a default or event of default), unless such restrictions with respect to the payment of dividends or in similar distributions have been legally waived and except that this clause (y) shall not apply to any Subsidiary that is also a Guarantor in the calculation of Xerium's Leverage Ratio.

"**Consolidated Operational Restructuring Costs**" means, with respect to any Person for any period, any restructuring or related impairment costs for such Person and its Subsidiaries resulting from the restructuring activities of such Person and its Subsidiaries; provided, that the amount of such costs for the applicable Fiscal Year shall not exceed the Maximum Consolidated Operational Restructuring Costs.

"**Consolidated Working Capital**" means, at any date, the excess of Consolidated Current Assets on such date over Consolidated Current Liabilities on such date.

"**Consolidated Working Capital Adjustment**" means, for any period on a consolidated basis, the amount (which may be a negative number) by which Consolidated Working Capital as of the beginning of such period exceeds (or is less than) Consolidated Working Capital as of the end of such period.

"**Constitutional Documents**" means the constitutional documents of the Credit Parties as amended from time to time in accordance with the terms of this Agreement.

"**Continuation Date**" means the effective date of a continuation as set forth in the applicable Continuation Notice.

"**Continuation Notice**" means a Continuation Notice substantially in the form of Exhibit A.

"**Contractual Obligation**" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"**Counterpart Agreement**" means a Counterpart Agreement substantially in the form of Exhibit F delivered by a Credit Party pursuant to Section 5.10.

"**Credit Document**" means any of this Agreement, the Collateral Documents, the Affiliate Subordination Agreement, the Intercreditor Agreement, the Fee Letters and all other documents, instruments or agreements executed and delivered by a Credit Party for the benefit of any Agent or any Bank in connection herewith.

"**Credit Party**" means each US Credit Party and Non-US Credit Party.

"**Debt**" means, with respect to Xerium, on a consolidated basis on any date, the actual outstanding amount of funded indebtedness of Xerium and its Subsidiaries, plus, without duplication, the principal component of all Capitalized Lease Obligations and, without duplication, other Indebtedness of Xerium and its Subsidiaries on such date. For purposes of computing Debt, Indebtedness which is payable in any currency other than Dollars shall be converted into Dollars using the average New York CitiFx Benchmark rate for the most recently ended four Fiscal Quarters for which Xerium's financial statements are available.

"**Debtors**" as defined in the recitals hereto.

"**Default**" means a condition or event that, after notice or expiry of an applicable grace period, or the making of any determination under the Credit Documents, or any combination of any of the foregoing, would constitute an Event of Default.

"**Deposit Account**" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

"**Designated Obligations**" means all obligations of the Borrowers with respect to principal of and interest on the Term Loans.

"**DIP Credit Agreement**" means the Superpriority Priming Senior Secured Credit and Guaranty Agreement, dated as of March [__], 2010, among Xerium, the guarantors named therein, the several lenders and agent banks from time to time parties thereto, as amended, supplemented, restated or otherwise modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"**Disclosure Statement**" means that certain disclosure statement related to the Plan of Reorganization and filed by the Debtors with the Bankruptcy Court on [_____], 2010, as amended, restated, supplemented or otherwise modified prior to the Closing Date.

"**Dollars**" and the sign "**$**" mean the lawful money of the United States of America.

"**Domestic Subsidiary**" means any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia.

"**Effective Date**" means the date that is determined to be the "Effective Date" of and as defined in the Plan of Reorganization.

"**Eligible Assignee**" means (i) any Bank, any Affiliate of any Bank and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), and (ii) any commercial bank, financial institution, trust fund, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans as one of its businesses or in the ordinary course or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets; neither Xerium nor any Affiliate of Xerium (other than a Closing Date Bank Affiliate) shall be an Eligible Assignee.

"**Employee Benefit Plan**" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or, within the preceding six years, was sponsored, maintained or contributed to by, or required to be contributed by, Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates.

"**Environmental Claim**" means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (iii) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"**Environmental Laws**" means any and all current or future foreign or domestic, federal, provincial or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities relating to (i) environmental matters, including those relating to any Hazardous Materials Activity; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Xerium or any of its Subsidiaries or any Facility.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"**ERISA Affiliate**" means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of Xerium or any of its Subsidiaries shall continue to be considered

an ERISA Affiliate of Xerium or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Xerium or such Subsidiary and with respect to liabilities arising after such period for which Xerium or such Subsidiary could be liable under the Internal Revenue Code or ERISA.

"**ERISA Event**" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30 day notice to the PBGC has been waived by regulation under subsections .21, .22, .23, .27, .28, .29, .31 and .32); (ii) the failure to meet the minimum funding standard of or other requirements of Section 412, 430 or 436 of the Internal Revenue Code with respect to any Pension Plan (whether or not waived), the failure to meet the funding standards or other requirements of Section 431 or 432 of the Internal Revenue Code with respect to any Multiemployer Plan or the failure to make by its due date any required installment, contribution or premium payment to or in respect of any Pension Plan or Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Xerium, any of its Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that is in endangered, seriously endangered or critical status pursuant to Section 432 of the Internal Revenue Code or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; or (viii) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or pursuant to ERISA with respect to any Pension Plan; provided that, notwithstanding the forgoing, the filing and continuation of the Bankruptcy Cases shall not constitute an ERISA Event.

"**Euribor**" means, in relation to any Term Loan in euro:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the Interest Period of that Term Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Administrative Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of approximately 11:00 a.m. (Brussels time) on the Interest Rate Determination Date for the offering of deposits in EUROS for a period comparable to the Interest Period of the relevant Term Loan.

"**Euribor Loan**" means a Term Loan or any portion thereof bearing interest by reference to the Euribor Rate.

"**Euribor Rate**" means the rate of interest for each Interest Period that is equal to the interest rate per annum which is the aggregate of the applicable Euribor determined interest rate and Mandatory Cost, if any; provided, that in no event shall the Euribor Rate be less than 2.00% per annum.

"**EUROS**" "**Euro**", "**euro**", "**EUR**", "**€**" or "**euros**" means the single currency of Participating Member States.

"**Event of Default**" means each of the conditions or events set forth in Section 8.1.

"**Excess Cash**" means commencing with Fiscal Year 2011, with respect to any period, the total of (A) the sum, without duplication, of (i) Adjusted EBITDA for such period and (ii) the Consolidated Working Capital Adjustment minus (B) the sum, without duplication, for such period of: (i) Consolidated Interest Expense paid in cash, (ii) cash income tax expense, net of cash income tax refunds and cash income tax rebates received by Xerium and its Subsidiaries, (iii) Consolidated Capital Expenditures (except to the extent (I) financed or refinanced with an incurrence of Indebtedness, until such Indebtedness is repaid (other than through the refinancing thereof), (II) financed with insurance or condemnation proceeds or (III) financed with the cash proceeds from any Asset Sale) permitted under Section 6.8(d), (iv) Consolidated Operational Restructuring Costs paid in cash, (v) cash payments of withholding taxes from proceeds of the repurchase, redemption or retention of Common Stock permitted under Section 6.5(c) and (vi) scheduled amortization payments of Debt permitted under this Agreement.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"**Excluded Taxes**" as defined in Section 2.19(a).

"**Facility**" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Xerium or any of its Subsidiaries or any of their respective predecessors or Affiliates.

"**Facility Office**" means the office or offices notified by a Bank to the Administrative Agent in writing on or before the date it becomes a Bank (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**Factoring Agreements**" means those certain agreements set forth on Schedule 1.1(a) and provided to the Administrative Agent and its counsel, providing for Xerium or any of its Subsidiaries to sell or otherwise dispose of any receivable:

(A) on arm's length terms for cash payable at the time of disposal in accordance with the terms of the Japanese Promissory Note Discounting Facilities as in effect on the date hereof, provided that the maximum aggregate amount of receivables which have been so sold or disposed of and which remain outstanding (other than as a result of a default by the relevant debtor) does not exceed ¥1,500,000,000 at any time; or

(B) on non-recourse (as regards default by the relevant debtor(s)) and arm's length terms for cash payable at the time of disposal by Huyck.Wangner Australia Pty Limited in respect of customer-provided letters of credit, provided that the maximum aggregate amount of receivables which have been so sold or disposed of and which remain outstanding (other than as a result of a default by the relevant debtor) does not exceed AUD 7,500,000 at any time.

"**Fee Letters**" means collectively, any fee letter between any Borrower or any Credit Party on the one hand and any of the Agents or the Lead Arranger on the other hand.

"**Financial Officer Certification**" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer of Xerium that such financial statements fairly present, in all material respects, the financial condition of Xerium and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year end adjustments.

"**First Currency**" as defined in Section 10.4(b).

"**First Lien Agent**" means Citicorp North America, Inc., as the administrative agent and the collateral agent for the lenders under the First Lien Credit Agreement, together with any of its successors and assigns.

"**First Lien Credit Agreement"** means the Credit and Guaranty Agreement (First Lien), dated as of [_____], 2010, among the Borrowers, the Guarantors, the several lenders and agent banks from time to time parties thereto and the First Lien Agent, as amended, supplemented, restated or otherwise modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"**First Lien Credit Documents**" means the "Credit Documents" as defined in the First Lien Credit Agreement.

"**First Lien Obligations**" means the "First Lien Obligations" as defined in the Intercreditor Agreement.

"**First Lien Secured Parties**" means the "Secured Parties" as defined in the First Lien Credit Agreement.

"**Fiscal Quarter**" means a fiscal quarter of any Fiscal Year.

"**Fiscal Year**" means the fiscal year of Xerium and its Subsidiaries ending on December 31 of each calendar year.

"**Flood Hazard Property**" means any Real Estate Asset subject to a mortgage in favor of Collateral Agent, for the benefit of the Banks, and located in an area designated by the Federal Emergency Management Agency or other Governmental Authority as having special flood or mud slide hazards.

"**Foreign Subsidiary**" means any Subsidiary that is not a Domestic Subsidiary.

"**Formalities Certificate**" means a Formalities Certificate substantially in the form of Exhibit K.

"**Fraudulent Transfer Laws**" as defined in Section 2.25(a).

"**French Guarantor**" as defined in Section 7.14(d).

"**Funding Borrower**" as defined in Section 2.25(b).

"**GAAP**" means, subject to the limitations on the application thereof set forth in Section 1.2, for Xerium and its Subsidiaries, United States generally accepted accounting principles in effect as of the date of determination thereof.

"**German Term Loan**" means a German Term Loan deemed made by a Bank to Germany Holdings pursuant to Section 2.1(a)(vi).

"**German Term Loan Amount**" means the principal amount of the German Term Loan a Bank is deemed to have made on the Closing Date. The "German Term Loan Amount" of each Bank, if any, is set forth on Appendix A-6 or in the applicable Assignment Agreement. The aggregate amount of the German Term Loan Amounts as of the Closing Date is set forth on Appendix A-6.

"**German Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount in Base Currency of the German Term Loans of such Bank.

"**German Guarantors**" means Robec Walzen GmbH, formerly known as Stowe Woodward Forschungs- und Entwicklungs GmbH (also as universal successor of Robec GmbH), Stowe Woodward AG, Huyck. Wangner Germany GmbH, formerly known as Wangner Beteiligungsgesellschaft mbH (also as universal successor of Wangner Service GmbH, Wangner Verwaltungsgesellschaft mbH and Wangner Finckh GmbH & Co. KG).

"**Germany Holdings**" as defined in the preamble hereto.

"**Governmental Acts**" means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

"**Governmental Authority**" means any federal, provincial, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive,

legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or any foreign entity or government.

"**Governmental Authorization**" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"**Grantor**" as defined in the Pledge and Security Agreement.

"**Guaranteed Obligations**" as defined in Section 7.1(b).

"**Guarantor**" means each Non-US Guarantor and each US Guarantor.

"**Guarantor Subsidiary**" means each Guarantor other than Xerium.

"**Guaranty**" means the guaranty of each Guarantor set forth in Section 7 or any other guaranty which purports to guaranty all or a portion of the Obligations.

"**Hazardous Materials**" means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

"**Hazardous Materials Activity**" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person under (i) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements entered into with a Bank Counterparty in Xerium's or any of its Subsidiaries' Ordinary Course and not for speculative purposes and (ii) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices entered into with a Bank Counterparty in Xerium's or any of its Subsidiaries' Ordinary Course and not for speculative purposes.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Bank which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

"**Historical Financial Statements**" means as of the Closing Date, (i) the audited financial statements of Xerium and its Subsidiaries, for the immediately preceding three Fiscal

Years, consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Years, and (ii) the unaudited financial statements of Xerium and its Subsidiaries as at the most recently ended Fiscal Quarter, consisting of a balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for the three, six or nine month period, as applicable, ending on such date, and, in the case of clauses (i) and (ii), certified by the chief financial officer of Xerium that they fairly present, in all material respects, the financial condition of Xerium and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year end adjustments.

"**Huyck Austria**" as defined in the preamble hereto.

"**Increased Cost Banks**" as defined in Section 2.24.

"**Indebtedness**" means, with respect to any Person, the principal and premium (if any) of any indebtedness of such Person, whether or not contingent: (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (iii) representing the deferred and unpaid purchase price of any property, other than trade payables incurred in the Ordinary Course, (iv) in respect of Capitalized Lease Obligations, (v) the direct or indirect guaranty, endorsement (other than for collection or deposit in the Ordinary Course), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (vi) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof or (vii) representing any Hedging Obligations, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP. To the extent not otherwise included, Indebtedness shall include (a) any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the Ordinary Course), and (b) Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided, however, that the amount of such Indebtedness will be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Person. Notwithstanding the foregoing, any obligation of such Person or any of its Subsidiaries in respect of (x) minimum guaranteed commissions, or other similar payments, to clients, minimum returns to clients or stop loss limits in favor of clients or indemnification obligations to clients, in each case pursuant to contracts to provide services to clients entered into in the Ordinary Course, and (y) account credits to participants under any compensation plan, shall be deemed not to constitute Indebtedness.

"**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), costs (including the costs of any investigation, study, sampling, testing, abatement,

cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, provincial, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws and including any fees or expenses resulting from changes in laws in effect on the date of this Agreement), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (i) this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Banks' agreement to maintain and continue the Term Loans or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)); or (ii) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Xerium or any of its Subsidiaries.

"**Indemnified Taxes**" as defined in Section 2.20(a).

"**Indemnitee**" as defined in Section 10.4.

"**Information**" as defined in Section 10.18.

"Initial Business Plan" means the business plan of Xerium and its Subsidiaries delivered in connection with the closing of the DIP Credit Agreement and attached hereto as Exhibit M.

"**Intercreditor Agreement**" means the Intercreditor Agreement to be executed and delivered by the Administrative Agent and the Collateral Agent, the First Lien Agent and the Credit Parties, substantially in the form of Exhibit L, as amended, restated, modified and supplemented from time to time.

"**Interest Coverage Ratio**" means, with respect to Xerium for any period, the ratio of (A) the Adjusted EBITDA for the four-Fiscal Quarters period then ending to (B) the Consolidated Interest Expense for the four-Fiscal Quarters then ending; provided, that in computing Consolidated Interest Expense for any period commencing on or prior to the Closing Date and ending as of the close of any Fiscal Quarter on or prior to the first anniversary of the Closing Date, Consolidated Interest Expense for such period shall equal the product of (x) Consolidated Interest Expense for the period commencing on the first day of the first full calendar month following the Closing Date and ending on the last day of such Fiscal Quarter multiplied by (y) a fraction, the numerator of which is equal to 365 and the denominator of which is equal to the number of days that have elapsed in such period commencing on the first day of the first full calendar month following the Closing Date and ending on the last day of such Fiscal Quarter.

"**Interest Payment Date**" means with respect to any LIBOR Loan, Euribor Loan or BA Loan, the last day of each Interest Period applicable to such Term Loan; provided, in the case of each Interest Period of longer than three months "Interest Payment Date" shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period. If any Term Loan bears interest at the Replacement Rate, then the Interest Payment Date shall be the 15th day of each month and the date on which such Term Loan is converted to a Term Loan bearing interest at the LIBOR Rate, BA Rate or Euribor Rate, as applicable.

"**Interest Period**" means, in connection with a Euribor Loan, a LIBOR Loan or a BA Loan, an interest period of one, two, three or six months, as selected by each Borrower in the applicable Continuation Notice, (i) initially, commencing on the Closing Date or Continuation Date, as the case may be; and (ii) thereafter, commencing on the day on which the immediately preceding Interest Period expires; provided, (a) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; (b) no Interest Period with respect to any portion of any Term Loans shall extend beyond such the Term Loan Maturity Date; and (c) all interest periods of the same currency having the same commencing date and expiration date shall be considered one Interest Period.

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of hedging the interest rate exposure associated with Xerium's and its Subsidiaries' operations and not for speculative purposes.

"**Interest Rate Determination Date**" means, with respect to any Interest Period the date that is two Business Days prior to the first day of such Interest Period.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Investment**" means (i) any direct or indirect purchase or other acquisition by Xerium or any of its Subsidiaries of, or of a beneficial interest in, any of the Securities of any other Person (other than Xerium, any other Borrower or a Guarantor Subsidiary); (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Subsidiary of Xerium from any Person (other than Xerium, any other Borrower or a Guarantor Subsidiary), of any Capital Stock of such Person; and (iii) any direct or indirect loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the Ordinary Course) or capital contribution by Xerium or any of its Subsidiaries to any other Person (other than Xerium, any other Borrower or a Guarantor Subsidiary), including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the Ordinary Course. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write ups, write downs or write offs with respect to such Investment.

"**Italia SpA**" as defined in the preamble hereto.

"**Italia Term Loan**" means an Italia Term Loan deemed made by a Bank to Italia SpA pursuant to Section 2.1(a)(iii).

"**Italia Term Loan Amount**" means the principal amount of the Italia Term Loan a Bank is deemed to have made on the Closing Date. The "Italia Term Loan Amount" of each Bank, if any, is set forth on Appendix A-3 or in the applicable Assignment Agreement. The aggregate amount of the Italia Term Loan Amounts as of the Closing Date is set forth on Appendix A-3.

"**Italia Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal in Base Currency of the Italia Term Loans of such Bank.

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided, in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

"**Landlord Consent and Estoppel**" means, with respect to any Leasehold Property, a letter, certificate or other instrument in writing from the lessor under the related lease, pursuant to which, among other things, the landlord consents to the granting of a Mortgage on such Leasehold Property by the Credit Party tenant, such Landlord Consent and Estoppel to be in form and substance acceptable to Collateral Agent in its reasonable discretion, but in any event sufficient for Collateral Agent to obtain a Title Policy with respect to such Mortgage.

"**Landlord Personal Property Collateral Access Agreement**" means a Landlord Waiver and Consent Agreement substantially in the form of Exhibit I with such amendments or modifications as may be approved by Collateral Agent.

"**Lead Arranger**" as defined in the preamble hereto.

"**Leasehold Property**" means any leasehold interest of any Credit Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Collateral Agent in its sole discretion as not being required to be included in the Collateral.

"**Leverage Ratio**" means, with respect to Xerium on any date, the ratio of (A) the Debt of Xerium and its Subsidiaries as of such date to (B) the Adjusted EBITDA of Xerium and its Subsidiaries for the period of four consecutive Fiscal Quarters ending on such date (or if such date is not the last day of a Fiscal Quarter of Xerium, for the period of four consecutive Fiscal Quarters most recently ended).

"**LIBOR**" means, in relation to any Term Loan (other than a Term Loan denominated in EUROS or Canadian Dollars), the greater of:

(i) (a) the applicable Screen Rate; or (b) (if no Screen Rate is available for the currency or Interest Period of that Term Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Administrative Agent at its request quoted by the Reference Banks to leading banks in the London interbank market as of approximately 11:00 a.m. (London time) on the Interest Rate Determination Date for the offering of deposits in the currency of

that Term Loan and for a period comparable to the Interest Period for that Term Loan,

(ii) 2.00%.

"**LIBOR Loan**" means a Term Loan or any portion thereof bearing interest by reference to the LIBOR Rate.

"**LIBOR Rate**" means the rate of interest for each Interest Period that is equal to the interest rate per annum which is the aggregate of the applicable LIBOR determined interest rate and Mandatory Cost.

"**Lien**" means (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"**Mandatory Cost**" means the percentage rate per annum calculated by the Agent in accordance with Appendix C (Mandatory Cost Formula).

"**Margin Stock**" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"**Material Adverse Effect**" means any effect, event, matter or circumstance: (a) which is materially adverse to the: (i) business, assets or financial condition or prospects of Xerium and its Subsidiaries taken as a whole; or (ii) ability of any Credit Party to perform any of its Obligations in accordance with their terms under any of the Credit Documents; or (b) which in the reasonable opinion of the Requisite Banks results in any (i) Credit Document not being legal, valid and binding on and, subject to reservations contained in the legal opinions provided as conditions precedent thereto, enforceable against any party thereto from and after the Effective Date and/or (ii) Collateral Document not being a valid and effective security interest from and after the Effective Date, provided that the Bankruptcy Cases shall not be deemed to constitute an impediment to enforcement, and in the case of (b), in each case in a manner or to an extent materially prejudicial to the interest of any Bank under the Credit Documents.

"**Material Contract**" means any contract or other arrangement to which Xerium or any of its Subsidiaries is a party (other than the Credit Documents) for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"**Material Real Estate Asset**" means (i) (a) any fee-owned Real Estate Asset having a fair market value in excess of $1,000,000 as of the date of the acquisition thereof and (b) all Leasehold Properties other than those with respect to which the aggregate payments under the terms of the lease are less than $500,000 per annum, in each case located in the United States, Canada and the United Kingdom or (ii) any Real Estate Asset that the Requisite Banks have

reasonably determined is material to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Xerium or any Subsidiary thereof, including each Borrower.

"**Maximum Consolidated Capital Expenditures**" as defined in Section 6.8(d).

"**Maximum Consolidated Operational Restructuring Costs**" means the following amounts set forth below opposite the applicable Fiscal Year:

Fiscal Year	Maximum Consolidated Operational Restructuring Costs
2010	$15,000,000
2011	$6,000,000
2012 and each Fiscal Year thereafter	$5,000,000

provided, that the Maximum Consolidated Operational Restructuring Costs for any Fiscal Year shall be increased by an amount equal to 50% of the portion of Maximum Consolidated Operational Restructuring Costs not incurred in the immediately preceding Fiscal Year (the "**Carry-Forward Amount**"); provided, further, that any Carry-Forward Amount not incurred in the applicable Fiscal Year shall not be added to the amount of Maximum Consolidated Operational Restructuring Costs for the immediately succeeding Fiscal Year.

"**Mexican Guarantor**" means each Guarantor incorporated in Mexico.

"**Mexico**" means the United Mexican States.

"**Moody's**" means Moody's Investors Service, Inc.

"**Mortgage**" means an Amended and Restated Mortgage substantially in the form of Exhibit H, as it may be amended, supplemented or otherwise modified from time to time.

"**Multiemployer Plan**" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) or 4001(a)(3) of ERISA.

"**NAIC**" means The National Association of Insurance Commissioners, and any successor thereto.

"**Net Asset Sale Proceeds**" means, with respect to any Asset Sale, an amount equal to: (i) Cash payments (including any Cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by Xerium or any of its Subsidiaries from such Asset Sale, minus (ii) any bona fide direct costs (including, without limitation, reasonable transaction costs) incurred in connection with such Asset Sale, including (a) income or gains taxes payable by the seller as a result of any gain

recognized in connection with such Asset Sale, (b) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Term Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale and (c) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by Xerium or any of its Subsidiaries in connection with such Asset Sale.

"**Net Insurance/Condemnation Proceeds**" means an amount equal to: (i) any Cash payments or proceeds received by Xerium or any of its Subsidiaries (a) under any casualty insurance policy in respect of a covered loss thereunder (excluding proceeds of business interruption insurance) or (b) as a result of the taking of any assets of Xerium or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (a) any actual and reasonable costs incurred by Xerium or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Xerium or such Subsidiary in respect thereof, and (b) any bona fide direct costs incurred in connection with any sale of such assets as referred to in clause (i)(b) of this definition, including income taxes payable as a result of any gain recognized in connection therewith.

"**Non-Consenting Bank**" as defined in Section 2.24.

"**Non-US Aggregate Payments**" as defined in 7.2(a).

"**Non-US Bank**" as defined in Section 2.20(c).

"**Non-US Borrower**" means each Borrower other than Xerium and XTI.

"**Non-US Credit Party**" means each Non-US Borrower and each Non-US Guarantor.

"**Non-US Contributing Guarantor**" as defined in Section 7.2(a).

"**Non-US Fair Share**" as defined in Section 7.2(a).

"**Non-US Fair Share Contribution Amount**" as defined in Section 7.2(a).

"**Non-US Funding Guarantor**" as defined in Section 7.2(a).

"**Non-US Guaranteed Obligations**" as defined in Section 7.1(a).

"**Non-US Guarantor**" means each Guarantor listed as a Non-US guarantor in Schedule 1.1(b) and any other Foreign Subsidiary that becomes a party to the Guaranty.

"**Non-US Obligations**" mean the Obligations of the Non-US Borrowers and the Non-US Guarantors.

"**Obligation Aggregate Payments**" as defined in Section 2.25(b).

"**Obligation Fair Share**" as defined in Section 2.25(b).

"**Obligation Fair Share Contribution Amount**" as defined in Section 2.25(b).

"**Obligation Fair Share Shortfall**" as defined in Section 2.25(b).

"**Obligations**" means all obligations of every nature of a US Credit Party or a Non-US Credit Party, as the case may be, from time to time owed to the Agents (including former Agents), the Banks, or any of them and Bank Counterparties, including Hedging Obligations, under any Credit Document or the applicable documents creating the Hedging Obligations (including, without limitation, with respect to Hedging Obligations, obligations owed to any person who was a Bank or an Affiliate of a Bank at the time such Hedging Obligation was incurred), whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in the related bankruptcy proceeding), payments for early termination of Hedging Obligations, fees, expenses, indemnification or otherwise.

"**Obligee Guarantor**" as defined in Section 7.7.

"**Officers' Certificate**" means a certificate signed on behalf of Xerium by two officers of Xerium, one of whom must the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of Xerium.

"**Ordinary Course**" means ordinary course of business or ordinary trade activities that are customary, typical and carried out in a manner consistent with past practice.

"**Organizational Documents**" means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its bylaws, as amended, and with respect to a German stock corporation (*Aktiengesellschaft*) an excerpt from the commercial register (*Handels-registerauszug*) (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, and with respect to a German limited partnership (*Kommanditgesellschaft*) an excerpt from the commercial register (*Handels-registerauszug*), (iii) with respect to any general partnership, its partnership agreement, as amended, and with respect to a German limited partnership (*Kommanditgesellschaft*) an excerpt from the commercial register (*Handels-registerauszug*), (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended, and with respect to a German limited liability company (GmbH) its list of shareholders (*Gesellschafterliste*) an excerpt from the commercial register (*Handels-registerauszug*), and (v) with respect to any other Foreign Subsidiary or entity, its memorandum or articles of association or other constitutional documents. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"**Parallel Obligations**" as defined in Section 7.13(a)(i).

"**Participating Member State**" means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

"**Patriot Act**" as defined in Section 10.21.

"**PBGC**" means the Pension Benefit Guaranty Corporation or any successor thereto.

"**Pension Plan**" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA which is or, within the preceding six years, was sponsored, maintained or contributed to by, or required to be contributed by, Xerium, any of its Subsidiaries or any of its ERISA Affiliates.

"**Permitted Acquisition**" means any acquisition by a Borrower or any of its wholly owned Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all or substantially all of the Capital Stock of, or a business line or unit or a division of, any Person; provided,

(i) immediately prior to, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(ii) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable Governmental Authorizations;

(iii) in the case of the acquisition of Capital Stock, all of the Capital Stock (except for any such Securities in the nature of directors' qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly formed Subsidiary of a Borrower in connection with such acquisition shall be owned (directly or indirectly) 100% by a Borrower or a Guarantor Subsidiary thereof; provided such Guarantor Subsidiary shall not have any limitations in respect of its guaranty of the Obligation similar to those set forth in Section 7.14, and each Borrower shall have taken, or caused to be taken, as of the date such Person becomes a Subsidiary of each Borrower, each of the actions set forth in Sections 5.10 and/or 5.11, as applicable;

(iv) Xerium and its Subsidiaries shall be in compliance with the financial covenants set forth in Section 6.8 on a pro forma basis after giving effect to such acquisition as of the last day of the Fiscal Quarter most recently ended (as determined in accordance with Section 6.8(e));

(v) there are no material contingent liabilities (including, without limitation, Environmental Claims, but excluding for this purpose Ordinary Course Tax liabilities) relating to the company or business acquired;

(vi) Xerium shall have delivered to Administrative Agent at least fifteen (15) Business Days prior to such proposed acquisition, a Compliance

Certificate evidencing compliance with Section 6.8 as required under clause (iv) above, together with all relevant financial information with respect to such acquired assets, including, without limitation, the aggregate consideration for such acquisition and any other information required to demonstrate compliance with Section 6.8; and

(vii) any Person or assets or division as acquired in accordance herewith (x) shall be in the same business or lines of business in which Xerium and/or any of its Subsidiaries are engaged as of the Closing Date and (y) shall have generated positive cash flow for the four quarter period most recently ended prior to the date of such acquisition adjusted on a pro forma basis as certified by the Chief Financial Officer of Xerium.

"**Permitted Liens**" means each of the Liens permitted pursuant to Section 6.2.

"**Permitted Refinancing Indebtedness**" as defined in Section 6.1(p).

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Petition Date**" as defined in the recitals.

"**Plan of Reorganization**" means the prepackaged plan of reorganization filed by the Debtors with the Bankruptcy Court on March [_____], 2010, as amended, restated, supplemented or otherwise modified prior to the Closing Date.

"**Plan Supplement**" means the Plan Supplement filed with the Bankruptcy Court in connection with the Plan of Reorganization.

"**Platform**" as defined in Section 5.1(p)(ii).

"**Pledge and Security Agreements**" mean the Amended and Restated Pledge and Security Agreement to be executed by each U.S. Credit Party substantially in the form of Exhibit G and each functionally similar agreement executed by any Non-U.S. Credit Party, as each may be amended, supplemented or otherwise modified from time to time.

"**Prepetition Credit Agreement**" as defined in the Recitals.

"**Primary Accounts**" as defined in Section 4.27.

"**Principal Office**" means, for Administrative Agent, such Person's "Principal Office" as set forth on Appendix B, or such other office as such Person may from time to time designate in writing to each Borrower, the Administrative Agent and each Bank.

"**Pro Rata Share**" means (i) with respect to all payments, computations and other matters relating to the Xerium Term Loan of any Bank, the percentage obtained by dividing (a) the Xerium Term Loan Exposure of that Bank by (b) the aggregate Xerium Term Loan Exposure of all Banks; (ii) with respect to all payments, computations and other matters relating to the XTI Term Loan of any Bank, the percentage obtained by dividing (a) the XTI Term Loan Exposure of that Bank by (b) the aggregate XTI Term Loan Exposure of all Banks; (iii) with respect to all payments, computations and other matters relating to the Italia Term Loan of any Bank, the percentage obtained by dividing (a) the Italia Term Loan Exposure of that Bank by (b) the aggregate Italia Term Loan Exposure of all Banks; (iv) with respect to all payments, computations and other matters relating to the Xerium Canada Term Loan of any Bank, the percentage obtained by dividing (a) the Xerium Canada Term Loan Exposure of that Bank by (b) the aggregate Xerium Canada Term Loan Exposure of all Banks; (v) with respect to all payments, computations and other matters relating to the Austria Term Loan of any Bank, the percentage obtained by dividing (a) the Austria Term Loan Exposure of that Bank by (b) the aggregate Austria Term Loan Exposure of all Banks and (vi) with respect to all payments, computations and other matters relating to the German Term Loan of any Bank, the percentage obtained by dividing (a) the German Term Loan Exposure of that Bank by (b) the aggregate German Term Loan Exposure of all Banks. For all other purposes with respect to each Bank, "Pro Rata Share" means the percentage obtained by dividing (A) an amount equal to the sum of the Xerium Term Loan Exposure, the XTI Term Loan Exposure, the Italia Term Loan Exposure, the Xerium Canada Term Loan Exposure, the Austria Term Loan Exposure and the German Term Loan, by (B) an amount equal to the sum of the aggregate Xerium Term Loan Exposure, the aggregate XTI Term Loan Exposure, the aggregate Italia Term Loan Exposure, the aggregate Xerium Canada Term Loan Exposure, the aggregate Austria Term Loan Exposure and the aggregate German Term Loan Exposure of all Banks.

"**Qualifying Lender**" means:

(a) a Bank which is a bank as defined in Section 991 Income Tax Act 2007 of the United Kingdom, beneficially entitled to all amounts payable to it by a Credit Party under the Credit Documents and within the charge to United Kingdom corporation tax as respects such amounts; or

(b) a bank in respect of which an order under Section 991(2)(e) Income Tax Act 2007 designating it as a bank for the purposes of Section 879 Income Tax Act 2007 of the United Kingdom provides that Section 879 Income Tax Act 2007 shall apply to it as if the words from "if" to the end in that section were omitted; or

(c) a Treaty Lender.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined:

(a) (if the currency is euro) two TARGET Days before the first day of that period; or

(b) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Administrative Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by Reference Banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Real Estate Asset**" means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Credit Party in any real property.

"**Recapitalization**" means the restructuring and recapitalization of the capital stock of Xerium and the Indebtedness of the Debtors and their Subsidiaries pursuant to the Plan of Reorganization.

"**Record Document**" means, with respect to any Leasehold Property, (i) the lease evidencing such Leasehold Property or a memorandum thereof, executed and acknowledged by the owner of the affected real property, as lessor, or (ii) if such Leasehold Property was acquired or subleased from the holder of a Recorded Leasehold Interest, the applicable assignment or sublease document, executed and acknowledged by such holder, in each case in form sufficient to give such constructive notice upon recordation and otherwise in form reasonably satisfactory to Collateral Agent.

"**Recorded Leasehold Interest**" means a Leasehold Property with respect to which a Record Document has been recorded in all places necessary or desirable, in Administrative Agent's reasonable judgment, to give constructive notice of such Leasehold Property to third party purchasers and encumbrancers of the affected real property.

"**Reference Banks**" means, in relation to LIBOR, Euribor and Mandatory Cost, the principal London offices of Citibank, N.A. and such two other banks as may be appointed by the Administrative Agent in consultation with Xerium.

"**Register**" as defined in Section 2.7(b).

"**Related Fund**" means, with respect to any Bank that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Bank or by an Affiliate of such investment advisor.

"**Release**" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"**Relevant Interbank Market**" means in relation to EUROS, the European interbank market and, in relation to any other currency, the London interbank market.

"**Replacement Bank**" as defined in Section 2.24.

"**Replacement Rate**" means the rate notified to the Administrative Agent by a Bank, as soon as practicable and in any event no later than 11:00 a.m. (New York City time) on the date that interest is due to be paid in respect of the applicable Interest Period, to be that interest rate which expresses as a percentage rate per annum the cost to that Bank of funding its participation in the applicable Term Loan from whatever source such Bank may reasonably select.

"**Required Prepayment Date**" as defined in Section 2.15(c).

"**Requisite Banks**" means one or more Banks having or holding Xerium Term Loan Exposure, XTI Term Loan Exposure, Italia Term Loan Exposure, Xerium Canada Term Loan Exposure, Austria Term Loan Exposure and/or any German Term Loan Exposure and representing more than 50.0% of the sum of the (i) aggregate Xerium Term Loan Exposure of all Banks, (ii) aggregate XTI Term Loan Exposure of all Banks, (iii) aggregate Italia Term Loan Exposure of all Banks, (iv) aggregate Xerium Canada Term Loan Exposure of all Banks, (v) aggregate Austria Term Loan Exposure of all Banks and (vi) aggregate German Term Loan Exposure of all Banks.

"**Restricted Junior Payment**" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of Xerium now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of Xerium now or hereafter outstanding, except any payment made solely in shares of that class of stock to the holders of that class; (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of Xerium now or hereafter outstanding; and (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Debt, excluding, in respect of this clause (iv), payments in kind.

"**Roll-Over Amount**" as defined in Section 6.8(d).

"**S&P**" means Standard & Poor's Ratings Group, a division of The McGraw Hill Companies.

"**Screen Rate**" means:

(a) in relation to LIBOR, the offered rate for deposits in the currency in which a Term Loan is denominated for the applicable Interest Period appearing on Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on the Quotation Day for such Interest Period; and

(b) in relation to Euribor, the offered rate for deposits in Euros for the applicable Interest Period appearing on Reuters Screen EURIBOR01 Page as of 11:00 a.m., Brussels time, on the Quotation Day.

If such page is replaced or service ceases to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Borrowers and the Banks.

"**Second Currency**" as defined in Section 10.4(b).

"**Secured Parties**" has the meaning assigned to that term in the Collateral Documents.

"**Securities**" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"**Solvency Certificate**" means a Solvency Certificate of the chief financial officer of each Borrower substantially in the form of Exhibit N.

"**Solvent**" means, with respect to any Credit Party, that as of the date of determination, both (i) (a) the sum of such Credit Party's debt (including contingent liabilities) does not exceed the present fair saleable value of such Credit Party's present assets; (b) such Credit Party's capital is not unreasonably small in relation to its business as contemplated on the Closing Date and reflected in the Initial Business Plan or with respect to any transaction contemplated or undertaken after the Closing Date; and (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances and by the laws of the jurisdiction where such Credit Party is incorporated, formed or organized. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"**Subject Transaction**" as defined in Section 6.8(e).

"**Subordinated Debt**" means any unsecured subordinated Debt of any Credit Party which meets the requirements of Section 6.1(c).

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether

directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding.

"**Sum**" as defined in Section 10.4(b).

"**Swedish Guarantor**" means each Guarantor incorporated in Sweden.

"**TARGET2**" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shares platform and which was launched on November 19, 2007.

"**TARGET Day**" means a day in which TARGET2 is open for the settlement of payments in Euro.

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, whether disputed or not, including any interest, penalties or additions thereto and any installments in respect thereof; provided, "Tax on the overall net income" of a Person shall be construed as a reference to a Tax imposed by the jurisdiction in which that Person is organized or in which that Person's applicable principal office (and/or, in the case of a Bank, its lending office) is located or in which that Person (and/or, in the case of a Bank, its lending office) is deemed to be doing business on all or part of the net income, profits, or gains (whether worldwide, or only insofar as such income, profits, or gains are considered to arise in or to relate to a particular jurisdiction, or otherwise) of that Person (and/or, in the case of a Bank, its applicable lending office).

"**Tax Confirmation**" means a confirmation by a Bank that it is a 991 Bank.

"**Tax Credit**" means a credit against, relief or remission for or repayment of any Tax.

"**Term Loan**" means a Xerium Term Loan, an XTI Term Loan, an Italia Term Loan, a Xerium Canada Term Loan, an Austria Term Loan or a German Term Loan.

"**Term Loan Amount**" means, as applicable, a Xerium Term Loan Amount, an XTI Term Loan Amount, an Italia Term Loan Amount, a Xerium Canada Term Loan Amount, an Austria Term Loan Amount or a German Term Loan Amount, and "Term Loan Amounts" means such amounts held by all Banks.

"**Term Loan Maturity Date**" means the earlier of (i) the date that is five years after the Closing Date, and (ii) the date that all Term Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

"**Terminated Bank**" as defined in Section 2.24.

"**Title Policy**" as defined in Section 3.1(j).

"**Treaty Lender**" means a Bank which at the time the payment is made is beneficially entitled to all amounts payable to it under the Credit Documents and is entitled pursuant to the interpretation of the taxation authorities of the jurisdiction from which the payment is made or deemed to be made under a double taxation agreement in force at that date (subject only to the completion of any necessary formalities or administrative procedures, (including, without limitation, the matters referred to in Section 2.20(e)) to receive any payments of principal, interest, fees or other amounts under the Credit Documents without deduction or withholding for or on account of Tax.

"**Type of Term Loan**" means a LIBOR Loan, Euribor Loan or BA Loan.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**Unpaid Sum**" means any sum due and payable but unpaid by a Credit Party under the Credit Documents.

"**US Aggregate Payments**" as defined in 7.2(b).

"**US Credit Party**" means Xerium, XTI, and each US Guarantor.

"**US Contributing Guarantors**" as defined in 7.2(b).

"**US Funding Guarantor**" as defined in Section 7.2(b).

"**US Fair Share**" as defined in 7.2(b).

"**US Fair Share Contribution Amount**" as defined in 7.2(b).

"**US Guarantor**" means (i) each Guarantor listed in Schedule 1.1(b) as a US Guarantor and (ii) each other Domestic Subsidiary that becomes a party to the Guaranty.

"**VAT**" means value added tax, goods and services tax and any similar sales or turnover tax.

"**Vietnam Asset Sales**" means, Asset Sales relating to the business, assets or properties of Huyck Wangner Vietnam Co. Ltd.

"**Waivable Mandatory Prepayment**" as defined in Section 2.15(c).

"**Xerium**" as defined in the preamble hereto.

"**Xerium Canada**" as defined in the preamble hereto.

"**Xerium Canada Term Loan**" means a Xerium Canada Term Loan deemed made by a Bank to Xerium Canada Inc. pursuant to Section 2.1(a)(iv).

"**Xerium Canada Term Loan Amount**" means the principal amount of the Xerium Canada Term Loan a Bank is deemed to have made on the Closing Date. The "Xerium Canada Term Loan Amount" of each Bank, if any, is set forth on Appendix A-4 or in the applicable Assignment Agreement. The aggregate amount of the Xerium Canada Term Loan Amounts as of the Closing Date is set forth on Appendix A-4.

"**Xerium Canada Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount in Base Currency of the Xerium Canada Term Loans of such Bank.

"**Xerium Term Loan**" means a Xerium Term Loan deemed made by a Bank to Xerium pursuant to Section 2.1(a)(i).

"**Xerium Term Loan Amount**" means the principal amount of the Xerium Term Loan a Bank is deemed to have made on the Closing Date. The "Xerium Term Loan Amount" of each Bank, if any, is set forth on Appendix A-1 or in the applicable Assignment Agreement. The aggregate amount of the Xerium Term Loan Amounts as of the Closing Date is set forth on Appendix A-1.

"**Xerium Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount of the Xerium Term Loans of such Bank.

"**XTI**" as defined in the preamble hereto.

"**XTI Term Loan**" means an XTI Term Loan deemed made by a Bank to XTI pursuant to Section 2.1(a)(ii).

"**XTI Term Loan Amount**" means the principal amount of the XTI Term Loan a Bank is deemed to have made on the Closing Date. The "XTI Term Loan Amount" of each Bank, if any, is set forth on Appendix A-2 or in the applicable Assignment Agreement. The aggregate amount of the XTI Term Loan Amounts as of the Closing Date is set forth on Appendix A-2.

"**XTI Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount of the XTI Term Loans of such Bank.

"**991 Bank**" means a Bank falling within paragraph (a) or (b) of the definition of Qualifying Lender.

1.2 **Accounting Terms**. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Xerium to the Banks pursuant to Section 5.1(b) and 5.1(c) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the Historical Financial Statements for the Fiscal Year ended December 31, 2009 only.

1.3 **Interpretation, etc**. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

SECTION 2. TERM LOANS

2.1 **Term Loans**. Subject to the terms and conditions hereof and to give effect to the Plan of Reorganization, each applicable Bank shall be deemed to have made, on the Closing Date, Term Loans as follows:

(i) a Xerium Term Loan to Xerium in Dollars in a principal amount equal to such Bank's Xerium Term Loan Amount;

(ii) an XTI Term Loan to XTI in Euros in a principal amount equal to such Bank's XTI Term Loan Amount;

(iii) an Italia Term Loan to Italia SpA in Euros in a principal amount equal to such Bank's Italia Term Loan Amount;

(iv) a Xerium Canada Term Loan to Xerium Canada in Canadian Dollars in a principal amount equal to such Bank's Xerium Canada Term Loan Amount;

(v) an Austria Term Loan to Huyck Austria in Euros in a principal amount equal to such Bank's Austria Term Loan Amount; and

(vi) a German Term Loan to Germany Holdings in Euros in an amount equal to such Bank's German Term Loan Amount.

Any Term Loan repaid or prepaid may not be reborrowed. Subject to Sections 2.13 and 2.14, all amounts owed hereunder with respect to all Term Loans shall be paid in full no later than the Term Loan Maturity Date. The Xerium Term Loans deemed made hereunder on the Closing Date shall be LIBOR Rate Loans, the Xerium Canada Term Loans deemed made hereunder on the Closing Date shall be BA Rate Loans and the XTI Term Loans, the Italia Term Loans, the Austria Term Loans and the German Term Loans deemed made hereunder on the Closing Date shall be Euribor Rate Loans. Each Term Loan shall have an initial Interest Period of one month.

2.2 [Intentionally Omitted]

2.3 [Intentionally Omitted]

2.4 [Intentionally Omitted]

2.5 [Intentionally Omitted]

2.6 **Use of Proceeds**. No portion of the proceeds of the Term Loans shall be used in any manner that causes or might cause the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act.

2.7 **Evidence of Debt; Register; Banks' Books and Records; Promissory Notes.**

(a) Banks' Evidence of Debt. Each Bank may maintain on its internal records an account or accounts evidencing the Obligations of each Borrower to such Bank, including the amounts of the Term Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on such Borrower, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect such Borrower's Obligations in respect of any applicable Term Loans; and provided further, in the event of any inconsistency between the Register and any Bank's records, the recordations in the Register shall govern.

(b) Register. The Administrative Agent may maintain at its Principal Office a register for the recordation of the names and addresses of Banks and Term Loans of each Bank from time to time (the "**Register**"). The Administrative Agent may record in the Register the Term Loans, and each repayment or prepayment in respect of the principal amount of the Term Loans, and any such recordation shall be conclusive and binding on such Borrower and each Bank, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect such Borrower's Obligations in respect of any Term Loan. Each Borrower hereby designates the Administrative Agent to serve as each Borrower's agent solely for purposes of maintaining the Register as provided in this Section 2.7, and each Borrower hereby agrees that, to the extent the Administrative Agent serves in such capacity, the Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute "Indemnitees."

(c) Notes. If so requested by any Bank by written notice to Xerium (with a copy to the Administrative Agent) at least two (2) Business Days prior to the Closing Date, or at any time thereafter, each Borrower shall execute and deliver to such Bank (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Bank pursuant to Section 10.7) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after Xerium's receipt of such notice) a promissory note or promissory notes, in a form reasonably acceptable to the Administrative Agent and Xerium, to evidence such Bank's Term Loans.

2.8 **Interest on Term Loans.**

(a) Except as otherwise set forth herein, each Class of Term Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

(i) in the case of Xerium Canada Term Loans at the BA Rate plus Applicable Margin;

(ii) in the case of Xerium Term Loans at the LIBOR Rate plus the Applicable Margin; or

(iii) in the case of XTI Term Loans, Italia Term Loans, Austria Term Loans and German Term Loans, at the Euribor Rate plus the Applicable Margin.

(b) The basis for determining the rate of interest with respect to any Term Loan, and the Interest Period with respect to any LIBOR Loan, Euribor Loan or BA Loan, shall be selected by each Borrower and notified to the Administrative Agent and Banks pursuant to the applicable Continuation Notice. Any Continuation Notice shall be executed by an Authorized Officer in a writing delivered to Administrative Agent. In lieu of delivering a Continuation Notice, each Borrower may give Administrative Agent telephonic notice by the required time of any continuation; provided each such notice shall be promptly confirmed in writing by delivery of the Continuation Notice to Administrative Agent on or before the applicable date of continuation. Neither Administrative Agent nor any Bank shall incur any liability to any Borrower in acting upon any telephonic notice referred to above that Administrative Agent believes in good faith to have been given by a duly Authorized Officer or other person authorized on behalf of a Borrower or for otherwise acting in good faith.

(c) In connection with LIBOR Loans, Euribor Loans and BA Loans there shall be no more than six (6) Interest Periods in the aggregate outstanding at any time. In the event a Borrower fails to specify an Interest Period for any LIBOR Loan, Euribor Loan or BA Loan in the applicable Continuation Notice, such Borrower shall be deemed to have selected an Interest Period of one month. As soon as practicable after 11:00 a.m. (London time) on each Interest Rate Determination Date, the Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the LIBOR Loans, the Euribor Loans or the BA Loans, as the case may be, for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to each Borrower and each Bank.

(d) Interest payable pursuant to Section 2.8(a) and any other interest, commission or fee accruing under a Credit Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice. For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid under a Credit Document or in connection therewith is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is

equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by (i) 360 days or (ii) 365 or 366 days, as applicable to such interest or fee pursuant to such Credit Document. The rates of interest hereunder are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation hereunder.

(e) Except as otherwise set forth herein, interest on each Term Loan shall be payable in arrears on and to (i) each Interest Payment Date applicable to that Term Loan; (ii) upon any prepayment of that Term Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) at maturity, including final maturity, and on the Term Loan Maturity Date.

(f) [Intentionally Omitted]

(g) [Intentionally Omitted]

(h) For purposes of disclosure pursuant to the Interest Act (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Credit Documents (and stated herein or therein, as applicable, to be computed on the basis of a three hundred sixty (360) day year or any other period of time less than a calendar year) are equivalent to the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by three hundred sixty (360) or such other period of time, respectively.

(i) If any provision of this Agreement or any other Credit Document would obligate Xerium Canada to make any payment of interest or other amount payable to (including for the account of) any Bank in an amount, or calculated at a rate, that would be prohibited by law or would result in a receipt by such Bank of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by such Bank of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (A) first, by reducing the amount or rate of interest required to be paid to such Bank; and (B) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Bank that would constitute interest for purposes of Section 347 of the Criminal Code (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if a Bank shall have received an amount in excess of the maximum amount permitted by that section of the Criminal Code (Canada), then Xerium Canada shall be entitled, by notice in writing to such Bank, to obtain reimbursement from such Bank in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by such Bank to Xerium Canada. Any amount or rate of interest referred to in this section with respect to the Non-US Obligations shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the Non-US Obligations remain outstanding on the assumption that any

charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Closing Date to the Term Loan Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Agent shall be conclusive for the purposes of such determination.

(j) Notwithstanding any provision to the contrary contained in this Agreement, in no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code, Revised Statutes of Canada, 1985, c. 46 as the same may be amended, replaced or re-enacted from time to time) payable under this Agreement exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under this Agreement lawfully permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake of Xerium Canada and the Banks and the amount of such payment or collection shall be refunded to Xerium Canada. For the purposes of this Agreement, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of the Xerium Canada Term Loan on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent will be conclusive for the purposes of such determination.

(k) Notwithstanding any other provisions contained herein, if the remuneration stated to be applicable under this Agreement would cause a breach of Law n. 108/1996 and Law n. 24/2001 ("**Italian Usury Law**"), then the remuneration payable by any Borrower organized under the laws of the Republic of Italy under this Agreement (including fees and expenses which would be considered as interest for the purpose of Italian Usury Law) shall be capped to the maximum rate permitted to be payable under Italian Usury Law.

2.9 **Continuation**. Subject to Section 2.18, each Borrower shall have the option upon the expiration of any Interest Period applicable to any LIBOR Loan, Euribor Loan or BA Loan, to continue all or any portion of such Term Loan equal to U.S. $5,000,000 (or its currency equivalent) (calculated as of the date which is the end of such Interest Period) and integral multiples of $250,000 (or its currency equivalent) (calculated as of the date which is the end of such Interest Period) in excess of that amount as a LIBOR Loan, Euribor Loan or BA Loan.

2.10 **Default Interest**. Upon the occurrence and during the continuation of an Event of Default, the principal amount of all Term Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Term Loans or any fees or other amounts owed hereunder, shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code, or other applicable bankruptcy or insolvency laws) payable upon demand at a rate that is 2% per annum in excess of the

interest rate otherwise payable under this Agreement with respect to the applicable Term Loans (or, in the case of any such fees and other amounts, at a rate which is 2% per annum in excess of the interest rate otherwise payable under this Agreement for Term Loans that are LIBOR Loans). Payment or acceptance of the increased rates of interest provided for in this Section 2.10 is not a permitted alternative to timely payment and shall not constitute a waiver of any Default or Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Bank. For the avoidance of doubt, the default interest provisions of this Section 2.10 shall not apply to the Xerium Canada Term Loans, so long as such tranche is secured by any real property located in the country of Canada.

2.11 **Fees**. Each Borrower agrees to pay to the Agents such fees in the amounts and at the times separately agreed upon.

2.12 **Scheduled Payments**. Each Borrower shall make principal payments on its respective Term Loans in installments in amounts as set forth below and on the dates set forth below:

Borrower:	**Xerium**	**XTI LLC**	**Germany Holdings**	**HW Austria**	**Xerium Italy**	**Xerium Canada**
Currency:	USD	Euro	Euro	Euro	Euro	CAD
Quarter Ended:[1]						
09/15/2010	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2010	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
03/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
03/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]

[1] 2.00% annual amortization on the Term Loans, with the balance paid on the Term Loan Maturity Date. Amounts and final payment date to be inserted prior to Closing Date, once the Closing Date is determined.

03/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
03/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
03/15/2015	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2015	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]

All scheduled payments required to be made pursuant to this Section 2.12 shall be applied in accordance with Section 2.15(d).

2.13 **Voluntary Prepayments**.

(a) Any time and from time to time with respect to LIBOR Loans, Euribor Loans and BA Loans, each Borrower may prepay any such Term Loans on any Business Day in whole or in part in an aggregate minimum principal amount of $1,000,000 (or its currency equivalent) and integral multiples of $250,000 (or its currency equivalent) in excess of that amount.

(b) All such prepayments shall be made upon not less than three (3) Business Days' prior written or telephonic notice in the case of LIBOR Loans, Euribor Loans and BA Loans, in each case given to the Administrative Agent by 12:00 p.m. (New York City time) on the date required and, if given by telephone, promptly confirmed in writing to the Administrative Agent (and the Administrative Agent will promptly transmit such telephonic or original notice by telefacsimile or telephone to each Bank). Upon the giving of any such notice, the principal amount of the Term Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.15(a).

2.14 **Mandatory Prepayments**.

(a) Asset Sales. Subject to the sharing provisions set forth in Section 4.1(b) of the Intercreditor Agreement, no later than the fifth Business Day following the date of receipt by Xerium or any of its Subsidiaries of aggregate Net Asset Sale Proceeds in excess of $250,000, each Borrower shall prepay the Term Loans as set forth in Section 2.15(b) in an amount of such Net Asset Sale Proceeds; provided that, subject to the sharing provisions set forth in Section 4.1(b) of the Intercreditor Agreement, with respect to the Australia Asset Sales and the Vietnam Asset Sales, each Borrower shall prepay the Term Loans in an aggregate amount equal to only 50% of such Net Asset Sale Proceeds; provided further, so long as no Default or Event of Default shall have occurred

and be continuing, the Borrowers shall have the option, directly or through one or more of its Subsidiaries, to invest up to $3,000,000 in the aggregate of Net Asset Sale Proceeds of Asset Sales (excluding Australia Asset Sales and Vietnam Asset Sales) consummated after the Closing Date, in one transaction or a series of transactions, within three hundred and sixty (360) days of receipt thereof in long term productive assets of the general type used in the business of Xerium and its Subsidiaries, which assets need not be of the same type as the assets sold or otherwise disposed of to generate such Net Asset Sale Proceeds; provided, further, pending any such investment all such Net Asset Sale Proceeds shall be deposited in the Cash Collateral Account.

(b) Insurance/Condemnation Proceeds. Subject to the sharing provisions set forth in Section 4.1(b) of the Intercreditor Agreement, no later than the second Business Day following the date of receipt by Xerium or any of its Subsidiaries, or Administrative Agent as loss payee, of any Net Insurance/Condemnation Proceeds (but not including the first $2,000,000 of Net Insurance/Condemnation Proceeds in the aggregate received after the Closing Date), each Borrower shall prepay the Term Loans as set forth in Section 2.15(b) in an aggregate amount equal to such Net Insurance/Condemnation Proceeds; provided, so long as no Default or Event of Default shall have occurred and be continuing, each Borrower shall have the option, directly or through one or more of its Subsidiaries to commit to invest within one hundred eighty (180) days and invest such Net Insurance/Condemnation Proceeds within three hundred sixty (360) days of receipt thereof in the acquisition of long term productive assets of the general type used in the business of Xerium and its Subsidiaries, which assets need not be the same as the assets lost or damaged and which Net Insurance/Condemnation Proceeds may, but need not, be invested in the repair, restoration or replacement of the applicable assets thereof; provided further, pending any such investment all such Net Insurance/Condemnation Proceeds, as the case may be, shall be deposited in the Cash Collateral Account.

(c) [Reserved]

(d) Issuance of Debt. No later than the second Business Day following the date of receipt by Xerium or any of its Subsidiaries of any Cash proceeds from the incurrence of any Indebtedness of Xerium or any of its Subsidiaries permitted pursuant to Section 6.1, each Borrower shall prepay the Term Loans as set forth in Section 2.15(b) in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses.

(e) Excess Cash. Subject to the sharing provisions of Section 4.1(b) of the Intercreditor Agreement in the event that there shall be Excess Cash for any Fiscal Year (commencing with Fiscal Year 2011), each Borrower shall, no later than 90 days after the end of such Fiscal Year, prepay the Term Loans as set forth in Section 2.15(b) in an aggregate amount equal to the remainder of (i) 50% of such Excess Cash for such Fiscal Year minus (ii) the amount of voluntary prepayments of the Term Loan during such Fiscal Year.

(f) Prepayment Certificate. Concurrently with any prepayment of the Term Loans pursuant to Sections 2.14(a) through 2.14(e), each Borrower shall deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds or Excess Cash, as the case may be; provided, if such officer's certificate is subsequently determined to be inaccurate, such Authorized Officer (or such Authorized Officer's successor) must deliver a new certificate setting forth in detail the adjustments necessary to make the prior certificate accurate in all respects. In the event that a Borrower shall subsequently determine that the actual amount exceeded the amount set forth in such certificate, each Borrower shall promptly make an additional prepayment of the Term Loans in an amount equal to such excess, and such Borrower shall concurrently therewith deliver to Administrative Agent the certificate as set forth above in this Section 2.14(f).

(g) Notification of Mandatory Prepayment. Xerium shall notify the Administrative Agent of the amount and date of any mandatory prepayment not less than five (5) Business Days prior to the date of such mandatory prepayment, in accordance with Section 2.15(c).

2.15 **Application of Prepayments/Reductions/Scheduled Payments.**

(a) Application of Voluntary Prepayments. Any prepayment of any Term Loan pursuant to Section 2.13 shall be applied to prepay the Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof).

(b) Application of Mandatory Prepayments. Any amount required to be paid pursuant to Sections 2.14(a) through 2.14(e) shall be applied to prepay the Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof).

(c) Waivable Mandatory Prepayment. Anything contained herein to the contrary notwithstanding, so long as any Term Loans are outstanding, in the event a Borrower is required to make any mandatory prepayment (a "**Waivable Mandatory Prepayment**") of the Term Loans, not less than five (5) Business Days prior to the date (the "**Required Prepayment Date**") on which such Borrower is required to make such Waivable Mandatory Prepayment, such Borrower shall notify Administrative Agent of the amount and date of such prepayment, and Administrative Agent will promptly thereafter notify each Bank of the amount of such Bank's Pro Rata Share of such Waivable Mandatory Prepayment and such Bank's option to refuse such amount. Each such Bank may exercise such option by giving written notice to such Borrower and Administrative Agent of its election to do so on or before the first Business Day prior to the Required Prepayment Date (it being understood that any Bank which does not notify such Borrower and Administrative Agent of its election to exercise such option on or before the first Business Day prior to the Required Prepayment Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, such Borrower shall pay to Administrative Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied in accordance with

Section 2.15(b) (except prepayments of the Term Loans shall only be applied to the Term Loans of such Banks that have elected not to exercise such option).

(d) Application of Scheduled Payments. Any amount required to be paid pursuant to Section 2.12 shall be applied to pay the applicable Term Loans, on a pro rata basis (in accordance with the respective outstanding principal amounts thereof.

2.16 **General Provisions Regarding Payments**.

(a) Except as otherwise provided in Section 2.20, all payments by each Borrower of principal, interest, fees and other Obligations shall be made in same day funds, without defense, setoff or counterclaim, free of any restriction or condition, and delivered to the Administrative Agent not later than 12:00 p.m. (New York City time) on the date due at the Administrative Agent's Principal Office for the account of the Banks; funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by such Borrower on the next succeeding Business Day.

(b) All payments in respect of the principal amount of any Term Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid.

(c) The Administrative Agent shall promptly distribute to each Bank at such address as such Bank shall indicate in writing, such Bank's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due thereto, including, without limitation, all fees payable with respect thereto, to the extent received by the Administrative Agent.

(d) Subject to the provisos set forth in the definition of "Interest Period", whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder.

(e) Each Borrower hereby authorizes the Administrative Agent to charge such Borrower's accounts with the Administrative Agent in order to cause timely payment to be made to the Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

(f) The Administrative Agent shall deem any payment by or on behalf of each Borrower hereunder that is not made in same day funds prior to 12:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. The Administrative Agent shall give prompt telephonic notice to such Borrower and each applicable Bank (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in

accordance with the terms of Section 8.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate determined pursuant to Section 2.10 from the date such amount was due and payable until the date such amount is paid in full.

(g) If an Event of Default shall have occurred and not otherwise been waived, and the maturity of the Obligations shall have been accelerated pursuant to Section 8.1, all payments or proceeds received by any Agents hereunder in respect of any of the Obligations (except as expressly provided elsewhere in a Credit Document), shall be forwarded to the Administrative Agent and applied in full or in part by the Administrative Agent against, the Obligations in the following order of priority: first, to the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to the Administrative Agent and Collateral Agent and their agents and counsel, and all other expenses, liabilities and advances made or incurred by the Administrative Agent or Collateral Agent in connection therewith, and all amounts for which the Administrative Agent or Collateral Agent is entitled to indemnification hereunder (each in its capacity as the Administrative Agent or Collateral Agent, and not as a Bank) and all advances made by the Administrative Agent or Collateral Agent hereunder for the account of the applicable Credit Party, and to the payment of all costs and expenses paid or incurred by the Administrative Agent or Collateral Agent in connection with the exercise of any right or remedy hereunder or under any Credit Document, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Obligations for the ratable benefit of the Banks and the Bank Counterparties; and third, to the extent of any excess of such proceeds, to the payment to or upon the order of such Credit Party or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(h) Currency of account:

(i) Subject to paragraphs (ii) through (v) below, the Base Currency is the currency of account and payment for any sum due from any Credit Party under any Credit Document.

(ii) A repayment of any Obligation or a part of any Obligation shall be made in the currency in which such Obligation is denominated on its due date.

(iii) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(iv) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(v) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

(i) Change of currency:

(i) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, then:

(A) any reference in the Credit Documents to, and any Obligations arising under the Credit Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Administrative Agent (after consultation with Xerium); and

(B) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Administrative Agent (acting reasonably).

(ii) If a change in any currency of a country occurs, this Agreement will, to the extent the Administrative Agent (acting reasonably and after consultation with Xerium) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

2.17 **Ratable Sharing**. The Banks hereby agree among themselves that if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Term Loans made and applied in accordance with the terms hereof), through the exercise of any right of set off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Bank hereunder or under the other Credit Documents (collectively, the "**Aggregate Amounts Due**" to such Bank) which is greater than the proportion received by any other Bank in respect of the Aggregate Amounts Due to such other Bank, then the Bank receiving such proportionately greater payment shall (a) notify the Administrative Agent and each other Bank of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Banks so that all such recoveries of Aggregate Amounts Due shall be shared by all Banks in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such purchasing Bank is thereafter recovered from such Bank upon the bankruptcy or reorganization of such Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Bank ratably 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 so purchased may exercise any

and all rights of banker's lien, set off or counterclaim with respect to any and all monies owing by each Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

2.18 **Making or Maintaining LIBOR Loans, Euribor Loans or BA Loans**

(a) Inability to Determine Applicable Interest Rate. In the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any LIBOR Loans or Euribor Loans, as the case may be, that by reasons of circumstances affecting the Relevant Interbank Market adequate and fair means do not exist for ascertaining the interest rate applicable to such Term Loans on the basis provided for in the definition of LIBOR Rate or Euribor Rate, as applicable, the Administrative Agent shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to such Borrower and each Bank of such determination, whereupon (i) no Term Loans may be converted to such affected LIBOR Loans or Euribor Loans until such time as the Administrative Agent notifies such Borrower and Banks that the circumstances giving rise to such notice no longer exist, (ii) any Continuation Notice given by a Borrower with respect to the Term Loans in respect of which such determination was made shall be deemed to be rescinded by such Borrower and (iii) the interest rate applicable to such Term Loans shall be determined by substituting the Replacement Rate for the LIBOR Rate or Euribor Rate, as applicable, until such time as the Administrative Agent notifies such Borrower and Banks that the circumstances giving rise to such notice no longer exist.

(b) Illegality or Impracticability of LIBOR Loans or Euribor Loans. In the event that on any date any Bank shall have determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with such Borrower and the Administrative Agent) that the maintaining or continuation of all or any of its Term Loans, (i) has become unlawful as a result of compliance by such Bank in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) has become impracticable, as a result of contingencies occurring after the date hereof which materially and adversely affect the Relevant Interbank Market or the position of such Bank in that market, then, and in any such event, such Bank shall be an "**Affected Bank**" and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to each Borrower and the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each other Bank). Thereafter (1) the obligation of the Affected Bank to convert Term Loans to, or continue Term Loans as, LIBOR Loans or Euribor Loans, as the case may be, shall be suspended until such notice shall be withdrawn by the Affected Bank, (2) the Affected Bank's obligation to maintain its outstanding LIBOR Loans or Euribor Loans (the "**Affected Loans**") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (3) the interest rate applicable to such Affected Loans shall be

determined by substituting the Replacement Rate for the LIBOR Rate or Euribor Rate, as applicable, provided the Affected Bank shall make commercially reasonable efforts to assign the Affected Loans according to Section 10.6. Notwithstanding the foregoing, a Borrower shall have the option, subject to the provisions of Section 2.18(c), to rescind such Continuation Notice as to all Banks by giving notice (by telefacsimile or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Affected Bank gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to each other Bank). Except as provided in the immediately preceding sentence, nothing in this Section 2.18(b) shall affect the obligation of any Bank other than an Affected Bank to maintain Term Loans as, or to convert Term Loans to, LIBOR Loans or Euribor Loans in accordance with the terms hereof.

(c) Compensation for Breakage or Non-Commencement of Interest Periods. Each Borrower shall compensate each Bank, upon written request by such Bank to the Administrative Agent within five (5) Business Days after the applicable event (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid by such Bank to banks of funds borrowed by it to make or carry its LIBOR Loans, Euribor Loans or BA Loans and any loss, expense or liability sustained by such Bank in connection with the liquidation or reemployment of such funds but excluding loss of anticipated profits) which such Bank may sustain: (i) if for any reason (other than a default by such Bank) a continuation of any LIBOR Loans, Euribor Loans or BA Loans does not occur on a date specified therefor in a Continuation Notice or a telephonic request for continuation; (ii) if any prepayment or other principal payment of any of its LIBOR Loans, Euribor Loans or BA Loans occurs on a date prior to the last day of an Interest Period applicable to that Term Loan (including, without limitation, pursuant to Section 2.18(b) hereof); or (iii) if any prepayment of any of its LIBOR Loans, Euribor Loans or BA Loans is not made on any date specified in a notice of prepayment given by such Borrower.

(d) Booking of LIBOR Loans, Euribor Loans or BA Loans. Any Bank may make, carry or transfer LIBOR Loans, Euribor Loans or BA Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Bank.

(e) Assumptions Concerning Funding of LIBOR Loans or Euribor Loans. Calculation of all amounts payable to a Bank under this Section 2.18 and under Section 2.19 shall be made as though such Bank had actually funded each of its relevant LIBOR Loans or Euribor Loans through the purchase of a LIBOR or Euribor deposit bearing interest at the rate in an amount equal to the amount of such LIBOR Loan or Euribor Loan and having a maturity comparable to the relevant Interest Period and through the transfer of such LIBOR or Euribor deposit from an offshore office of such Bank to a domestic office of such Bank in the United States of America; provided, however, each Bank may fund each of its LIBOR Loans or Euribor Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 2.18 and under Section 2.19.

2.19 **Increased Costs; Capital Adequacy**.

(a) Compensation For Increased Costs and Taxes. Subject to the provisions of Section 2.20 (which shall be controlling with respect to the matters covered thereby), in the event that any Bank shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that becomes effective after the date hereof, or compliance by such Bank with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi governmental authority (whether or not having the force of law): (i) subjects such Bank (or its applicable lending office) to any additional Tax (other than (A) any Tax on the overall net income of such Bank or its applicable lending office or (B) any Tax imposed as a result of the Administrative Agent's or any Bank's (including the Issuing Bank's) failure to satisfy the applicable requirements as set forth in any statute enacted (or regulation or administrative guidance promulgated thereunder) after the date hereof that is based on, or similar to, Subtitle A - Foreign Account Tax Compliance of H.R. 2847, as passed by the United States House of Representatives on March 4, 2010 ((A) and (B), collectively, "**Excluded Taxes**")) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Bank (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Bank (other than any such reserve or other requirements with respect to LIBOR Loans, Euribor Loans or BA Loans); or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Bank (or its applicable lending office) or its obligations hereunder or the Relevant Interbank Market; and the result of any of the foregoing is to increase the cost to such Bank of maintaining Term Loans hereunder or to reduce any amount received or receivable by such Bank (or its applicable lending office) with respect thereto; then, in any such case, such Borrower shall promptly pay to such Bank, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Bank in its sole discretion shall determine) as may be necessary to compensate such Bank for any such increased cost or reduction in amounts received or receivable hereunder. Such Bank shall deliver to such Borrower (with a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Bank under this Section 2.19(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy Adjustment. In the event that any Bank shall have determined that the adoption, effectiveness, phase in or applicability after the Closing

Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its applicable lending office) with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Bank or any corporation controlling such Bank as a consequence of, or with reference to, such Bank's Term Loans, or participations therein or other obligations hereunder with respect to the Term Loans to a level below that which such Bank or such controlling corporation could have achieved but for such adoption, effectiveness, phase in, applicability, change or compliance (taking into consideration the policies of such Bank or such controlling corporation with regard to capital adequacy), then from time to time, within five Business Days after receipt by such Borrower from such Bank of the statement referred to in the next sentence, such Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank or such controlling corporation on an after tax basis for such reduction. Such Bank shall deliver to such Borrower (with a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Bank under this Section 2.19(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

2.20 **Taxes; Withholding, etc.**

(a) Payments to Be Free and Clear. All sums payable by any Credit Party hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax (other than any Excluded Taxes) imposed, levied, collected, withheld or assessed by or within the United States of America or any political subdivision in or of the United States of America or any other jurisdiction from or to which a payment is made by or on behalf of any Credit Party or by any federation or organization of which the United States of America or any such jurisdiction is a member at the time of payment (such Taxes, "**Indemnified Taxes**").

(b) Withholding of Taxes. If any Credit Party or any other Person is required by law to make any deduction or withholding on account of any Tax from any sum paid or payable by any Credit Party to the Administrative Agent or any Bank under any of the Credit Documents: (i) each Borrower shall notify the Administrative Agent of any such requirement or any change in any such requirement as soon as each Borrower becomes aware of it; (ii) each Borrower shall pay to the appropriate taxing or other authority any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is imposed on the Administrative Agent or such Bank, as the case may be) on behalf of and in the name of the Administrative Agent or such Bank; (iii) the sum payable by such Credit Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the

making of that deduction, withholding or payment, (including deductions, withholdings or payments applicable to additional sums payable under this Section 2.20(b)) the Administrative Agent or such Bank, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made in respect of Indemnified Taxes; and (iv) within thirty days after paying any sum from which it is required by law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (ii) above to pay, each Credit Party shall deliver to the Administrative Agent evidence satisfactory to the other affected parties of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority. Each Credit Party shall indemnify the Administrative Agent and each Bank within 10 days after written demand therefor, which demand shall identify in reasonable detail the nature and amount of such Indemnified Taxes (and provide such other evidence thereof as has been received by the Administrative Agent or such Bank, as the case may be), for the full amount of any Indemnified Taxes paid by the Administrative Agent or such Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Credit Party hereunder and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Credit Party by a Bank, or by the Administrative Agent on its own behalf or on behalf of a Bank, shall be conclusive absent manifest error.

(c) Evidence of Exemption From U.S. Withholding Tax. Each Bank that is not a United States Person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a "**Non-US Bank**") shall deliver to the Administrative Agent for transmission to Xerium, on or prior to the Closing Date (in the case of each Bank listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Bank (in the case of each other Bank), and at such other times as may be necessary in the determination of Xerium or the Administrative Agent (each in the reasonable exercise of its discretion), (i) two original copies of Internal Revenue Service Form W-8BEN or W-8ECI (or any successor forms), properly completed and duly executed by such Bank, and such other documentation required under the Internal Revenue Code and reasonably requested by Xerium to establish that such Bank is not subject to deduction or withholding of United States federal income tax with respect to any payments to such Bank of principal, interest, fees or other amounts payable under any of the Credit Documents, or (ii) if such Bank is not a "bank" or other Person described in Section 881(c)(3) of the Internal Revenue Code and cannot deliver Internal Revenue Service Form W-8ECI pursuant to clause (i) above, a Certificate re Non-Bank Status together with two original copies of Internal Revenue Service Form W-8BEN (or any successor form), properly completed and duly executed by such Bank, and such other documentation required under the Internal Revenue Code and reasonably requested by each Borrower to establish that such Bank is not subject to deduction or withholding of United States federal income tax with respect to any payments to such Bank of principal, interest, fees or other amounts payable under any of the Credit Documents. Each Bank

that is a United States Person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a "**US Bank**") shall deliver to the Administrative Agent for transmission to Xerium, on or prior to the Closing Date (in the case of each Bank listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Bank (in the case of each other Bank), and at such times as may be necessary in the determination of Xerium or the Administrative Agent (each in the reasonable exercise of its discretion), such other form or forms, certificates or documentation, including two original copies of Internal Revenue Service Form W-9, as reasonably requested by any Borrower to confirm or establish that such Bank is not subject to deduction, withholding, or backup withholding of United States federal income tax with respect to any payments to such Bank of principal, interest, fees or other amounts payable under any of the Credit Documents. Each Bank required to deliver any forms, certificates or other evidence with respect to United States federal income tax withholding matters pursuant to this Section 2.20(c) hereby agrees, from time to time after the initial delivery by such Bank of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that such Bank shall promptly deliver to the Administrative Agent for transmission to each Borrower two new original copies of Internal Revenue Service Form W-8BEN or W-8ECI, or a Certificate re Non-Bank Status and two original copies of Internal Revenue Service Form W-8BEN (or any successor form), or two new original copies of Internal Revenue Service Form W-9, as the case may be, properly completed and duly executed by such Bank, and such other documentation required under the Internal Revenue Code and reasonably requested by any Borrower to confirm or establish that such Bank is not subject to deduction or withholding of United States federal income tax with respect to payments to such Bank under the Credit Documents, or notify the Administrative Agent and each Borrower of its inability to deliver any such forms, certificates or other evidence. Each Borrower shall not be required to pay any additional amount to any Non-US Bank under Section 2.20(b) if such Bank shall have failed (1) to deliver the forms, certificates or other evidence referred to in the first three sentences of this Section 2.20(c), or (2) to notify the Administrative Agent and each Borrower of its inability to deliver any such forms, certificates or other evidence, as the case may be; provided, if such Bank shall have satisfied the requirements of the first sentence of this Section 2.20(c) on the Closing Date or on the date of the Assignment Agreement pursuant to which it became a Bank, as applicable, nothing in this last sentence of Section 2.20(c) shall relieve each Borrower of its obligation to pay any additional amounts pursuant to this Section 2.20 in the event that, as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, such Bank is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Bank is not subject to withholding as described herein.

(d) Withholding or Deduction for or on Account of Non-US Tax. A Credit Party shall not be required to pay any additional amount under Section 2.20(b) if, on the date on which the payment falls due (i) the payment could have been made to the relevant Bank without deduction or withholding for or on account of any Tax imposed by any

jurisdiction other than the United States ("**Non-US Tax**") if that Bank was a Qualifying Lender but on that date that Bank is not or has ceased to be a Qualifying Lender (other than where such Bank was a Qualifying Lender on the Closing Date or on the date of the Assignment Agreement pursuant to which it became a Bank, as applicable, and has ceased to be a Qualifying Lender as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof); (ii) the relevant Bank is a Treaty Lender and the payment could have been made to the Bank without deduction or withholding for or on account of Non-US Tax had that Bank complied with its obligations under Section 2.20(e) below; or (iii) the relevant Bank is a 991 Bank and has not given a Tax Confirmation to the Administrative Agent (other than by reason of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof after the Closing Date or the date of the Assignment Agreement pursuant to which the relevant Bank became a Bank, as applicable). The provisions of this Section 2.20(d) are subject always to the proviso contained in Section 2.20(c) above.

(e) Completion of Procedural Formalities. A Treaty Lender and each Credit Party which makes a payment to which that Treaty Lender is entitled shall co-operate in completing as soon as reasonably practicable after the Closing Date (or the date of the Assignment Agreement pursuant to which the relevant Bank becomes a Bank, as applicable) any procedural formalities necessary for that Credit Party to obtain authorization to make that payment without deduction or withholding for or on account of Non-US Tax (including for the avoidance of doubt the completion and submission to the Tax authority in the relevant Treaty Lender's country of incorporation (or, if different, its country of residence for the purposes of the relevant double taxation agreement) of appropriate forms and documents that are provided to it by the relevant Credit Party).

(f) Change in Circumstance. A Bank that is a 991 Bank shall promptly notify the Administrative Agent if there is any change in the position from that set out in the Tax Confirmation.

(g) Certain Documents. If any Tax was not correctly or legally asserted, the relevant Bank(s) shall, upon Xerium's reasonable request and at the expense of Xerium, provide such documents to Xerium to enable Xerium to contest such Tax pursuant to appropriate proceedings then available to the relevant Bank(s) (so long as providing such documents shall not, in the good faith determination of the relevant Bank(s) result in any liability to the relevant Bank(s) and doing so is otherwise permitted under applicable law as determined by the relevant Bank(s)).

(h) Withholdings for Certain German Taxes. The provisions of Section 2.20(a) through (g) shall, in addition to all other deductions and withholdings on account of any German Taxes, also apply to deductions and withholdings that are to be made by a Credit Party with respect to any sums payable under the Credit Documents that constitute deemed distributions by a Credit Party. As among the Credit Parties on the one hand and the Administrative Agent and the Banks on the other hand, the Credit

Parties shall be responsible for, and effect, the payment of these deductions and withholdings and indemnify the Administrative Agent and the Banks against any sums paid or damages incurred as a result of being required to make the respective payments; Section 2.20(b) shall in such event apply, *mutatis mutandis*.

2.21 **Obligation to Mitigate**. Each Bank agrees that, as promptly as practicable after the officer of such Bank responsible for administering its Term Loans becomes aware of the occurrence of an event or the existence of a condition that would cause such Bank to become an Affected Bank or that would entitle such Bank to receive payments under Sections 2.18, 2.19 or 2.20, it will, to the extent not inconsistent with the internal policies of such Bank and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Term Loans, including any Affected Loans, through another office of such Bank, or (b) take such other measures as such Bank may deem reasonable, if as a result thereof the circumstances which would cause such Bank to be an Affected Bank would cease to exist or the additional amounts which would otherwise be required to be paid to such Bank pursuant to Section 2.18, 2.19 or 2.20 would be materially reduced and if, as determined by such Bank in its sole discretion, the maintaining of such Term Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Term Loans or the interests of such Bank; provided, such Bank will not be obligated to utilize such other office pursuant to this Section 2.21 unless each Borrower agrees to pay all incremental expenses incurred by such Bank as a result of utilizing such other office as described in clause (a) above. A certificate as to the amount of any such expenses payable by each Borrower pursuant to this Section 2.21 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Bank to such Borrower (with a copy to the Administrative Agent) shall be conclusive absent manifest error.

2.22 **Tax Credit**. If a Credit Party pays any additional amount under Section 2.20(b) and the relevant Bank (or the Administrative Agent, as the case may be) determines in its sole discretion that (a) a Tax Credit is attributable either to an increased payment of which that additional amount forms part, or to that additional amount and (b) that Bank (or the Administrative Agent, as the case may be) has obtained, utilized and retained that Tax Credit, the Bank (or the Administrative Agent, as the case may be) shall, to the extent that it can do so without prejudice to the retention of the Tax Credit, pay an amount to the Credit Party which that Credit Party determines in its absolute discretion but in good faith will leave it (after that payment) in the same after-Tax position as it would have been in had the additional amount not been required to be paid by the Credit Party. Nothing herein contained shall interfere with the right of any Bank (or the Administrative Agent, as the case may be) to arrange its affairs in whatever manner it thinks fit and, in particular, no Bank (or the Administrative Agent, as the case may be) shall be under any obligation to claim a Tax Credit on its corporate profits or otherwise, or to claim such relief in priority to any other claims, reliefs, credits or deductions available to it or to disclose details of its affairs. Any amount to be paid by a bank pursuant to this Section 2.22 shall be made promptly on the date of receipt of the relevant Tax Credit by such Bank(or the Administrative Agent, as the case may be) or, if

later, on the last date on which the applicable taxation authority would be able in accordance with applicable law to reclaim or reduce such Tax Credit.

2.23 [Intentionally Omitted]

2.24 **Removal or Replacement of a Bank**. Anything contained herein to the contrary notwithstanding, in the event that: (a)(i) any Bank (an "**Increased Cost Bank**") shall give notice to each Borrower that such Bank is an Affected Bank or that such Bank is entitled to receive payments under Section 2.18, 2.19 or 2.20, (ii) the circumstances which have caused such Bank to be an Affected Bank or which entitle such Bank to receive such payments shall remain in effect, and (iii) such Bank shall fail to withdraw such notice within five Business Days after a Borrower's request for such withdrawal; or (b) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 10.6(b), the consent of Requisite Banks shall have been obtained but the consent of one or more of such other Banks (each a "**Non-Consenting Bank**") whose consent is required shall not have been obtained; then, with respect to each such Increased Cost Bank or Non-Consenting Bank (the "**Terminated Bank**"), a Borrower may, by giving written notice to Administrative Agent and any Terminated Bank of its election to do so, elect to cause such Terminated Bank (and such Terminated Bank hereby irrevocably agrees) to assign its outstanding Term Loans in full to one or more Eligible Assignees (each a "**Replacement Bank**") in accordance with the provisions of Section 10.6 and Xerium shall pay any fees payable thereunder in connection with such assignment; provided, (1) on the date of such assignment, the Replacement Bank shall pay to the Terminated Bank an amount equal to the principal of, and all accrued interest on, all outstanding Term Loans of the Terminated Bank; (2) on the date of such assignment, each Borrower shall pay any amounts payable to such Terminated Bank pursuant to Section 2.18(c), 2.19 or 2.20 or otherwise as if it were a prepayment; and (3) in the event such Terminated Bank is a Non-Consenting Bank, each Replacement Bank shall consent, at the time of such assignment, to each matter in respect of which such Terminated Bank was a Non-Consenting Bank. Upon the prepayment of all amounts owing to any Terminated Bank, such Terminated Bank shall no longer constitute a "Bank" for purposes hereof; provided, any rights of such Terminated Bank to indemnification hereunder shall survive as to such Terminated Bank.

2.25 **Joint and Several Liability**.

(a) Joint and Several Liability. All Obligations of the Borrowers under this Agreement and the other Credit Documents shall be joint and several Obligations of each Borrower to the extent (i) legally permissible and (ii) local restrictions apply and provided that, without prejudice to the limitations set forth in Section 7.14, none of Italia SpA, Huyck Austria, Xerium Canada, Germany Holdings or any Non-US Guarantor shall be liable for any Obligations of any Borrower organized in the United States. Anything contained in this Agreement and the other Credit Documents to the contrary notwithstanding, the Obligations of each Borrower hereunder shall be limited to a maximum aggregate amount equal to the largest amount that would not render its

Obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under §548 of the Bankruptcy Code, 11 U.S.C. § 548, or any applicable provisions of comparable law of a Governmental Authority (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of intercompany Indebtedness to any other Credit Party or Affiliates of any other Credit Party to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Credit Party hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of such Borrower pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such Borrower and other Affiliates of any Credit Party of Obligations arising under Guaranties by such parties.

(b) Subrogation. Until the Obligations shall have been paid in full in Cash, each Borrower shall withhold exercise of any right of subrogation, contribution or any other right to enforce any remedy which it now has or may hereafter have against any other Borrower or any other guarantor of the Obligations. Each Borrower further agrees that, to the extent the waiver of its rights of subrogation, contribution and remedies as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any such rights such Borrower may have against any other Borrower, any collateral or security or any such other guarantor, shall be junior and subordinate to any rights Collateral Agent may have against any such other Borrower, any such collateral or security, and any such other guarantor. The Borrowers under this Agreement and the other Credit Documents together desire to allocate among themselves, in a fair and equitable manner, their Obligations arising under this Agreement and the other Credit Documents. Accordingly, in the event any payment or distribution is made on any date by any Borrower under this Agreement and the other Credit Documents (a "**Funding Borrower**") that exceeds its Obligation Fair Share (as defined below) as of such date, that Funding Borrower shall be entitled to a contribution from each of the other Borrowers in the amount of such other Borrowers' Obligation Fair Share Shortfall (as defined below) as of such date, with the result that all such contributions will cause each Borrowers' Obligation Aggregate Payments (as defined below) to equal its Obligation Fair Share as of such date. "**Obligation Fair Share**" means, with respect to a Borrower as of any date of determination, an amount equal to (i) the ratio of (X) the Obligation Fair Share Contribution Amount (as defined below) with respect to such Borrower to (Y) the aggregate of the Obligation Fair Share Contribution Amounts with respect to all the Borrowers, multiplied by (ii) the aggregate amount paid or distributed on or before such date by all Funding Borrowers under this Agreement and the other Credit Documents in respect of the Obligations guarantied. "**Obligation Fair Share Shortfall**" means, with respect to a Borrower as of any date of determination, the excess, if any, of the Obligation Fair Share of such Borrower over the Obligation Aggregate Payments of such Borrower. "**Obligation Fair Share Contribution Amount**" means, with respect to a Borrower as of any date of determination, the maximum aggregate amount of the Obligations of such Borrower under this Agreement and the other Credit Documents that would not render its Obligations hereunder or thereunder subject to avoidance as a

fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided that, solely for purposes of calculating the "Obligation Fair Share Contribution Amount" with respect to any Borrower for purposes of this Section 2.25, any assets or liabilities of such Credit Party arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or Obligations of contribution hereunder shall not be considered as assets or liabilities of such Borrower. "**Obligation Aggregate Payments**" means, with respect to a Borrower as of any date of determination, an amount equal to (i) the aggregate amount of all payments and distributions made on or before such date by such Borrower in respect of this Agreement and the other Credit Documents (including in respect of this Section 2.25) minus (ii) the aggregate amount of all payments received on or before such date by such Borrower from the other Borrowers as contributions under this Section 2.25. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Borrower. The allocation among the Borrowers of their Obligations as set forth in this Section 2.25 shall not be construed in any way to limit the liability of any Borrower hereunder or under any other Credit Document. Nothing contained in this Section 2.25(b) shall be of prejudice to any more favorable provisions applicable to Italia SpA, Huyck Austria, Xerium Canada, Germany Holdings or any non-US Guarantor pursuant to Section 7.6.

(c) Parallel Debt and Collateral Agent. Notwithstanding anything to the contrary in any Credit Document, each of the Borrowers and Guarantors and each of the Secured Parties agree that the Collateral Agent shall be the joint and several creditor (together with the relevant Secured Party) of each and every obligation of any Borrower or Guarantor towards each of the Secured Parties (other than the Collateral Agent) under the Credit Documents, and that accordingly the Collateral Agent will have its own independent right to demand performance by the relevant Borrower or Guarantor of such obligations. However, any discharge of any such obligation to one of the Collateral Agent or any Secured Party (other than the Collateral Agent) shall, to that extent, discharge the corresponding obligation owing to the other. Nothing in this Agreement or in any other Credit Document shall in any way limit the Collateral Agent's right to enforce, protect and preserve all of its rights under each Collateral Document as contemplated by this Agreement or the relevant Collateral Document (or to perform any act reasonably incidental to any of the foregoing).

2.26 [Intentionally Omitted]

2.27 **Term Loans to Non-US Borrowers**. Each Bank may, at its option, maintain any Term Loan owing by any Non-US Borrower by causing any foreign or domestic branch or Affiliate of such Bank to maintain such Term Loan; provided that any exercise of such option shall not affect the obligation of such Non-US Borrower to repay such Term Loan in accordance with the terms of this Agreement.

2.28 **Intercreditor Agreement**. Each Bank hereby authorizes and directs the Administrative Agent and the Collateral Agent to enter into the Intercreditor Agreement on its behalf and hereby approves and agrees to be bound by the terms of the Intercreditor

Agreement (including the subordination of the Collateral Agent's Liens on the Collateral to the extent provided in the Intercreditor Agreement). Notwithstanding anything to the contrary herein, in the case of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall govern. The Banks acknowledge that the First Lien Obligations are secured by the Collateral, subject to the Intercreditor Agreement.

2.29 **No Requirement of Bank Signatures**. Each Bank listed on Schedule 2.29 shall be a party hereto in accordance with the Plan of Reorganization and, pursuant to the Plan of Reorganization, is bound hereby without the requirement of any Bank to execute a signature page hereto.

SECTION 3. CONDITIONS PRECEDENT

3.1 **Conditions to Closing Date and Effectiveness**. The agreement of each Bank to accept the Term Loans owing to it under the terms of this Agreement is subject to the satisfaction, prior to the Closing Date, of the following conditions precedent:

(a) Credit Documents. The Administrative Agent shall have received sufficient copies of each Credit Document to be executed by the appropriate Credit Party on the Closing Date and delivered by each applicable Credit Party for each Bank (which may be delivered by facsimile or other electronic means for the purposes of satisfying this Section 3.1(a) on the Closing Date, with signed originals to be delivered promptly thereafter) and such Credit Documents shall be in form and substance satisfactory to the Borrowers and their counsel and the Administrative Agent and its counsel.

(b) Organizational Documents; Incumbency. The Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent: (i) a copy of each Organizational Document of each Credit Party, as applicable, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, each dated the Closing Date or a recent date prior thereto; (ii) signature and incumbency certificates of the officers of such Credit Party executing the Credit Documents to which it is a party; (iii) resolutions of the board of directors or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; (iv) resolution of the shareholder(s) of the Australian Obligor and Guarantors incorporated in the United Kingdom approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment and (v) to the extent applicable, a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation, each dated a recent date prior to the Closing

Date. For Credit Parties organized, incorporated or formed outside of the United States, delivery of a Formalities Certificate shall suffice to satisfy this Section 3.1(b).

(c) Closing Date Certificate. The Administrative Agent shall have received a Closing Date Certificate, dated the Closing Date and signed by an Authorized Officer of Xerium.

(d) No Liabilities. Neither Xerium nor any of its Subsidiaries has any contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not reflected in the audited financial statements delivered pursuant to Section 3.1(l) for Fiscal Year 2009 or the notes thereto (other than as contemplated by the Plan of Reorganization) and which in any such case is material in relation to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Xerium and any of its Subsidiaries taken as a whole.

(e) Organizational and Capital Structure. The organizational structure and capital structure of Xerium and its Subsidiaries, after giving effect to the Recapitalization, shall be as set forth in the Plan of Reorganization and Disclosure Statement, provided that any changes to such Plan of Reorganization and Disclosure Statement which are adverse to the Banks shall be acceptable to the Banks.

(f) Confirmation Order; Plan of Reorganization. The Confirmation Order shall be in full force and effect and shall not have been reversed or modified, stayed, subject to a motion to stay or subject to appeal or petition for review, rehearing or certiorari, (ii) the Administrative Agent shall have received a copy of the Confirmation Order, certified as true, correct and complete by the clerk of the Bankruptcy Court, (iii) the Confirmation Order and the Plan of Reorganization shall each be in full force and effect and shall be in form and substance reasonably satisfactory to the Administrative Agent, (iv) all documents executed in connection with the implementation of the Plan of Reorganization shall be in accordance with the Plan of Reorganization and, if so required thereunder, shall be in form and substance reasonably satisfactory to the Administrative Agent, (v) all motions and proposed orders to be filed with the Bankruptcy Court in connection with this Agreement and the Plan of Reorganization shall be in form and substance reasonably satisfactory to the Administrative Agent and (vi) all conditions precedent to the effectiveness of the Plan of Reorganization shall have been satisfied or waived by the Administrative Agent, and the Effective Date and substantial consummation of the Plan of Reorganization shall have occurred.

(g) Roll-Up of DIP Facility. The loans, letters of credit and commitments under the DIP Facility shall have been continued and rolled into the First Lien Credit Agreement.

(h) First Lien Credit Agreement. (i) The terms of the First Lien Credit Agreement shall be reasonably satisfactory to the Administrative Agent, and (ii) the Administrative Agent shall have received reasonably satisfactory evidence that the conditions to the effectiveness of the First Lien Credit Agreement shall have been satisfied or waived in accordance with its terms.

(i) Governmental Authorizations and Consents. Each Credit Party shall have obtained all material necessary Governmental Authorizations and all consents of other Persons (including any necessary approvals of the Bankruptcy Court or otherwise in connection with the Recapitalization), in each case that are necessary in connection with the transactions contemplated by the Credit Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(j) Real Estate Assets. In order to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected security interest in certain Real Estate Assets, the Collateral Agent shall have received from each applicable Borrower and each applicable Guarantor:

(i) fully executed and notarized Mortgages, in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering each Real Estate Asset listed in Schedule 3.1(j) (each, a "**Closing Date Mortgaged Property**");

(ii) an opinion of counsel (which counsel shall be reasonably satisfactory to the Collateral Agent) in each state in which a Closing Date Mortgaged Property is located with respect to the enforceability of the form(s) of Mortgages to be recorded in such state and such other matters as the Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Collateral Agent;

(iii) (a) ALTA mortgagee title insurance policies or unconditional commitments therefor issued by one or more title companies reasonably satisfactory to the Collateral Agent with respect to each Closing Date Mortgaged Property located in the United States (each, a "**Title Policy**"), in amounts not less than the fair market value of each Closing Date Mortgaged Property, together with a title report issued by a title company with respect thereto, and copies of all recorded documents listed as exceptions to title or otherwise referred to therein, each in form and substance reasonably satisfactory to the Collateral Agent and (B) evidence satisfactory to the Collateral Agent that such Credit Party has paid to the title company or to the appropriate governmental authorities all expenses and premiums of the title company and all other sums required in connection with the issuance of each Title Policy and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgages for each Closing Date Mortgaged Property in the appropriate real estate records; and

(iv) evidence of flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance

Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, in form and substance reasonably satisfactory to the Collateral Agent.

(k) Personal Property Collateral. In order to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid, perfected security interest in the personal property Collateral, the Collateral Agent shall have received:

(i) evidence reasonably satisfactory to the Collateral Agent of the compliance by each Credit Party of their obligations under the Pledge and Security Agreement and the other Collateral Documents (including their obligations to execute and deliver UCC financing statements, other securities, instruments and chattel paper and any agreements governing deposit and/or securities accounts as provided therein);

(ii) the First Lien Agent, as bailee for the Secured Parties, shall have received (x) the originals of certificates representing the shares of capital stock pledged pursuant to the Pledge and Security Agreement and the other Collateral Documents, together with an original of an undated stock power for each such certificate executed in blank by a duly Authorized Officer of the pledgor thereof (if applicable and subject to the provisions of the relevant Collateral Document), and (y) originals of each promissory note (if any) pledged to the Collateral Agent pursuant to the Pledge and Security Agreement and the other Collateral Documents endorsed in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof;

(iii) a completed Collateral Questionnaire dated the Closing Date and executed by an Authorized Officer of Xerium, together with all attachments contemplated thereby, including (A) the results of a recent search, by a Person satisfactory to Collateral Agent, of all effective UCC financing statements (or equivalent filings) made with respect to any personal, real or mixed property of any Credit Party in the jurisdictions specified in the Collateral Questionnaire, together with copies of all such filings disclosed by such search, and (B) UCC termination statements (or similar documents) duly executed by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search (other than any such financing statements in respect of Permitted Liens);

(iv) opinions of counsel (which counsel shall be reasonably satisfactory to the Collateral Agent) with respect to the creation and perfection of the security interests in favor of Collateral Agent in such Collateral and such other matters governed by the laws of each jurisdiction in which any Credit Party or any personal property Collateral is located as the Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Collateral Agent; and

(v) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document, notice and instrument (including without limitation, any intercompany notes evidencing Indebtedness permitted to be incurred pursuant to

Section 6.1(b)) and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Collateral Agent.

(l) Financial Statements; Business Plan. The Banks shall have received from Xerium (i) the audited consolidated balance sheets of Xerium and its Subsidiaries as of December 31, 2009 for the Fiscal Year then ended and the related consolidated statements of income, stockholders' equity and cash flows of Xerium and its Subsidiaries for such Fiscal Year, together with a report thereon of Ernst & Young LLP, which financial statements and report shall be in form and substance reasonably satisfactory to the Administrative Agent, and (ii) an Officer's Certificate executed by an Authorized Office of Xerium certifying that there have been no changes to the Initial Business Plan.

(m) Insurance. Collateral Agent shall have received a certificate from Xerium's insurance broker or other evidence satisfactory to it that all insurance required to be maintained pursuant to Section 5.5 is in full force and effect, together with endorsements naming the Collateral Agent, for the benefit of Secured Parties, as additional insured and naming the First Lien Agent, on behalf of the First Lien Secured Parties, and the Secured Parties as loss payee thereunder to the extent required under Section 5.5.

(n) Opinions of Counsel to Credit Parties. The Administrative Agent and its counsel shall have received executed copies of the favorable written opinions of counsel to the Credit Parties as to such matters as the Administrative Agent may reasonably request, dated as of the Closing Date and otherwise in form and substance reasonably satisfactory to the Administrative Agent.

(o) Cash Payment and Common Stock Issuance. The Banks (or the Administrative Agent on behalf of the Banks) shall have received the cash payment and Common Stock contemplated by the Plan of Reorganization.

(p) Fees and Expenses. The Administrative Agent shall have received payment in full of all fees and expenses invoiced and due to the Agents (including the reasonable fees and expenses due of their advisors and legal counsel) in connection with this Agreement.

(q) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority (other than the Bankruptcy Cases) that, in the reasonable opinion of the Administrative Agent, singly or in the aggregate, materially impairs the transactions contemplated by the Credit Documents or that could have a Material Adverse Effect.

(r) Completion of Proceedings. All partnership, corporate and other proceedings taken or to be taken in connection with the transactions contemplated by the Credit Documents and all documents incidental thereto not previously found acceptable by the Administrative Agent and its counsel shall be satisfactory in form and substance to the Administrative Agent and such counsel, and the Administrative Agent and such

counsel shall have received all such counterpart originals or certified copies of such documents as the Administrative Agent may reasonably request.

(s) Representations and Warranties. The representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of the Closing Date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that any representation or warranty that is by its terms qualified by materiality shall be true and correct in all respects.

(t) No Default. No event shall have occurred and be continuing or would result from the consummation of the transaction contemplated hereunder or under the Credit Documents that would constitute an Event of Default or a Default.

(u) No Material Adverse Effect. Since the Petition Date, nothing shall have occurred (and neither the Administrative Agent nor the Requisite Banks shall have become aware of any facts or conditions not previously known) which the Administrative Agent or the Requisite Banks shall reasonably determine has had, or could reasonably be expected to have, a Material Adverse Effect.

(v) Compliance with Law and Regulations. All Term Loans and all other financings to the Borrowers (and all guaranties thereof and security therefor), as well as the transactions contemplated by the Credit Documents and the consummation thereof, shall be in full compliance in all material respects with all applicable requirements of law, including Regulations T, U and X of the Federal Reserve Board.

(w) No Conflict with Material Contracts. After giving effect to the transactions contemplated by the Credit Documents, there shall be no conflict with, or default under, any Material Contract.

(x) Solvency Certificate. On the Closing Date, the Administrative Agent shall have received a Solvency Certificate from each Borrower dated the Closing Date and addressed to the Administrative Agent and the Banks.

(y) Account Control Agreements. The applicable Credit Party shall have entered into account control agreements with respect to each Primary Account in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent.

For the purpose of determining compliance with the conditions specified in this Section 3.1, each Bank that has accepted the distributions under the Plan of Reorganization shall be deemed to have accepted, and to be satisfied with, each document required to be delivered in a form satisfactory to the Banks or Requisite Banks under this Section 3.1 and which was included in the Plan Supplement.

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce the Banks to enter into this Agreement, and to induce each Bank Counterparty to enter into any transaction in respect of Hedging Obligations, each Credit Party represents and warrants to each Bank and each Bank Counterparty that the following statements are true and correct:

4.1 **Organization; Requisite Power and Authority; Qualification**. Each of Xerium and its Subsidiaries (a) is duly organized, validly existing and in good standing (or, for Non-U.S. Credit Parties of equivalent status when reasonably ascertainable) under the laws of its jurisdiction of organization as identified in Schedule 4.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect.

4.2 **Capital Stock and Ownership**. The Capital Stock of each of Xerium and its Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except as set forth on Schedule 4.2, as of the date hereof, there is no existing option, warrant, call, right, commitment or other agreement to which Xerium or any of its Subsidiaries is a party requiring, and there is no membership interest or other Capital Stock of Xerium or any of its Subsidiaries outstanding which upon conversion or exchange would require, the issuance by Xerium or any of its Subsidiaries of any additional membership interests or other Capital Stock of Xerium or any of its Subsidiaries or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of Xerium or any of its Subsidiaries. Schedules 4.1 and 4.2 correctly set forth the ownership interest of Xerium and each of its Subsidiaries in their respective Subsidiaries as of the Closing Date.

4.3 **Due Authorization**. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary action on the part of each Credit Party that is a party thereto.

4.4 **No Conflict**. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate any provision of any law or any governmental rule or regulation applicable to Xerium or any of its Subsidiaries, any of the Organizational Documents of Xerium or any of its Subsidiaries, or any order, judgment or decree of any court or other agency of government binding on Xerium or any of its Subsidiaries; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Xerium or any of its Subsidiaries except to the extent such conflict, breach or default could not reasonably be expected to have a Material Adverse Effect; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of

Xerium or any of its Subsidiaries (other than any Liens created under any of the Credit Documents in favor of Collateral Agent, on behalf of Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of Xerium or any of its Subsidiaries, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to Banks and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

4.5 **Governmental Consents**. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except for (i) filings and recordings with respect to the Collateral to be made, or otherwise delivered to Collateral Agent for filing and/or recordation, as of the Closing Date and (ii) filings and recordings to be made in connection with the perfection of Collateral acquired after the Closing Date.

4.6 **Binding Obligation**. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7 **Historical Financial Statements**. The Historical Financial Statements were prepared in conformity with GAAP and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year end adjustments. As of the Closing Date, neither Xerium nor any of its Subsidiaries has any contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not reflected in the Historical Financial Statements or the notes thereto and which in any such case is material in relation to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Xerium and any of its Subsidiaries taken as a whole.

4.8 **Business Plan**. The Initial Business Plan and each Business Plan delivered pursuant to Section 5.1(q) is and will be based on good faith estimates and assumptions made by the management of Xerium; provided, that such Business Plan is not to be viewed as fact and that actual results during the period or periods covered by the Business Plan may differ from such Business Plan and that the differences may be material; provided, further, as of the Closing Date, management of Xerium believed that the Business Plan was reasonable and attainable.

4.9 **No Material Adverse Change**. Since the Petition Date, no event, circumstance or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

4.10 [Intentionally Omitted].

4.11 **Adverse Proceedings, etc**. There are no Adverse Proceedings, individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect. Neither Xerium nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.12 **Payment of Taxes**. Except as otherwise permitted under Section 5.3, all tax returns and reports of Xerium and its Subsidiaries required to be filed by any of them have been timely filed, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon Xerium and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable. Xerium knows of no proposed tax assessment against Xerium or any of its Subsidiaries which is not being actively contested by Xerium or such Subsidiary in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.13 **Properties**. (a) Title. Each of Xerium and its Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their respective Historical Financial Statements referred to in Section 4.7 and in the most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements in the Ordinary Course or as otherwise permitted under Section 6.9. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

(b) Real Estate. As of the Closing Date, Schedule 4.13(b) contains a true, accurate and complete list of (i) all Real Estate Assets, and (ii) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Real Estate Asset of any Credit Party, regardless of whether such Credit Party is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Each agreement listed in clause (ii) of the immediately preceding sentence is in full force and effect and Xerium does not have knowledge of any default that has occurred and is

continuing thereunder except where the consequences, direct or indirect, of such default or defaults, if any, could not be reasonably expected to have a Material Adverse Effect, and each such agreement constitutes the legally valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

4.14 **Environmental Matters**. Neither Xerium nor any of its Subsidiaries nor any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials Activity that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There are and, to each of Xerium's and its Subsidiaries' knowledge, have been, no conditions, occurrences, or Hazardous Materials Activities which could reasonably be expected to form the basis of an Environmental Claim against Xerium or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither Xerium nor any of its Subsidiaries nor, to any Credit Party's knowledge, any predecessor of Xerium or any of its Subsidiaries has filed any notice under any Environmental Law indicating past or present treatment of Hazardous Materials at any Facility that, individually or in the aggregate, could be reasonably expected to have a Material Adverse Effect, and none of Xerium's or any of its Subsidiaries' operations involves the generation, transportation, treatment, storage or disposal of Hazardous Materials, except as would not reasonably be expected to form the basis of an Environmental Claim against Xerium or any of its Subsidiaries, or as listed on Schedule 4.14. Compliance with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. No event or condition has occurred or is occurring with respect to Xerium or any of its Subsidiaries relating to any Environmental Law, any Release of Hazardous Materials, or any Hazardous Materials Activity which individually or in the aggregate has had, or could reasonably be expected to have, a Material Adverse Effect.

4.15 **No Defaults**. Neither Xerium nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect and except as contemplated by the Plan of Reorganization.

4.16 **Material Contracts**. Schedule 4.16 contains a true, correct and complete list of all the Material Contracts in effect on the Closing Date, and except as described thereon, all such Material Contracts are in full force and effect and no defaults currently exist thereunder, except any such default or failure to be in force and effect which could

not reasonably be expected to result in an exercise of remedies or acceleration of the indebtedness created thereunder.

4.17 **Governmental Regulation**. Neither Xerium nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal, provincial or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. Neither Xerium nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 **Margin Stock**. Neither Xerium nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the loans made under the Prepetition Credit Agreement to such Credit Party were used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of said Board of Governors.

4.19 **Employee Matters**. Neither Xerium nor any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Xerium or any of its Subsidiaries, or to the best knowledge of Xerium and each other Credit Party, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Xerium or any of its Subsidiaries or to the best knowledge of Xerium and each other Credit Party, threatened against any of them, (b) no strike, work stoppage or lock-out in existence or threatened involving Xerium or any of its Subsidiaries, and (c) to the best knowledge of Xerium and each other Credit Party, no union representation question existing with respect to the employees of Xerium or any of its Subsidiaries and, to the best knowledge of Xerium and each other Credit Party, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as is not reasonably likely to have a Material Adverse Effect.

4.20 **Employee Benefit Plans**

(a) Xerium, each of its Subsidiaries and each of their respective ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA and the Internal Revenue Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan, other than any non-compliance or non-performance that would not be reasonably expected to have a Material Adverse Effect. Each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Internal Revenue Code has received a recent favorable determination letter from the

Internal Revenue Service indicating that such Employee Benefit Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter which would cause such Employee Benefit Plan to lose its qualified status, except such defect that can be corrected pursuant to Rev. Proc. 2003-44 or any successor ruling or regulation without giving rise to a Material Adverse Effect. No liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Employee Benefit Plan or any trust established under Title IV of ERISA (other than Ordinary Course contribution obligations) has been or is expected to be incurred by Xerium, any of its Subsidiaries or any of their ERISA Affiliates that could reasonably be expected to have a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur which could reasonably be expected to result in a Material Adverse Effect.

(b) Each Canadian Registered Pension Plan has been established, registered, qualified, invested and administered in compliance with its terms and all applicable laws, other than any non-compliance that would not reasonably be expected to have a Material Adverse Effect. No liability (other than required contributions and premium payments) under the Canadian Registered Pension Plans has been or is expected to be incurred by Xerium Canada, or any Affiliate of Xerium Canada that could reasonably be expected to have a Material Adverse Effect. No Canadian Pension Plan Event has occurred or is reasonably expected to occur which could reasonably be expected to result in a liability to Xerium Canada or any Affiliate of Xerium Canada in excess of $1,000,000. Each Canadian Registered Pension Plan has been funded on both a going concern and solvency basis in accordance with applicable laws and on the basis of the actuarial report which was most recently filed with the applicable pension regulator for the applicable Canadian Registered Pension Plan. None of Xerium Canada or any Affiliate of Xerium Canada contribute to, are obligated to contribute to (or have contributed within the last five years to) a multi-employer pension plan, as defined under applicable laws. Xerium Canada has provided the Administrative Agent with a copy of the actuarial valuation for each Canadian Registered Pension Plan most recently filed with the applicable pension regulator.

4.21 **Certain Fees**. No broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated by the Credit Documents.

4.22 **Solvency**. After giving effect to the transactions contemplated hereby and pursuant to the Plan of Reorganization and the incurrence of the Indebtedness and obligations being incurred in connection herewith and under the First Lien Credit Agreement, each Credit Party is Solvent.

4.23 **[Reserved]**.

4.24 **Compliance with Statutes, etc**. Each of Xerium and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property (including compliance with all applicable Environmental Laws with respect to any Real Estate Asset or governing its business and

the requirements of any permits issued under such Environmental Laws with respect to any such Real Estate Asset or the operations of Xerium or any of its Subsidiaries), except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

4.25 **Disclosure**. No representation or warranty of any Credit Party contained in any Credit Document or in any other documents, certificates or written statements, including without limitation, information contained in the presentations made to the Banks, furnished to Banks by or on behalf of Xerium or any of its Subsidiaries for use in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact (known to Xerium or any other Borrower, in the case of any document not furnished by either of them) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Xerium or any other Borrower to be reasonable at the time made, it being recognized by Banks that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results. There are no facts known (or which should upon the reasonable exercise of diligence be known) to Xerium or any other Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to Banks for use in connection with the transactions contemplated hereby.

4.26 **Insurance**. All policies of insurance of Xerium or any of its Subsidiaries, including policies of fire, theft, product liability, public liability, property damage, other casualty, employee fidelity and workers' compensation, are in full force and effect and are of a nature and provide such coverage as is sufficient and as is customarily carried by businesses of the size and character of such Person.

4.27 **Deposit and Securities Accounts**. Schedule 4.27 contains a true, correct and complete list of the Credit Parties' primary Dollar denominated master deposit and investment accounts and primary Euro denominated master deposit and investment accounts (collectively, the "**Primary Accounts**").

4.28 **UK Establishment**. No Credit Party has a "UK establishment" within the meaning of the Overseas Companies Regulations 2009.

SECTION 5. AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that until payment in full of all Obligations, each Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 5.

5.1 **Financial Statements and Other Reports**. Xerium will deliver to Administrative Agent:

(a) [Intentionally Omitted]

(b) Quarterly Financial Statements. As soon as available, and in any event within 45 days after the end of the first three Fiscal Quarters of each Fiscal Year, the consolidated balance sheets of Xerium and its Subsidiaries as at the end of such Fiscal Quarter and the related consolidated statements of income, stockholders' equity and cash flows of Xerium and its Subsidiaries for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form (x) the corresponding figures for the corresponding periods of the previous Fiscal Year, and (y) the corresponding figures contained in the Business Plan for the corresponding periods for the current Fiscal Year, together with a Financial Officer Certification with respect thereto and including a detailed explanation as to the material variances that may have occurred from the prior Fiscal Quarter and the figures contained in the Business Plan for the corresponding period for the current Fiscal Year;

(c) Annual Financial Statements. As soon as available, and in any event within 90 days after the end of each Fiscal Year, (i) the audited consolidated balance sheets of Xerium and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Xerium and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, together with a Financial Officer Certification and including a detailed explanation as to the material variances that may have occurred from the prior Fiscal Year and the figures contained in the Business Plan for the current Fiscal Year and (ii) with respect to such consolidated financial statements a report thereon of Ernst & Young LLP or other independent certified public accountants of recognized international standing selected by Xerium (which report (other than with respect to the "on going concern" opinion in the report for Fiscal Year 2009) shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Xerium and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards) together with a written statement by such independent certified public accountants stating that nothing has come to their attention that causes them to believe that the information contained in any Compliance Certificate is not correct or that the matters set forth in such Compliance Certificate are not stated in accordance with the terms hereof;

(d) Compliance Certificate. Together with each delivery of financial statements of Xerium and its Subsidiaries pursuant to Sections 5.1(b) and 5.1(c), a duly executed and completed Compliance Certificate; provided, that in respect of the fourth Fiscal Quarter of each Fiscal Year, it shall also deliver a duly executed and completed

Compliance Certificate as soon as available, and in any event within 90 days after the end of the fourth Fiscal Quarter;

(e) Statements of Reconciliation after Change in Accounting Principles. If, as a result of any change in accounting principles and policies from those used in the preparation of the Historical Financial Statements, the Compliance Certificate (including, without limitation, calculation of Excess Cash therein) of Xerium and its Subsidiaries delivered pursuant to Section 5.1(d) will differ in any material respect in the manner in which computations are derived from Xerium's financial statements for the Compliance Certificate that would have been delivered pursuant to such subsection had no such change in accounting principles and policies been made, then, together with the first delivery of such Compliance Certificate after such change, Xerium will deliver one or more statements of explanation of such difference(s) in form and substance satisfactory to Administrative Agent and, if appropriate, Xerium's proposal for amending any terms or requirements used or addressed in the Compliance Certificate to adjust for such change(s);

(f) Sufficiency of Public Quarterly and Annual Reports. Notwithstanding anything to the contrary contained herein, delivery to the Administrative Agent by Xerium of its quarterly report on Form 10-Q and its annual report on form 10-K shall satisfy the requirements of Sections 5.1(b) and (c), respectively, for so long as Xerium remains a reporting company under the Exchange Act.

(g) Notice of Default. Promptly upon any officer of Xerium or each other Borrower obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to Xerium or each other Borrower with respect thereto; (ii) that any Person has given any notice to Xerium or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 8.1(b); or (iii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action each Borrower has taken, is taking and proposes to take with respect thereto;

(h) Notice of Litigation. Promptly upon any officer of Xerium or each other Borrower obtaining knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding not previously disclosed in writing by each Borrower to Banks, or (ii) any material development in any Adverse Proceeding that, in the case of either (i) or (ii) could be reasonably expected to have a Material Adverse Effect, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to Xerium or each other Borrower to enable Banks and their counsel to evaluate such matters;

(i) ERISA. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, copies of (1) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (2) all notices received by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (3) copies of such other documents or governmental reports or filings relating to any Employee Benefit Plan as Administrative Agent shall reasonably request;

(j) Canadian Registered Pension Plans. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any Canadian Pension Plan Event, a written notice specifying the nature thereof, what action Xerium Canada or any Affiliate of Xerium Canada has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Canada Revenue Agency or any applicable pension regulator; and (ii) with reasonable promptness, (1) copies of each annual information return filed with the Canada Revenue Agency or any applicable pension regulator with respect to a Canadian Registered Pension Plan; (2) copies of all notices received by Xerium Canada or any Affiliate of Xerium Canada from the sponsor of a multi-employer pension plan, as defined under applicable laws, concerning a Canadian Pension Plan Event; (3) copies of each actuarial valuation for each Canadian Registered Pension Plan filed with any applicable pension regulator; (4) copies of any actuarial certifications in respect of each Canadian Registered Pension Plan filed with any applicable pension regulator, whether in connection with a request for approval to effect commuted value transfers from such plan or otherwise; and (5) copies of such other documents or governmental reports or filings relating to any Canadian Registered Pension Plan as Administrative Agent shall reasonably request;

(k) Insurance Report. As soon as practicable following any material change in the insurance coverage, notice to the Administrative Agent of such change and an explanation in form and substance reasonably satisfactory to the Administrative Agent of such change;

(l) Environmental Reports and Audits. As soon as practicable following receipt thereof, copies of all environmental audits and reports with respect to environmental matters at any Facility or which relate to any environmental liabilities of Xerium or its Subsidiaries which, in any such case, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(m) Information Regarding Collateral. Each Borrower will furnish to the Collateral Agent prompt written notice of any change (i) in any Credit Party's corporate name, (ii) in any Credit Party's identity or corporate structure or (iii) in any Credit Party's

Federal Taxpayer Identification Number. Each Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Collateral Documents. Each Borrower also agrees promptly to notify Collateral Agent if any material portion of the Collateral is damaged or destroyed;

(n) Annual Collateral Verification. Each year, at the time of delivery of annual financial statements with respect to the preceding Fiscal Year pursuant to Section 5.1(c), each Borrower shall deliver to the Collateral Agent an Officer's Certificate either confirming that there has been no change in such information since the date of the Collateral Questionnaire delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section and/or identifying such changes;

(o) Other Information. (i) Promptly upon their becoming available, copies of (A) all financial statements, reports, notices and proxy statements sent or made available generally by Xerium to its security holders acting in such capacity or by any Subsidiary of Xerium to its security holders other than Xerium or another Subsidiary of Xerium, (B) all regular and periodic reports and all registration statements and prospectuses, if any, filed by Xerium or any of its Subsidiaries with any securities exchange or with the Securities and Exchange Commission and (C) all press releases and other statements made available generally by Xerium or any of its Subsidiaries to the public concerning material developments in the business of Xerium or any of its Subsidiaries, and (ii) such other information and data with respect to Xerium or any of its Subsidiaries as from time to time may be reasonably requested by Administrative Agent;

(p) Electronic Delivery.

(i) Notwithstanding anything in any Credit Document to the contrary, each Credit Party hereby agrees that it will use its reasonable best efforts to provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (A) is a Continuation Notice (including any election of an interest rate or Interest Period relating thereto), (B) relates to the payment of any principal or other amount due under any Credit Document prior to the scheduled date therefor, (C) provides notice of any Default or Event of Default under any Credit Document or (D) is required to be delivered to satisfy any condition set forth in Sections 3.1 (all such non-excluded communications being referred to herein collectively as the "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@citi.com, with a copy to **[**lynne.p.savage@citigroup.com.**]** In addition, each Credit Party agrees to continue to provide the Communications to the

Administrative Agent in the manner specified in the Credit Documents, but only to the extent requested by the Administrative Agent.

(ii) Each Credit Party further agrees that the Administrative Agent may make the Communications available to the Banks by posting the Communications on IntraLinks, Fixed Income Direct or a substantially similar electronic transmission system (each such system, a "**Platform**"). Each Credit Party acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(iii) **EACH PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF ANY PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR ANY PLATFORM. IN NO EVENT SHALL ANY AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, THE "AGENT PARTIES") HAVE ANY LIABILITY TO THE BORROWERS, ANY OTHER CREDIT PARTY, ANY BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWERS' OR THE AGENTS' TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.**

(iv) The Administrative Agent agrees that the receipt of the Communications by it at its e-mail address set forth in Annex B shall constitute effective delivery of the Communications to the Administrative Agent for purposes of this Section 5.1(p). Each Bank agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to a Platform shall constitute effective delivery of the Communications to such Bank for purposes of this Section 5.1(p). Each Bank agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Bank's e-mail address to which the

foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(v) Nothing in this Section 5.1(p) shall prejudice the right of any Agent or any Bank to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(q) Business Plan. Promptly after approval thereof by the board of directors of Xerium, and in any event no later than April 1 of each Fiscal Year, Xerium shall deliver to the Administrative Agent (commencing with Fiscal Year 2010), a detailed consolidated budget and business plan of Xerium and its Subsidiaries through Fiscal Year 2015 (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of each Fiscal Year through Fiscal Year 2015) in form and substance reasonably satisfactory to the Administrative Agent (the "**Business Plan**"); provided that with respect to the Fiscal Year in which the Business Plan is being delivered such Business Plan shall be prepared by Fiscal Quarter for such Fiscal Year.

5.2 **Existence**. Except as otherwise permitted under Section 6.9, each Credit Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business; provided, no Credit Party or any of its Subsidiaries shall be required to preserve any such existence, right or franchise, licenses and permits if such Person's board of directors (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss thereof is not disadvantageous in any material respect to such Person or to Banks.

5.3 **Payment of Taxes and Claims**. Each Credit Party will, and will cause each of its Subsidiaries to, pay all material Taxes imposed upon it or any of its properties or assets or in respect of any of its profits, income, capital, capital gains, payroll businesses or franchises before any penalty or fine accrues thereon, and all Taxes or claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP, shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. No Credit Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than Xerium or any of its Subsidiaries).

5.4 **Maintenance of Properties**. Each Credit Party will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order

and condition, ordinary wear and tear excepted, all material properties used or useful in the business of Xerium and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof except where the failure to maintain such properties would not reasonably be expected in any individual case or in the aggregate to have a Material Adverse Effect.

5.5 **Insurance**. Xerium will maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Xerium and its Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. Without limiting the generality of the foregoing, Xerium will maintain or cause to be maintained (a) flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, and (b) replacement value casualty insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks as are at all times carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses. Each such policy of insurance issued by an insurer organized or incorporated in the United States shall (i) name the Collateral Agent, on behalf of Banks as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, satisfactory in form and substance to Collateral Agent, that names the First Lien Agent, on behalf of the First Lien Secured Parties and the Secured Parties, as the loss payee thereunder for losses of $1,000,000 or greater and provides for at least thirty days' prior written notice to the First Lien Agent and the Administrative Agent of any modification or cancellation of such policy.

5.6 **Books and Records; Inspections**. Each Credit Party will, and will cause each of its respective Subsidiaries to, keep books and records which accurately reflect its business affairs in all material respects and material transactions and each Credit Party will, and will cause each of its respective Subsidiaries to, permit any authorized representatives designated by the Administrative Agent to visit and inspect any of the properties of any Credit Party and any of its respective Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested. Each Credit Party will cause its officers to participate in update calls, no more frequently than once each quarter, with the Agents and the Banks upon reasonable notice and request from the Administrative Agent.

5.7 [**Intentionally Omitted**].

5.8 **Compliance with Laws; SEC Filings**. Each Credit Party will comply, and shall cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facilities to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws), except where failure to do so would not reasonably be expected to have a Material Adverse Effect and Xerium shall timely file with the Securities and Exchange Commission all reports, notices and documents required to be filed under the Exchange Act.

5.9 **Environmental**.

(a) Environmental Disclosure. Xerium will deliver to Administrative Agent:

(i) as soon as practicable following receipt thereof, copies of all environmental audits, investigations, analyses and reports of any kind or character, whether prepared by personnel of Xerium or any of its Subsidiaries or by independent consultants, governmental authorities or any other Persons, with respect to significant environmental matters at any Facility or with respect to any Environmental Claims that could reasonably be expected to have a Material Adverse Effect;

(ii) promptly upon the occurrence thereof, written notice describing in reasonable detail (1) any Release required to be reported to any federal, provincial, state or local governmental or regulatory agency under any applicable Environmental Laws, (2) any remedial action taken by Xerium or any other Person in response to (A) any Hazardous Materials Activities the existence of which has a reasonable possibility of resulting in one or more Environmental Claims having, individually or in the aggregate, a Material Adverse Effect, or (B) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of resulting in a Material Adverse Effect, and (3) Xerium's or each other Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Facility that could cause such Facility or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws;

(iii) as soon as practicable following the sending or receipt thereof by Xerium or any of its Subsidiaries, a copy of any and all written communications with respect to (1) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of giving rise to a Material Adverse Effect, (2) any Release required to be reported to any federal, state or local governmental or regulatory agency, and (3) any request for information from any governmental agency that suggests such agency is investigating whether Xerium or any of its Subsidiaries may be potentially responsible for any Hazardous Materials Activity;

(iv) prompt written notice describing in reasonable detail (1) any proposed acquisition of stock, assets, or property by Xerium or any of its Subsidiaries that

could reasonably be expected to (A) expose Xerium or any of its Subsidiaries to, or result in, Environmental Claims that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (B) adversely affect the ability of Xerium or any of its Subsidiaries to maintain in full force and effect all material Governmental Authorizations required under any Environmental Laws for their respective operations and (2) any proposed action to be taken by Xerium or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject Xerium or any of its Subsidiaries to any additional material obligations or requirements under any Environmental Laws; and

(v) with reasonable promptness, such other documents and information as from time to time may be reasonably requested by the Administrative Agent in relation to any matters disclosed pursuant to this Section 5.9(a).

(b) Hazardous Materials Activities, Etc. Each Credit Party shall promptly take, and shall cause each of its Subsidiaries promptly to take, any and all actions necessary to (i) cure any violation of applicable Environmental Laws by such Credit Party or its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (ii) make an appropriate response to any Environmental Claim against such Credit Party or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.10 **Subsidiaries**. In the event that any Person becomes a Subsidiary of a Borrower, such Borrower shall (a) promptly cause such Subsidiary to become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement, taking into account not to create adverse tax consequences to any Credit Party in respect of Section 956 of the Internal Revenue Code, and (b) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, opinions and certificates as are reasonably requested by the Collateral Agent. With respect to each such Subsidiary, each Borrower shall promptly send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of such Borrower, and (ii) all of the data required to be set forth in Schedules 4.1 and 4.2 with respect to all Subsidiaries of such Borrower; provided, such written notice shall be deemed to supplement Schedule 4.1 and 4.2 for all purposes hereof.

5.11 **Additional Material Real Estate Assets**. In the event that any Credit Party acquires a Material Real Estate Asset or a Real Estate Asset owned or leased on the Closing Date becomes a Material Real Estate Asset and such interest has not otherwise been made subject to the Lien of the Collateral Documents in favor of Collateral Agent, for the benefit of Secured Parties, taking into account not to create adverse tax consequences to Xerium in respect of Section 956 of the Internal Revenue Code, then such Credit Party, as soon as practicable but in no event later than twenty (20) days after

acquiring such Material Real Estate Asset, shall take all such actions and execute and deliver, or cause to be executed and delivered, all such mortgages, documents, instruments, agreements, opinions and certificates with respect to each such Material Real Estate Asset that Collateral Agent shall reasonably request to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected security interest in such Material Real Estate Assets. The applicable Credit Party shall use its commercially reasonable efforts to cause a Landlord Personal Property Collateral Access Agreement and a Landlord Consent and Estoppel to be executed by the applicable landlord and delivered to the Collateral Agent (i) within 90 days after the Closing Date with respect to any Leasehold Property listed on Schedule 4.13(b) as a Leasehold Property and located in the United States and with respect to which aggregate payments under the terms of such lease are $500,000 or more per annum, and (ii) within 90 days after the acquisition of interest therein, any other Leasehold Property located in the United States which the Credit Party leases and with respect to which aggregate payments under the terms of such lease are $500,000 or more per annum. In addition to the foregoing, each Borrower shall, at the request of Requisite Banks, deliver, from time to time, to Administrative Agent such appraisals as are required by law or regulation of Real Estate Assets with respect to which Collateral Agent has been granted a Lien.

5.12 [**Intentionally Omitted**].

5.13 **Further Assurances**. At any time or from time to time upon the request of the Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent or the Collateral Agent may reasonably request in order to effect fully the purposes of the Credit Documents. In furtherance and not in limitation of the foregoing, each Credit Party shall take such actions as the Administrative Agent or the Collateral Agent may reasonably request from time to time to ensure that the Obligations are guarantied by the Guarantors and are secured by the Collateral.

5.14 **Intellectual Property**. Unless otherwise consented to by Agents or Requisite Banks, the Borrower and each of its Subsidiaries will continue to own or possess the right to use, free from any restrictions, all patents, trademarks, copyrights, and domain names that are used in the operation of their respective businesses as presently conducted and as proposed to be conducted, except to the extent the failure to so own or possess would not reasonably be expected to have a Material Adverse Effect.

5.15 **Know-Your-Customer Rules**.

If :

(i) (A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Closing Date;

(B) any change in the status of a Credit Party after the Closing Date; or

(C) a proposed assignment or transfer by a Bank of any of its rights and obligations under this Agreement to a party that is not a Bank prior to such assignment or transfer,

obliges the Administrative Agent or any Bank (or, in the case of paragraph (C) above, any prospective new Bank) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Credit Party shall promptly upon the request of the Administrative Agent or any Bank supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself or on behalf of any Bank) or any Bank (for itself or, in the case of the event described in paragraph (C) above, on behalf of any prospective new Bank) in order for the Administrative Agent, such Bank or, in the case of the event described in paragraph (C) above, any prospective new Bank to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Credit Documents.

(ii) Each Bank shall promptly upon the request of the Administrative Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself) in order for the Administrative Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Credit Documents.

(iii) Xerium shall, by not less than 10 Business Days' prior written notice to the Administrative Agent, notify the Administrative Agent (which shall promptly notify the Banks) that one of its Subsidiaries shall become a Guarantor pursuant to Section 5.10.

Following the giving of any notice pursuant to paragraph (iii) above, if the accession of such Subsidiary obliges the Administrative Agent or any Bank to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, Xerium shall promptly upon the request of the Administrative Agent or any Bank supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself or on behalf of any Bank) or any Bank (for itself or on behalf of any prospective new Bank) in order for the Administrative Agent or such Bank or any prospective new Bank to carry out and be satisfied it has complied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement.

5.16 **Pari Passu Ranking**. Each Credit Party will, and will cause each of its Subsidiaries to ensure that its payment obligations under each of the Credit Documents rank and will at all times rank at least *pari passu* in right and priority of payment with all its other present and future secured and unsubordinated indebtedness (actual or

contingent) except the First Lien Obligations pursuant to the terms of the Intercreditor Agreement and indebtedness preferred solely by operation of law.

5.17 **2009 Audit Opinion**. If the audit opinion delivered with the audited consolidated financial statements of Xerium and its Subsidiaries pursuant to Section 5.1(c) for Fiscal Year 2009 contains a going concern qualification, Xerium will use its commercially reasonable efforts to cause such auditors to deliver a revised opinion withdrawing the going concern qualification.

SECTION 6. NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, until payment in full of all Obligations, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 6.

6.1 **Indebtedness**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness of any Credit Party to a Borrower or to any other Credit Party, or of a Borrower to any other Borrower or any Credit Party; provided, (i) all such Indebtedness shall be evidenced by promissory notes and all such notes shall be subject to a Lien pursuant to the applicable Collateral Documents, (ii) all such Indebtedness shall be unsecured and subordinated in right of payment to the payment in full of the Obligations pursuant to the terms of the applicable promissory notes or an intercompany subordination agreement that in any such case, is reasonably satisfactory to the Administrative Agent, and (iii) any payment by any such Guarantor Subsidiary under any guaranty of the Obligations shall result in a *pro tanto* reduction of the amount of any Indebtedness owed by such Credit Party to Xerium or to any of its Subsidiaries for whose benefit such payment is made;

(c) unsecured Debt (including Subordinated Debt); provided, that (i) no Default or Event of Default is continuing under this Agreement or would result from such issuance, (ii) each Borrower is in compliance (and certifies as to such compliance) with Section 6.8 on a pro forma basis after giving effect to the such issuance, (iii) the proceeds of such issuance are applied in accordance with Section 2.14(d), (iv) such Debt shall have a maturity of not earlier than six (6) months after the Term Loan Maturity Date, (v) the documentation relating to such Debt shall not permit or provide for any scheduled amortization payments prior to the Term Loan Maturity Date and (vi) the documentation relating to such Debt shall not contain any covenant or event of default that is either (x) not substantially provided for in this Agreement or (y) more favorable to the holder of such Debt than the comparable covenant or event of default set forth in this Agreement, and, with respect to Subordinated Debt, shall contain customary subordination provisions pursuant to which such subordinated Debt is subordinate to the prior payment in full of the Obligations;

(d) Indebtedness incurred by Xerium or any of its Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of each Borrower or any such Subsidiary pursuant to such agreements, in connection with Permitted Acquisitions or permitted dispositions of any business, assets or Subsidiary of Xerium or any of its Subsidiaries;

(e) Indebtedness which may be deemed to exist pursuant to any guaranties, performance, surety, statutory, appeal or similar obligations incurred in the Ordinary Course;

(f) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;

(g) guaranties in the Ordinary Course of obligations to suppliers, customers, franchisees and licensees of Xerium and its Subsidiaries;

(h) guaranties or the provision of other credit support by a Borrower of Indebtedness of a Credit Party or guaranties or the provision of other credit support by a Credit Party of a Borrower of Indebtedness of a Borrower or a Credit Party with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.1;

(i) Indebtedness, including the ability to draw on commitments to incur Indebtedness, described in Schedule 6.1(i), but not any extensions, renewals or replacements of such Indebtedness except (i) renewals and extensions expressly provided for in the agreements evidencing any such Indebtedness as the same are in effect on the date of this Agreement and (ii) refinancings and extensions of any such Indebtedness if the terms and conditions thereof are not materially less favorable to the obligor thereon or to the Banks than the Indebtedness being refinanced or extended, and the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended; provided, such Indebtedness permitted under the immediately preceding clause (i) or (ii) above shall not (A) include Indebtedness of an obligor that was not an obligor with respect to the Indebtedness being extended, renewed or refinanced, (B) exceed in a principal amount the Indebtedness being renewed, extended or refinanced, except as to fees and expenses at refinancing or (C) be incurred, created or assumed if any Default or Event of Default has occurred and is continuing or would result therefrom;

(j) Indebtedness with respect to Capital Leases or purchase money Indebtedness in an amount not to exceed at any time $25,000,000 in the aggregate (including any Indebtedness acquired in connection with a Permitted Acquisition); provided, any such purchase money Indebtedness shall be secured only to the asset(s) acquired in connection with the incurrence of such Indebtedness;

(k) other Indebtedness of Xerium and its Subsidiaries in an aggregate amount not to exceed at any time $25,000,000;

(l) Indebtedness under the Factoring Agreements otherwise permitted by this Agreement;

(m) unsecured working capital facilities of any Subsidiary in respect of which a letter of credit in an amount equal to the maximum principal amount of such facilities has been issued under the First Lien Credit Agreement;

(n) Hedging Obligations entered into for the purpose of hedging risks associated with the operations of Xerium and its Subsidiaries;

(o) Indebtedness owed under the First Lien Credit Agreement and the First Lien Credit Documents; and

(p) provided that no Event of Default shall have occurred and be continuing or would occur as a consequence thereof, any replacement, renewal or refinancing of any Indebtedness described in Sections 6.1 (c), (j), (k), and (o) (collectively, the "**Permitted Refinancing Indebtedness**") that (i) does not exceed the aggregate principal amount of the Indebtedness being replaced, renewed or refinanced, except as to fees and expenses at refinancing, (ii) does not have a maturity date earlier than the Indebtedness being replaced renewed or refinanced, (iii) does not rank at the time of such replacement, renewal or refinancing senior to the Indebtedness being replaced, renewed or refinanced, (iv) the documentation relating to such Indebtedness shall not contain any covenant or event of default that is either (x) not substantially provided for in this Agreement or (y) more favorable to the holder of such debt than the comparable covenant or event of default set forth in this Agreement, (v) the obligors in respect of such Permitted Refinancing Indebtedness (including in their capacities as primary obligor and guarantor) are the same as for the Indebtedness being refinanced and (vi) any Liens securing such Permitted Refinancing Indebtedness are not extended to any property which does not secure the Indebtedness being refinanced.

6.2 **Liens**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of Xerium or any of its Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except:

(a) Liens in favor of the Collateral Agent for the benefit of the Secured Parties granted pursuant to any Credit Document;

(b) Liens for Taxes not then due or if due obligations with respect to such Taxes that are not at such time required to be paid pursuant to Section 5.3 or which are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which an adequate reserve has been made in accordance with GAAP;

(c) statutory Liens of landlords, banks (and rights of set off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or by ERISA), in each case incurred in the Ordinary Course (i) for amounts not yet overdue or (ii) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of fifteen (15) days) are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts;

(d) Liens incurred in the Ordinary Course in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof;

(e) easements, rights of way, restrictions, encroachments, and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Xerium or any of its Subsidiaries;

(f) any (i) interest or title of a lessor or sublessor under any lease of real estate permitted hereunder, (ii) restriction or encumbrance that the interest or title of such lessor or sublessor may be subject to, or (iii) subordination of the interest of the lessee or sublessee under such lease to any restriction or encumbrance referred to in the preceding clause (ii), so long as the holder of such restriction or encumbrance agrees to recognize the rights of such lessee or sublessee under such lease;

(g) Liens solely on any cash earnest money deposits made by Xerium or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements or, for property located in foreign jurisdictions, the preparation and/or filing of functionally similar documents, relating solely to operating leases of personal property entered into in the Ordinary Course;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(k) (i) licenses of patents, trademarks and other intellectual property rights granted by Xerium or any of its Subsidiaries in the Ordinary Course and not interfering in

any material respect with the ordinary conduct of the business of Xerium or such Subsidiary and (ii) leases or subleases granted by Xerium of any of its Subsidiaries to third parties in respect of surplus property which is not fundamental to the operation of the business in the Ordinary Course; provided that such leases and subleases are on arms-length commercial terms and are otherwise satisfactory to the Administrative Agent;

(l) existing Liens described in Schedule 6.2(l) and replacements thereof, so long as the replacement Liens encumber only the assets subject to the Liens being replaced and the replacement Liens secure obligations in an amount no greater than the obligations secured by the Liens being replaced;

(m) Liens securing Indebtedness permitted pursuant to Sections 6.1(j) and (k); provided, any such Lien shall encumber only the asset acquired with the proceeds of such Indebtedness;

(n) Liens granted by entities acquired pursuant to Section 6.9 prior to their acquisition and not in contemplation of such acquisition and which are discharged within three (3) months of the date of acquisition and in relation to which the secured amount is not increased in contemplation of or after the date of the relevant acquisition;

(o) the Parallel Obligations;

(p) Liens on the Collateral securing the First Lien Obligations;

(q) Liens securing Permitted Refinancing Indebtedness, provided that any such Lien shall encumber only the assets that secure the Indebtedness being replaced, renewed or refinanced by such of such Permitted Refinancing Indebtedness;

(r) existing Liens on a title report delivered pursuant to Section 3.1(i)(iv);

(s) any Liens arising by operation of law and any lien arising under customary retention of title arrangements (*Eigentumsvorbehalt*) in the Ordinary Course;

(t) any Lien arising under the general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*) with whom Xerium or any of its Subsidiaries maintains a banking relationship with a financial institution in Germany; and

(u) Liens securing Indebtedness or obligations that do not exceed $15,000,000 (the "**Lien Basket Amount**") at any time outstanding that encumber assets located outside of the United States; provided that up to $5,000,000 of the Lien Basket Amount may relate to Liens encumbering assets located in the United States.

6.3 **Equitable Lien**. If any Credit Party or any of its Subsidiaries shall create or assume any Lien upon any of its properties or assets, whether now owned or hereafter acquired, other than Permitted Liens, 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 secured thereby as long as any such Indebtedness shall be so secured; provided, notwithstanding the foregoing, this covenant shall not be construed as a consent by Requisite Banks to the creation or assumption of any such Lien not otherwise permitted hereby.

6.4 **No Further Negative Pledges**. Except with respect to (a) specific property encumbered to secure payment of particular Indebtedness or to be sold pursuant to an executed agreement with respect to a permitted Asset Sale, (b) restrictions contained in documents evidencing Subordinated Debt; provided, that in respect of Subordinated Debt such restrictions do not restrict the ability to grant security interests under this Agreement or any agreement that refinances this Agreement, (c) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the Ordinary Course (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), (d) Liens permitted to be incurred under Section 6.2 and restrictions in the agreements relating thereto that limit the right of any Credit Party to dispose of or transfer the assets subject to such Liens, (e) provisions limiting the disposition or distribution of assets or property in sale-leaseback agreements, stock sale agreements and other similar agreements, which limitation is applicable only to the assets that are the subject of such agreements, (f) any encumbrance or restriction in connection with an acquisition of property, so long as such encumbrance or restriction relates solely to the property so acquired and was not created in connection with or in anticipation of such acquisition, (g) restrictions contained in the First Lien Credit Documents, and (h) restrictions imposed by customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements and other similar agreements that restrict the transfer of ownership interest in such partnership, limited liability company, joint venture or similar Person, no Credit Party nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired.

6.5 **Restricted Junior Payments**. No Credit Party shall, nor shall it permit any of its Subsidiaries or Affiliates through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment, except:

(a) any Subsidiary may declare and pay or make any distributions to its shareholders, provided that such payments are made to all its shareholders proportionately based on their ownership interest in such Subsidiary;

(b) [Intentionally omitted]; and

(c) so long as no Default or Event of Default has occurred and is continuing, Xerium may repurchase, redeem or retain Common Stock in an amount not to exceed $7.0 million per annum solely for the purpose of repurchases of Common Stock

from departing Xerium executives or satisfying the purchase price of equity award under, or paying withholding taxes payable with respect to, vested equity compensation programs.

6.6 **Restrictions on Subsidiary Distributions**. Except as provided herein and as provided in the First Lien Credit Agreement, no Credit Party shall, nor shall it permit any of its Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of Xerium to (a) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by Xerium or any other Subsidiary of Xerium, (b) repay or prepay any Indebtedness owed by such Subsidiary to Xerium or any other Subsidiary of Xerium, (c) make loans or advances to Xerium or any other Subsidiary of Xerium, or (d) transfer any of its property or assets to Xerium or any other Subsidiary of Xerium, other than restrictions (i) in agreements evidencing Indebtedness permitted by Section 6.1(k) that impose restrictions on the property so acquired; (ii) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and similar agreements entered into in the Ordinary Course; (iii) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Capital Stock not otherwise prohibited under this Agreement; (iv) in any agreement for the sale or other disposition of a Subsidiary that restricts distributions by that Subsidiary pending the sale or other disposition; (v) in provisions in agreements or instruments which prohibit the payment of dividends or the making of other distributions with respect to any class of Capital Stock of a Person other than on a pro rata basis; and (vi) in any instrument governing Indebtedness or Capital Stock of a Person acquired by Xerium or any of its Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the property or assets of the Person, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by Section 6.1.

6.7 **Investments**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including without limitation any Joint Venture, except:

(a) Investments in Cash and Cash Equivalents;

(b) equity Investments and loans as of the Closing Date in or to any Subsidiary and equity Investments and loans made after the Closing Date in or to any Guarantor Subsidiary;

(c) Investments (i) in any Securities received in satisfaction or partial satisfaction of obligations of financially troubled account debtors and (ii) deposits, prepayments and other credits to suppliers made in Xerium's and its Subsidiaries' Ordinary Course;

(d) intercompany loans and guaranties to the extent permitted under Section 6.1(b), (d), (e), (g) and (h);

(e) Consolidated Capital Expenditures permitted by Section 6.8(d);

(f) loans and advances to employees of Xerium and its Subsidiaries made in the Ordinary Course in an aggregate principal amount not to exceed $1,000,000 in the aggregate;

(g) Investments made in connection with Permitted Acquisitions permitted pursuant to and in accordance with Section 6.9; provided that shares of Common Stock may be issued as consideration in connection with Permitted Acquisitions so long as Xerium is in compliance, on a pro forma basis, with the financial covenants set forth in Section 6.8;

(h) Investments received in lieu of Cash in connection with Asset Sales permitted by and in accordance with Section 6.9;

(i) Investments described in Schedule 6.7(i);

(j) other Investments (including without limitation Investments in Subsidiaries which are not wholly owned, directly or indirectly, by any Borrower) in an aggregate amount not to exceed at any time $20,000,000.

Notwithstanding the foregoing, in no event shall any Credit Party make any Investment which results in or facilitates in any manner any Restricted Junior Payment not otherwise permitted under the terms of Section 6.5.

6.8 **Financial Covenants**.

(a) Interest Coverage Ratio. Xerium shall not permit the Interest Coverage Ratio for any period of four consecutive Fiscal Quarters ending with any Fiscal Quarter set forth below to be less than the ratio set forth below opposite such Fiscal Quarter:

Fiscal Quarter	**Interest Coverage Ratio**
September 30, 2010	1.75
December 31, 2010	1.75
March 31, 2011	1.75
June 30, 2011	2.00
September 30, 2011	2.00
December 31, 2011	2.00
March 31, 2012	2.25
June 30, 2012	2.25
September 30, 2012	2.25
December 31, 2012	2.25

March 31, 2013	2.25
June 30, 2013	2.25
September 30, 2013	2.25
December 31, 2013	2.50
March 31, 2014	2.50
June 30, 2014	2.50
September 30, 2014	2.50
December 31, 2014	2.50
March 31, 2015	2.50
June 30, 2015	2.50
September 30, 2015	2.50
December 31, 2015	2.50

(b) Leverage Ratio. Xerium shall not permit the Leverage Ratio for any period of four consecutive Fiscal Quarters ending with any Fiscal Quarter set forth below to be greater than the ratio set forth below opposite such Fiscal Quarter:

Fiscal Quarter	**Leverage Ratio**
September 30, 2010	5.50
December 31, 2010	5.50
March 31, 2011	5.25
June 30, 2011	5.25
September 30, 2011	5.00
December 31, 2011	4.75
March 31, 2012	4.75
June 30, 2012	4.50
September 30, 2012	4.50
December 31, 2012	4.25
March 31, 2013	4.25
June 30, 2013	4.25
September 30, 2013	4.00
December 31, 2013	4.00
March 31, 2014	3.75
June 30, 2014	3.75
September 30, 2014	3.75
December 31, 2014	3.50
March 31, 2015	3.50
June 30, 2015	3.50
September 30, 2015	3.50
December 31, 2015	3.50

(c) [Intentionally omitted]

(d) Maximum Consolidated Capital Expenditures. Xerium shall not, and shall not permit its Subsidiaries to, make or incur Consolidated Capital Expenditures, in any Fiscal Year indicated below, in an aggregate amount for Xerium and its Subsidiaries in excess of the corresponding amount ("**Maximum Consolidated Capital Expenditures**") set forth below opposite such Fiscal Year (exclusive of capital expenditures paid with Net Insurance/Condemnation Proceeds in accordance with Section 2.14(b)):

Fiscal Year	**Maximum Consolidated Capital Expenditures**
2010	$37,300,000
2011	$33,400,000
2012	$33,800,000
2013	$33,100,000
2014	$33,100,000
2015	$33,100,000

provided, that the Maximum Consolidated Capital Expenditures for any Fiscal Year shall be increased by an amount equal to 50% of the portion of Maximum Consolidated Capital Expenditures not expended in the immediately preceding Fiscal Year (the "**Roll-Over Amount**"); provided, further, that any Roll-Over Amount not expended in the applicable Fiscal Year shall not be added to the amount of Maximum Consolidated Capital Expenditures for the immediately succeeding Fiscal Year.

(e) Certain Calculations. (i) With respect to any period during which a Permitted Acquisition or an Asset Sale has occurred (each, a "**Subject Transaction**"), for purposes of determining compliance with the financial covenants set forth in this Section 6.8, Adjusted EBITDA shall be calculated with respect to such period on a pro forma basis (including (x) pro forma adjustments arising out of events which are directly attributable to a specific transaction, are factually supportable and are expected to have a continuing impact, in each case determined on a basis consistent with Article 11 of Regulation S-X promulgated under the Securities Act and as interpreted by the staff of the Securities and Exchange Commission, which would include cost savings resulting from head count reduction, closure of facilities and similar restructuring charges and applicable interest expense shall be calculated with respect to such period on a pro rata basis, which pro forma adjustments shall be certified by the chief financial officer of Xerium and (y) such other adjustments that are acceptable to the Administrative Agent) using the historical audited financial statements of any business so acquired or to be acquired or sold or to be sold and the consolidated financial statements of Xerium and its Subsidiaries which shall be reformulated as if such Subject Transaction, and any Indebtedness incurred or repaid in connection therewith, had been consummated or incurred or repaid at the beginning of such period (and assuming that such Indebtedness bears interest during any portion of the applicable measurement period prior to the

relevant acquisition at the weighted average of the interest rates applicable to outstanding Term Loans incurred during such period).

(ii) Whenever pro forma effect is to be given to any transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of Xerium. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of Xerium to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

6.9 **Fundamental Changes; Disposition of Assets; Acquisitions**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, enter into any merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, or acquire by purchase or otherwise (other than purchases or other acquisitions of inventory, materials and equipment and Capital Expenditures in the Ordinary Course) the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except:

(a) any Subsidiary of Xerium may be merged with or into a Borrower or any other Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to a Borrower or any other Subsidiary; provided, however, in the case of such a merger involving a Borrower or a Guarantor Subsidiary merging with a non-Guarantor Subsidiary, such Borrower or Guarantor Subsidiary shall be the continuing or surviving Person;

(b) sales or other dispositions of assets that do not constitute Asset Sales;

(c) Asset Sales, the proceeds of which (valued at the principal amount thereof in the case of non-Cash proceeds consisting of notes or other debt Securities and valued at fair market value in the case of other non-Cash proceeds) when aggregated with the proceeds of all other Asset Sales made within the same Fiscal Year, are less than $25,000,000 (excluding proceeds from the Australia Asset Sales and the Vietnam Asset Sales); provided (1) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the board of directors of such Credit Party (or similar governing body)), (2) no less than 75% thereof shall be paid in Cash, and (3) the Net Asset Sale Proceeds thereof shall be applied as required by Section 2.14(a);

(d) disposals of obsolete, worn out or surplus property, and any assets acquired in connection with the acquisition of another Person in a division or line of business of such Person reasonably determined by the acquirer to be surplus assets;

(e) Permitted Acquisitions; provided that Permitted Acquisitions for the period commencing on the Closing Date to but excluding the Term Loan Maturity Date may not exceed in the aggregate $10,000,000 (including any Indebtedness acquired in connection with a Permitted Acquisition); and

(f) Investments made in accordance with Section 6.7.

6.10 **Disposal of Subsidiary Interests**. Except for any sale of all of its interests in the Capital Stock of any of its Subsidiaries in compliance with the provisions of Section 6.9 or pursuant to the Collateral Documents, no Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to qualify directors if required by applicable law; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by applicable law.

6.11 **Sales and Lease Backs**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which such Credit Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than Xerium or any of its Subsidiaries), or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by such Credit Party to any Person (other than Xerium or any of its Subsidiaries) in connection with such lease.

6.12 **Transactions with Shareholders and Affiliates**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of Capital Stock of Xerium or any of its Subsidiaries or with any Affiliate of Xerium or of any such holder, on terms that are less favorable to Xerium or that Subsidiary, as the case may be, than those that might be obtained at the time from a Person who is not such a holder or Affiliate; provided, the foregoing restriction shall not apply to (a) any transaction between Xerium or any of its Subsidiaries and any other of Xerium and its Subsidiaries; (b) reasonable and customary fees paid to members of the board of directors (or similar governing body) of Xerium and its Subsidiaries; (c) compensation arrangements for officers and other employees of Xerium and its Subsidiaries entered into in the Ordinary Course; (d) the agreements and instruments listed on Schedule 6.12A and the transactions related thereto (which agreements and instruments shall be in form and substance reasonably satisfactory to the Administrative Agent); and (e) transactions described in Schedule 6.12. Notwithstanding anything to the contrary herein, the transactions contemplated the Plan of Reorganization or the Disclosure Statement shall be deemed permitted transactions under this Agreement.

6.13 **Conduct of Business**. From and after the Closing Date, no Credit Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than (i) the businesses engaged in by one or more Credit Parties on the Closing Date and similar or related businesses and (ii) such other lines of business as may be consented to by Requisite Banks.

6.14 [**Intentionally Omitted**].

6.15 **Amendments or Waivers of Organizational Documents**. No Credit Party shall terminate or agree to any amendment, restatement, supplement or other modification to, any Organizational Document that would be materially adverse to the Banks.

6.16 **Amendments or Waivers of with respect to Subordinated Debt and the First Lien Credit Agreement**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise change the terms of any Subordinated Debt or make any payment consistent with an amendment thereof or change thereto, if the effect of such amendment or change is to increase the interest rate or the amortization rate on such Subordinated Debt, change (to earlier dates) any dates upon which payments of principal or interest are due thereon, change any event of default or condition to an event of default with respect thereto (other than to eliminate any such event of default or increase any grace period related thereto), change the redemption, prepayment or defeasance provisions thereof, change the subordination provisions of such Subordinated Debt (or of any guaranty thereof), or if the effect of such amendment or change, together with all other amendments or changes made, is to increase materially the obligations of the obligor thereunder or to confer any additional rights on the holders of such Subordinated Debt (or a trustee or other representative on their behalf) which would be adverse to any Credit Party or Banks. In addition, the Borrowers shall not amend or otherwise modify the terms of the First Lien Credit Agreement in contravention of the terms of the Intercreditor Agreement.

6.17 **Fiscal Year**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, change its Fiscal Year end from December 31st.

6.18 **Account Control Agreements; Cash Management**. Xerium shall not alter or permit its Subsidiaries to alter the cash concentration and cash management practice and services with respect to the accounts covered by the control agreements pursuant to which the Administrative Agent is a party unless it gives the Collateral Agent 30 days' prior written notice of such change and the applicable Credit Party, prior to effecting such change, enters into control agreements in form and substance reasonably satisfactory to the Collateral Agent; provided that if for two consecutive Fiscal Quarters the Leverage Ratio shall be less than 3.00, then the obligation of the Credit Parties to maintain control agreements for the benefit of the Banks, including control agreements relating to the Primary Accounts, shall terminate and upon the request of Xerium the Collateral Agent and (if a party thereto) the Administrative Agent will enter into applicable termination agreements terminating such control agreements.

SECTION 7. GUARANTY

7.1 **Guaranty of the Obligations**.

(a) Subject to the provisions of Section 7.2 and 7.14, the Non-US Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Non-US Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "**Non-US Guaranteed Obligations**")

(b) Subject to the provisions of Section 7.2, the US Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "**Guaranteed Obligations**").

7.2 **Contribution by Guarantors**.

(a) All Non-US Guarantors desire to allocate among themselves (collectively, the "**Non-US Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a "**Non-US Funding Guarantor**") under this Guaranty such that its Non-US Aggregate Payments exceed its Non-US Fair Share as of such date, such Non-US Funding Guarantor shall be entitled to a contribution from each of the other Non-US Contributing Guarantors in an amount sufficient to cause each Non-US Contributing Guarantor's Non-US Aggregate Payments to equal its Non-US Fair Share as of such date. "**Non-US Fair Share**" means, with respect to a Non-US Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Non-US Fair Share Contribution Amount with respect to such Non-US Contributing Guarantor to (ii) the aggregate of the Non-US Fair Share Contribution Amounts with respect to all Non-US Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all Non-US Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. "**Non-US Fair Share Contribution Amount**" means, with respect to a Non-US Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Non-US Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "**Non-US Fair Share Contribution Amount**" with respect to any Non-US Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such Non-US

Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Non-US Contributing Guarantor. "**Non-US Aggregate Payments**" means, with respect to a Non-US Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such Non-US Contributing Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 7.2), minus (2) the aggregate amount of all payments received on or before such date by such Non-US Contributing Guarantor from the other Non-US Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Non-US Funding Guarantor. The allocation among Non-US Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any Non-US Contributing Guarantor hereunder. Each Non-US Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2(a).

(b) All US Guarantors desire to allocate among themselves (collectively, the "**US Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a US Guarantor (a "**US Funding Guarantor**") under this Guaranty such that its US Aggregate Payments exceed its US Fair Share as of such date, such US Funding Guarantor shall be entitled to a contribution from each of the other US Contributing Guarantors in an amount sufficient to cause each US Contributing Guarantor's US Aggregate Payments to equal its US Fair Share as of such date. "**US Fair Share**" means, with respect to a US Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the US Fair Share Contribution Amount with respect to such US Contributing Guarantor to (ii) the aggregate of the US Fair Share Contribution Amounts with respect to all US Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all US Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. "**US Fair Share Contribution Amount**" means, with respect to a US Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such US Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "**US Fair Share Contribution Amount**" with respect to any US Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such US Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such US Contributing Guarantor. "**US Aggregate Payments**" means, with respect to a US Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such US Contributing Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 7.2), minus (2) the aggregate amount of all payments

received on or before such date by such US Contributing Guarantor from the other US Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable US Funding Guarantor. The allocation among US Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any US Contributing Guarantor hereunder. Each US Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2(b).

7.3 **Payment by Guarantors**

(a) Subject to Section 7.2(a), Non-US Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Non-US Guarantor by virtue hereof, that upon the failure of a Non-US Borrower to pay any of the Non-US Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Non-US Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Non-US Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Non-US Guaranteed Obligations (including interest which, but for any Non-US Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Non-US Guaranteed Obligations, whether or not a claim is allowed against such Non-US Borrower for such interest in the related bankruptcy case) and all other Non-US Guaranteed Obligations then owed to Beneficiaries as aforesaid.

(b) Subject to Section 7.2(b), US Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any US Guarantor by virtue hereof, that upon the failure of a Borrower to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), US Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for any Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against such Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

7.4 **Liability of Guarantors Absolute**. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall

not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of such Guarantor and not merely a contract of surety;

(b) Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between any Borrower and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of such Guarantor hereunder are independent of the obligations of any Borrower and the obligations of any other guarantor (including any other Guarantor) of the obligations of any Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against any Borrower or any of such other guarantors and whether or not any Borrower is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, which has not been paid. Without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Non-US Guaranteed Obligations or Guaranteed Obligations, or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, and take and hold security for the payment hereof or the Non-US Guaranteed Obligations or

Guaranteed Obligations, as the case may be; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, any other guaranties of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, or any other obligation of any Person (including any other Guarantor) with respect to the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, provided, however, that no Credit Document to which such Guarantor is party may be amended without its written consent; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith or the applicable documentation creating Hedging Obligations and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or non-judicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Borrower or any security for the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; and (vi) exercise any other rights available to it under the Credit Documents or the applicable documentation creating Hedging Obligations; and

(f) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation (subject, however, to the limitations applicable to certain Non-US Guarantors as set out in Section 7.14), impairment, discharge or termination for any reason (other than payment in full of the Non-US Guaranteed Obligations and Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Credit Documents or the applicable documentation creating Hedging Obligations, at law, in equity or otherwise) with respect to the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Credit Documents, any of the applicable documentation creating Hedging Obligations or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, in each case whether or not in accordance with the terms hereof or such Credit Document, such applicable documentation creating Hedging Obligations or any agreement relating to such other guaranty or security; (iii) the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be,

or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Credit Documents or any of the applicable documentation creating Hedging Obligations or from the proceeds of any security for the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, except to the extent such security also serves as collateral for indebtedness other than the Non-US Guaranteed Obligations or Guaranteed Obligations) to the payment of indebtedness other than the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, even though any Beneficiary might have elected to apply such payment to any part or all of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Xerium or any of its Subsidiaries and to any corresponding restructuring of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (vii) any defenses, set offs or counterclaims which any Borrower may allege or assert against any Beneficiary in respect of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; (viii) any law or regulation of any jurisdiction or any other event affecting any term of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; and (ix) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be.

(g) Notwithstanding anything to the contrary herein or in any Credit Document, this guarantee given by any guarantor organized under Austrian law is meant to be and shall be interpreted as abstract guarantee ("*abstrakter Garantievertrag*") and not as surety ("*Buergschaft*"), neither as a joint obligation as a borrower ("*Mitschuldner*") and such Austrian Guarantor undertakes to pay unconditionally, irrevocably, upon first demand and without raising any defenses ("*unbedingt, unwiderruflich, ueber erste Aufforderung und unter Verzicht auf alle Einwendungen*") any amounts demanded by any of the Beneficiaries under reference to this guarantee.

(h) Notwithstanding anything to the contrary herein or in any Credit Document, to the extent that this guarantee is granted by any guarantor organized under German law, such guarantee is granted in the form of an abstract guarantee (*abstraktes Garantieversprechen*) and not as a surety (*Buergschaft*) or as a joint obligation as borrower (*Mitschuldübernahme*), and any German Guarantor undertakes, subject to subsection 7.14(f) hereof, to pay unconditionally, irrevocably, upon first demand and without raising any defenses (*unbedingt, unwiderruflich, auf erstes Anfordern und unter Verzicht auf alle Einwendungen und Einreden*) any amounts demanded by any of the Beneficiaries under reference to this guarantee. Each German Guarantor hereby confirms to the Administrative Agent and each Beneficiary that (i) it has thoroughly read this guarantee and understands that it may be liable hereunder for payments in excess of the

amounts of the Loans, (ii) it has discussed this guarantee with its legal counsel prior to entering into this Agreement, and (iii) in the past it has entered into such guarantees as a guarantor before.

7.5 **Waivers by Guarantors**. Each Guarantor hereby waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against any Borrower, any other guarantor (including any other Guarantor) of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be or any other Person, (ii) proceed against or exhaust any security held from any Borrower, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of any Borrower or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, or any agreement or instrument relating thereto or by reason of the cessation of the liability of any Borrower or any other Guarantor from any cause other than payment in full of the Non-US Guaranteed Obligations or Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Non-US Guaranteed Obligations or Guaranteed Obligations, except behavior which amounts to bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, the applicable documentation creating Hedging Obligations or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Non-US Guaranteed Obligations or Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to any Borrower and notices of any of the matters referred to in Section 7.4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof, subject to the limitations applicable to certain Non-US Guarantors as set out in Section 7.14.

The Mexican Guarantor, hereby expressly waives, to the fullest extent allowed by law of Mexico, all legal benefits including, but not limited to, inter alia the benefits of order, excussio and division provided for in Articles 2813, 2814, 2815, 2817, 2818, 2820, 2821, 2822, 2823, 2826 and 2837 of Federal Civil Code of Mexico, the contents and

scope of which the Mexican Guarantor hereby acknowledges to be fully aware of. Likewise, the Mexican Guarantor expressly waives the rights granted to it under Articles 2845, 2846, 2847 and 2849 of the Federal Civil Code of Mexico, pursuant to which the Mexican Guarantor would be relieved from its obligations in case any of the Banks would grant any extensions or releases to the Mexican Guarantor.

7.6 **Guarantors' Rights of Subrogation, Contribution, etc**. Until the Non-US Guaranteed Obligations and Guaranteed Obligations shall have been indefeasibly paid in full, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against any Borrower or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its respective obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against any Borrower with respect to the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against any Borrower, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Non-US Guaranteed Obligations and Guaranteed Obligations shall have been indefeasibly paid in full, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, including, without limitation, any such right of contribution as contemplated by Section 7.2. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against any Borrower or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against any Borrower, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Non-US Guaranteed Obligations and Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, whether matured or unmatured, in accordance with the terms hereof.

7.7 **Subordination of Other Obligations**. Any Indebtedness of any Borrower or any Guarantor now or hereafter held by any Guarantor (the "**Obligee Guarantor**") is hereby subordinated in right of payment to the Non-US Guaranteed Obligations and Guaranteed Obligations, and any such indebtedness collected or received by the Obligee

Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof, subject, however to the limitations applicable to certain Non-US Guarantors as set out in Sections 7.13 and 7.14.

7.8 **Continuing Guaranty**. This Guaranty is a continuing guaranty and shall remain in effect until all of the Non-US Guaranteed Obligations and Guaranteed Obligations shall have been paid in full. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be.

7.9 **Authority of Guarantors or Borrowers**. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or any Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

7.10 **Financial Condition of Each Borrower**. Any Loan may be made to any Borrower or continued from time to time, and any applicable documentation creating Hedging Obligations may be entered into from time to time, in each case without notice to or authorization from any Guarantor regardless of the financial or other condition of such Borrower at the time of any such grant or continuation or at the time such applicable documentation creating Hedging Obligations is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of any Borrower. Each Guarantor has adequate means to obtain information from each Borrower on a continuing basis concerning the financial condition of such Borrower and its ability to perform its respective obligations under the Credit Documents and the applicable documentation creating Hedging Obligations, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of each Borrower and of all circumstances bearing upon the risk of non-payment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of any Borrower now known or hereafter known by any Beneficiary.

7.11 **Bankruptcy, etc**.

(a) So long as any Non-US Guaranteed Obligations or Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Requisite Banks, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against any Borrower or any other Guarantor, subject to the limitations applicable to certain Non-US Guarantors as set out in Section 7.13 and Section 7.14. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding,

voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of any Borrower or any other Guarantor or by any defense which any Borrower or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Non-US Guaranteed Obligations and Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Non-US Guaranteed Obligations and Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Non-US Guaranteed Obligations and Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Non-US Guaranteed Obligations and Guaranteed Obligations which are guaranteed by the applicable Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve any Borrower of any portion of such Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Non-US Guaranteed Obligations or Guaranteed Obligations are paid by any Borrower, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Non-US Guaranteed Obligations and Guaranteed Obligations for all purposes hereunder.

7.12 **Discharge of Guaranty Upon Sale of Guarantor**. If all of the Capital Stock of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such Asset Sale.

7.13 **Validity of Pledge of Shares held by Xerium Technologies Limited, Xerium (France) SAS and the German Guarantors; Parallel Obligations**.

(a) For the purposes of taking a valid security interest in the shares held by Xerium (France) SAS, Xerium Technologies Limited and the German Guarantors

securing only the Non-US Obligations and ensuring the continued validity of such security interest, and despite anything to the contrary contained in any Credit Document:

(i) Xerium (France) SAS shall pay to the Collateral Agent sums equal to, and in the currency of, its obligations owing by it to a Secured Party (other than the Collateral Agent) as and when the same fall due for payment under the Credit Documents and each of the German Guarantors shall pay to the Collateral Agent sums equal to, and in the currency of, the Non-US Obligations as and when the same fall due for payment under the Credit Documents (the "**Parallel Obligations**");

(ii) the rights of the Secured Parties to receive payment under the Credit Documents are several and independent from the rights of the Collateral Agent to receive the Parallel Obligations;

(iii) the Collateral Agent shall have its own independent right to demand payment of the Parallel Obligations by Xerium Technologies Limited, Xerium (France) SAS and the German Guarantors;

(iv) the payment by Xerium Technologies Limited, Xerium (France) SAS or any of the German Guarantors of its Parallel Obligations to the Collateral Agent in accordance with this Section 7.13 shall be a good discharge of the corresponding obligations owed by it to the relevant Secured Party under the relevant Credit Document, or the corresponding Non-US Obligations, as the case may be, and payment by Xerium (France) SAS or any of the German Guarantors of its obligations owed by it to the relevant Secured Party under the relevant Credit Document, or the corresponding Non-US Obligations, as the case may be, shall be a good discharge of the corresponding Parallel Obligations to the Collateral Agent; and

(v) with regard to Xerium Technologies Limited, Xerium (France) SAS and the German Guarantors, nothing in any Credit Document shall in any way limit the Collateral Agent's right to act in the protection or preservation of the rights under, or to enforce any, Collateral Document as contemplated by this Section 7.13 or the relevant Collateral Document.

(b) Despite the foregoing, any such payment shall be made to the Administrative Agent unless the Administrative Agent directs such payment to be made to the Collateral Agent.

(c) Without limiting or affecting the Collateral Agent's rights against Xerium Technologies Limited, Xerium (France) SAS or any of the German Guarantors (whether under this Section 7.13 or under any other provision of the Credit Documents and subject to paragraph (a)(v) of this Section 7.13), the Collateral Agent agrees with each other Secured Party or creditor of a Non-US Obligation, as the case may be, that it will not exercise its rights in respect of the Parallel Obligations except with the consent of the relevant Secured Party or the creditor of a Non-US Obligation or the Requisite Banks, as the case may be.

(d) A Secured Party and the Collateral Agent may not, by virtue of this Section 7.13, pursue Xerium (France) SAS or any of the German Guarantors concurrently for the same obligation.

7.14 **Limitation of Non-US Guaranteed Obligations**.[2]

(a) Austrian guarantee. The obligations of each Non-US Guarantor organized under Austrian law (each, an "**Austrian Guarantor**") shall be limited so as not to result in the violation of Austrian capital maintenance rules pursuant to Austrian company law, in particular Section 82 of the Act on Limited Liability Companies (*Gesetz über Gesellschaften mit beschränkter Haftung*) and Section 52 of the Austrian Act on Stock Corporations (*Aktiengesetz*)(Austrian Capital Maintenance Rules), and all obligations hereunder of such Austrian Guarantor shall be limited in accordance with these rules. Further, the subordination of obligations pursuant to Section 7.7 hereof shall not be binding on any Obligee Guarantor organized under Austrian law to the extent such subordination would constitute a violation of mandatory Austrian capital maintenance provisions. No reduction of the amount enforceable against an Austrian Guarantor pursuant to this paragraph in accordance with the above limitations will prejudice the rights of the Administrative Agent to continue to enforce the guarantee pursuant to Section 7.1 (subject always to the operation of the limitation set forth above at the time of such enforcement) until the Non-US Obligations have been satisfied in full.

(b) Italian guarantee. This liability of each Non-US Guarantor organized under the laws of the Republic of Italy (each, an "**Italian Guarantor**") shall:

(i) (i) at no time require an Italian Guarantor to pay an amount which exceeds an amount corresponding from time to time to the aggregate of the outstanding indebtedness of the Italian Guarantor under the Italia Term Loan; and

(ii) the guarantee obligations of an Italian Guarantor under this Section 7.14(b) shall be limited to the extent required to comply with Italian mandatory provisions on financial assistance and corporate benefit (including, without limitation, Article 2358 of the Italian Civil Code) and, accordingly, such guarantee obligations shall not include and shall not extend to any indebtedness incurred by any Borrower and/or Guarantor in relation to the financing of the acquisition or subscription for of shares issued or to be issued by such Italian Guarantor or by any direct or indirect controlling entity of such Italian Guarantor, unless the conditions and procedure provided for under Article 2358 of the Italian Civil Code are complied with; without prejudice to the foregoing and for the specific purposes of article 1938 of the Italian Civil Code (if applicable), the maximum amount that each Italian Guarantor may be required to pay under this Section 7.14 shall in no event exceed Euro [_____].

(c) Intentionally omitted.

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[2] Under review and discussion by local counsel.

(d) French guarantee. The liability of each Non-US Guarantor organized under the laws of France (a "**French Guarantor**") shall (A) not include any obligations which if incurred would constitute the provision of financial assistance as defined by article L225-216 of the French Commercial Code, (B) only guarantee obligations to the extent that the proceeds are used to finance or refinance the working capital needs or the debt of any Borrower and (C) be limited at any time to the greater of:

(i) the equivalent to Euros of the Loans (plus any accrued interest thereon, commissions and fees) made available to any obligor (other than, if applicable, the French Guarantor) to the extent directly or indirectly on-lent by the obligor to the French Guarantor calculated by the Facility Agent on the date on which such moneys are paid; and

(ii) 80% of the greater of:

(A) the Net Asset Value of the French Guarantor calculated and certified by the statutory auditors of the French Guarantor on the basis of the last audited financial statements available at the date hereof; and

(B) the Net Asset Value of the French Guarantor calculated and certified by the statutory auditors of the French Guarantor on the basis of the last audited financial statements available at the date on which demand is made on it pursuant to this Section 7.

For the purposes of this Section 7.14(d) "**Net Asset Value**" of the French Guarantor means the *capitaux propres* (as defined under the provisions of French accounting laws, decrees and regulations consistently applied) of the French Guarantor. A certificate of the statutory auditors of the French Guarantor as to the Net Asset Value shall be prima facie evidence as to the amount to which it relates.

The liability of any French Guarantor under Section 7 (Guaranty) of this Agreement for the obligations under the Credit Documents of any Non-US Credit Party which is its Subsidiary shall not, in relation to amounts due by such Non-US Credit Party, be limited.

(e) Canadian guarantee. No Guarantor existing under the laws of Canada or any province thereof (a "**Canadian Guarantor**") shall guarantee, undertake, or provide any indemnity in respect of, the obligations of any person under this Section 7 unless at the time such guarantee or undertaking is given or indemnity is provided (i) such person is a Subsidiary of the Canadian Guarantor or (ii) the Canadian Guarantor is a wholly owned Subsidiary of such person or (iii) such Canadian Guarantor is not prohibited by applicable laws from giving such guarantee or undertaking or providing such indemnity.

(f) German guarantees.

(i) To the extent that any of the guarantees granted hereunder by any Guarantor organized under the laws of the Federal Republic of Germany as a German

limited liability company (*GmbH*) or a German limited partnership with a German limited liability company (*GmbH*) as general partner (*GmbH & Co. KG*) is enforced with respect to Non-US Guaranteed Obligations owed and payable by an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 *et seq*. of the German Stock Corporation Act (*Aktiengesetz*) of the relevant Guarantor other than affiliated companies as to which such Guarantor (or, in the case of a GmbH & Co. KG, it or its general partner) is a direct or indirect shareholder, the right to enforce the Guarantee against the relevant Guarantor shall, but only with respect to such Guarantor, be limited

(1) to such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) net assets, being its total assets less its liabilities each as calculated in accordance with the accounting standards applicable to such Guarantor (or, in the case of a GmbH & Co. KG, its general partner) by law from time to time, (*Nettovermögen*) (the "**Net Assets**"), however only if and to the extent that such Guarantor provides sufficient evidence to the Administrative Agent that

(A) such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets are reduced below the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital (*Stammkapital*) as a result of the enforcement, the application of the proceeds towards the Non-US Guaranteed Obligations would thus constitute a violation of Section 30 German Limited Liability Company Act (*GmbH-Gesetz*), and such payment of proceeds to such Guarantor is therefore required to allow such Guarantor (or, in the case of a GmbH & Co. KG, its general partner) to maintain its stated share capital in accordance with Section 30 German Limited Liability Company Act, or

(B) such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets had already been reduced prior to the enforcement to an amount below its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital, the application of the proceeds towards the Non-US Guaranteed Obligations would thus constitute a violation of Section 30 German Limited Liability Company Act, and such payment of proceeds to such Guarantor is therefore required to restore such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital in accordance with Section 30 German Limited Liability Company Act;

(2) to such an amount as such limitation is required to prevent a destruction of such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) existence, however only if and to the extent that such Guarantor provides sufficient evidence to the Administrative Agent that such destruction of existence would otherwise occur and be deemed to have been brought about by a lack of minimum considerateness of such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) interests (*Rücksichtnahme auf die Eigenbelange der GmbH*) on the part of such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) sole shareholder (*existenzvernichtender Eingriff*);

however in each case only if and to the extent that such Guarantor further provides sufficient evidence to the Administrative Agent that the Non-US Guaranteed Obligations, including without limitation any interest or ancillary obligations relating thereto, with respect to which the guarantee is enforced do not correspond to funds that have been directly or indirectly passed on by any of the Borrowers of such Non-US Guaranteed Obligations (1) in the form of a loan to such Guarantor (or, in the case of a GmbH & Co. KG, to it or its general partner) or (2) in the form of a loan or of equity to an affiliated company of such Guarantor (or, in the case of a GmbH & Co. KG, of it or its general partner) as to which it (or, in the case of a GmbH & Co. KG, it or its general partner) is a direct or indirect shareholder and that is not itself a Credit Party.

(ii) The foregoing subsection 7.14(f)(i)(1) shall apply only subject to the provisos that

(1) for the purposes of the determination of the relevant Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital the amount of any increase of such stated share capital after the date hereof shall be disregarded to the extent such increase (A) has been effected without the prior written consent of the Administrative Agent, (B) is effected out of company funds (*Kapitalerhöhung aus Gesellschaftsmitteln*) or (C) is not fully paid up; and

(2) for the purposes of the calculation of the relevant Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets the following items shall be adjusted as follows:

1. (A) obligations under loans provided to the relevant Guarantor (or, in the case of a GmbH & Co. KG, to it or its general partner) by its (or, in the case of a GmbH & Co. KG, its or its general partner's) direct or indirect shareholders or their affiliates to the extent that such obligations (x) are subordinated pursuant to contractual arrangements or if the conditions of Section 39(1) no. 5 or (2) of the *German Insolvency Act* (*Insolvenzordnung*) are met or (y) qualify as obligations which may not be repaid under Section 30 of the German Limited Liability Company Act;

2. (B) rights for payment under loans granted by the relevant Guarantor (or, in the case of a GmbH & Co. KG, by it or its general partner) to any of its (or, in the case of a GmbH & Co. KG, its or its general partner's) direct or indirect shareholders or their affiliates to the extent the granting of such loans constituted a violation of Section 30 German Limited Liability Company Act shall be accounted for with their full nominal value; without prejudice to the foregoing, rights for payment under loans (other than or in excess of those accounted for with their full value pursuant to the foregoing) shall be disregarded to the extent such rights do not qualify as assets of the relevant Guarantor (or, in the case of a GmbH & Co. KG, of its general partner) for purposes of Section 30 German Limited Liability Company Act provided that such loans were made by such Guarantor (or, in the case of a GmbH & Co. KG, by its general partner) to one of its (or, in the case of a GmbH & Co. KG, its general partner's) direct or indirect shareholders or their affiliates and such shareholder or affiliate is fully liable for the payment of the Non-US Guaranteed Obligations;

3. (C) obligations under loans or other contractual liabilities incurred by the relevant Guarantor (or, in the case of a GmbH & Co. KG, by it or its general partner) in violation of any Credit Document to which it (or, in the case of a GmbH & Co. KG, it or its general partner, respectively) is a party shall be disregarded; and

4. (D) any asset that is not necessary for the relevant Guarantor's (or, in the case of a GmbH & Co. KG, its or its general partner's) business (*nicht betriebsnotwendig*), that is shown in such Guarantor's (or, in the case of a GmbH & Co. KG, its or its general partner's, respectively) balance sheet with a book value (Buchwert) which is lower than the market value of such asset, and that can be realized, shall be taken into account with its market value, except where such Guarantor provides sufficient evidence to the Administrative Agent that (x) such realization would not be legally permitted or (y) the proceeds achievable through such realization would not exceed the total of the book value plus the expenses in connection with such realization.

(iii) The limitations set out above in (i) and (ii) shall not apply if the relevant German Guarantor has entered into a domination and or profit and loss transfer agreement (*Beherrschungs- und/oder Gewinnabführungsvertrags*) as the dominated party.

(g) Swedish guarantees. The obligations of any Swedish Guarantor as a Non-US Guarantor under the Credit Documents shall be limited, if required by the provisions of the Swedish Companies Act (Sw. Aktiebolagslagen 2005:551) regulating distribution of assets (Chapter 17, Section 3 or the equivalent clause/s from time to time) and it is understood that the liability of such Swedish Guarantor only applies to the extent and in such amount permitted by the above mentioned provisions of the Swedish Companies Act.

(h) Mexican guarantees. To the extent that the Guarantor is a Mexican Guarantor, the enforcement of the obligations under this Section 7 against the Mexican Guarantor shall be subject and may be limited:

(i) by the fact that the obligations of the Mexican Guarantor under the Credit Documents are invalid, illegal or unenforceable obligations of the Mexican Guarantor;

(ii) by Mexican bankruptcy, insolvency, fraudulent conveyance, suspension of payments, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally; and

(iii) by the fact that the obligations guaranteed by the Mexican Guarantor are inherent to its corporate purpose.

7.15 **Validity and Effectiveness**. This Guaranty shall remain wholly valid and effective until the full, unconditional and irrevocable performance and discharge of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, and

for all the period during which payments effected in such respect are subject to the claw back and/or **avoidance under any applicable law.**

7.16 **Existing Guarantees**. Each Guarantor ratifies and affirms that each of their respective guarantees under the Prepetition Credit Agreement, and such guarantees shall remain in full force and effect (with respect to such loans and obligations as modified by the Plan of Reorganization and this Agreement) and are not being terminated, discharged or released. Each Guarantor further acknowledges that any Collateral Document to and which it is a party which secures such guaranty shall continue to secure such guaranty.

SECTION 8. EVENTS OF DEFAULT

8.1 **Events of Default**. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by a Borrower to pay (i) when due any installment of principal of any Term Loan, whether at stated maturity, by acceleration, by notice of voluntary prepayment, by mandatory prepayment or otherwise; or (ii) any interest on any Term Loan or any fee or any other amount due hereunder, which failure continues for three (3) Business Days only if as a result of a transmission failure due to a failure of the banking markets; or

(b) Default in Other Agreements. (i) Failure of any Credit Party or any of their respective Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 8.1(a)) with an aggregate principal amount of $5,000,000 or more, in each case beyond the grace period, if any, provided therefor; or (ii) breach or default by any Credit Party with respect to any other material term of (1) one or more items of Indebtedness in the individual or aggregate principal amounts referred to in clause (i) above or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, originally provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or

(c) Breach of Certain Covenants. Failure of any Credit Party to perform or comply with any term or condition contained in Section 2.6, Section 5.1(g)(i), Section 5.1(q), Section 5.2 or Section 6; or

(d) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party in any Credit Document or in any statement or certificate at any time given by any Credit Party or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(e) Other Defaults Under Credit Documents. Any Credit Party shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in any other subsection of this Section 8.1, and such default shall not have been remedied or waived within twenty (20) Business Days after the earlier of (i) an officer of such Credit Party becoming aware of such default or (ii) receipt by Xerium of notice from the Administrative Agent or any Bank of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Xerium or any of its Subsidiaries in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal, provincial or state law; or (ii) an involuntary case (including, without limitation, a winding-up, dissolution, reorganization, compromise or arrangement) shall be commenced against Xerium or any of its Subsidiaries under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or any application shall have been made, or is required by applicable law to be made, with a court for the opening of insolvency proceedings with regard to Xerium or any of its Subsidiaries; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Xerium or any of its Subsidiaries, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Xerium or any of its Subsidiaries for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Xerium or any of its Subsidiaries, and (A) in relation only to any Non-US Borrower and any Foreign Subsidiary, any such event described in this clause (ii) shall continue for seven days without having been dismissed, bonded or discharged, and (B) in relation only to Xerium or any Domestic Subsidiary, any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Xerium or any of its Subsidiaries shall have an order for relief entered with respect to it or shall commence a voluntary case (including, without limitation, a winding-up, dissolution, reorganization, compromise or arrangement) under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Xerium or any of its Subsidiaries shall make any assignment for the benefit of creditors; or (ii) Xerium or any of its Subsidiaries shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of Xerium or any of its Subsidiaries (or any committee thereof) shall adopt any resolution or

otherwise authorize any action to approve any of the actions referred to herein or in Section 8.1(f), other than any Bankruptcy Cases not closed as of the Closing Date; or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving in the aggregate at any time an amount in excess of $5,000,000 (in either case to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Xerium or any of its Subsidiaries or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days (or in any event later than five days prior to the date of any proposed sale thereunder); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Credit Party decreeing the dissolution or split up of such Credit Party and such order shall remain undischarged or unstayed for a period in excess of thirty (30) days; or

(j) Employee Benefit Plans. (i) There shall occur one or more ERISA Events and/or Canadian Pension Plan Events which individually or in the aggregate results in or could reasonably be expected to result in liability of Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates in excess of $5,000,000 during the term hereof; or (ii) there exists any fact or circumstance that would reasonably be expected to result in the imposition of a Lien or security interest under Section 412(n) of the Internal Revenue Code or under ERISA; or

(k) Change of Control. A Change of Control shall occur, other than as contemplated under the Plan of Reorganization; or

(l) Guaranties, Collateral Documents and Other Credit Documents. At any time after the execution and delivery thereof, (i) any Guaranty for any reason, other than the satisfaction in full of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder, (ii) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof or any other termination of such Collateral Document in accordance with the terms thereof) or shall be declared null and void, or the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of the Collateral Agent or any Secured Party to take any action within its control, or (iii) any Credit Party shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by Banks, under any Credit Document to which it is a party or any Credit Document shall cease to be in full force and effect or shall be declared null and void; or

(m) Material Adverse Effect. Any event, condition or situation shall occur that has a Material Adverse Effect, provided that the consummation of the transactions contemplated by the Plan of Reorganization shall not constitute a Material Adverse Effect,

THEN, (1) upon the occurrence of any Event of Default described in Sections 8.1(f), (g) or (k), automatically, and (2) upon the occurrence and continuation of any other Event of Default, at the request of (or with the consent of) Requisite Banks, upon notice to Xerium by the Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) the unpaid principal amount of and accrued interest on the Term Loans, and (II) all other Obligations; and (B) subject to the terms of the Intercreditor Agreement, the Administrative Agent may cause the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents.

8.2 **CAM Exchange**. On the CAM Exchange Date, (i) the Banks shall automatically and without further act be deemed to have exchanged interests in the Designated Obligations such that, in lieu of the interests of each Bank in the Designated Obligations under each Term Loan in which it shall participate as of such date, such Bank shall own an interest equal to such Bank's CAM Percentage in the Designated Obligations under each of the Term Loans and (ii) simultaneously with the deemed exchange of interests pursuant to clause (i) above, the interests in the Designated Obligations to be received in such deemed exchange shall, automatically and with no further action required, be converted into the Base Currency, determined using the rate of exchange as set forth in Section 2.16(i)(B) calculated as of such date, of such amount and on and after such date all amounts accruing and owed to the Banks in respect of such Designated Obligations shall accrue and be payable in U.S. Dollars at the rate otherwise applicable hereunder. Each Bank, each Person acquiring a participation from any Bank as contemplated by Section 10.6 and each Borrower hereby consents and agrees to the CAM Exchange. Each of the Borrowers and the Banks agrees from time to time to execute and deliver to the Administrative Agent all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Banks after giving effect to the CAM Exchange, and each Bank agrees to surrender any promissory notes originally received by it in connection with its Term Loans hereunder to the Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of any Borrower to execute or deliver or of any Bank to accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

As a result of the CAM Exchange, on and after the CAM Exchange Date, each payment received by the Administrative Agent pursuant to any Credit Document in respect of the Designated Obligations shall be distributed to the Bank pro rata in accordance with their respective CAM Percentages (to be redetermined as of each such date of payment). Any direct payment received by a Bank upon or after the CAM Exchange Date, including by

way of setoff, in respect of a Designated Obligation shall be paid over to the Administrative Agent for distribution to the Banks in accordance herewith.

SECTION 9. AGENTS

9.1 **Appointment of Agents**. Citigroup Global Markets Inc. is hereby appointed Lead Arranger hereunder, and each Bank hereby authorizes the Lead Arranger (under release from the restrictions of Section 181 of the *German Civil Code*) to act as its agent in accordance with the terms hereof and the other Credit Documents. Citicorp North America, Inc. is hereby appointed the Administrative Agent hereunder and under the other Credit Documents and each Bank hereby authorizes the Administrative Agent to act as its agent in accordance with the terms hereof and the other Credit Documents. Citicorp North America, Inc. is hereby appointed the Collateral Agent hereunder and under the other Credit Documents and each Bank hereby authorizes the Collateral Agent to act as its agent in accordance with the terms hereof and the other Credit Documents. Each Agent hereby agrees to act upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this Section 9 are solely for the benefit of the Agents and the Banks and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of the Banks and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Xerium or any of its Subsidiaries. The Lead Arranger, without consent of or notice to any party hereto, may assign any and all of its respective rights or obligations hereunder to any of its Affiliates. As of the Closing Date, Citigroup Global Markets Inc., in its capacity as the Lead Arranger, shall not have any obligations hereunder but shall be entitled to all benefits of this Section 9.

9.2 **Powers and Duties**. Each Bank irrevocably authorizes each Agent (under release from the restrictions of Section 181 of the *German Civil Code*) to take such action on such Bank's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Bank; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.

9.3 **General Immunity**.

(a) No Responsibility for Certain Matters. No Agent shall be responsible to any Bank for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any

representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Banks or by or on behalf of any Credit Party to any Agent or any Bank in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Term Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Term Loans or the component amounts thereof.

(b) Exculpatory Provisions. No Agent or any of its officers, partners, directors, employees or agents shall be liable to the Banks for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct. No Agent shall have an obligation to act without receiving a satisfactory indemnity from the parties to this Agreement. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from the Requisite Banks (or such other Banks as may be required to give such instructions under Section 10.6) and, upon receipt of such instructions from the Requisite Banks (or such other Banks, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Xerium and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Bank shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of the Requisite Banks (or such other Banks as may be required to give such instructions under Section 10.6).

9.4 **Agents Entitled to Act as Bank**. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Bank hereunder. With respect to its participation in the Term Loans, each Agent shall have the same rights and powers hereunder as any other Bank and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Bank" shall, unless the

context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Xerium or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from each Borrower for services in connection herewith and otherwise without having to account for the same to Banks.

9.5 **Banks' Representations, Warranties and Acknowledgment**. Each Bank represents and warrants that it has made its own independent investigation of the financial condition and affairs of Xerium and its Subsidiaries in connection with the Term Loans hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Xerium and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Banks or to provide any Bank with any credit or other information with respect thereto, whether coming into its possession before the making of the Term Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Banks.

9.6 **Right to Indemnity**. Each Bank, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, to the extent that such Agent shall not have been reimbursed by any Credit Party (and without limiting the Borrowers' obligation to do so), for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents or otherwise in its capacity as such Agent in any way relating to or arising out of this Agreement or the other Credit Documents; provided, no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Bank to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Bank's Pro Rata Share thereof; and provided further, this sentence shall not be deemed to require any Bank to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

9.7 **Successor Administrative Agent and Collateral Agent.** The Administrative Agent and the Collateral Agent may resign at any time by giving thirty days' prior written notice thereof to the Banks and Xerium, and the Administrative Agent and the Collateral Agent may be removed at any time with or without cause by an

instrument or concurrent instruments in writing delivered to Xerium and the Administrative Agent and the Collateral Agent and signed by the Requisite Banks. Upon any such notice of resignation or any such removal, the Requisite Banks shall have the right, upon five Business Days' notice to Xerium, to appoint a successor Administrative Agent and Collateral Agent. Upon the acceptance of any appointment as Administrative Agent or Collateral Agent hereunder by a successor Administrative Agent or Collateral Agent, that successor Administrative Agent or Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent or Collateral Agent and the retiring or removed Administrative Agent or Collateral Agent shall promptly (i) transfer to such successor Administrative Agent or Collateral Agent all sums, Securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent or Collateral Agent under the Credit Documents, and (ii) execute and deliver to such successor Administrative Agent or Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent or Collateral Agent of the security interests created under the Collateral Documents, whereupon such retiring or removed Administrative Agent or Collateral Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents. Regardless of whether a replacement Administrative Agent or Collateral Agent, as applicable, has been appointed, the removal or resignation will, to the fullest extent permitted by applicable law, be effective upon the earlier (i) the date the successor Administrative Agent or Collateral Agent is appointed and (ii) the date that is thirty days after the giving of the written notice of resignation or removal. After any retiring or removed Administrative Agent's or Collateral Agent's resignation or removal hereunder as Administrative Agent or Collateral Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent hereunder.

9.8 **Collateral Documents and Guaranty**.

(a) Agents under Collateral Documents and Guaranty. Each Bank hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable (each under release from the restrictions of Section 181 of the *German Civil Code*) on behalf of and for the benefit of the Banks, to be the agent for and representative of the Banks with respect to the Guaranty, the Collateral and the Collateral Documents. Pursuant to the Plan of Reorganization, the Agents, on behalf of the Banks, are empowered and authorized to execute and deliver to the Credit Parties the other Credit Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Credit Documents. Subject to Section 10.6, without further written consent or authorization from the Banks, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (i) release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which the Requisite Banks (or such other Banks as may be required to give such consent under Section 10.6) have

otherwise consented or (ii) release any Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which the Requisite Banks (or such other Banks as may be required to give such consent under Section 10.6) have otherwise consented.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Credit Documents to the contrary notwithstanding, each Borrower, the Administrative Agent, the Collateral Agent and each Bank hereby agrees that (i) no Bank shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Banks in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale, the Collateral Agent or any Bank may be the purchaser of any or all of such Collateral at any such sale and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Bank or Banks in its or their respective individual capacities unless the Requisite Banks shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale.

(c) Collateral Agent's Power of Attorney. Each Secured Party, including in its capacity as Bank Counterparty, irrevocably constitutes, to the extent necessary, the Collateral Agent as the holder of an irrevocable power of attorney (i.e. "*fondé de pouvoirs*" within the meaning of Article 2692 of the *Civil Code of Québec*) in order to hold security granted by any Credit Party in the Province of Quebec to secure the Indebtedness of such Credit Party under any bond issued by such Credit Party. Notwithstanding the provisions of section 32 of an *Act respecting the special powers of a legal person* (Québec), each Secured Party, including in its capacity as Bank Counterparty, acknowledges that the Collateral Agent may acquire and be the holder of any bond issued by any Credit Party. Each assignee Bank that enters into an Assignment Agreement shall be deemed to have confirmed and ratified the constitution of the Collateral Agent as the holder of such irrevocable power of attorney ("*fondé de pouvoirs*") and the acquisition and holding by the Collateral Agent of any bonds issued by any Credit Party. Each of the Credit Parties hereby acknowledge that, for the purposes of holding any security granted by any Credit Party on property pursuant to the laws of the Province of Québec to secure obligations of any Credit Party under any bonds issued by any Credit Party, the Collateral Agent shall be the holder of an irrevocable power of attorney (i.e. "*fondé de pouvoirs*" within the meaning of Article 2692 of the *Civil Code of Québec*) for each Secured Party, including in its capacity as Bank Counterparty). Each of the Credit Parties hereby acknowledges that such bond constitutes a title on indebtedness, as such term is used in Article 2692 of the *Civil Code of Québec*. The execution by the Collateral Agent, acting as fondé de pouvoir as aforesaid, prior to the date of this Agreement of any deeds of hypothec or other security documents is hereby ratified and confirmed.

9.9 **Reliance and Engagement Letters**. Each Bank confirms that each of the Lead Arranger and the Administrative Agent has authority (and is released from the restrictions of Section 181 of the *German Civil Code*) to accept on its behalf the terms of any reliance or engagement letters relating to any reports or letters provided by accountants in connection with the Credit Documents or the transactions contemplated in the Credit Documents (including any net asset letter in connection with the financial assistance procedures) and to bind it in respect of those reports or letters and to sign such on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

SECTION 10. MISCELLANEOUS

10.1 **Notices**. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to a Credit Party, the Collateral Agent, the Administrative Agent or the Lead Arranger, shall be sent to such Person's address as set forth on Appendix B or in the other relevant Credit Document, and in the case of any Bank, the address as indicated on Appendix B or otherwise indicated to the Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the mail with postage prepaid and properly addressed; provided, no notice to any Agent shall be effective until received by such Agent and all notices from or to a Credit Party shall be sent through the applicable Agent.

10.2 **Expenses**. Whether or not the transactions contemplated hereby shall be consummated, each Borrower agrees to pay promptly (a) all the actual and reasonable costs and expenses of preparation of the Credit Documents and any consents, amendments, waivers or other modifications thereto; (b) all the costs of furnishing all opinions by counsel for each Borrower and the other Credit Parties; (c) the reasonable fees, expenses and disbursements of counsel to the Agents (in each case including allocated costs of internal counsel) in connection with the negotiation, preparation, execution and administration of the Credit Documents, advising the Administrative Agent and the Collateral Agent of their respective rights and obligations under the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by any Borrower; (d) all the actual costs and reasonable expenses of creating and perfecting Liens in favor of the Collateral Agent, for the benefit of the Secured Parties pursuant hereto, including filing and recording fees, expenses stamp, registration, transfer, documentary and other similar taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent and of counsel providing any opinions that any Agent or the Requisite Banks may reasonably request in respect of the Collateral or the Liens created pursuant to the Collateral Documents or any Agent's rights and obligations under any Credit Document; (e) all the actual costs and reasonable fees, expenses and disbursements of any auditors, accountants, consultants, advisors or appraisers retained by the Administrative or the Collateral Agent with the prior consent of Xerium (not to be unreasonably withheld);

(f) all the actual costs and reasonable expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by the Collateral Agent and its counsel) in connection with the custody or preservation of any of the Collateral; (g) all other actual and reasonable costs and expenses incurred by each Agent in connection with the syndication of the Term Loans and the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby; and (h) after the occurrence of a Default or an Event of Default, all costs and expenses, including reasonable attorneys' fees (including allocated costs of internal counsel) and costs of settlement, incurred by any Agent and the Banks in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work out" or pursuant to any insolvency or bankruptcy cases or proceedings.

10.3 **VAT**. All amounts set out or expressed to be payable under a Credit Document by a Credit Party to a Bank shall be exclusive of any applicable VAT and (subject to the provisions regarding reimbursement of VAT below) the Credit Party shall in addition pay to the Bank an amount equal to the amount of the VAT, following receipt by the Credit Party of a valid VAT invoice. Where a Credit Party is required by a Credit Document to reimburse a Bank for any costs or expenses, that Credit Party shall also reimburse the Bank for any VAT incurred by the Bank in respect of the relevant costs or expenses to the extent that neither the Bank nor any member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant Tax authority in respect of the VAT.

10.4 **Indemnity**. In addition to the payment of expenses pursuant to Sections 10.2 and 10.3, whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees to defend (subject to Indemnitees' reasonable approval of counsel), indemnify, pay and hold harmless, each Agent and Bank and the officers, partners, directors, trustees, investment advisors, employees, agents and Affiliates of each Agent and each Bank (each, an "**Indemnitee**"), from and against any and all Indemnified Liabilities; provided, no Credit Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 10.4 may be unenforceable in whole or in part because they are in violation of any law or public policy, the applicable Credit Party shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

(a) To the extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against the Banks, the Agents and their

respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) in connection with, arising out of, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Term Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and Xerium and each other Credit Party hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(b) Currency indemnity.

(i) If any sum due from a Credit Party under the Credit Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(A) making or filing a claim or proof against that Credit Party; or

(B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Credit Party shall as an independent obligation, within three Business Days of demand, indemnify the Agent and each Bank to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (x) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (y) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(ii) Each Credit Party waives any right it may have in any jurisdiction to pay any amount under the Credit Documents in a currency or currency unit other than that in which it is expressed to be payable.

10.5 **Set Off**. Subject to the terms of the Intercreditor Agreement, in addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and continuation of any Event of Default each Bank and each of its respective Affiliates is hereby authorized by each Credit Party at any time or from time to time subject to the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), without notice to any Credit Party or to any other Person (other than the Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by such Bank or its Affiliate to or for the credit or the account of any Credit Party against and on account of the obligations and liabilities of any Credit

Party to such Bank hereunder and under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto or with any other Credit Document, irrespective of whether or not (a) such Bank shall have made any demand hereunder or (b) the principal of or the interest on the Term Loans or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured.

10.6 **Amendments and Waivers**.

(a) Requisite Banks' and Borrower Consent. Subject to Section 10.6(b) and 10.6(c), no amendment, modification, termination or waiver of any provision of the Credit Documents (other than the Fee Letters), or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of the Credit Parties and the Requisite Banks.

(b) Affected Banks' Consent. Without the written consent of the Credit Parties and each Bank that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Term Loan;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment);

(iii) [Intentionally omitted];

(iv) reduce the rate of interest on any Term Loan (other than any waiver of any increase in the interest rate applicable to any Term Loan pursuant to Section 2.10) or any fee payable hereunder;

(v) extend the time for payment of any such interest or fees;

(vi) reduce or forgive the principal amount of any Term Loan;

(vii) amend, modify, terminate or waive any provision of this Section 10.6(b) or Section 10.6(c);

(viii) amend the definition of "**Requisite Banks**" or "**Pro Rata Share**"; provided, with the consent of Requisite Banks, additional extensions of credit pursuant hereto may be included in the determination of "**Requisite Banks**" or "**Pro Rata Share**" on substantially the same basis as the Term Loans are included on the Closing Date;

(ix) [Intentionally omitted];

(x) release all or substantially all of the Collateral or all or substantially all of the Guarantors from the Guaranty except as expressly provided in the Credit Documents;

(xi) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under any Credit Document (other than the Fee Letters);

(xii) amend, modify or waive any provision of Section 2.15 or 2.16(g); or

(xiii) consent to currency changes.

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents (other than the Fee Letters), or consent to any departure by any Credit Party therefrom, shall amend, modify, terminate or waive any provision of Section 9 as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of each Credit Party and such Agent.

(d) Execution of Amendments, etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of any Bank, execute amendments, modifications, waivers or consents on behalf of such Bank. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.6 shall be binding upon each Bank at the time outstanding, each future Bank and, if signed by a Credit Party, on such Credit Party.

10.7 **Successors and Assigns; Participations**.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Banks. No Credit Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any Credit Party without the prior written consent of all Banks. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. Each Borrower, the Administrative Agent and each Bank shall deem and treat the Persons listed as Banks in the Register as the holders and owners of the corresponding Term Loans listed therein for all purposes hereof, and no assignment or transfer of any such Term Loan shall be effective, in each case, unless and until an Assignment Agreement effecting the assignment or transfer thereof shall have been delivered to and accepted by the Administrative Agent and recorded in the Register as provided in Section 10.7(e). Prior to such recordation, all amounts owed with respect to the applicable Term Loan shall be owed to the Bank listed in the Register as the owner thereof, and any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Bank shall

be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Term Loans.

(c) Right to Assign. Each Bank shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Term Loans owing to it or other Obligation (provided, however, that each such assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any Term Loan):

(i) to any Person meeting the criteria of clause (i) of the definition of the term "Eligible Assignee" upon the giving of notice to Xerium and the Administrative Agent; and

(ii) to any Person meeting the criteria of clause (ii) of the definition of the term "Eligible Assignee" upon the giving of notice to Xerium and the Administrative Agent; provided, each such assignment pursuant to this Section 10.7(c)(ii) shall be in an aggregate amount of not less than $1,000,000 or its currency equivalent (or such lesser amount as may be agreed to by the Administrative Agent and, so long as no Event of Default shall have occurred and be continuing, Xerium or as shall constitute the aggregate amount or the Term Loan of the assigning Bank).

(d) Mechanics. The assigning Bank and the assignee thereof shall execute and deliver to the Administrative Agent an Assignment Agreement, together with (i) a processing and recordation fee of $3,500 (except (A) in the case of assignments pursuant to Section 10.7(c)(i), no processing or recordation fee shall be required and (B) that only one fee shall be payable in the case of contemporaneous assignments to or by Related Funds), and (ii) such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to the Administrative Agent pursuant to Section 2.20(c).

(e) Notice of Assignment. Upon its receipt of a duly executed and completed Assignment Agreement, together with the processing and recordation fee referred to in Section 10.7(d) (and any forms, certificates or other evidence required by this Agreement in connection therewith), the Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to each Borrower and shall maintain a copy of such Assignment Agreement.

(f) Representations and Warranties of Assignee. Each Bank, upon execution and delivery hereof or upon executing and delivering an Assignment Agreement, as the case may be, represents and warrants as of the Closing Date or as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in loans such as the applicable Term Loans; and (iii) it will make or invest in, as the case may be, its Term Loans for its own account in the Ordinary Course and without a view to distribution of such Term Loans within the meaning of the Securities Act or the

Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 10.7, the disposition of such Term Loans or any interests therein shall at all times remain within its exclusive control).

(g) Effect of Assignment. Subject to the terms and conditions of this Section 10.7, as of the "Effective Date" specified in the applicable Assignment Agreement: (i) the assignee thereunder shall have the rights and obligations of a "Bank" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Bank" for all purposes hereof; (ii) the assigning Bank thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 10.9) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Bank's rights and obligations hereunder, such Bank shall cease to be a party hereto; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning Bank shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Bank as a Bank hereunder); and (iii) for the purposes of article 1263 of the Italian Civil Code, it is expressly agreed that the security created or evidenced by the Collateral Documents shall be preserved for the benefit of the assignee and each other Bank. Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with subsections (c) through (g) of this Section 10.7 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with clause (h).

(h) Participations. Each Bank shall have the right at any time to sell one or more participations to any Person (other than Xerium, any of its Subsidiaries or any of its Affiliates (excluding Closing Date Bank Affiliates)) in all or any part of its Term Loans or in any other Obligation. The holder of any such participation, other than an Affiliate of the Bank granting such participation, shall not be entitled to require such Bank to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (i) extend the final scheduled maturity of any Term Loan 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 Default or Event of Default shall not constitute a change in the terms of such participation, and that an increase in any Term Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Agreement or (iii) release all or substantially all of the Collateral under the Collateral Documents (except as expressly provided in the Credit Documents) supporting the Term Loans hereunder in which such participant is participating. The Borrowers agree that each participant shall be entitled to the benefits of Sections 2.18(c), 2.19 and 2.20 to the same extent as if it were a Bank and

had acquired its interest by assignment pursuant to paragraph (c) of this Section; provided, (i) a participant shall not be entitled to receive any greater payment under Section 2.19 or 2.20 than the applicable Bank would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with each Borrower's prior written consent, and (ii) a participant that would be a Non-US Bank if it were a Bank shall not be entitled to the benefits of Section 2.20 unless each Borrower is notified of the participation sold to such participant and such participant agrees, for the benefit of each Borrower, to comply with Section 2.20 as though it were a Bank. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 10.6 as though it were a Bank, provided such participant agrees to be subject to Section 2.17 as though it were a Bank.

(i) Certain Other Assignments. In addition to any other assignment permitted pursuant to this Section 10.7, any Bank may assign and/or pledge all or any portion of its Term Loans, the other Obligations owed by or to such Bank, to secure obligations of such Bank including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve Bank; provided, no Bank, as between each Borrower and such Bank, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided, further, in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a "Bank" or be entitled to require the assigning Bank to take or omit to take any action hereunder.

10.8 **Independence of Covenants**. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

10.9 **Survival of Representations, Warranties and Agreements**. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making, maintaining and continuation of the Term Loans. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Sections 2.18(c), 2.19, 2.20, 10.2, 10.3, 10.4 and 10.5 and the agreements of Banks set forth in Sections 2.17, 9.3(b) and 9.6 shall survive the payment of the Term Loans and the termination hereof.

10.10 **No Waiver; Remedies Cumulative**. No failure or delay on the part of any Agent or any Bank in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Bank hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other

Credit Documents or any of the applicable documentation creating Hedging Obligations. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

10.11 **Marshalling; Payments Set Aside**. Neither any Agent nor any Bank shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or the Banks (or to the Administrative Agent, on behalf of the Banks), or the Administrative Agent or the Banks enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other provincial, state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

10.12 **Severability**. In case any provision in or obligation hereunder shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10.13 **Obligations Several**. The obligations of the Banks hereunder are several and no Bank shall be responsible for the obligations of any other Bank hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Banks pursuant hereto or thereto, shall be deemed to constitute Banks as a partnership, an association, a joint venture or any other kind of entity.

10.14 **Headings**. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

10.15 **APPLICABLE LAW**. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK INCLUDING GENERAL OBLIGATIONS LAW 5-1401.**

10.16 **CONSENT TO JURISDICTION AND SERVICE OF PROCESS**. (a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY CREDIT PARTY ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT IN THE CITY OF NEW YORK. BY EXECUTING

AND DELIVERING THIS AGREEMENT, EACH CREDIT PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON-CONVENIENS; (iii) AGREES THAT, NOTWITHSTANDING SECTION 10.16(c), SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1; (iv) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (iii) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (v) AGREES AGENTS AND BANKS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION;

(b) IN ADDITION TO SECTION 10.16(a), HUYCK.WANGNER AUSTRIA GMBH IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS IN ENGLAND FOR THE PURPOSE OF HEARING AND DETERMINING ANY DISPUTE ARISING OUT OF THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT OR ANY OF THE OBLIGATIONS OR RELATING HERETO AND FOR THE PURPOSES OF ENFORCEMENT OF ANY JUDGMENT AGAINST ITS ASSETS (IN NO EVENT SHALL THE COURTS OF AUSTRIA HAVE JURISDICTION FOR THE PURPOSE OF HEARING AND DETERMINING ANY DISPUTE ARISING OUT OF THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT OR ANY OF THE OBLIGATIONS OR RELATING HERETO AND FOR THE PURPOSES OF ENFORCEMENT OF ANY JUDGMENT AGAINST ITS ASSETS); AND

(c) EACH CREDIT PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY APPOINTS CT CORPORATION SYSTEM WITH AN OFFICE ON THE DATE HEREOF AT 111 EIGHTH AVENUE, NEW YORK, NEW YORK 10001, UNITED STATES AND ITS SUCCESSORS HEREUNDER (THE "PROCESS AGENT"), AS ITS AGENT TO RECEIVE ON BEHALF OF SUCH CREDIT PARTY AND ITS PROPERTY SERVICE OF COPIES OF THE SUMMONS AND COMPLAINTS AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY COURT SPECIFIED IN SECTION 10.16(a). SUCH SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO A CREDIT PARTY IN CARE OF THE PROCESS AGENT AT THE ADDRESS SPECIFIED ABOVE FOR THE PROCESS AGENT, AND EACH CREDIT PARTY HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS THE PROCESS AGENT TO ACCEPT SUCH SERVICE ON ITS BEHALF. EACH CREDIT PARTY FURTHER CONSENTS TO MAILING COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE

PREPAID, TO SUCH CREDIT PARTY AT ITS ADDRESSES FOR NOTICE HEREUNDER, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER MAILING. FAILURE OF THE PROCESS AGENT TO GIVE NOTICE TO ANY CREDIT PARTY OR FAILURE OF A CREDIT PARTY TO RECEIVE NOTICE OF SUCH SERVICES OF PROCESS SHALL NOT AFFECT IN ANY WAY THE VALIDITY OF SUCH SERVICE ON THE PROCESS AGENT OR SUCH CREDIT PARTY. EACH CREDIT PARTY COVENANTS AND AGREES THAT IT SHALL TAKE ANY AND ALL REASONABLE ACTION, INCLUDING THE EXECUTION AND FILING OF ANY AND ALL DOCUMENTS, THAT MAY BE NECESSARY FOR THE PROCESS AGENT TO ACT AS SUCH. IN THE EVENT THAT AT ANY TIME SUCH PROCESS AGENT SHALL FOR ANY REASON CEASE TO MAINTAIN AN OFFICE IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY, OR CEASE TO ACT AS PROCESS AGENT, THEN, SUCH CREDIT PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ACCORDANCE WITH THE TERMS OF CLAUSE (iii) OF SECTION 10.16(a). EACH CREDIT PARTY ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS SECTION 10.16(b) SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

10.17 **WAIVER OF JURY TRIAL**. **EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE BANK/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.17 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER**

SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TERM LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.18 **Confidentiality**. Each Agent and each Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, trustees, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, including the NAIC, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.18, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (ii) any rating agency, or (iii) the CUSIP Service Bureau or any similar organization, (g) with the consent of the Borrowers, (h) to any pledgee referred to in Section 10.7(i) or any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors or other representatives) to any swap or derivatives or similar transaction under which payments are to be made by reference to the Borrowers and the Obligations, this Agreement or payments hereunder, so long as such pledgee or any actual or prospective counterparty (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) agrees to be bound by the provisions of this Section 10.18, or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.18 or (ii) becomes available to any Agent or any Bank on a non-confidential basis from a source other than the Borrowers. For the purposes of this Section 10.18, "**Information**" means all information received from the Borrowers relating to the Borrowers or their business, other than any such information that is available to any Agent or any Bank on a non-confidential basis prior to disclosure by the Borrowers. Any Person required to maintain the confidentiality of Information as provided in this Section 10.18 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Notwithstanding anything in this Agreement or in any other Credit Document to the contrary, the Borrowers and each Bank (and each employee, representative or other agent of the Borrowers) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the Borrower relating to such U.S. tax treatment and U.S. tax structure.

10.19 **Usury Savings Clause**. Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Term Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Term Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, each Borrower shall pay to the Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of each Bank and each Borrower to conform strictly to any applicable usury laws. Accordingly, if any Bank contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Bank's option be applied to the outstanding amount of the Term Loans made hereunder or be refunded to each Borrower, as applicable.

10.20 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; provided that, pursuant to the Plan of Reorganization, the Banks are automatically made parties to this Agreement without executing this Agreement. Delivery of an executed signature page of this Agreement by facsimile transmission or "PDF" shall be effective as delivery of a manually executed counterpart hereof.

10.21 **Effective Date**. This Agreement shall become effective on the Closing Date.

10.22 **Importation of Credit Documents into Austria**. Each of the parties hereto covenants and agrees that it will not send, or cause to be sent, bring or cause to be brought, or otherwise import, or cause otherwise to be imported, into the Republic of Austria any original counterpart or certified or conformed copy of any executed Credit Document or any document constituting or evidencing any transfer by any party of any right or interest under any Credit Document, or make use of any Credit Document or document before any fiscal or governmental authority or agency or any court of Austria; provided that, any party may, at the joint and several cost and expense of the Credit Parties, send, or cause to be sent, bring, or cause to be brought, or otherwise import, or cause otherwise to be imported, any such Credit Document or document into the Republic of Austria if required to do so by applicable law or if such Credit Document or document is required to be presented in Austria in order to assist, enforce, protect or

preserve any right of or remedy available to such party arising under or in respect of any of the Credit Documents or applicable law. Each of the parties hereto further agrees not to: (i) object to the introduction into evidence of (a) any uncertified copy of a signed original of a Credit Document or notarized or certified copy thereof or (b) any written minutes recording the transactions contemplated by a Credit Document and signed by a party or its representative (for the purpose of this Section 10.22, each an "**Original**"); (ii) raise as a defense to any action or exercise of a remedy a failure to introduce an Original into evidence; (iii) object to the submission of any uncertified copy of a Credit Document in any proceedings relating to a dispute before any court, arbitral body or governmental authority in Austria (for the purpose of this Section 10.22, the "**Proceedings**"); (iv) contest the authenticity, and conformity to the Original (*Ubereinstimmung mit dem echten Original*), of an uncertified copy of an Original, in each case, unless any such uncertified copy actually introduced into evidence in Proceedings does not accurately reflect the content of such Original.

10.23 **Place of Performance**. The place of performance for all parties under this Agreement and the other Credit Documents shall be any jurisdiction other than the Republic of Austria. Nothing in this Agreement shall be construed in a way as to entitle or oblige any party hereto to render or request any performance contemplated by this Agreement, including, but not limited to, payment obligations, within the Republic of Austria. In particular, all payments to be made by, or to, a party to a Credit Document under or in connection with the Credit Documents shall be effected to and from bank accounts outside of Austria.

10.24 **USA Patriot Act Notice**. Each Bank and the Agents (for the Agents and not on behalf of any Bank) hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-5 (signed into law on October 26, 2001)), as amended (the "**Patriot Act**"), it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Bank or the applicable Agent, as applicable, to identify the Borrowers in accordance with the Patriot Act.

10.25 **Amendment and Restatement**. The Prepetition Credit Agreement is hereby amended and restated in its entirety.

10.26 **Releases by the Borrowers and the Guarantors**. As an inducement to the Administrative Agent to enter into this Agreement on behalf of the Banks, each Borrower and each Guarantor hereby releases and discharges the Banks and the Agents, and their respective successors and assignees, and all officers, directors, employees, agents, representatives, insurers and attorneys of each of them from all actions, counterclaims, causes of actions, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law, admiralty or equity, against the Banks, the Agents and/or successors and assigns which such Borrower or Guarantor ever had, now has or hereafter can, shall or may, have

for, upon, or by reason of any matter, cause or thing whatsoever arising out of or in connection with the Credit Documents, from the time prior to May 18, 2005 to the date hereof.

10.27 **No Setoffs and Defenses**. Each Credit Party acknowledges it has no setoffs or defenses to their respective obligations under the Credit Documents and no claims or counterclaims against any of the Agents or the Banks.

10.28 **Effect on this Agreement and the Other Credit Documents**.

(a) On and after the Closing Date, each reference in the Credit Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Prepetition Credit Agreement shall mean and be a reference to this Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time. For the avoidance of doubt but without limitation, where any Collateral Document secures amounts owing by a Credit Party under the Prepetition Credit Agreement, such Collateral Document shall secure amounts owing by such Credit Party under this Agreement.

(b) Each Credit Document is and continues to be in full force and effect and is hereby in all respects ratified and confirmed.

(c) This Agreement does not constitute a novation of the Prepetition Credit Agreement.

(d) The parties hereto acknowledge and agree that none of the amendments made pursuant hereto is intended to effect a novation (novazione), pursuant to article 1230 et seqq. of the Italian Civil Code, of the Prepetition Credit Agreement, nor to have an "effetto novativo" on the obligations thereunder.

In the event that the amendments set forth in this Agreement are deemed by any court an objective novation (novazione oggettiva) of any of the obligations arising out of the Prepetition Credit Agreement, the parties hereto agree, pursuant to article 1232 of the Italian Civil Code, that all the guarantees and securities granted by any Borrower or any Guarantor or any third party pursuant to, or relating to, the Credit Documents shall remain valid and effective in their entirety.

10.29 **Entire Agreement**. The Plan of Reorganization, this Agreement and the other Credit Documents represent the entire agreement of the Credit Parties, the Agents, and the Banks with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Agents or any Bank relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

10.30 **Guarantor Confirmation**. Each Guarantor hereby confirms to the Beneficiaries that (i) such Guarantor has been represented by and relied on counsel of its own choosing with respect to this Agreement and the other Credit Documents to which it is a party, (ii) such Guarantor has thoroughly read and understood this Agreement and the

other Credit Documents to which it is a party and is fully aware of and understands all of their respective terms and the consequences thereof, (iii) it has discussed this Agreement and the other Credit Documents to which it is a party with its legal counsel, and (iv) in the past, such Guarantor has entered into such guarantees as guarantor as contemplated in this Agreement, including guarantees upon first demand.

[Remainder of page intentionally left blank]

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

XERIUM TECHNOLOGIES, INC.

By: _____
Name:
Title:

XTI LLC

By: _____
Name:
Title:

XERIUM ITALIA S.P.A.

By: _____
Name:
Title:

XERIUM CANADA INC.

By: _____
Name:
Title:

HUYCK.WANGNER AUSTRIA GMBH

By: _____
Name:
Title:

XERIUM GERMANY HOLDING GMBH

By: _____
Name:
Title:

HUYCK. WANGNER GERMANY GMBH

By: _____
Name:
Title:

Signed by

HUYCK.WANGNER AUSTRALIA PTY LIMITED (ACN 004 624 015) in accordance with section 127 of the *Corporations Act 2001 (Australia)* by two directors:

Signature of director	Signature of director
Name of director (please print)	Name of director (please print)

ROBEC WALZEN GMBH

By: _____
Name:
Title:

WANGNER ITELPA PARTICIPAÇÕES LTDA.

By: _____
Name:
Title:

XERIUM TECHNOLOGIES DO BRASIL INDÚSTRIA E COMÉRCIO S.A.

By: _____
Name:
Title:

XERIUM DO BRASIL LTDA.

By: _____
Name:
Title:

XERIUM (FRANCE) SAS

By: _____
Name:
Title:

STOWE WOODWARD FRANCE SAS

By: _____
Name:
Title:

STOWE WOODWARD AG

By: _____
Name:
Title:

HUYCK. WANGNER JAPAN LIMITED

By: _____
Name:
Title:

STOWE WOODWARD MÉXICO, S.A. DE C.V.

By: _____
Name:
Title:

HUYCK. WANGNER (UK) LIMITED

By: _____
Name:
Title:

STOWE-WOODWARD (UK) LIMITED

By: _____
Name:
Title:

XERIUM TECHNOLOGIES LIMITED

By: _____
Name:
Title:

HUYCK LICENSCO INC.

By: _____
Name:
Title:

STOWE WOODWARD LLC

By: _____
Name:
Title:

STOWE WOODWARD LICENSCO LLC

By: _____
Name:
Title:

WEAVEXX, LLC

By: _____
Name:
Title:

XERIUM III (US) LIMITED

By: _____
Name:
Title:

XERIUM IV (US) LIMITED

By: _____
Name:
Title:

XERIUM V (US) LIMITED

By: _____
Name:
Title:

WANGNER ITELPA I LLC

By: _____
Name:
Title:

WANGNER ITELPA II LLC

By: _____
Name:
Title:

XERIUM ASIA LLC

By: _____
Name:
Title:

ROBEC BRAZIL LLC

By: _____
Name:
Title:

HUYCK WANGNER VIETNAM CO LTD

By: _____
Name:
Title:

HUYCK WANGNER SCANDINAVIA AB

By: _____
Name:
Title:

STOWE WOODWARD SWEDEN AB

By: _____
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.,
as Lead Arranger and Bookrunner

By: _____
Name:
Title:

CITICORP NORTH AMERICA, INC.,
as Administrative Agent and Collateral Agent

By: _____
Name:
Title:

APPENDIX A-1
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Xerium Term Loan Amounts

Bank	**Xerium Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$** [_____]	**100%**

APPENDIX A-2
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

XTI Term Loan Amounts

Bank	**XTI Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$** [_____]	**100%**

APPENDIX A-3
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Italia Term Loan Amounts

Bank	**Italia Term Loan Amount**	**Pro Rata Share**
[_____]	Euros [_____]	[____]%
[_____]	Euros [_____]	[____]%
[_____]	Euros [_____]	[____]%
Total	**Euros [_____]**	**100%**

APPENDIX A-4
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Xerium Canada Term Loan Amounts

Bank	**Xerium Canada SW Term Loan Amount**	**Pro Rata Share**
[_____]	Canadian Dollars [_____]	[___]%
[_____]	Canadian Dollars [_____]	[___]%
[_____]	Canadian Dollars [_____]	[___]%
Total	**Canadian Dollars [_____]**	**100%**

APPENDIX A-5
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Austria Term Loan Amounts

Bank	**Austria Term Loan Amount**	**Pro Rata Share**
[_____]	Euros [_____]	[____]%
[_____]	Euros [_____]	[____]%
[_____]	Euros [_____]	[____]%
Total	**Euros [_____]**	**100%**

APPENDIX A-6
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Germany Term Loan Amounts

Bank	**Germany Term Loan Amount**	**Pro Rata Share**
[_____]	Euros [_____]	[____]%
[_____]	Euros [_____]	[____]%
[_____]	Euros [_____]	[____]%
Total	**Euros [_____]**	**100%**

APPENDIX B
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Notice Addresses

[Xerium to Update Borrower and Guarantor addresses]

"**NOTE**: THE TAKING OF THIS DOCUMENT OR ANY CERTIFIED COPY OR ANY DOCUMENT WHICH CONSTITUTES SUBSTITUTE DOCUMENTATION THEREOF, INCLUDING WRITTEN CONFIRMATIONS OR REFERENCES THERETO, INTO AUSTRIA AS WELL AS PRINTING OUT ANY E-MAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE MAY CAUSE THE IMPOSITION OF AUSTRIAN STAMP DUTY. ACCORDINGLY, IN PARTICULAR KEEP THE ORIGINAL DOCUMENT AS WELL AS ALL CERTIFIED COPIES THEREOF AND WRITTEN AND SIGNED REFERENCES THERETO OUTSIDE OF AUSTRIA AND AVOID PRINTING OUT ANY EMAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE."

XERIUM TECHNOLOGIES, INC.
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

XTI LLC
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

XERIUM ITALIA S.P.A.
Casella Postale 109
Via Persicara 70
04100 Latina,
Italy
Attention: Michael O'Donnell
Telecopier: 39-077-362-9008

XERIUM CANADA INC.
Aird & Berlis
181 Bay Street
Suite 1800
Toronto, Ontario M5J279
Attention: Michael O'Donnell
Telecopier: 416-863-1515

HUYCK.WANGNER AUSTRIA GMBH
[ADDRESS OUTSIDE OF AUSTRIA]
Attention: [OUTSIDE OF AUSTRIA]
Telecopier: [OUTSIDE OF AUSTRIA]
[NB: Please state an address which is outside of Austria, e.g. notices could be directed to a German subsidiary]

XERIUM GERMANY HOLDING GMBH
Föehrstrasse 39
72760 Reutlingen
Germany
Attention: Michael O'Donnell
Telecopier: 49-712-130-6396

HUYCK LICENSCO INC.
STOWE WOODWARD LLC
STOWE WOODWARD LICENSCO LLC
WEAVEXX, LLC
XERIUM III (US) LIMITED
XERIUM IV (US) LIMITED
XERIUM V (US) LIMITED
WANGNER ITELPA I LLC
WANGNER ITELPA II LLC
XERIUM ASIA LLC
ROBEC BRAZIL LLC
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

HUYCK.WANGNER AUSTRALIA PTY. LIMITED
P.O. Box 757
Geelong Vic. 3220
Australia
Attention: Michael O'Donnell
Telecopier: 61-352-237-099

WANGNER ITELPA PARTICIPAÇÕES LTDA.
Av. Carlos Botelho
378 – Vila Progresso
CEP 13416-140
City of Piracicaba, State of São Paulo, Brazil
Attention: Michael O'Donnell
Telecopier: 55-19-3424-1947

XERIUM TECHNOLOGIES BRASIL INDÚSTRIA E COMÉRCIO S.A.
Rod. Americana Piracicaba, S/N, Km 156,5
Dois Córregos
CEP 13400-970
City of Piracicaba, State of São Paulo, Brazil
Attention: Michael O'Donnell
Telecopier: 55-19-3424-1947

XERIUM DO BRASIL LTDA.
Avenida Barão do Rio Branco, 1958/2000
Parte, Suite B, Centro - CEP 25680-270
City of Petrópolis, State of Rio de Janeiro, Brazil
Attention: Michael O'Donnell
Telecopier: 55-24-2237-5449

XERIUM (FRANCE) SAS
102 avenue des Champs-Elysees
75008 Paris France
Attention: Michael O'Donnell
Telecopier: 33-4-50382593

STOWE WOODWARD FRANCE SAS
12 rue Jean Jaurès
Meyzieu, France 69330
Attention: Michael O'Donnell
Telecopier: 33-4-50382593

STOWE WOODWARD AG
Am Langen Graben 22
52353 Düeren Germany or
Postfach 10 02 37, 52302 Düeren Germany
Attention: Michael O'Donnell
Telecopier: 49-242-184-05319

ROBEC WALZEN GMBH
Am Langen Graben 22
52353 Düeren Germany or
Postfach 10 02 37, 52302 Düeren Germany

Attention: Michael O'Donnell
Telecopier: 49-242-184-05319

HUYCK. WANGNER GERMANY GMBH
Föhrstrasse 39
72760 Reutlingen
Germany
Attention: Michael O'Donnell
Telecopier: 49-7121-30-6396

HUYCK. WANGNER JAPAN LIMITED
5F, Kokusai Bldg., 2-13-11
Nihonbashi Kayabacho
Chuo-ku, Tokyo, 103-0025
Japan
Attention: Michael O'Donnell
Telecopier: 81-336-670-986

STOWE WOODWARD MÉXICO, S.A. DE C.V.
Circuito Balvanera No. 2
Fracc. Agro Ind. Balvanera
KM 7 Carr. Libre A Celaya
Villa Corregidora 79920
Queretaro, Mexico
Attention: Michael O'Donnell
Telecopier: 52-442-225-0618

HUYCK.WANGNER (UK) LIMITED
National House, Herne Bay
Kent, CT6 5LN
England
Attention: Michael O'Donnell
Telecopier: 44-1227-744039

STOWE-WOODWARD (UK) LIMITED
Am Langen Graben 22
52353 Düren
Germany
Attention: Michael O'Donnell
Telecopier: 49-242-184-05319

XERIUM TECHNOLOGIES LIMITED
National House, Herne Bay
Kent, CT6 5LN
England
Attention: Michael O'Donnell

Telecopier: 44-1227-744039

STOWE WOODWARD SWEDEN AB
Dalaslingan 9
231 32 Trelleborg
Sweden
Attention: [Stephen Light]
Telecopier: [___]

HUYCK. WANGNER SCANDINAVIA AB
Box 296
751 05 Uppsala
Sweden
Attention: [Stephen Light]
Telecopier:[___]

in each case, with a copy to:

Xerium Technologies, Inc.
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael Stick
Telecopier: 1-919-556-2432

and to

Xerium Technologies, Inc.
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

CITIGROUP GLOBAL MARKETS INC.,
as Lead Arranger and Bookrunner

Citibank, N.A.
390 Greenwich St., 1st Floor
New York, NY 10013
Attention: [Blake Gronich]
Telecopier: (646) 291-1653
Email: [blake.gronich@citi.com]

CITICORP NORTH AMERICA, INC.,
as Administrative Agent, Collateral Agent and a Bank

Citicorp North America, Inc.
390 Greenwich St., 1st Floor
New York, NY 10013
Attention: [Blake Gronich]
Telecopier: [(646) 710-5361 and (646) 710-1064]

Email: [blake.gronich@citi.com]

CITIBANK, N.A., CANADIAN BRANCH,
as a Bank

Citibank, N.A., Canadian Branch
Citibank Place, 10th floor
123 Front Street West
Toronto, CANADA
Attention: [Adeel Kheraj]
Telecopier: (416) 947-5650
Email: [adeel.kheraj@citigroup.com]

CITIBANK, N.A., as a Bank

Citibank, N.A.
390 Greenwich St., 1st Floor
New York, NY 10013
Attention: [Blake Gronich]
Telecopier: [(646) 291-1653]
Email: [blake.gronich@citi.com]

APPENDIX C
TO SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

Mandatory Cost Formula

1. For the purposes of this Appendix C:

   (a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

   (b) "**Fees Rules**" means the rules on periodic fees contained in the Financial Services Authority Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

   (c) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

   (d) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

2. The Mandatory Cost is an addition to the interest rate to compensate Banks for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

3. On the first day of each Interest Period (or as soon as possible thereafter) the Administrative Agent shall calculate, as a percentage rate, a rate (the "**Additional Cost Rate**") for each Bank, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Administrative Agent as a weighted average of the Banks' Additional Cost Rates (weighted in proportion to the percentage participation of each Bank in the relevant Term Loan) and will be expressed as a percentage rate per annum.

4. The Additional Cost Rate for any Bank lending from a Facility Office in a Participating Member State will be the percentage notified by that Bank to the Administrative Agent. This percentage will be certified by that Bank in its notice to the Administrative Agent to be its reasonable determination of the cost (expressed as a percentage of that Bank's participation in all Term Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

5. The Additional Cost Rate for any Bank lending from a Facility Office in the United Kingdom will be calculated by the Administrative Agent as follows:

   in relation to a Term Loan in any currency other than Sterling:

$$\frac{E \times 0.01}{300}$$ per cent. per annum

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Bank is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Applicable Margin and the Mandatory Cost and, if the Term Loan is an Unpaid Sum, the additional rate of interest specified in Section 2.10 (Default Interest)) payable for the relevant Interest Period on the Term Loan.

C is the percentage (if any) of Eligible Liabilities which that Bank is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Administrative Agent on interest bearing Special Deposits.

E is designed to compensate Banks for amounts payable under the Fees Rules and is calculated by the Administrative Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Administrative Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

6. In application of the above formula, A, B, C and D will be included in the formula as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Administrative Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Administrative Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Bank shall supply any information required by the Administrative Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Bank shall supply the following information on or prior to the date on which it becomes a Bank:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Administrative Agent may reasonably require for such purpose.

Each Bank shall promptly notify the Administrative Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Bank for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Administrative Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Bank notifies the Administrative Agent to the contrary, each Bank's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Administrative Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Bank and shall be entitled to assume that the information provided by any Bank or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Administrative Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Banks on the basis of the Additional Cost Rate for each Bank based on the information provided by each Bank and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Administrative Agent pursuant to this Appendix C in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Bank shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

13. The Administrative Agent may from time to time, after consultation with Xerium and the Banks, determine and notify to all parties to this Agreement any amendments which are required to be made to this Appendix C in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

SCHEDULE 1.5

Amended and Restated Pledge and Security Agreement

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT (SECOND LIEN)

dated as of [_____], 2010

between

EACH OF THE GRANTORS PARTY HERETO

and

CITICORP NORTH AMERICA, INC.,

as the Collateral Agent

TABLE OF CONTENTS

PAGE

This **AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT (SECOND LIEN)**, dated as of [_____], 2010 (this "**Security Agreement**"), between **EACH OF THE UNDERSIGNED**, whether as an original signatory hereto or as an Additional Grantor (as herein defined) (each, a "**Grantor**"), and **CITICORP NORTH AMERICA, INC.**, as collateral agent for the Secured Parties (as herein defined) (in such capacity as collateral agent, the "**Collateral Agent**").

RECITALS:

WHEREAS, capitalized terms used in these recitals and not otherwise defined herein shall have the respective meanings set forth for such terms in the Second Lien Credit Agreement (as defined below);

WHEREAS, Xerium Technologies, Inc. ("**Xerium**"), certain Subsidiaries of Xerium party thereto as Borrowers, certain Subsidiaries of Xerium party thereto as Guarantors, the Banks party thereto and Citigroup North America, Inc., as Administrative Agent and as Collateral Agent are party to that certain Credit and Guaranty Agreement dated as of May 18, 2005, as amended and restated by the Amended and Restated Credit and Guaranty Agreement dated as of May 30, 2008 (as amended through the date hereof, the "**Existing Credit Agreement**");

WHEREAS, the parties hereto entered into that certain Pledge and Security Agreement (the **"Existing Pledge and Security Agreement"**) dated as of May 19, 2005 pursuant to which each Grantor agreed to secure such Grantor's obligations under the Credit Documents and the Hedge Agreements as set forth therein;

WHEREAS, in connection with the restructuring of Xerium's indebtedness, the Existing Credit Agreement is being amended and restated in its entirety as the Second Amended and Restated Credit Agreement (Second Lien), dated as of the date hereof (as amended, restated, supplemented, modified or replaced from time to time, the "**Second Lien Credit Agreement**"), among Xerium, certain Subsidiaries of Xerium party thereto as Borrowers, certain Subsidiaries of Xerium party thereto as Guarantors, the Banks party thereto and Citigroup North America, Inc., as Administrative Agent and as Collateral Agent, and pursuant to the terms of the Second Lien Credit Agreement, among other things, the principal amount of the loans outstanding thereunder is being reduced;

WHEREAS, Xerium, certain subsidiaries of Xerium as Borrowers, certain subsidiaries of Xerium as Guarantors, the lenders party thereto, and Citicorp North America, Inc., as Administrative Agent and as Collateral Agent (the "**First Lien Agent**"), have entered into a Credit and Guaranty Agreement (First Lien), dated as of the date hereof (as amended, restated, supplemented, modified or replaced from time to time, the "**First Lien Credit Agreement**"), providing for revolving credit and term loan facilities;

WHEREAS, pursuant to the First Lien Credit Agreement, Xerium and certain of its present and future Subsidiaries have guaranteed the obligations under the First Lien Credit Agreement;

WHEREAS, in order to induce the First Lien Agent and the lenders under the First Lien Credit Agreement to extend credit and other financial accommodations and lend monies to or for the benefit of Xerium and certain of its Subsidiaries, the Collateral Agent on behalf of the secured parties under the Second Lien Credit Agreement, has agreed to the intercreditor and other provisions set forth in the Intercreditor Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "**Intercreditor Agreement**"), among the First Lien Agent, the Collateral Agent, the Administrative Agent, Xerium and certain of its Subsidiaries party or that may become party thereto from time to time;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto have agreed to amend and restate the Existing Pledge and Security Agreement as follows:

SECTION 1. DEFINITIONS.

1.1 General Definitions. In this Security Agreement, the following terms shall have the following meanings:

"**Account Debtor**" shall mean "account debtor" as defined in Article 9 of the UCC and shall include each Person who is obligated on a Receivable or any Supporting Obligation related thereto.

"**Accounts**" shall mean all "accounts" as defined in Article 9 of the UCC.

"**Additional Grantors**" shall have the meaning assigned in Section 5.3.

"**Applicable Collateral Agent**" shall mean at any time (i) prior to the Discharge of First Lien Obligations, the First Lien Collateral Agent, as agent for the Secured Parties (as defined in the First Lien Collateral Documents) and (ii) after the Discharge of the First Lien Obligations, the Collateral Agent.

"**Applicable Law**" means, with respect to any Person, any domestic or foreign, federal, state, provincial or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement of any Governmental Entity applicable to such Person or any of their respective properties or assets.

"**Assigned Agreements**" shall mean all agreements and contracts to which such Grantor is a party as of the date hereof, or to which such Grantor becomes a party after the date hereof, including, without limitation, each Material Contract, as each such agreement may be amended, supplemented or otherwise modified from time to time.

"**Bank**" shall have the meaning set forth in the recitals.

"**Bank Counterparty**" shall have the meaning assigned to such term in the Second Lien Credit Agreement.

"**Bankruptcy Code**" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"**Cash Proceeds**" shall have the meaning assigned in Section 7.7.

"**Chattel Paper**" shall mean all "chattel paper" as defined in Article 9 of the UCC.

"**Collateral**" shall have the meaning assigned in Section 2.1.

"**Collateral Account**" shall mean any account or accounts established by the Collateral Agent.

"**Collateral Agent**" shall have the meaning set forth in the preamble.

"**Collateral Records**" shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

"**Collateral Support**" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"**Commercial Tort Claims**" shall mean all "commercial tort claims" as defined in Article 9 of the UCC as listed on Schedule 4.9 (as such schedule may be amended or supplemented from time to time).

"**Commodities Accounts**" (i) shall mean all "commodity accounts" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the

accounts listed on Schedule 4.4 under the heading "Commodities Accounts" (as such schedule may be amended or supplemented from time to time).

"**Copyright Licenses**" shall mean any and all agreements granting any right in, to or under Copyrights (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Copyrights**" shall mean all United States, state and foreign copyrights, including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. §901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the applications referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, (v) all licenses, claims, damages and proceeds of suit arising therefrom, and (vi) all payments and rights to payments arising out of the sale, lease, license, assignment, or other disposition thereof.

"**Deposit Accounts**" (i) shall mean all "deposit accounts" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading "Deposit Accounts" (as such schedule may be amended or supplemented from time to time).

"**Discharge of First Lien Obligations**" shall have the meaning set forth in the Intercreditor Agreement.

"**Documents**" shall mean all "documents" as defined in Article 9 of the UCC.

"**Electronic Chattel Paper**" shall mean all "electronic chattel paper" as defined in Article 9 of the UCC.

"**Equipment**" shall mean: (i) all "equipment" as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

"**Existing Credit Agreement**" shall have the meaning set forth in the recitals.

"**Existing Pledge and Security Agreement**" shall have the meaning set forth in the recitals.

"**First Lien Agent**" shall have the meaning set forth in the recitals.

"**First Lien Collateral Agent**" means the collateral agent under the First Lien Collateral Documents.

"**First Lien Collateral Documents**" means the "Collateral Documents" as defined in the First Lien Credit Agreement.

"**First Lien Credit Agreement**" shall have the meaning set forth in the recitals.

"**Foreign Entity**" shall mean "controlled foreign corporation" as defined in Section 957(a) or any successor provision of the Tax Code.

"**GAAP**" means, subject to the limitations on the application thereof set forth in the Second Lien Credit Agreement, United States generally accepted accounting principles in effect as of the date of determination thereof.

"**General Intangibles**" (i) shall mean all "general intangibles" as defined in Article 9 of the UCC, and (ii) shall include, without limitation, all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations, all Assigned Agreements and all Intellectual Property (in each case, regardless of whether characterized as general intangibles under the UCC).

"**Goods**" (i) shall mean all "goods" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all Inventory and Equipment (in each case, regardless of whether characterized as goods under the UCC).

"**Grantors**" shall have the meaning set forth in the preamble.

"**Hedge Agreement**" shall mean any agreement in respect of any Grantor's Hedging Obligations to any Bank Counterparty under the Second Lien Credit Agreement.

"**Instruments**" shall mean all "instruments" as defined in Article 9 of the UCC.

"**Insurance**" shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

"**Intellectual Property**" shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

"**Intercreditor Agreement**" shall have the meaning set forth in the recitals.

"**Inventory**" shall mean (i) all "inventory" as defined in Article 9 of the UCC and (ii) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods, and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any Grantor's business; all goods in which any Grantor has an interest in mass or a joint or other interest or right of any kind; and all goods which are returned to or repossessed by any Grantor, all computer programs embedded in any goods and all accessions thereto and products thereof (in each case, regardless of whether characterized as inventory under the UCC).

"**Investment Accounts**" shall mean the Collateral Account, Securities Accounts, Commodities Accounts and Deposit Accounts, including the Term Loan LC Collateral Account (as defined in the First Lien Credit Agreement).

"**Investment Property**" shall mean all "investment property" as defined in Article 9 of the UCC.

"**Investment Related Property**" shall mean: (i) all Investment Property, and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, the Investment Accounts and certificates of deposit.

"**Letters of Credit**" shall mean "letters of credit" as defined in Article 9 of the UCC.

"**Letter of Credit Right**" shall mean "letter-of-credit right" as defined in Article 9 of the UCC.

"**Licenses**" means collectively Copyright Licenses, Patent Licenses, Trade Secrets Licenses and Trademark Licenses.

"**Lien**" shall mean (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) in the case of Pledged Equity Interests, any purchase option, call or similar right of a third party with respect to such Pledged Equity Interests.

"**Limited Foreign Entity**" shall mean entities designated as such on Schedule 2.2.

"**Material Contract**" shall mean any contract or other arrangement to which any Grantor is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"**Money**" shall mean "money" as defined in the UCC.

"**Non-Assignable Contract**" shall mean any agreement, contract or license to which any the Grantor is a party that by its terms purports to restrict or prevent the assignment or granting of a security interest therein (either by its terms or by any federal or state statutory prohibition or otherwise irrespective of whether such prohibition or restriction is enforceable under Section 9-406 through 409 of the UCC).

"**Other Intercompany Debt**" shall have the meaning ascribed in Section 4.4.3(a)(ii).

"**Patent Licenses**" shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Patents**" shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, but not limited to: (i) each patent and patent application referred to in Schedule 4.8 hereto (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (ii) all rights corresponding thereto throughout the world, (ii) all inventions and improvements described therein, (iv) all rights to sue for past, present and future infringements thereof, (v) all licenses, claims, damages, and proceeds of suit arising therefrom, and (v) all Proceeds of the foregoing, including,

without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"**Permitted Sale**" shall mean those sales, transfers, assignments or other dispositions permitted by the Second Lien Credit Agreement.

"**Person**" shall mean and include natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Pledge Supplement**" shall mean any supplement to this Security Agreement in substantially the form of Exhibit A.

"**Pledged Debt**" shall mean all Indebtedness owed to such Grantor, including, without limitation, all Indebtedness described on Schedule 4.4 under the heading "Pledged Debt" (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments evidencing such Indebtedness, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

"**Pledged Equity Interests**" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests.

"**Pledged LLC Interests**" shall mean all interests in any limited liability company including, without limitation, all limited liability company interests listed on Schedule 4.4 under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests.

"**Pledged Partnership Interests**" shall mean all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 4.4 under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such

partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests.

"**Pledged Stock**" shall mean all shares of capital stock owned by such Grantor, including, without limitation, all shares of capital stock described on Schedule 4.4 under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

"**Pledged Trust Interests**" shall mean all interests in a Delaware business trust or other trust including, without limitation, all trust interests listed on Schedule 4.4 under the heading "Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests.

"**Primary Accounts**" shall mean primary Dollar denominated master deposit and investment accounts and primary Euro denominated master deposit and investment accounts of each Grantor.

"**Proceeds**" shall mean all "proceeds" as defined in Article 9 of the UCC.

"**Receivables**" shall mean all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Related Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

"**Receivables Records**" shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or nonwritten forms of information related in any way to the foregoing or any Receivable.

"**Record**" shall have the meaning specified in Article 9 of the UCC.

"**Related Contracts**" means any and all obligations, leases, security agreements, letters of credit and other contracts related to the Receivables.

"**Second Lien Credit Agreement**" shall have the meaning set forth in the recitals.

"**Secured Obligations**" shall have the meaning assigned in Section 3.1.

"**Secured Parties**" shall mean the Banks and the Bank Counterparties and shall include, without limitation, all former Banks and Bank Counterparties to the extent that any Obligations owing to such Persons were incurred while such Persons were Banks or Bank Counterparties and such Obligations have not been paid or satisfied in full.

"**Securities**" shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Accounts**" (i) shall mean all "securities accounts" as defined in Article 8 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading "Securities Accounts" (as such schedule may be amended or supplemented from time to time).

"**Securities Entitlements**" shall have the meaning specified in Article 8 of the UCC.

"**Security Agreement**" shall have the meaning set forth in the preamble.

"**Supporting Obligation**" shall mean all "supporting obligations" as defined in Article 9 of the UCC.

"**Swedish Grantor**" shall mean each Grantor incorporated or organized in Sweden.

"**Tangible Chattel Paper**" shall mean "tangible chattel paper" as defined in Article 9 of the UCC.

"**Tax Code**" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"**Trademark Licenses**" shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Trademarks**" shall mean all United States, and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to: (i) the registrations and applications referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"**Trade Secret Licenses**" shall mean any and all agreements providing for the granting of any right in or to Trade Secrets (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Trade Secrets**" shall mean all trade secrets and all other confidential or proprietary information and know-how whether or not such Trade Secret has been

reduced to a writing or other tangible form, including all documents and things embodying, incorporating, or referring in any way to such Trade Secret, including but not limited to: (i) the right to sue for past, present and future misappropriation or other violation of any Trade Secret, and (ii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

"**United States**" shall mean the United States of America.

"**Xerium"** shall have the meaning set forth in the recitals.

1.2 Definitions; Interpretation. All capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Second Lien Credit Agreement or, if not defined therein, in the UCC. References to "Sections," "Exhibits" and "Schedules" shall be to Sections, Exhibits and Schedules, as the case may be, of this Security Agreement unless otherwise specifically provided. Section headings in this Security Agreement are included herein for convenience of reference only and shall not constitute a part of this Security Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. If any conflict or inconsistency exists between this Security Agreement and the Second Lien Credit Agreement, the Second Lien Credit Agreement shall govern. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

SECTION 2. GRANT OF SECURITY.

2.1 Grant of Security. Each Grantor hereby grants to the Collateral Agent a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all personal property of such Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising

and wherever located (all of which being hereinafter collectively referred to as the "**Collateral**"):

(a) all Accounts;

(b) all Equipment and Inventory;

(c) all Chattel Paper;

(d) all Deposit Accounts;

(e) all Documents;

(f) all General Intangibles;

(g) all Goods;

(h) all Instruments;

(i) all Insurance;

(j) all Intellectual Property;

(k) all Investment Related Property;

(l) all Letters of Credit and Letter-of-Credit Rights;

(m) all Money;

(n) all Commercial Tort Claims;

(o) all Collateral Records, Collateral Support and Supporting Obligations relating to any of the foregoing; and

(p) to the extent not covered by clauses (a) through (o) of this Section 2.1, all other personal property of such Grantor, whether tangible or intangible, and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing, any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Grantor from time to time with respect to any of the foregoing.

2.2 Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the security interest granted under Section 2.1 hereof attach to

(a) any lease, license, contract, property rights or agreement to which any Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other Applicable Law (including the Bankruptcy Code) or principles of equity), provided, however, that such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent severable, shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above; and (b) in any of the outstanding capital stock of a Foreign Entity in excess of the percentage indicated on Schedule 2.2 of the voting power of all classes of capital stock of such Foreign Entity entitled to vote; provided that immediately upon the amendment of the Tax Code to allow the pledge of a greater percentage of the voting power of capital stock in a Foreign Entity without adverse tax consequences, the Collateral shall include, and the security interest granted by each Grantor shall attach to, such greater percentage of capital stock of each Foreign Entity (excluding any Foreign Entity designated as a Limited Foreign Entity).

2.3 Second Priority Nature of Liens; Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Security Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement. The delivery of any Collateral or any certificates, titles, Instruments, Chattel Paper or Documents evidencing or in connection with such Collateral to the First Lien Agent under and in accordance with the First Lien Loan Documents (as defined in the Intercreditor Agreement) and the Second Lien Loan Documents (as defined in the Intercreditor Agreement), as applicable, the granting of "control" (as defined in the UCC) over Collateral and/or the assignment of any Collateral to the First Lien Agent under and in accordance with First Lien Loan Documents and the Second Lien Loan Documents, as applicable, shall constitute compliance by the Credit Parties with the provisions of this Agreement or any other Credit Document which requires delivery, possession, control and/or assignment of certain types of Collateral by the Collateral Agent so long as the Discharge of First Lien Obligations (as defined in the Intercreditor Agreement) has not occurred..

In the event of any conflict between the terms of the Intercreditor Agreement and this Security Agreement, the terms of the Intercreditor Agreement shall govern and control. Any reference in this Security Agreement and the other Collateral

Documents to a "first priority lien" or words of similar effect in describing the security interest created hereunder shall be understood to refer to such priority, subject to the claims of the First Lien Claimholders (as defined in the Intercreditor Agreement).

SECTION 3. SECURITY FOR OBLIGATIONS; GRANTORS REMAIN LIABLE.

3.1 Security for Obligations. This Security Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a) (and any successor provision thereof)), of all Obligations with respect to every Grantor (the "**Secured Obligations**").

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any Secured Party, (ii) each Grantor shall remain liable under each of the agreements included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Security Agreement or any other document related thereto nor shall the Collateral Agent nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

3.3 Swedish Grantors. Notwithstanding anything to the contrary herein, the obligations of a Swedish Grantor under this Security Agreement shall be limited, if required by the provisions of the Swedish Companies Act (*Sw* Aktiebolagslagen 2005:551) regulating distribution of assets (Chapter 17, Section 3 or the equivalent clause/s from time to time), and it is understood that the liability of such Swedish Grantor only applies to the extent and in such amount permitted by the above mentioned provisions of the Swedish Companies Act. The obligations of a Swedish Grantor under this Security Agreement shall furthermore be limited to the extent the Collateral can be legally provided under the laws of the jurisdiction where the assets are held by the

Swedish Grantor and the Swedish Grantor shall only be under an obligation to perfect the security upon the Collateral Agent's reasonable request, in which case perfection shall be made in accordance with the laws of the relevant jurisdiction.

SECTION 4. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

4.1 Generally.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date, that:

(i) it owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, and except for transfers or dispositions permitted under the Second Lien Credit Agreement, will continue to own or have such rights in each item of the Collateral, in each case free and clear of any and all Liens, rights or claims of all other Persons, including, without limitation, liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as debtor under a security agreement entered into by another Person other than Permitted Liens;

(ii) it has indicated on Schedule 4.1(A) (as such schedule may be amended or supplemented from time to time): (w) the type of organization of such Grantor, (x) the jurisdiction of organization of such Grantor, (y) its organizational identification number (as applicable) and (z) the jurisdiction where the chief executive office or its sole place of business is located.

(iii) the full legal name of such Grantor is as set forth on Schedule 4.1(A) and it has not done in the last five (5) years, and does not do, business under any other name (including any trade-name or fictitious business name) except for those names set forth on Schedule 4.1(B) (as such schedule may be amended or supplemented from time to time);

(iv) except as provided on Schedule 4.1(C), it has not changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) within the past five (5) years;

(v) it has not become bound (whether as a result of merger or otherwise) as debtor under a security agreement entered into by another Person, which has not heretofore been terminated other than the agreements identified on Schedule 4.1(D) hereof (as such schedule may be amended or supplemented from

time to time);

(vi) with respect to each agreement identified on Schedule 4.1(D), it has indicated on Schedule 4.1(A) and Schedule 4.1(B) the information required pursuant to Section 4.1(a)(ii), (iv) and (v) with respect to the debtor under each such agreement;

(vii) upon the filing of all UCC financing statements naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth opposite such Grantor's name on Schedule 4.1(E) hereof (as such schedule may be amended or supplemented from time to time) and other filings delivered by each Grantor, and upon recordation of the security interests granted hereunder in Patents and Trademarks in the applicable intellectual property registries, including but not limited to the United States Patent and Trademark Office, the security interests granted to the Collateral Agent hereunder constitute valid and perfected first priority Liens (subject in the case of priority only to Permitted Liens and to the rights of the United States government (including any agency or department thereof) with respect to United States government Receivables) on all of the Collateral except with respect to foreign Patents and Trademarks;

(viii) all actions and consents, including all filings, notices, registrations and recordings necessary for the exercise by the Collateral Agent of the voting or other rights provided for in this Security Agreement or the exercise of remedies in respect of the Collateral have been made or obtained;

(ix) other than the financing statements filed in favor of the Collateral Agent, no effective UCC financing statement, fixture filing or other instrument similar in effect under any Applicable Law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which proper termination statements have been delivered to the Collateral Agent for filing and (y) financing statements filed in connection with Permitted Liens;

(x) no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for either (i) the pledge or grant by any Grantor of the Liens purported to be created in favor of the Collateral Agent hereunder or (ii) the exercise by Collateral Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or provided for by Applicable Law), except (A) for the filings contemplated by clause (viii) above and (B) as may be required, in connection with the disposition of any Investment Related Property, by laws

generally affecting the offering and sale of Securities;

(xi) all information supplied by any Grantor with respect to any of the Collateral (in each case taken as a whole with respect to any particular Collateral) is accurate and complete in all material respects;

(xii) none of the Collateral constitutes, or is the Proceeds of, "farm products" (as defined in the UCC);

(xiii) it does not own any "as extracted collateral" (as defined in the UCC) or any timber to be cut; and

(xiv) such Grantor has been duly organized as an entity of the type as set forth opposite such Grantor's name on Schedule 4.1(A) solely under the laws of the jurisdiction as set forth opposite such Grantor's name on Schedule 4.1(A) and remains duly existing as such. Such Grantor has not filed any certificates of domestication, transfer or continuance in any other jurisdiction.

Notwithstanding the foregoing, the representations and warranties set out in Section 4.1(a)(vii), (viii), (ix) and (x) are not given, or deemed given, by any Swedish Grantor.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) except for the security interest created by this Security Agreement, it shall not create or suffer to exist any Lien upon or with respect to any of the Collateral, except Permitted Liens, and such Grantor shall defend the Collateral against all Persons at any time claiming any interest therein;

(ii) it shall not produce, use or permit any Collateral to be used unlawfully or in violation of any provision of this Security Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral in a material manner;

(iii) it shall not change such Grantor's name, identity, corporate structure (e.g., by merger, consolidation, change in corporate form or otherwise), sole place of business, chief executive office, type of organization or jurisdiction of organization or establish any trade names unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, at least ten (10) Business Days prior to any such change or establishment,

identifying such new proposed name, identity, corporate structure, sole place of business, chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby;

(iv) if the Collateral Agent or any Secured Party gives value to enable Grantor to acquire rights in or the use of any Collateral, it shall use such value for such purposes and such Grantor further agrees that repayment of any Obligation shall apply on a "first-in, first-out" basis so that the portion of the value used to acquire rights in any Collateral shall be paid in the chronological order such Grantor acquired rights therein;

(v) it shall pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided, such Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than five (5) days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against such Grantor or any of the Collateral as a result of the failure to make such payment;

(vi) upon such Grantor or any officer of such Grantor obtaining knowledge thereof, it shall promptly notify the Collateral Agent in writing of any event that may have a Material Adverse Effect on the value of the Collateral or any portion thereof, the ability of any Grantor or the Collateral Agent to dispose of the Collateral or any portion thereof, or the rights and remedies of the Collateral Agent in relation thereto, including, without limitation, the levy of any legal process against the Collateral or any portion thereof;

(vii) it shall not take or permit any action which could impair the Collateral Agent's rights in the Collateral; and

(viii) it shall not sell, transfer or assign (by operation of law or otherwise) any Collateral except for Permitted Sales.

4.2 Equipment and Inventory.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date, that:

(i) any Goods now or hereafter produced by any Grantor in the United States included in the Collateral have been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended; and

(ii) none of the Inventory or Equipment is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the UCC) therefor or otherwise in the possession of a bailee or a warehouseman except as set forth on Schedule 4.2.

(b) Covenants and Agreements. Each Grantor covenants and agrees that:

(i) it shall keep the Equipment, Inventory and any Documents evidencing any Equipment and Inventory in the locations specified on Schedule 4.2 (as such schedule may be amended or supplemented from time to time) unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, at least fifteen (15) days prior to any change in locations, identifying such new locations and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby, or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder, with respect to such Equipment and Inventory;

(ii) it shall keep correct and accurate records of the Inventory as is customarily maintained under similar circumstances by Persons of established reputation engaged in similar business, and in any event in conformity with GAAP;

(iii) it shall not deliver any Document evidencing the ownership of any Equipment and Inventory to any Person other than the issuer of such Document to claim the Goods evidenced therefor or the Collateral Agent, other than in connection with sales of Equipment or Inventory as permitted by the Second Lien Credit Agreement; and

(iv) if any Equipment or Inventory is in possession or control of any third party other than pursuant to a transfer or disposition permitted under the Second Lien Credit Agreement, each Grantor shall assist the Collateral Agent in notifying the third party of the Collateral Agent's security interest and obtaining

an acknowledgment from the third party that it is holding the Equipment and Inventory for the benefit of the Collateral Agent.

4.3 Receivables.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date, that:

(i) to the best of Grantor's knowledge each of its Receivables (a) is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (b) is and will be enforceable in accordance with its terms, (c) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (d) is and will be in compliance with all Applicable Laws, whether federal, state, local or foreign;

(ii) none of the Account Debtors in respect of any Receivable in excess of $1,000,000 individually is the government of the United States, any agency or instrumentality thereof, any state or municipality or any foreign sovereign. No Receivable in excess of $1,000,000 individually requires the consent of the Account Debtor in respect thereof in connection with the pledge hereunder, except any consent which has been obtained; and

(iii) no Receivable is evidenced by, or constitutes, an Instrument or Chattel Paper in excess of $1,000,000 which has not been delivered to, or otherwise subjected to the control of, the Collateral Agent to the extent required by, and in accordance with Section 4.3(c).

(b) Covenants and Agreements: Each Grantor hereby covenants and agrees that:

(i) it shall keep and maintain at its own cost and expense satisfactory records of its Receivables as are customarily maintained under similar circumstances by Persons of established reputation engaged in similar businesses, and in any event, in conformity with GAAP;

(ii) at the Collateral Agent's request, it shall mark conspicuously, in form and manner reasonably satisfactory to the Collateral Agent, all Chattel Paper, Instruments and other evidence of Receivables (other than any delivered to the Collateral Agent as provided herein), as well as the Receivables Records with an appropriate reference to the fact that the Collateral

Agent has a security interest therein;

(iii) it shall perform in all material respects all of its obligations with respect to the Receivables;

(iv) it shall not amend, modify, terminate or waive any provision of any Receivable in excess of $100,000 individually for any invoice or $500,000 in the aggregate for any account in any manner which could reasonably be expected to have a Material Adverse Effect on the value of such Receivable as Collateral. Other than in the ordinary course of business as generally conducted by it on and prior to the date hereof, and except as otherwise provided in subsection (v) below, following an Event of Default, such Grantor shall not (w) grant any extension or renewal of the time of payment of any Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon;

(v) except as otherwise provided in this subsection and in the ordinary course of business, each Grantor shall continue to collect all amounts due or to become due to such Grantor under its Receivables and any Supporting Obligation and diligently exercise each material right it may have under any of its Receivables, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor may deem necessary or advisable. Notwithstanding the foregoing, upon the occurrence and during the continuance of a Default or an Event of Default, the Collateral Agent shall have the right at any time to notify, or require any Grantor to notify, any Account Debtor of the Collateral Agent's security interest in the Receivables and any Supporting Obligation and, in addition, at any time following the occurrence and during the continuation of an Event of Default, the Collateral Agent may, subject to the terms of the Intercreditor Agreement,: (1) direct the Account Debtors under any Receivables to make payment of all amounts due or to become due to such Grantor thereunder directly to the Applicable Collateral Agent; (2) notify, or require any Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Receivables have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Applicable Collateral Agent; and (3) enforce, at the expense of such Grantor, collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. If the Collateral Agent notifies

any Grantor that it has elected to collect the Receivables in accordance with the preceding sentence, any payments of Receivables received by such Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Applicable Collateral Agent if required, in the Collateral Account maintained under the sole dominion and control of the Applicable Collateral Agent, and until so turned over, all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of the Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Agent hereunder and shall be segregated from other funds of such Grantor and such Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon; and

(vi) except as it shall determine otherwise in the ordinary course of business, it shall use commercially reasonable efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Receivable.

(c) Delivery and Control of Receivables. With respect to any of its Receivables in excess of $1,000,000 individually that is evidenced by, or constitutes, Chattel Paper or Instruments, each Grantor shall cause each originally executed copy thereof to be delivered to the Applicable Collateral Agent (or its agent or designee) appropriately indorsed to the Applicable Collateral Agent or indorsed in blank: (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. With respect to any Receivables in excess of $1,000,000 individually which would constitute "electronic chattel paper" under Article 9 of the UCC, each Grantor shall take all steps necessary to give the Applicable Collateral Agent control over such Receivables (within the meaning of Section 9-105 of the UCC): (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. Any Receivable not otherwise required to be delivered or subjected to the control of the Applicable Collateral Agent in accordance with this subsection (c) shall be delivered or subjected to such control upon request of the Collateral Agent.

4.4 Investment Related Property

4.4.1 Investment Related Property Generally

(a) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in the event it acquires rights in any Investment Related Property after the date hereof, it shall deliver to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, reflecting such new Investment Related Property and all other Investment Related Property. Notwithstanding the foregoing, it is understood and agreed that the security interest of the Collateral Agent shall attach to all Investment Related Property immediately upon any Grantor's acquisition of rights therein and shall not be affected by the failure of any Grantor to deliver a supplement to Schedule 4.4 as required hereby;

(ii) except as provided in the next sentence, in the event such Grantor receives any dividends, interest or distributions on any Investment Related Property, or any securities or other property upon the merger, consolidation, liquidation or dissolution of any issuer of any Investment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) such Grantor shall immediately take all steps, if any, necessary or advisable to ensure the validity, perfection, priority and, if applicable, control of the Applicable Collateral Agent over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Agent) and pending any such action such Grantor shall be deemed to hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Applicable Collateral Agent and shall segregate such dividends, distributions, Securities or other property from all other property of such Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, the Collateral Agent authorizes each Grantor to retain all ordinary cash dividends and distributions paid in the normal course of the business of the issuer and consistent with the past practice of the issuer and all payments of interest and principal; and

(iii) each Grantor consents to the grant by each other Grantor of a Security Interest in all Investment Related Property to the Collateral Agent.

(b) Delivery and Control.

(i) Each Grantor agrees that with respect to any Investment Related Property in which it currently has rights it shall comply with the provisions of this Section 4.4.1(b) on or before the Closing Date and with respect to any Investment Related Property hereafter acquired by such Grantor it shall

comply with the provisions of this Section 4.4.1(b) promptly upon acquiring rights therein, in each case in form and substance reasonably satisfactory to the Collateral Agent. With respect to any Investment Related Property that is represented by a certificate or that is an "instrument" (other than any Investment Related Property credited to a Securities Account or any item of Other Intercompany Debt) it shall cause such certificate or instrument to be delivered to the Applicable Collateral Agent, indorsed in blank by an "effective endorsement" (as defined in Section 8 107 of the UCC), regardless of whether such certificate constitutes a "certificated security" for purposes of the UCC. With respect to any Investment Related Property that is an "uncertificated security" for purposes of the UCC (other than any "uncertificated securities" credited to a Securities Account), it shall cause the issuer of such uncertificated security to either (i) register the Applicable Collateral Agent as the registered owner thereof on the books and records of the issuer or (ii) execute an agreement substantially in the form of Exhibit B hereto, pursuant to which such issuer agrees to comply with the Applicable Collateral Agent's instructions with respect to such uncertificated security without further consent by such Grantor.

(c) Voting and Distributions.

(i) So long as no Event of Default shall have occurred and be continuing:

(1) except as otherwise provided under the covenants and agreements relating to investment related property in this Security Agreement or elsewhere herein or in the Second Lien Credit Agreement, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Security Agreement or the Credit Agreement;

(2) the Collateral Agent shall promptly execute and deliver (or cause to be executed and delivered) to each Grantor all proxies, and other instruments as such Grantor may from time to time reasonably request for the purpose of enabling such Grantor to exercise the voting and other consensual rights when and to the extent which it is entitled to exercise pursuant to clause (1) above; and

(3) Upon the occurrence and during the continuation of an Event of Default, at the option of the Collateral Agent or request of the Requisite Banks and subject to the terms of the Intercreditor Agreement,

(A) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Applicable Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and

(B) in order to permit the Applicable Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Applicable Collateral Agent all proxies, dividend payment orders and other instruments as the Applicable Collateral Agent may from time to time reasonably request and (2) the each Grantor acknowledges that the Applicable Collateral Agent may utilize the power of attorney set forth in Section 6.1.

4.4.2 Pledged Equity Interests

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date, that:

(i) Schedule 4.4 (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Pledged Stock, "Pledged LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such Schedule;

(ii) except as set forth on Schedule 4.4, it has not acquired any equity interests of another entity or substantially all the assets of another entity within the past five (5) years;

(iii) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens, rights or claims of other Persons other than Permitted Liens and, except as set forth on Schedule 4.4 there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar

agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests;

(iv) without limiting the generality of Section 4.1(a)(v), no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Pledged Equity Interests or the exercise by the Collateral Agent of the voting or other rights provided for in this Security Agreement or the exercise of remedies in respect thereof; and

(v) none of the Pledged LLC Interests nor Pledged Partnership Interests are or represent interests in issuers that: (a) are registered as investment companies or (b) are dealt in or traded on securities exchanges or markets; and

(vi) except as indicated on Schedule 4.4, all of the Pledged LLC Interests and Pledged Partnership Interests are or represent interests in issuers that have opted to be treated as securities under the uniform commercial code of any jurisdiction.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) without the prior written consent of the Collateral Agent, it shall not vote to enable or take any other action to: (a) other than as permitted under the Second Lien Credit Agreement, amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that materially changes the rights of such Grantor with respect to any Investment Related Property or adversely affects the validity, perfection or priority of the Collateral Agent's security interest, (b) other than as permitted under the Second Lien Credit Agreement, permit any issuer of any Pledged Equity Interest to issue any additional stock, partnership interests, limited liability company interests or other equity interests of any nature or to issue securities convertible into or granting the right of purchase or exchange for any stock or other equity interest of any nature of such issuer, (c) other than as permitted under the Second Lien Credit Agreement, permit any issuer of any Pledged Equity Interest to dispose of all or a material portion of their assets, (d) waive any default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest or the terms of any Pledged Debt, or (e) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the

UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the foregoing in this clause (e), such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof;

(ii) it shall comply with all of its obligations in all material respects under any partnership agreement or limited liability company agreement relating to Pledged Partnership Interests or Pledged LLC Interests and shall enforce all of its rights with respect to any Investment Related Property;

(iii) without the prior written consent of the Collateral Agent, it shall not permit any issuer of any Pledged Equity Interest to merge or consolidate unless (i) such issuer creates a security interest for the benefit of the Collateral Agent that is perfected by a filed financing statement (that is not effective solely under section 9-508 of the UCC) in collateral in which such new debtor has or acquires rights, and (ii) all the outstanding capital stock or other equity interests of the surviving or resulting corporation, limited liability company, partnership or other entity is, upon such merger or consolidation, pledged hereunder; provided that if the surviving or resulting Grantors upon any such merger or consolidation involving an issuer which is a Foreign Entity, then such Grantor shall only be required to pledge equity interests in accordance with Section 2.2 hereof;

(iv) each Grantor consents to the grant by each other Grantor of a security interest in all Investment Related Property to the Collateral Agent and, without limiting the foregoing, consents to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Applicable Collateral Agent or its nominee following an Event of Default and to the substitution of the Applicable Collateral Agent or its nominee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

(v) it shall notify the Collateral Agent of any default under any Pledged Equity that has caused, either in any case or in the aggregate, a Material Adverse Effect.

(vi) if the Collateral Agent exercises its right to sell all or any of the Pledged Equity Interests of any Grantor pursuant to Section 7, each Grantor agrees that, upon request of the Collateral Agent, such Grantor will, at its own expense:

(1) use its best efforts to qualify the Pledged Equity Interests under the state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for the sale of the Pledged Equity Interests, as requested by the Collateral Agent;

(2) cause each such issuer to make available to its security holders, as soon as practicable, an earnings statement that will satisfy the provisions of Section 13(a) of the Securities Act;

(3) provide the Collateral Agent with such other information and projections as may be necessary or, in the opinion of the Collateral Agent, advisable to enable the Collateral Agent to effect the sale of such Pledged Equity Interests; and

(4) do or cause to be done all such other acts and things as may be necessary to make such sale of the Pledged Equity Interests or any part thereof valid and binding and in compliance with Applicable Law.

(vii) The Collateral Agent is authorized, in connection with any sale of the Pledged Equity Interests pursuant to Section 7; to deliver or otherwise disclose to any prospective purchaser of the Pledged Equity Interests (i) any information and projections provided to it pursuant to clause (d) above and (ii) any other information in its possession relating to the Pledged Equity Interests.

4.4.3 Pledged Debt

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date, that:

(i) Subject to Section 4.4.3(a)(ii), Schedule 4.4 (as such schedule may be amended or supplemented from time to time) sets forth under the heading "Pledged Debt" all of the Pledged Debt owned by any Grantor and all of such Pledged Debt has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof and is not in default and, together with the Other Intercompany Debt, constitutes all of the issued and outstanding intercompany Indebtedness.

(ii) Schedule 4.4(a) sets forth under the heading "Other Intercompany Debt" certain intercompany debts (the "Other Intercompany Debt") evidenced by the Master Intercompany Note, dated as of the date hereof, which such Other Intercompany Debt has been duly authorized and is the legal, valid

and binding obligation of the issuers thereof and is not in default.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) it shall notify the Collateral Agent of any default under any Pledged Debt that has caused or could cause, either in any individual case or in the aggregate, a Material Adverse Effect; and

(ii) it shall not deliver or otherwise transfer any instruments representing any Other Intercompany Debt to any Person other than the Applicable Collateral Agent.

4.4.4 Investment Accounts

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date, that:

(i) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Securities Accounts" and "Commodities Accounts," respectively, all of the Securities Accounts and Commodities Accounts that are Primary Accounts in which each Grantor has an interest. Each Grantor is the sole entitlement holder of each such Securities Account and Commodity Account, and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant thereto) having "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over, or any other interest in, any such Securities Account or Commodity Account or securities or other property credited thereto;

(ii) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Deposit Accounts" all of the Deposit Accounts that are Primary Accounts in which each Grantor has an interest. Each Grantor is the sole account holder of each such Deposit Account and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant thereto) having either sole dominion and control (within the meaning of common law) or "control" (within the meanings of Section 9-104 of the UCC) over, or any other interest in, any such Deposit Account or any money or other property deposited therein; and

(iii) Each Grantor has taken all actions necessary or desirable, including those specified in Section 4.4.4(c), to: (a) establish the Collateral

Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over any portion of the Investment Related Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodities Accounts (each as defined in the UCC) that are Primary Accounts; (b) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the UCC) over all Deposit Accounts that are Primary Accounts; and (c) deliver all Instruments to the Collateral Agent.

(b) Covenant and Agreement. Each Grantor hereby covenants and agrees with the Collateral Agent and each other Secured Party that it shall not close or terminate any Investment Account that is a Primary Account unless a successor or replacement account has been established with the consent of the Collateral Agent with respect to which successor or replacement account a control agreement has been entered into by the appropriate Grantor, Collateral Agent and securities intermediary or depository institution at which such successor or replacement account is to be maintained in accordance with the provisions of Section 4.4.4(c).

(c) Delivery and Control

(i) With respect to any Investment Related Property consisting of Securities Accounts or Securities Entitlements that are Primary Accounts, it shall use its commercially best efforts to cause the securities intermediary maintaining such Securities Account or Securities Entitlement to enter into an agreement in a customary form agreed to by such intermediary and reasonably acceptable to the Collateral Agent, pursuant to which it shall agree to comply with the Applicable Collateral Agent's "entitlement orders" without further consent by such Grantor. With respect to any Investment Related Property that is a "Deposit Account," it shall cause the depositary institution maintaining such account to enter into an agreement reasonably acceptable to the Collateral Agent, pursuant to which the Collateral Agent shall have both sole dominion and control over such Deposit Account (within the meaning of the common law) and "control" (within the meaning of Section 9-104 of the UCC) over such Deposit Account. Within 45 days after opening such accounts, each Grantor shall have entered into such control agreement or agreements with respect to: (i) any Securities Accounts, Securities Entitlements or Deposit Accounts that exist on the Credit Date, as of or prior to the Credit Date and that are Primary Accounts (ii) any Securities Accounts, Securities Entitlements or Deposit Accounts that are created or acquired after the Credit Date, as of or prior to the deposit or transfer of any such Securities Entitlements or funds, whether constituting moneys or investments, into such Securities Accounts or Deposit Accounts that are Primary Accounts.

In addition to the foregoing, if any issuer of any Investment Related Property is located in a jurisdiction outside of the United States, each Grantor shall take such additional actions, including, without limitation, causing the issuer to register the pledge on its books and records or making such filings or recordings, in each case as may be necessary or advisable, under the laws of such issuer's jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent. Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Related Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Related Property for certificates or instruments of smaller or larger denominations.

4.5 Material Contracts.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date, that:

(i) Schedule 4.5 (as such schedule may be amended or supplemented from time to time) sets forth all of the Material Contracts to which such Grantor has rights;

(ii) the Material Contracts, true and complete copies (including any amendments or supplements thereof) of which have been furnished to the Collateral Agent, have been duly authorized, executed and delivered by the Grantors party thereto, are in full force and effect and are binding upon and enforceable against the Grantors party thereto in accordance with their respective terms. There exists no material default under any Material Contract by any party thereto and neither such Grantor, nor to its best knowledge, any other Person party thereto is likely to become in default thereunder and no Person party thereto has any defenses, counterclaims or right of set-off with respect to any Material Contract; and

(iii) no Material Contract prohibits assignment or requires consent of or notice to any Person in connection with the assignment to the Collateral Agent hereunder.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in addition to any rights under the Section of this Security

Agreement relating to Receivables, upon the occurrence and during the continuance of a Default or an Event of Default, the Collateral Agent may at any time notify, or require any Grantor to so notify, the counterparty on any Material Contract of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the counterparty to make all payments under the Material Contracts directly to the Collateral Agent;

(ii) each Grantor shall deliver promptly to the Collateral Agent a copy of each material demand, notice or document received by it relating in any way to any Material Contract;

(iii) each Grantor shall deliver promptly to the Collateral Agent, and in any event within ten (10) Business Days, after (1) any Material Contract of such Grantor is terminated or amended in a manner that is materially adverse to such Grantor or (2) any new Material Contract is entered into by such Grantor, a written statement describing such event, with copies of such material amendments or new contracts, delivered to the Collateral Agent (to the extent such delivery is permitted by the terms of any such Material Contract, provided, no prohibition on delivery shall be effective if it were bargained for by such Grantor with the intent of avoiding compliance with this Section 4.5(b)(iii)), and an explanation of any actions being taken with respect thereto;

(iv) it shall perform in all material respects all of its obligations with respect to the Material Contracts;

(v) it shall promptly and diligently exercise each material right (except the right of termination) it may have under any Material Contract, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor or the Collateral Agent may deem necessary or advisable; and

(vi) it shall use its commercially reasonable efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Material Contract.

4.6 Letter of Credit Rights.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date, that:

(i) all letters of credit with a stated amount greater than $1,000,000 to which such Grantor has rights as beneficiary or assignee are listed on Schedule 4.6 (as such schedule may be amended or supplemented from time to time) hereto; and

(ii) it has obtained the consent of each issuer of any letter of credit with a stated amount greater than $1,000,000 to the assignment of the proceeds of the letter of credit to the Collateral Agent.

(b) Covenants and Agreements, Generally. Each Grantor hereby covenants and agrees that:

(i) upon the reasonable request of the Applicable Collateral Agent, it will use its reasonable commercial efforts to have the issuer or other nominated person with respect to Letter of Credit Rights assigned to the Applicable Collateral Agent in excess of $1,000,000, whether now existing or after-acquired, consent to an assignment of proceeds of the related letter of credit to the Applicable Collateral Agent such that the Collateral Agent shall have control of the Letter of Credit Rights in the manner specified in Section 9-107 of the UCC; and

(ii) it shall deliver to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, for any after acquired Letter of Credit Rights.

(c) Covenants and Agreements, US Grantors. Each Grantor organized in the United States hereby covenants and agrees that:

(i) by granting a Lien in its Letter of Credit Rights to the Collateral Agent, it intends to (and hereby does) assign to the Collateral Agent its rights (including its contingent rights) to the proceeds of all Related Contracts consisting of letters of credit of which it is or hereafter becomes a beneficiary or assignee; and

(ii) upon the occurrence and during the continuation of an Event of Default, it will promptly upon the request of the Collateral Agent, (x) notify the issuer and each nominated person with respect to each of the Related Contracts consisting of letters of credit that the proceeds thereof have been assigned to the Collateral Agent hereunder and any payments due or to become due in respect thereof are to be made directly to the Applicable Collateral Agent or its designee, and (y) arrange for the Applicable Collateral Agent to become the transferee beneficiary of such letters of credit;

For the avoidance of doubt, nothing in this subsection 4.6(c) shall apply to Grantors organized under the laws of any jurisdiction other than a state of the United States.

4.7 Insurance.

(a) Covenants and Agreement. Each Grantor hereby covenants and agrees as follows:

(i) It shall, at its own expense, maintain or cause to be maintained insurance in accordance with the terms of the Second Lien Credit Agreement. Each casualty insurance policy shall provide for all losses to be paid on behalf of the Collateral Agent and such Grantor as their interests may appear, and, in accordance with the Second Lien Credit Agreement;

(ii) Reimbursement under any liability insurance maintained by any Grantor pursuant to this Section 4.7, may, except as otherwise provided in Section 2.14(b) of the Second Lien Credit Agreement, be paid directly to the Person who shall have incurred liability covered by such insurance. Except as otherwise provided in Section 2.14(b) of the Second Lien Credit Agreement, in case of any loss involving damage to Equipment or Inventory when subsection 4.7(a)(iii) is not applicable, the applicable Grantor shall make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory granted by such Grantor, and any proceeds of insurance maintained by such Grantor pursuant to this Section 4.7 shall be paid to such Grantor as reimbursement for the costs of such repairs or replacements;

(iii) Except as otherwise provided in Section 2.14(b) of the Second Lien Credit Agreement and subject to the terms of the Intercreditor Agreement, upon the occurrence and during the continuance of any Event of Default or the actual or constructive total loss of any Equipment or Inventory, all insurance payments in respect of such Equipment or Inventory shall be paid to and applied by the Collateral Agent as specified in Section 7.7.

4.8 Intellectual Property.

(a) Representations and Warranties. Except as disclosed in Schedule 4.8 (as such schedule may be amended or supplemented from time to time), each Grantor hereby represents and warrants, on the Closing Date, that:

(i) Schedule 4.8 (as such schedule may be amended or supplemented from time to time) sets forth a true and complete list of (i) all United States, state and, to the best knowledge of each Grantor, foreign registrations of and applications for Patents, Trademarks and Copyrights owned by each Grantor and (ii) all Patent Licenses, Trademark Licenses, Trade Secret Licenses and Copyright Licenses with annual payments in excess of $500,000, other than (x) Licenses solely between members of the Group, and (y) Licenses of computer software not specifically created for a Credit Party;

(ii) it is the sole and exclusive owner of the entire right, title, and interest in and to all domestic Intellectual Property, and, to the best knowledge of each Grantor, all foreign Intellectual Property owned by it as listed on Schedule 4.8 (as such schedule may be amended or supplemented from time to time), and owns or has the valid right to use all other Intellectual Property necessary to conduct its business, free and clear of all Liens, claims, encumbrances and licenses, except for Permitted Liens and the licenses set forth on Schedule 4.8 (as each may be amended or supplemented from time to time);

(iii) no Intellectual Property listed on Schedule 4.8 has been adjudged invalid or unenforceable, in whole or in part, and each Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks it owns in full force and effect except where failure to do so would not reasonably be expected to have a Material Adverse Effect;

(iv) all registered Intellectual Property is valid and enforceable; no holding, decision, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity of, such Grantor's right to register, or such Grantor's rights to own or use, any Intellectual Property and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened, except where such invalidation or unenforceability of such Intellectual Property would not reasonably be expected to have a Material Adverse Effect;

(v) all registrations and applications for Copyrights, Patents and Trademarks are standing in the name of each Grantor, and none of the

Trademarks, Patents, Copyrights or Trade Secrets has been licensed by any Grantor to any Affiliate or third party, except as disclosed in Schedule 4.8 (as each may be amended or supplemented from time to time) or except where failure to do so would not reasonably be expected to have a Material Adverse Effect;

(vi) each Grantor has been using appropriate statutory notice of registration in connection with its use of registered Trademarks, proper marking practices in connection with the use of Patents, and appropriate notice of copyright in connection with the publication of Copyrights desirable to the business of such Grantor except where such failure to use appropriate statutory notice would not reasonably be expected to have a Material Adverse Effect; or

(vii) each Grantor uses adequate standards of quality in the manufacture, distribution, and sale of all products sold and in the provision of all services rendered under or in connection with all Trademark Collateral and has taken all action necessary to insure that all licensees of the Trademark Collateral owned by such Grantor use such adequate standards of quality except where failure to do so would not reasonably be expected to have a Material Adverse Effect;

(viii) the conduct of such Grantor's business does not infringe upon or otherwise violate any U.S. trademark, patent, copyright, trade secret or other intellectual property right owned or controlled by a third party in a manner reasonably likely to result in a Material Adverse Effect, and, to the best knowledge of each Grantor, such conduct does not infringe upon or otherwise violate any foreign trademark, patent, copyright, trade secret or other intellectual property right owned or controlled by a third party in a manner reasonably likely to result in a Material Adverse Effect; no written claim has been made that the use of any Intellectual Property owned or used by Grantor (or any of its respective licensees) violates the asserted rights of any third party except where such infringement or claim would not reasonably be expected to have a Material Adverse Effect;

(ix) to the best of each Grantor's knowledge, no third party is infringing upon or otherwise violating any rights in any Intellectual Property owned or used by such Grantor, or any of its respective licensees except where such infringement or violation would not reasonably be expected to have a Material Adverse Effect;

(x) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by Grantor or to which Grantor is bound that materially adversely affect Grantor's rights to own or

use any Intellectual Property;

(xi) no Grantor has made any previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, or transfer of any Intellectual Property that has not been terminated or released. There is no effective financing statement or other document or instrument now executed, or now on file or recorded in any public office, granting a security interest in or otherwise encumbering any part of the Intellectual Property, other than in favor of the Collateral Agent;

(xii) with respect to each License to which such Grantor is a party: (A) such License is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such License; (B) such License will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the rights and interest granted herein, nor will the grant of such rights and interest constitute a breach or default under such License or otherwise give the licensor or licensee a right to terminate such License; (C) such Grantor has not received any notice of termination or cancellation under such License; (D) such Grantor has not received any notice of a breach or default under such License, which breach or default has not been cured; (E) such Grantor has not granted to any other third party any rights, adverse or otherwise, under such License except as indicated on Schedule 4.8; and (F) neither such Grantor nor, to the best of such Grantor's knowledge, any other party to such License is in breach or default in any material respect, and no event has occurred that, with notice or lapse of time or both, would constitute such a breach or default or permit termination, modification or acceleration under such License, except in each case where the failure of any License to be valid, binding and in full force and effect, or the breach or default under any such License, or the termination or cancellation of such License or the grant to any third party of any rights under such License would not reasonably be expected to have a Material Adverse Effect; and

(xiii) to best of such Grantor's knowledge, (A) none of the Trade Secrets of such Grantor has been used, divulged, disclosed or appropriated to the detriment of such Grantor for the benefit of any other Person other than such Grantor; (B) no employee, independent contractor or agent of such Grantor has misappropriated any trade secrets of any other Person in the course of the performance of his or her duties as an employee, independent contractor or agent of such Grantor; and (C) no employee, independent contractor or agent of such Grantor is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or

transfer of such Grantor's Intellectual Property, except where any such use, disclosure, appropriation, misappropriation, default or breach would not reasonably be expected to have a Material Adverse Effect.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees as follows:

(i) it shall not do any act or omit to do any act whereby any of the Intellectual Property which is desirable to the business of Grantor may lapse, or become abandoned, dedicated to the public, or unenforceable, or which would adversely affect the validity, grant, or enforceability of the security interest granted therein except when such act or omission would not reasonably be expected to have a Material Adverse Effect;

(ii) it shall not, with respect to any Trademarks which are desirable to the business of Grantor, cease the use of any of such Trademarks or fail to maintain the level of the quality of products sold and services rendered under any of such Trademark at a level at least substantially consistent with the quality of such products and services as of the date hereof, and each Grantor shall take all steps necessary to insure that licensees of such Trademarks use such consistent standards of quality except when failure to do so would not reasonably be expected to have a Material Adverse Effect;

(iii) it shall, within thirty (30) days of the creation or acquisition of any copyrightable work which is desirable to the business of Grantor, apply to register the Copyright in the United States Copyright Office except for works with an individual value not to exceed $100,000 and aggregate value not to exceed $250,000, with respect to which the Grantor has determined with the exercise of its commercial reasonable judgment that it shall not so apply;

(iv) except where such event would not reasonably be expected to have a Material Adverse Effect, it shall promptly notify the Collateral Agent if it knows or has reason to know that any item of the Intellectual Property may become (a) abandoned or dedicated to the public or placed in the public domain, (b) invalid or unenforceable, or (c) subject to any adverse determination or development (including the institution of proceedings) in any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, any state registry, any foreign counterpart of the foregoing, or any court;

(v) except when failure to do so would not reasonably be expected to have a Material Adverse Effect, it shall take all reasonable steps in the United States Patent and Trademark Office, the United States Copyright Office,

any state registry or any foreign counterpart of the foregoing, to pursue any application and maintain any registration of each Trademark, Patent and Copyright owned by such Grantor and desirable to its business which is now or shall become included in the Intellectual Property including, but not limited to, those items on Schedule 4.8, (as each may be amended or supplemented from time to time);

(vi) except when failure to do so would not reasonably be expected to have a Material Adverse Effect, in the event that any Intellectual Property owned by or exclusively licensed to any Grantor is infringed, misappropriated, or diluted by a third party, such Grantor shall promptly notify the Collateral Agent and take all reasonable actions to stop such infringement, misappropriation or dilution and protect its rights in such Intellectual Property including, but not limited to, the initiation of a suit for injunctive relief and to recover damages;

(vii) it shall promptly (but in no event more than four times a year) report to the Collateral Agent (i) the filing of any application to register any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office, or any state registry or foreign counterpart of the foregoing (whether such application is filed by such Grantor or through any agent, employee, licensee, or designee thereof) and (ii) the registration of any Intellectual Property by any such office, in each case by executing and delivering to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto;

(viii) it shall, promptly upon the reasonable request of the Collateral Agent, execute and deliver to the Collateral Agent any document required to acknowledge, confirm, register, record, or perfect the Collateral Agent's interest in any part of the Intellectual Property, whether now owned or hereafter acquired;

(ix) except with the prior consent of the Collateral Agent or as permitted under the Second Lien Credit Agreement, each Grantor shall not execute, and there will not be on file in any public office, any financing statement or other document or instruments, except financing statements or other documents or instruments filed or to be filed in favor of the Collateral Agent or with respect to Permitted Liens and each Grantor shall not sell, assign, transfer, license, grant any option, or create or suffer to exist any Lien upon or with respect to the Intellectual Property, except for the Lien created by and under this Security Agreement and the other Credit Documents or Permitted Liens;

(x) it shall hereafter use commercially reasonable efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could reasonably be expected to materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any property included within the definitions of any Intellectual Property acquired under such contracts;

(xi) it shall take commercially reasonably steps to protect the secrecy of all Trade Secrets, including, restricting access to secret information and documents;

(xii) it shall use proper statutory notice in connection with its use of any of the Intellectual Property; and

(xiii) it shall continue to collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Intellectual Property or any portion thereof. In connection with such collections, each Grantor may take (and, at the Collateral Agent's reasonable direction, shall take) such action reasonably necessary or advisable to enforce collection of such amounts. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time, to notify, or require any Grantor to notify, any obligors with respect to any such amounts of the existence of the security interest created hereby.

4.9 Commercial Tort Claims

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date, that Schedule 4.9 (as such schedule may be amended or supplemented from time to time) sets forth all Commercial Tort Claims in excess of $1,000,000 of each Grantor; and

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that with respect to any Commercial Tort Claim in excess of $1,000,000 hereafter arising it shall:

(i) promptly deliver to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, identifying such new Commercial Tort Claims; and

(ii) take all necessary action to subject such Commercial Tort Claim to the first priority security interest created under this Security Agreement.

SECTION 5. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES; ADDITIONAL GRANTORS.

5.1 Access; Right of Inspection. The Collateral Agent shall at all times have reasonable access during normal business hours to all the books, correspondence and records of each Grantor, and the Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Agent, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and its representatives shall at reasonable times and intervals upon at least three (3) days prior notice also have the right to enter any premises of each Grantor and inspect any property of each Grantor where any of the Collateral of such Grantor granted pursuant to this Security Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

5.2 Further Assurances.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Collateral Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(i) file such financing or continuation statements (or similar documents), or amendments thereto, and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby;

(ii) take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in the Intellectual Property with any intellectual property registry in which said Intellectual Property is registered or in which an application for registration is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State, and the foreign counterparts on any of the foregoing, except when failure to do so

would not reasonably be expected to have a Material Adverse Effect;

(iii) at any reasonable time, upon request by the Collateral Agent, assemble the Collateral and allow inspection of the Collateral by the Collateral Agent, or persons designated by the Collateral Agent; and

(iv) at the Collateral Agent's request, appear in and defend any action or proceeding that may affect such Grantor's title to or the Collateral Agent's security interest in all or any part of the Collateral.

(b) Each Grantor hereby authorizes the Collateral Agent to file a Record or Records, including, without limitation, financing or continuation statements, and amendments thereto, in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired." Each Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) Each Grantor hereby authorizes the Collateral Agent to modify this Security Agreement after obtaining such Grantor's approval of or signature to such modification by amending Schedule 4.8 (as such schedule may be amended or supplemented from time to time) to include reference to any right, title or interest in any existing Intellectual Property or any Intellectual Property acquired or developed by any Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which any Grantor no longer has or claims any right, title or interest.

5.3 Additional Grantors. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "Additional Grantor"), by executing a counterpart agreement in a form reasonably satisfactory to the Collateral Agent. Upon delivery of any such counterpart agreement to the Collateral Agent, notice of which is hereby waived by Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any

other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of Company to become an Additional Grantor hereunder. This Security Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 6. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

6.1 Power of Attorney. Subject to the terms of the Intercreditor Agreement, to the fullest extent permitted by applicable law, each Grantor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation, the following:

(a) upon the occurrence and during the continuance of any Event of Default, to obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to the Second Lien Credit Agreement;

(b) upon the occurrence and during the continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) to prepare and file any UCC financing statements with regard to the Collateral against such Grantor as debtor;

(f) to prepare, sign, and file for recordation in any intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Intellectual Property in the name of such Grantor as debtor;

(g) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Security Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its reasonable sole discretion, any such payments made by the Collateral Agent to become obligations of such Grantor to the Collateral Agent, due and payable immediately without demand; and

(h) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do.

6.2 No Duty on the Part of Collateral Agent or Secured Parties. The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

SECTION 7. REMEDIES.

7.1 Generally.

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent, subject to the terms of the Intercreditor Agreement, may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of the Collateral Agent on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by

acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(i) require any Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Agent deems appropriate; and

(iv) without notice except as specified below or under the UCC, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such commercially reasonable terms.

(b) Subject to the terms of the Intercreditor Agreement, the Collateral Agent or any Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by Applicable Law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice

of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Agent to collect such deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way alter the rights of the Collateral Agent hereunder.

(c) Subject to the terms of the Intercreditor Agreement, the Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(d) The Collateral Agent shall have no obligation to marshal any of the Collateral.

7.2 Application of Proceeds. Except as expressly provided elsewhere in this Security Agreement, all proceeds received by the Collateral Agent in respect of any sale, any collection from, or other realization upon all or any part of the Collateral shall, subject to the terms of the Intercreditor Agreement, be applied by the Collateral Agent in accordance with Section 2.16(g) of the Second Lien Credit Agreement.

7.3 Sales on Credit. If Collateral Agent sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Collateral Agent and applied to indebtedness of the purchaser. In the event

the purchaser fails to pay for the Collateral, Collateral Agent may resell the Collateral and Grantor shall be credited with proceeds of the sale.

7.4 Deposit Accounts.

If any Event of Default shall have occurred and be continuing, the Collateral Agent may, subject to the terms of the Intercreditor Agreement, apply the balance from any Deposit Account or instruct the bank at which any Deposit Account is maintained to pay the balance of any Deposit Account to or for the benefit of the Collateral Agent.

7.5 Investment Related Property.

Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Grantor agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Investment Related Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Investment Related Property, upon written request, each Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Agent all such information as the Collateral Agent may request in order to determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Agent in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

7.6 Intellectual Property.

(a) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default and subject to the terms of the Intercreditor Agreement:

(i) the Collateral Agent shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Agent or otherwise, in the Collateral Agent's sole discretion, to enforce any Intellectual Property, in which event such Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents required by the Collateral Agent in aid of such enforcement and such Grantor shall promptly, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 11 hereof in connection with the exercise of its rights under this Section, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Intellectual Property as provided in this Section, each Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement or other violation of any of such Grantor's rights in the Intellectual Property by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing as shall be necessary to prevent such infringement or violation;

(ii) upon written demand from the Collateral Agent, each Grantor shall grant, assign, convey or otherwise transfer to the Applicable Collateral Agent an absolute assignment of all of such Grantor's right, title and interest in and to the Intellectual Property and shall execute and deliver to the Applicable Collateral Agent such documents as are necessary or appropriate to carry out the intent and purposes of this Security Agreement;

(iii) each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Secured Party) receives cash proceeds in respect of the sale of, or other realization upon, the Intellectual Property;

(iv) within five (5) Business Days after written notice from the Collateral Agent, each Grantor shall make available to the Collateral Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as the Collateral Agent may reasonably designate, by name, title or job responsibility, to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by such Grantor under or in connection with the Trademarks, Trademark Licenses, such persons to be available to perform their prior functions on the Collateral Agent's behalf and to be

compensated by the Collateral Agent at such Grantor's expense on a per diem, pro rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default; and

(v) the Collateral Agent shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the Intellectual Property, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Applicable Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done;

(1) all amounts and proceeds (including checks and other instruments) received by Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Applicable Collateral Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to the Applicable Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 7.7 hereof; and

(2) Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (ii) no other Event of Default shall have occurred and be continuing, (iii) an assignment or other transfer to the Collateral Agent of any rights, title and interests in and to the Intellectual Property shall have been previously made and shall have become absolute and effective, and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Grantor, the Collateral Agent shall, subject to the terms of the Intercreditor Agreement, promptly execute and deliver to such Grantor, at such Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to such Grantor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent; provided, after giving effect to such reassignment, the Collateral Agent's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and

clear of any other Liens granted by or on behalf of the Collateral Agent and the Secured Parties.

(c) Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 7 and at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of said Trademarks, to use, operate under, license, or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located.

7.7 Cash Proceeds. In addition to the rights of the Collateral Agent specified in Section 4.3 with respect to payments of Receivables, all proceeds of any Collateral received by any Grantor consisting of cash, checks and other non-cash items (collectively, "**Cash Proceeds**") shall be held by such Grantor in trust for the Applicable Collateral Agent, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, unless otherwise provided pursuant to Section 4.4.1(a)(ii), be turned over to the Applicable Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required) and held by the Applicable Collateral Agent. Subject to the terms of the Intercreditor Agreement, any Cash Proceeds received by the Collateral Agent (whether from a Grantor or otherwise): (i) if no Event of Default shall have occurred and be continuing, shall be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and (ii) if an Event of Default shall have occurred and be continuing, may, in the sole discretion of the Collateral Agent, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against the Secured Obligations then due and owing.

SECTION 8. COLLATERAL AGENT.

The Collateral Agent has been appointed to act as Collateral Agent hereunder by Banks and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), subject to the terms of the Intercreditor Agreement, solely in accordance with this Security Agreement and the Second Lien Credit Agreement; provided, the Collateral Agent shall, after payment in full of all Obligations under the

Second Lien Credit Agreement and the other Credit Documents, exercise, or refrain from exercising, any remedies provided for herein in accordance with the instructions of the holders of a majority of the aggregate notional amount (or, with respect to any Hedge Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any early termination payments then due) under such Hedge Agreement) under all Hedge Agreements. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Secured Parties in accordance with the terms of this Section. Collateral Agent may resign at any time by giving thirty (30) days' prior written notice thereof to Secured Parties and the Grantors, and Collateral Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Grantors and Collateral Agent signed by the Requisite Banks. Upon any such notice of resignation or any such removal, Requisite Banks shall have the right, upon five (5) Business Days' notice to the Collateral Agent, following receipt of the Grantors' consent (which shall not be unreasonably withheld or delayed and which shall not be required while an Event of Default exists), to appoint a successor Collateral Agent. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent under this Security Agreement. Upon the acceptance of any appointment as Administrative Agent under the terms of the Second Lien Credit Agreement by a successor Administrative Agent, such successor Administrative Agent shall thereby also be deemed the successor Collateral Agent and such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Security Agreement, and the retiring or removed Collateral Agent under this Security Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Security Agreement, and (ii) execute and deliver to such successor Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Security Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Security Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Security Agreement while it was the Collateral Agent hereunder.

SECTION 9. CONTINUING SECURITY INTEREST; TRANSFER OF TERM LOANS.

This Security Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full in cash of all Secured Obligations, be binding upon each Grantor, its successors and assigns, and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing, but subject to the terms of the Second Lien Credit Agreement, any Bank may assign or otherwise transfer any Term Loans held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Banks herein or otherwise. Upon the payment in full of all Secured Obligations, the security interest granted hereby shall terminate hereunder and of record and all rights of the Collateral Agent to the Collateral shall revert to Grantors. Upon any such termination the Collateral Agent shall, at Grantors' expense, execute and deliver to Grantors such documents as Grantors shall reasonably request to evidence such termination.

SECTION 10. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise. If any Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by each Grantor under Section 10.2 of the Second Lien Credit Agreement.

SECTION 11. INDEMNITY AND EXPENSES

(a) Without in any way limiting the terms of the Second Lien Credit Agreement, each Grantor agrees to indemnify the Collateral Agent and its directors, officers, employees, and agents from and against any and all claims, losses and liabilities which the Collateral Agent or its officers, employees or agents may incur in connection with this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting from such indemnified party's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) Each Grantor will upon demand pay to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel, advisors, and of any experts and agents, that the Collateral Agent may incur in connection with (i) the administration of this Security Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Agent or the Secured Parties hereunder or (iv) the breach by any Grantor of the provisions hereof.

SECTION 12. MISCELLANEOUS.

Any notice required or permitted to be given under this Security Agreement shall be given in accordance with Section 10.1 of the Second Lien Credit Agreement. Subject to the Intercreditor Agreement, to the extent that any Grantor receives conflicting notices from the Collateral Agent and the First Lien Collateral Agent with respect to any Collateral, all parties hereby expressly agree that, until the Discharge of the First Lien Obligations has occurred, any conflict will be resolved in favor of compliance with such notice or instructions given by the First Lien Collateral Agent. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Security Agreement and the other Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Security Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an

exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Security Agreement shall be binding upon and inure to the benefit of the Collateral Agent and Grantors and their respective successors and assigns. No Grantor shall, without the prior written consent of the Collateral Agent given in accordance with the Second Lien Credit Agreement, assign any right, duty or obligation hereunder. This Security Agreement and the other Credit Documents embody the entire agreement and understanding between Grantors and the Collateral Agent and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Security Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAWS.

IN WITNESS WHEREOF, each Grantor and the Collateral Agent have caused this Security Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

XERIUM TECHNOLOGIES, INC.

By: _____
Name:
Title:

XERIUM III (US) LIMITED

By: _____
Name:
Title:

XERIUM IV (US) LIMITED

By: _____
Name:
Title:

XERIUM V (US) LIMITED

By: _____
Name:
Title:

WEAVEXX, LLC

By: _____
Name:
Title:

HUYCK LICENSCO INC.

By: _____
Name:
Title:

STOWE WOODWARD LICENSCO LLC

By: _____
Name:
Title:

STOWE WOODWARD LLC

By: _____
Name:
Title:

XTI LLC

By: _____
Name:
Title:

WANGNER ITELPA I LLC

By: _____
Name:
Title:

WANGNER ITELPA II LLC

By: _____
Name:

Title:

XERIUM ASIA LLC

By: _____
Name:
Title:

ROBEC BRAZIL LLC

By: _____
Name:
Title:

HUYCK WANGNER VIETNAM CO LTD

By: _____
Name:
Title:

STOWE WOODWARD SWEDEN AB

By: _____
Name:
Title:

HUYCK WANGNER SCANDINAVIA AB

By: _____
Name:
Title:

CITICORP NORTH AMERICA, INC., as
Collateral Agent

By: _____
Name:
Title:

SCHEDULE 1.7

Austria Contribution Agreement

Document to be executed and kept outside of Austria

The Verbringung dieses Dokuments oder einer beglaubigten Abschrift oder jedes andere Dokument, das eine Ersatzbeurkundung dieses Dokuments darstellt, einschließlich schriftlicher Bestätigungen oder Erwähnungen davon, nach Österreich sowie der Ausdruck in Österreich von E-Mails, welche sich auf dieses Dokument beziehen oder der Versand von E-Mails an einen österreichischen Adressaten, welchen ein PDF Scan dieses Dokuments angehängt ist, oder der Versand einer E-Mail mit elektronischer oder digitaler Signatur, welche sich auf dieses Dokument bezieht, könnte die Einhebung österreichischer Stempelgebühren verursachen. Aus diesem Grund lassen Sie insbesondere das Originaldokument sowie alle beglaubigten Kopien davon und schriftliche und unterfertigte Verweise darauf außerhalb von Österreich und vermeiden Sie in Österreich den Ausdruck von jeder E-Mail, welche sich auf dieses Dokument bezieht, oder den Versand einer E-Mail an einen österreichischen Adressaten, der ein PDF Scan angehängt ist, oder den Versand einer E-Mail mit elektronischer oder digitaler Signatur an einen österreichischen Adressaten, welche sich auf dieses Dokument bezieht.

The taking of this document or any certified copy or any document which constitutes substitute documentation thereof, including written confirmations or references thereto, into Austria as well as printing out any e-mail which refers to this document in Austria or sending any e-mail to which a PDF scan of this document is attached to an Austrian addressee or sending any e-mail carrying an electronic or digital signature which refers to this document to an Austrian addressee may cause the imposition of Austrian stamp duty. Accordingly, in particular keep the original document as well as all certified copies thereof and written and signed references thereto outside of Austria and avoid printing out any e-mail which refers to this document in Austria or sending any e-mail to which a PDF scan of this document is attached to an Austrian addressee or sending any e-mail carrying an electronic or digital signature which refers to this document to an Austrian addressee.

KAUF- UND EINBRINGUNGSVERTRAG

abgeschlossen zwischen

1. **Xerium Technologies, Inc.**

   eine Gesellschaft gegründet nach dem Recht von Delaware,

im folgenden „**Übertragende Gesellschaft**“ genannt und

2. **Huyck.Wangner Austria GmbH**

   eine Gesellschaft mit Sitz in Gloggnitz und der Geschäftsanschrift Huyckstraße 1, 2640 Gloggnitz, Österreich

im Folgenden **„Übernehmende Gesellschaft“** genannt.

Die Übertragende Gesellschaft und die Übernehmende Gesellschafter werden gemeinsam als **„Vertragsparteien“** bezeichnet.

SHARE SALE AND CONTRIBUTION AGREEMENT

concluded between

1. **Xerium Technologies, Inc.**

   a corporation organized and existing under the laws of the State of Delaware,

hereinafter referred to as **“Assignor”** and

2. **Huyck.Wangner Austria GmbH**

   a company with its corporate seat in Gloggnitz and the business address in Huyckstraße 1, 2640 Gloggnitz, Austria

hereinafter referred to as **“Assignee”**.

The Assignor and the Assignee will hereinafter be jointly referred to as the ¨**Parties.**

Präambel

Die Übertragende Gesellschaft ist Eigentümerin von Geschäftsanteilen an der Übertragenden Gesellschaft und überträgt gemäß den im Folgenden angeführten Bedingungen Geschäftsanteile an der Übertragenden Gesellschaft in nominaler Höhe von insgesamt USD [●] auf die Übernehmende Gesellschaft.

Preamble

The Assignor is owner of shares of the Assignor and transfers shares of the Assignor in the nominal value of in total USD [●] according to the provisions of this agreement.

1. Übertragung eines Geschäftsanteils

Die Übertragende Gesellschaft verkauft und tritt Geschäftsanteile an der Übertragenden Gesellschaft in nominaler Höhe von USD [●] mit allen damit verbundenen Rechten und Pflichten (nachfolgend die „**Geschäftsanteile I**“) an die Übernehmende Gesellschaft ab. Die Übernehmende Gesellschaft kauft und übernimmt den Geschäftsanteil.

Der Kaufpreis für die Abtretung des Geschäftsanteils beträgt EUR [●]. Die Übernehmende Gesellschaft wird im Gegenzug für die Übertragung der Geschäftsanteile I eine Note zugunsten der Übertragenden Gesellschaft in Höhe des Kaufpreises begeben.

1. Transfer of Share

The Assignor sells and assigns a share in the Assignor in the nominal amount of USD [●] together with all rights and obligations pertaining to the shares (hereinafter referred to as “**Share I**”) to the Assignee. The Assignee buys and takes over the Share.

The purchase price for the transfer of the Share I amounts to EUR [●]. The Assignee in return for the transfer of Share I will issue a note in favor of the Assignor in the amount of the purchase price.

2. Einbringung von Geschäftsanteilen

Die Übertragende Gesellschaft überträgt an und bringt ein in die Übernehmende Gesellschaft Geschäftsanteile an der Übertragenden Gesellschaft in nominaler Höhe von USD [●] mit allen damit verbundenen Rechten und Pflichten an der Übertragenden Gesellschaft (nachfolgend die „**Geschäftsanteile II**“). Die Übernehmende Gesellschaft erklärt die Vertragsannahme.

Die Übertragende Gesellschaft und die Übernehmende Gesellschaft vereinbaren, dass im Zusammenhang mit dem Übertragungs- bzw. Einbringungsvorgang betreffend die Geschäftsanteile II keine Gegenleistung für die Übertragung bzw. Einbringung der

2. Contribution of shares in the Company

The Assignor transfers and contributes to the Assignee shares of the Assignor in the nominal amount of USD [●] together with all rights and obligations pertaining to the shares with regard to the Assignor (hereinafter referred as “**Shares II**”). The Assignee accepts the Shares II.

The Assignor and the Assignee agree that for the transfer and contribution with regard to the Shares II no consideration will be granted to the Assignor.

Geschäftsanteile gewährt wird.

3. Übertragung der mit der Geschäftsanteilen verbundenen Rechte und Pflichten

Der Übergang aller mit den Geschäftsanteilen I und II verbundenen Rechte und Pflichten auf die Übernehmende Gesellschaft erfolgt gemäß den Bestimmungen dieses Vertrages mit Wirksamkeit zum [●] (nachfolgend "**Einbringungsstichtag**").

Mit Ablauf des Einbringungsstichtages gehen Besitz, Nutzen und Gefahr auf die Übernehmende Gesellschaft über, die ab diesem Zeitpunkt alle auf die Geschäftsanteile entfallenden Kosten und Gebühren trägt, welcher aber auch alle Nutzungen zukommen.

3. Transfer of Rights and Obligations relating to the Shares

The transfer of all rights and obligations pertaining to the Shares I and II in the Assignor is effected in accordance with the conditions set forth herein with effect as of [●] (hereinafter referred to as "**Effective Date**").

As per the lapse of the Effective Date, title to and benefits and risks in connection with the Shares shall be deemed transferred to Assignee, who shall from this date onwards bear any and all costs and charges arising in connection with the Shares but shall also be entitled to all benefits.

4. Forderungsabtretung

Die Übertragende Gesellschaft tritt an die Übernehmende Gesellschaft eine Forderung gegen Xerium Italia SpA in der Höhe von EUR [●] (inklusive Zinsen bis zum heutigen Tag) ab. Die Übernehmende Gesellschaft nimmt die Abtretung dieser Forderung an.

4. Contribution of Credit Facility Claims

The Assignor contributes to the Assignee a claim against Xerium Italia SpA in the amount of EUR [●] (inclusive of interest accrued hereon as of today's date). The Assignee accepts the contribution of the said claim.

5. Kosten und Gebühren

Die Kosten der Errichtung und Vergebührung dieses Vertrages einschließlich der aufgrund des Abschlusses dieses Vertrages zur Übertragung der Geschäftsanteile allfällig entstehenden Steuern und Abgaben, werden von der Übernehmenden Gesellschaft getragen.

5. Costs and Fees

The costs of the implementation of this Agreement inclusive of contractual fees and any taxes and other fees which might arise in the course of the execution of this Agreement shall be borne by the Assignee.

6. Verzichtserklärungen

Die Vertragsparteien verzichten, soweit gesetzlich zulässig, wechselseitig auf alle Ansprüche aus Irrtum und Gewährleistung. Die Vertragsparteien vereinbaren, dass die

6. Waiver

The Parties waive, as permitted by law, mutually on all claims of error and warranty based on the signing of this Agreement. No failure on the part of one

Nichtausübung eines Rechtes aus diesem Vertrag nicht als Verzicht darauf verstanden wird und dass die Ausübung einzelner Rechte oder die teilweise Ausübung von Rechten aus diesem Vertrag nicht die Ausübung weiterer Rechte ausschließt.

party to this Agreement to exercise, and no delay in exercising any right hereunder shall be deemed as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

7. Sonstige Bestimmungen

Schiedsklausel

Alle Streitigkeiten, die sich aus diesem Vertrag ergeben oder auf dessen Verletzung, Auflösung oder Nichtigkeit beziehen, werden nach der Schieds- und Schlichtungsordnung („Regeln“) der Internationalen Handelskammer („ICC“) von einem gemäß diesen Regeln ernannten Schiedsrichter endgültig entschieden. Der Schiedsort ist Zürich (Schweiz). Die im Schiedsverfahren zu verwendende Sprache ist Englisch.

Anzuwendendes Recht

Dieser Vertrag unterliegt dem Recht der Republik Österreich unter Ausschluss seiner kollisionsrechtlichen Bestimmungen und der Anwendbarkeit des UN-Kaufrechts.

Gesamte Vereinbarung

Dieser Vertrag stellt die gesamte Vereinbarung zwischen den Vertragsparteien dar und ersetzt alle vorherigen Verhandlungen, Korrespondenz und Vereinbarungen zwischen den Vertragsparteien betreffend den Vertragsgegenstand.

Salvatorische Klausel

Sollten einzelne Bestimmungen dieses Vertrages unwirksam sein oder werden, so wird dadurch die Gültigkeit des Vertrages zur Übertragung von Geschäftsanteilen im Übrigen nicht berührt. Anstelle der unwirksamen Bestimmung tritt diejenige gesetzlich zugelassene Bestimmung,

7. Miscellaneous

Arbitration

All disputes arising out of this Agreement related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration (“Rules”) of the International Chamber of Commerce (“ICC”) by one arbitrator appointed in accordance with these Rules. The place of arbitration shall be Zurich (Switzerland). The proceedings shall be carried out in the English language.

Governing Law

This Agreement shall be governed by the laws of the Republic of Austria except for its conflict of law rules and the UN-convention on the sale of goods.

Entire Agreement

This Agreement constitutes the entire Agreement of the Parties and supersedes any and all prior negotiations, correspondence, understandings and Agreements between the Parties respecting the subject matter hereof.

Partial Invalidity

The invalidity or inability to enforce any term or entire sections of this Agreement shall not affect the validity of the remaining terms and sections. The Parties hereby agree, that the unenforceable or invalid term or section is replaced by a

die dem wirtschaftlichen Zweck der ungültigen Bestimmung am nächsten kommt.

legally binding one, which conforms to the intentions and purposes of the Parties as laid down in this Agreement.

Änderungen und Ergänzungen

Sämtliche Aufhebungen, Änderungen oder Ergänzungen zu diesem Vertrag haben in Schriftform zu ergehen und bedürfen der Unterschrift durch einen autorisierten Vertreter der Vertragsparteien. Gleiches gilt für die Aufhebung, Änderung oder Ergänzung des vorigen Satzes. Mündliche Abänderungen oder Ergänzungen dieses Vertrages sind nur dann gültig, wenn sie im Anschluss daran in Schriftform ausgestellt sind und von den Vertragsparteien unterzeichnet sind.

Modifications and Amendments

No waiver, alteration or modification of the terms and provisions hereof will be binding, unless in writing and duly signed by a representative of the Parties. The same is valid for the Waiver, alteration or modification of the aforementioned sentence. Oral waivers, alterations or modifications become valid only after they have been put down in writing and duly signed by the Parties.

Sprache

Es gilt ausschließlich der deutsche Text dieses Vertrages. Der englische Text dient lediglich zu Informationszwecken.

Language

Only the German text of this agreement is valid. The English translation only serves information purposes.

*****

*****

Document to be executed and kept outside of Austria

[●], am [●]

[●],[●]

_____

Stephen Light

als Bevollmächtigter der

Xerium Technologies, Inc.

(Übertragende Gesellschaft)

Stephen Light

as Attorney-in-Fact of

Xerium Technologies, Inc.

(Assignor)

[●], am [●]

[●],[●]

_____

David J. Pretty

als Bevollmächtigter der

Huyck.Wangner Austria GmbH

(Übernehmende Gesellschaft)

David J. Pretty

as Attorney-in-Fact of

Huyck.Wangner Austria GmbH

(Assignee)

SCHEDULE 1.8

Austria Note

Document to be executed and kept outside of Austria

The Verbringung dieses Dokuments oder einer beglaubigten Abschrift oder jedes andere Dokument, das eine Ersatzbeurkundung dieses Dokuments darstellt, einschließlich schriftlicher Bestätigungen oder Verweis hierauf, nach Österreich sowie der Ausdruck in Österreich von E-Mails, welche sich auf dieses Dokument beziehen oder der Versand von E-Mails an einen österreichischen Adressaten, welchen ein PDF Scan dieses Dokuments angehängt ist, oder der Versand einer E-Mail mit elektronischer oder digitaler Signatur, welche sich auf dieses Dokument bezieht, könnte die Einhebung österreichischer Stempelgebühren verursachen. Aus diesem Grund lassen Sie insbesondere das Originaldokument sowie alle beglaubigten Kopien davon und schriftliche und unterfertigte Verweise hierauf außerhalb von Österreich und vermeiden Sie in Österreich den Ausdruck von jeder E-Mail, welche sich auf dieses Dokument bezieht, oder den Versand einer E-Mail an einen österreichischen Adressaten, der ein PDF Scan angehängt ist, oder den Versand einer E-Mail mit elektronischer oder digitaler Signatur an einen österreichischen Adressaten, welche sich auf dieses Dokument bezieht.

The taking of this document or any certified copy or any document which constitutes substitute documentation thereof, including written confirmations or references thereto, into Austria as well as printing out any e-mail which refers to this document in Austria or sending any e-mail to which a PDF scan of this document is attached to an Austrian addressee or sending any e-mail carrying an electronic or digital signature which refers to this document to an Austrian addressee may cause the imposition of Austrian stamp duty. Accordingly, in particular keep the original document as well as all certified copies thereof and written and signed references thereto outside of Austria and avoid printing out any e-mail which refers to this document in Austria or sending any e-mail to which a PDF scan of this document is attached to an Austrian addressee or sending any e-mail carrying an electronic or digital signature which refers to this document to an Austrian addressee.

SCHULDSCHEIN

ausgegeben von

1. **Huyck.Wangner Austria GmbH**

   eine Gesellschaft mit Sitz in Gloggnitz und der Geschäftsanschrift Huyckstraße 1, 2640 Gloggnitz, Österreich,

im folgenden „**Emittent**“ genannt,

zugunsten der

2. **Xerium Technologies, Inc.**

   eine Gesellschaft gegründet nach dem Recht von Delaware,

im Folgenden **„Begünstigte“** genannt.

Der Emittent und der Begünstigte werden gemeinsam als **„Parteien“** und jeweils einzeln als **„Partei“** bezeichnet.

NOTE

issued by

1. **Huyck.Wangner Austria GmbH**

   a company with its corporate seat in Gloggnitz and the business address in Huyckstraße 1, 2640 Gloggnitz, Austria,

hereinafter referred to as **“Issuer”,**

in favor of

2. **Xerium Technologies, Inc.**

   a corporation organized and existing under the laws of the State of Delaware,

hereinafter referred to as **“Beneficiary”.**

The Issuer and the Beneficiary will hereinafter be jointly referred to as the ¨**Parties**¨**,** each of them separately as **“Party”**.

Präambel

Der Begünstigte verkauft und tritt einen Geschäftsanteil am Begünstigter in nominaler Höhe von USD [●] mit allen damit verbundenen Rechten und Pflichten (nachfolgend der „**Geschäftsanteil**“) mit Kauf- und Einbringungsvertrag, datiert vom [●], an den Emittenten ab (der „**Anteilkaufvertrag**“).

Der Kaufpreis für die Abtretung des Geschäftsanteils beträgt EUR [●]. Der Emittent begibt im Gegenzug für die Übertragung des Geschäftsanteils dieser Schuldschein zugunsten des Begünstigten in Höhe des Kaufpreises, welcher einen Kredit zwischen dem Emittenten als Kreditnehmer und dem Begünstigten als Kreditgeber in derselben Höhe verbrieft (der „**Kredit**“).

1. Schuldbetrag

Dieser Schuldschein ist vom Emittenten zugunsten des Begünstigten ausgestellt und verbrieft eine Forderung des Begünstigten gegen den Emittenten in der Höhe von EUR [●] (der „**Schuldbetrag**“).

2. Laufzeit

Der Kredit, der mit diesem Schuldschein verbrieft wird, wird für zehn Jahre eingeräumt, beginnend mit dem Tag der Unterfertigung dieses Schuldscheins (der „**Rückzahlungstag**“).

Der Kredit kann mehrmals verlängert werden, jeweils zwischen ein und zwölf Monaten mittels schriftlicher Änderungsvereinbarung („**Änderungsvereinbarung**“) abzuschließen zwischen dem Emittenten und dem Begünstigten.

3. Zinsen

Der Emittent zahlt an den Begünstigten Zinsen in der Höhe von [●] per anno.

Preamble

The Beneficiary sells and assigns a share in the Beneficiary in the nominal amount of USD [●] together with all rights and obligations pertaining to the share (hereinafter referred to as “**Share**”) to the Issuer with Share Sale and Contribution Agreement dated [●] (the “**Share Sale Agreement**”).

The purchase price for the transfer of the Share amounts to EUR [●]. The Issuer in return for the transfer of Share issues this Note in favor of the Beneficiary in the amount equal to the purchase price, securitizing a loan of the Beneficiary to the Issuer in the same amount (the “**Loan**”).

1. Amount of the Note

This Note is issued by the Issuer in favor of the Beneficiary and securitizes a claim of the Beneficiary against the Issuer in an amount of EUR [●] (the “**Note Amount**”).

2. Term of the Note

The Loan securitized by this Note is granted for a ten years starting on the date of signing this Note (the "**Repayment Date**").

The Loan may be repeatedly prolonged by further periods, each between one and twelve months by a written amendment agreement ("**Amendment**") to be signed by the Issuer and the Beneficiary.

3. Interest

The Issuer pays to the Beneficiary interest at a rate of [●] per year.

Die Zinsen werden taggleich berechnet, wobei ein Monat entsprechend der kalendarischen Anzahl von Tagen gerechnet wird und ein Jahr dreihundertsechzig (360) Tage dauert.

Interest shall be calculated on a daily basis with a month lasting its calendrical number of days and a year lasting three hundred and sixty (360) days.

4. Rückzahlung

Der Schuldbetrag ist endfällig und spätestens am Rückzahlungstag zur Gänze rückzuführen. Vorzeitige Tilgungen sind jederzeit zulässig.

Die Zinsen sind jeweils am letzten Arbeitstag eines jeden Kalenderquartals nachträglich für das abgelaufene Kalenderquartal zur Zahlung fällig.

4. Repayment

The Note Amount shall be repaid until the Repayment Date at the latest. An early redemption of the Note Amount is permissible.

Interest shall be due at the end of each calendar quarter and shall be payable in arrears no later than the last business day of the calendar quarter.

5. Steuernettoklausel

Alle Zahlungen, welche nach diesem Schuldschein fällig sind, sollen ohne Abzug von irgendwelchen anwendbaren Steuern, Abgaben oder ähnlichen Belastungen bezahlt werden. Sofern der Emittent gesetzlich verpflichtet ist, von irgendeinem nach diesem Schuldschein zahlbaren Betrag Abzüge oder Einbehaltungen hinsichtlich Steuern vorzunehmen, soll der Emittent an den Begünstigten am Tag der Fälligkeit dieses Betrages einen zusätzlichen Betrag zahlen, damit der vom Begünstigten erhaltene Betrag insgesamt, nach allen anwendbaren Abzügen oder Einbehaltungen, jener Summe entspricht, der dem Begünstigten ohne Einbehalt oder Abzug zur Verfügung gestanden wäre.

5. Tax Gross-Up

All payments due hereunder shall be made net of any applicable taxes. If the Issuer is required by applicable law to make any deduction or withholding in respect of any taxes from any amount payable under this Note, the Issuer shall pay to the Beneficiary on the date such amount is payable, such additional amounts so that the amount received by the Beneficiary, in the aggregate, after all applicable deductions or withholdings, shall be equal to the amount that the Beneficiary would have been entitled to receive if no deductions or withholdings were made.

6. Aufrechnung

Sowohl der Begünstigte als auch der Emittent sind berechtigt mit Forderungen gegenüber der anderen Partei jederzeit aufzurechnen.

6. Set-off

Both the Beneficiary and the Issuer shall be entitled to set off against any claims of the respective other Party at any time.

7. Nachrangigkeit

Der Begünstigte stellt sämtliche seiner aktuellen

7. Subordination

The Beneficiary subordinates all of its

und zukünftigen Forderungen aus diesem Schuldschein bzw. dem durch diesen Schuldschein verbrieften Kredit sowie sonstige Forderungen gegen den Emittenten nachrangig gegenüber allen aktuellen und zukünftigen Forderungen sämtlicher übrigen Gläubiger des Emittenten.

existing and future claims against the Issuer under this Note and the Loan securitized by this Note and all other monetary claims against the issuer to all current and future claims of all other creditors of the Issuer.

8. Kosten und Gebühren

Allfällige im Zusammenhang mit der Ausgabe diese Schuldscheins oder des durch diesen Schuldschein verbrieften Kredits entstandenen Kosten, Steuern und Gebühren trägt der Emittent.

8. Costs and Fees

Any potential costs, taxes, and stamp duties occurred in connection with the issuance of this Note or the Loan securitized by this Note shall be borne by the Issuer.

9. Sonstige Bestimmungen

Schiedsklausel

Alle Streitigkeiten, die sich aus diesem Schuldschein oder dem Kredit, der durch diesen Schuldschein verbrieft wird, ergeben oder auf dessen Verletzung, Auflösung oder Nichtigkeit beziehen, werden nach der Schieds- und Schlichtungsordnung („Regeln“) der Internationalen Handelskammer („ICC“) von einem gemäß diesen Regeln ernannten Schiedsrichter endgültig entschieden. Der Schiedsort ist Zürich (Schweiz). Die im Schiedsverfahren zu verwendende Sprache ist Englisch.

Anzuwendendes Recht

Dieser Schuldschein und der Kredit, der durch diesen Schuldschein verbrieft wird, unterliegen dem Recht der Republik Österreich unter Ausschluss seiner kollisionsrechtlichen Bestimmungen und der Anwendbarkeit des UN-Kaufrechts.

Erfüllungsort

Erfüllungsort für sämtliche aufgrund dieses Schuldscheins oder des Kredits, der durch diesen Schuldschein verbrieft wird, zu erbringenden

9. Miscellaneous

Arbitration

All disputes arising out of this Note or the Loan related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration (“Rules”) of the International Chamber of Commerce (“ICC”) by one arbitrator appointed in accordance with these Rules. The place of arbitration shall be Zurich (Switzerland). The proceedings shall be carried out in the English language.

Governing Law

This Note and the Loan shall be governed by the laws of the Republic of Austria except for its conflict of law rules and the UN-convention on the sale of goods.

Place of Performance

Place of performance for any obligation arising out of this Note or the Loan is the seat of the Beneficiary. Payments made

Leistungen ist der Sitz des Begünstigten. Sämtliche Zahlungen nach diesem Schuldschein oder des Kredits, der durch diesen Schuldschein verbrieft wird, erfolgen auf Konten, die außerhalb Österreichs geführt werden.

under this Note or the Loan may only be made to accounts held outside of Austria.

Gesamte Vereinbarung

Dieser Schuldschein gibt die gesamte Vereinbarung zwischen den Parteien betreffend den durch diesen Schuldschein verbrieften Kredit wieder und ersetzt alle vorherigen Verhandlungen, Korrespondenz und Vereinbarungen zwischen den Parteien betreffend den Vertragsgegenstand.

Entire Agreement

This Note constitutes the entire Agreement of the Parties with regard to the Loan securitized by this Note and supersedes any and all prior negotiations, correspondence, understandings and Agreements between the Parties respecting the subject matter hereof.

Sprache

Es gilt ausschließlich der deutsche Text. Der englische Text dient lediglich zu Informationszwecken.

Language

Only the German text is valid. The English translation only serves information purposes.

*****

*****

Document to be executed and kept outside of Austria

[●], am [●]

[●], [●]

_____

David J. Pretty

als Bevollmächtigter der

Huyck.Wangner Austria GmbH

(Emittent)

David J. Pretty

as Attorney-in-Fact of

Huyck.Wangner Austria GmbH

(Issuer)

[●], am [●]

[●],[●]

_____

Stephen Light

als Bevollmächtigter der

Xerium Technologies, Inc.

(Begünstigte)

Stephen Light

as Attorney-in-Fact of

Xerium Technologies, Inc.

(Beneficiary)

SCHEDULE 1.9

Austria Purchase Agreement

Document to be executed and kept outside of Austria

The Verbringung dieses Dokuments oder einer beglaubigten Abschrift oder jedes andere Dokument, das eine Ersatzbeurkundung dieses Dokuments darstellt, einschließlich schriftlicher Bestätigungen oder Erwähnungen davon, nach Österreich sowie der Ausdruck in Österreich von E-Mails, welche sich auf dieses Dokument beziehen oder der Versand von E-Mails an einen österreichischen Adressaten, welchen ein PDF Scan dieses Dokuments angehängt ist, oder der Versand einer E-Mail mit elektronischer oder digitaler Signatur, welche sich auf dieses Dokument bezieht, könnte die Einhebung österreichischer Stempelgebühren verursachen. Aus diesem Grund lassen Sie insbesondere das Originaldokument sowie alle beglaubigten Kopien davon und schriftliche und unterfertigte Verweise darauf außerhalb von Österreich und vermeiden Sie in Österreich den Ausdruck von jeder E-Mail, welche sich auf dieses Dokument bezieht, oder den Versand einer E-Mail an einen österreichischen Adressaten, der ein PDF Scan angehängt ist, oder den Versand einer E-Mail mit elektronischer oder digitaler Signatur an einen österreichischen Adressaten, welche sich auf dieses Dokument bezieht.

The taking of this document or any certified copy or any document which constitutes substitute documentation thereof, including written confirmations or references thereto, into Austria as well as printing out any e-mail which refers to this document in Austria or sending any e-mail to which a PDF scan of this document is attached to an Austrian addressee or sending any e-mail carrying an electronic or digital signature which refers to this document to an Austrian addressee may cause the imposition of Austrian stamp duty. Accordingly, in particular keep the original document as well as all certified copies thereof and written and signed references thereto outside of Austria and avoid printing out any e-mail which refers to this document in Austria or sending any e-mail to which a PDF scan of this document is attached to an Austrian addressee or sending any e-mail carrying an electronic or digital signature which refers to this document to an Austrian addressee.

KAUF- UND EINBRINGUNGSVERTRAG

abgeschlossen zwischen

1. **Xerium Technologies, Inc.**

   eine Gesellschaft gegründet nach dem Recht von Delaware,

im folgenden „**Übertragende Gesellschaft**“ genannt und

2. **Huyck.Wangner Austria GmbH**

   eine Gesellschaft mit Sitz in Gloggnitz und der Geschäftsanschrift Huyckstraße 1, 2640 Gloggnitz, Österreich

im Folgenden **„Übernehmende Gesellschaft“** genannt.

Die Übertragende Gesellschaft und die Übernehmende Gesellschafter werden gemeinsam als **„Vertragsparteien“** bezeichnet.

SHARE SALE AND CONTRIBUTION AGREEMENT

concluded between

1. **Xerium Technologies, Inc.**

   a corporation organized and existing under the laws of the State of Delaware,

hereinafter referred to as **“Assignor”** and

2. **Huyck.Wangner Austria GmbH**

   a company with its corporate seat in Gloggnitz and the business address in Huyckstraße 1, 2640 Gloggnitz, Austria

hereinafter referred to as **“Assignee”**.

The Assignor and the Assignee will hereinafter be jointly referred to as the ¨**Parties.**

Präambel

Die Übertragende Gesellschaft ist Eigentümerin von Geschäftsanteilen an der Übertragenden Gesellschaft und überträgt gemäß den im Folgenden angeführten Bedingungen Geschäftsanteile an der Übertragenden Gesellschaft in nominaler Höhe von insgesamt USD [●] auf die Übernehmende Gesellschaft.

Preamble

The Assignor is owner of shares of the Assignor and transfers shares of the Assignor in the nominal value of in total USD [●] according to the provisions of this agreement.

1. Übertragung eines Geschäftsanteils

Die Übertragende Gesellschaft verkauft und tritt Geschäftsanteile an der Übertragenden Gesellschaft in nominaler Höhe von USD [●] mit allen damit verbundenen Rechten und Pflichten (nachfolgend die „**Geschäftsanteile I**“) an die Übernehmende Gesellschaft ab. Die Übernehmende Gesellschaft kauft und übernimmt den Geschäftsanteil.

Der Kaufpreis für die Abtretung des Geschäftsanteils beträgt EUR [●]. Die Übernehmende Gesellschaft wird im Gegenzug für die Übertragung der Geschäftsanteile I eine Note zugunsten der Übertragenden Gesellschaft in Höhe des Kaufpreises begeben.

1. Transfer of Share

The Assignor sells and assigns a share in the Assignor in the nominal amount of USD [●] together with all rights and obligations pertaining to the shares (hereinafter referred to as “**Share I**”) to the Assignee. The Assignee buys and takes over the Share.

The purchase price for the transfer of the Share I amounts to EUR [●]. The Assignee in return for the transfer of Share I will issue a note in favor of the Assignor in the amount of the purchase price.

2. Einbringung von Geschäftsanteilen

Die Übertragende Gesellschaft überträgt an und bringt ein in die Übernehmende Gesellschaft Geschäftsanteile an der Übertragenden Gesellschaft in nominaler Höhe von USD [●] mit allen damit verbundenen Rechten und Pflichten an der Übertragenden Gesellschaft (nachfolgend die „**Geschäftsanteile II**“). Die Übernehmende Gesellschaft erklärt die Vertragsannahme.

Die Übertragende Gesellschaft und die Übernehmende Gesellschaft vereinbaren, dass im Zusammenhang mit dem Übertragungs- bzw. Einbringungsvorgang betreffend die Geschäftsanteile II keine Gegenleistung für die Übertragung bzw. Einbringung der

2. Contribution of shares in the Company

The Assignor transfers and contributes to the Assignee shares of the Assignor in the nominal amount of USD [●] together with all rights and obligations pertaining to the shares with regard to the Assignor (hereinafter referred as “**Shares II**”). The Assignee accepts the Shares II.

The Assignor and the Assignee agree that for the transfer and contribution with regard to the Shares II no consideration will be granted to the Assignor.

Geschäftsanteile gewährt wird.

3. Übertragung der mit der Geschäftsanteilen verbundenen Rechte und Pflichten

Der Übergang aller mit den Geschäftsanteilen I und II verbundenen Rechte und Pflichten auf die Übernehmende Gesellschaft erfolgt gemäß den Bestimmungen dieses Vertrages mit Wirksamkeit zum [●] (nachfolgend "**Einbringungsstichtag**").

Mit Ablauf des Einbringungsstichtages gehen Besitz, Nutzen und Gefahr auf die Übernehmende Gesellschaft über, die ab diesem Zeitpunkt alle auf die Geschäftsanteile entfallenden Kosten und Gebühren trägt, welcher aber auch alle Nutzungen zukommen.

3. Transfer of Rights and Obligations relating to the Shares

The transfer of all rights and obligations pertaining to the Shares I and II in the Assignor is effected in accordance with the conditions set forth herein with effect as of [●] (hereinafter referred to as "**Effective Date**").

As per the lapse of the Effective Date, title to and benefits and risks in connection with the Shares shall be deemed transferred to Assignee, who shall from this date onwards bear any and all costs and charges arising in connection with the Shares but shall also be entitled to all benefits.

4. Forderungsabtretung

Die Übertragende Gesellschaft tritt an die Übernehmende Gesellschaft eine Forderung gegen Xerium Italia SpA in der Höhe von EUR [●] (inklusive Zinsen bis zum heutigen Tag) ab. Die Übernehmende Gesellschaft nimmt die Abtretung dieser Forderung an.

4. Contribution of Credit Facility Claims

The Assignor contributes to the Assignee a claim against Xerium Italia SpA in the amount of EUR [●] (inclusive of interest accrued hereon as of today's date). The Assignee accepts the contribution of the said claim.

5. Kosten und Gebühren

Die Kosten der Errichtung und Vergebührung dieses Vertrages einschließlich der aufgrund des Abschlusses dieses Vertrages zur Übertragung der Geschäftsanteile allfällig entstehenden Steuern und Abgaben, werden von der Übernehmenden Gesellschaft getragen.

5. Costs and Fees

The costs of the implementation of this Agreement inclusive of contractual fees and any taxes and other fees which might arise in the course of the execution of this Agreement shall be borne by the Assignee.

6. Verzichtserklärungen

Die Vertragsparteien verzichten, soweit gesetzlich zulässig, wechselseitig auf alle Ansprüche aus Irrtum und Gewährleistung. Die Vertragsparteien vereinbaren, dass die

6. Waiver

The Parties waive, as permitted by law, mutually on all claims of error and warranty based on the signing of this Agreement. No failure on the part of one

Nichtausübung eines Rechtes aus diesem Vertrag nicht als Verzicht darauf verstanden wird und dass die Ausübung einzelner Rechte oder die teilweise Ausübung von Rechten aus diesem Vertrag nicht die Ausübung weiterer Rechte ausschließt.

party to this Agreement to exercise, and no delay in exercising any right hereunder shall be deemed as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

7. Sonstige Bestimmungen

Schiedsklausel

Alle Streitigkeiten, die sich aus diesem Vertrag ergeben oder auf dessen Verletzung, Auflösung oder Nichtigkeit beziehen, werden nach der Schieds- und Schlichtungsordnung („Regeln“) der Internationalen Handelskammer („ICC“) von einem gemäß diesen Regeln ernannten Schiedsrichter endgültig entschieden. Der Schiedsort ist Zürich (Schweiz). Die im Schiedsverfahren zu verwendende Sprache ist Englisch.

Anzuwendendes Recht

Dieser Vertrag unterliegt dem Recht der Republik Österreich unter Ausschluss seiner kollisionsrechtlichen Bestimmungen und der Anwendbarkeit des UN-Kaufrechts.

Gesamte Vereinbarung

Dieser Vertrag stellt die gesamte Vereinbarung zwischen den Vertragsparteien dar und ersetzt alle vorherigen Verhandlungen, Korrespondenz und Vereinbarungen zwischen den Vertragsparteien betreffend den Vertragsgegenstand.

Salvatorische Klausel

Sollten einzelne Bestimmungen dieses Vertrages unwirksam sein oder werden, so wird dadurch die Gültigkeit des Vertrages zur Übertragung von Geschäftsanteilen im Übrigen nicht berührt. Anstelle der unwirksamen Bestimmung tritt diejenige gesetzlich zugelassene Bestimmung,

7. Miscellaneous

Arbitration

All disputes arising out of this Agreement related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration (“Rules”) of the International Chamber of Commerce (“ICC”) by one arbitrator appointed in accordance with these Rules. The place of arbitration shall be Zurich (Switzerland). The proceedings shall be carried out in the English language.

Governing Law

This Agreement shall be governed by the laws of the Republic of Austria except for its conflict of law rules and the UN-convention on the sale of goods.

Entire Agreement

This Agreement constitutes the entire Agreement of the Parties and supersedes any and all prior negotiations, correspondence, understandings and Agreements between the Parties respecting the subject matter hereof.

Partial Invalidity

The invalidity or inability to enforce any term or entire sections of this Agreement shall not affect the validity of the remaining terms and sections. The Parties hereby agree, that the unenforceable or invalid term or section is replaced by a

die dem wirtschaftlichen Zweck der ungültigen Bestimmung am nächsten kommt.

legally binding one, which conforms to the intentions and purposes of the Parties as laid down in this Agreement.

Änderungen und Ergänzungen

Sämtliche Aufhebungen, Änderungen oder Ergänzungen zu diesem Vertrag haben in Schriftform zu ergehen und bedürfen der Unterschrift durch einen autorisierten Vertreter der Vertragsparteien. Gleiches gilt für die Aufhebung, Änderung oder Ergänzung des vorigen Satzes. Mündliche Abänderungen oder Ergänzungen dieses Vertrages sind nur dann gültig, wenn sie im Anschluss daran in Schriftform ausgestellt sind und von den Vertragsparteien unterzeichnet sind.

Modifications and Amendments

No waiver, alteration or modification of the terms and provisions hereof will be binding, unless in writing and duly signed by a representative of the Parties. The same is valid for the Waiver, alteration or modification of the aforementioned sentence. Oral waivers, alterations or modifications become valid only after they have been put down in writing and duly signed by the Parties.

Sprache

Es gilt ausschließlich der deutsche Text dieses Vertrages. Der englische Text dient lediglich zu Informationszwecken.

Language

Only the German text of this agreement is valid. The English translation only serves information purposes.

*****

*****

Document to be executed and kept outside of Austria

[●], am [●]

[●],[●]

_____

Stephen Light

als Bevollmächtigter der

Xerium Technologies, Inc.

(Übertragende Gesellschaft)

Stephen Light

as Attorney-in-Fact of

Xerium Technologies, Inc.

(Assignor)

[●], am [●]

[●],[●]

_____

David J. Pretty

als Bevollmächtigter der

Huyck.Wangner Austria GmbH

(Übernehmende Gesellschaft)

David J. Pretty

as Attorney-in-Fact of

Huyck.Wangner Austria GmbH

(Assignee)

SCHEDULE 1.15

Canada Direction Letter Agreement

CANADA DIRECTION LETTER AGREEMENT

B E T W E E N:

XERIUM CANADA INC., a Corporation incorporated and organized pursuant to the laws of the Province of New Brunswick, Canada

Hereinafter called "Xerium Canada"

- and –

XERIUM V (U.S.) LIMITED, a Corporation incorporated and organized pursuant to the laws of the [State of Delaware], United States

Hereinafter called "Xerium V"

WHEREAS on the ___ day of _____, 2010 (the "Commencement Date"), Xerium Technologies, Inc. ("Xerium") and certain of its direct and indirect subsidiaries, (collectively, the "Debtors") including Xerium Canada and Xerium V, commenced a voluntary case under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "Code");

AND WHEREAS prior to the Commencement Date the Debtors solicited votes on the proposed Joint Prepackaged Plan of Reorganization under the Code (the "Plan") pursuant to a disclosure statement dated March 2, 2010 (as supplemented and amended the "Disclosure Statement");

AND WHEREAS the Plan has been accepted by all classes entitled to vote;

AND WHEREAS capitalized terms used in this Agreement and not otherwise defined herein shall be given the meaning ascribed thereto in the Disclosure Statement;

AND WHEREAS the Holders have Allowed Credit Facility Claims and Allowed Unsecured Swap Termination Claims against Xerium Canada (collectively the "Holders") which are to be paid, in accordance with the Plan, in part, by delivery to them of the Xerium Canada Distributions;

AND WHEREAS Xerium V has subscribed for 100 Preferred Shares in the capital of Xerium Canada (the "Preferred Shares") in consideration for an amount equal to the fair market value of the Xerium Canada Distributions;

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, the parties hereto agree to the terms set out below.

1. Xerium Canada hereby directs Xerium V to deliver to the Holders the Xerium Canada Distributions in the manner set out below, in satisfaction of the subscription price payable by Xerium V to Xerium Canada for the Preferred Shares.

2. The Xerium Canada Distributions shall be delivered, or caused to be delivered, by Xerium V in accordance with the provisions of the Plan as follows:

   (a) US$_____ to be delivered to _____ or as [they] may otherwise direct;

   (b) _____ shares of New Common Stock to be delivered to _____ or as [they] may otherwise direct.

3. Any reference in this Agreement to gender includes all genders and words importing the singular include the plural and vice versa.

4. The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and are not to effect or be used in a constructional interpretation of this Agreement.

5. All demands, notices, communication and reports provided for in this Agreement shall be in writing and shall be sent either by facsimile transmission with confirmation to the numbers specified below or personally delivered or sent by reputable overnight courier service to any party at the address specified below or at such address to the attention of such other person and with such other copy as the recipient party has specified by a prior written notice to the parties sent pursuant to the provisions of this section 5.

If to Xerium Canada: Xerium Canada Inc.
c/o C. Paul Smith
44 Chipman Hill, Suite 1000
Post Office Box 7289 Stn. A
Saint John, New Brunswick
E2L 4S6
Attention: Paul Smith
Facsimile: (506) 652-1989

With a copy to: Xerium Technologies, Inc.
8537 Six Forks Road, Suite 300
Raleigh, NC 27615
Attention: Chief Financial Officer
Facsimile: (919) 556-2432

And if to Xerium V: Xerium V (US) Limited.
8537 Six Forks Road, Suite 300
Raleigh, NC 27615
Attention: Chief Financial Officer
Facsimile: (919) 556-2432

Any such demand, notice, communication or report shall be deemed to have been given pursuant to this Agreement when delivered personally, when confirmed if by facsimile transmission or on the calendar day after deposit with a reputable overnight courier service, as applicable.

6. The parties may execute this Agreement in one or more counterparts (no one of which may need contain the signatures of all parties) each of which will be an original and all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the ___ day of _____, 2010.

XERIUM CANADA INC.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

XERIUM V (U.S.) LIMITED

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE 1.43

Exit Facility Credit Agreement

CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

dated as of [_____], 2010

among

XERIUM TECHNOLOGIES, INC., XTI LLC, XERIUM ITALIA S.P.A.,
XERIUM CANADA INC. ,
HUYCK.WANGNER AUSTRIA GMBH and XERIUM GERMANY HOLDING GMBH
as Borrowers,

CERTAIN SUBSIDIARIES OF THE BORROWERS,
as Guarantors,

VARIOUS BANKS,

CITIGROUP GLOBAL MARKETS INC.
as Sole Lead Arranger and Sole Bookrunner,

CITICORP NORTH AMERICA, INC.,
as Collateral Agent,

and

CITICORP NORTH AMERICA, INC.,
as Administrative Agent

U.S. $80,000,000

"**NOTE**: THE TAKING OF THIS DOCUMENT OR ANY CERTIFIED COPY OR ANY DOCUMENT WHICH CONSTITUTES SUBSTITUTE DOCUMENTATION THEREOF, INCLUDING WRITTEN CONFIRMATIONS OR REFERENCES THERETO, INTO AUSTRIA AS WELL AS PRINTING OUT ANY E-MAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE MAY CAUSE THE IMPOSITION OF AUSTRIAN STAMP DUTY. ACCORDINGLY, IN PARTICULAR KEEP THE ORIGINAL DOCUMENT AS WELL AS ALL CERTIFIED COPIES THEREOF AND WRITTEN AND SIGNED REFERENCES THERETO OUTSIDE OF AUSTRIA AND AVOID PRINTING OUT ANY EMAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE."

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CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

This **CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)**, dated as of [_____], 2010, is entered into by and among **XERIUM TECHNOLOGIES, INC**. ("**Xerium**"), a Delaware corporation, as reorganized pursuant to and under the Plan of Reorganization (as defined herein), **XTI LLC** ("**XTI**"), a Delaware limited liability company, as reorganized pursuant to and under the Plan of Reorganization, **XERIUM ITALIA S.P.A. ("Italia SpA")**, an Italian società per azioni, as reorganized pursuant to and under the Plan of Reorganization, **XERIUM CANADA INC. ("Xerium Canada")**, a New Brunswick (Canada) corporation, as reorganized pursuant to and under the Plan of Reorganization, **HUYCK.WANGNER AUSTRIA GMBH ("Huyck Austria")**, an Austrian limited liability company (formerly known as Huyck Austria GmbH) , as reorganized pursuant to and under the Plan of Reorganization, and **XERIUM GERMANY HOLDING GMBH ("Germany Holdings")**, a German limited liability company, as reorganized pursuant to and under the Plan of Reorganization, (each of Xerium, XTI, Italia SpA, Xerium Canada, Huyck Austria and Germany Holdings, individually, a "**Borrower**" and, collectively, the "**Borrowers**"), **CERTAIN SUBSIDIARIES OF THE BORROWERS**, as Guarantors, the Banks party hereto from time to time, **CITIGROUP GLOBAL MARKETS INC.**, as Sole Lead Arranger and Sole Bookrunner (in such capacity, "**Lead Arranger**"), **CITICORP NORTH AMERICA, INC.**, as Administrative Agent (together with its permitted successors, in such capacity, "**Administrative Agent**") and **CITICORP NORTH AMERICA, INC.**, as Collateral Agent (together with its permitted successors, in such capacity, "**Collateral Agent**").

RECITALS:

WHEREAS, capitalized terms used in these Recitals and not otherwise defined herein shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, on March [_____], 2010 (the "**Petition Date**") the Borrowers, together with certain direct and indirect wholly-owned Subsidiaries of Xerium (collectively, the "**Debtors**"), filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court and the cases in the Bankruptcy Court have been consolidated for purposes of joint administration of the Debtors (the "**Bankruptcy Cases**");

WHEREAS, the Debtors' respective chapter 11 cases (collectively, the "**Bankruptcy Cases**") have been consolidated for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure;

WHEREAS, pursuant to the DIP Credit Agreement, the Banks party hereto extended term loans and revolving loans to Xerium and the Issuing Bank issued or, with respect to certain existing letters of credit, was deemed to have issued, certain letters of credit;

WHEREAS, as agreed by the Banks and pursuant to the DIP Credit Agreement and the Plan of Reorganization, and as approved by the order entered by the Bankruptcy Court confirming the Plan of Reorganization (the "**Confirmation Order**"), the loans under the DIP Credit Agreement will continue to be outstanding loans under this Agreement, the letters of credit outstanding

under the DIP Credit Agreement will continue as Term Loan Letters of Credit under this Agreement, and the DIP Credit Agreement shall be superseded and replaced by this Agreement;

WHEREAS, pursuant to the Plan of Reorganization and the Confirmation Order, the Obligations of the Borrowers under this Agreement shall be secured by the grant to the Collateral Agent, for the benefit of the Secured Parties, of a First Priority Lien on the Collateral owned by them; and

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

SECTION 1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"**ABR Loan**" means a Loan or any portion thereof bearing interest by reference to the Alternate Base Rate.

"**Adjusted EBITDA**" means, with respect to any Person for any period, the total of (A) the Consolidated Net Income of such Person and its Subsidiaries for such period, plus (B), without duplication, to the extent that any of the following were included in computing such Consolidated Net Income for such period: (i) provision for taxes based on income or profits, (ii) Consolidated Interest Expense, (iii) Consolidated Depreciation and Amortization Expense, (iv) reserves for inventory in connection with plant closures, (v) Consolidated Operational Restructuring Costs, (vi) Consolidated Financial Restructuring Costs, (vii) non-cash charges or gains resulting from the application of purchase accounting, including push-down accounting, (viii) non-cash expenses resulting from the granting of stock options, restricted stock or restricted stock unit awards under equity compensation programs solely with respect to Common Stock, (ix) non-cash items related to a change in or adoption of accounting policies, and (x) expenses incurred as a result of the repurchase, redemption or retention by Xerium of Common Stock earned under equity compensation programs solely in order to make withholding tax payments. Notwithstanding the foregoing, taxes paid and provision for taxes based on the income or profits of, and the Consolidated Depreciation and Amortization Expense of, a Subsidiary of such Person shall be added to Consolidated Net Income of such Person to compute Adjusted EBITDA only to the extent (and in the same proportion) that the Consolidated Net Income of such Subsidiary was included in calculating Consolidated Net Income of such Person. Notwithstanding the foregoing, Adjusted EBITDA for the Fiscal Quarter ended December 31, 2009 shall be $24,600,000.

"**Administrative Agent**" as defined in the preamble hereto.

"**Adverse Proceeding**" means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Xerium or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims), whether pending or, to the knowledge of Xerium or any of its Subsidiaries, threatened against or affecting Xerium or any of its Subsidiaries or any property of Xerium or any of its Subsidiaries.

"**Affected Bank**" as defined in Section 2.18(b).

"**Affected Loans**" as defined in Section 2.18(b).

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 10% or more of the Securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"**Affiliate Subordination Agreement**" means the Affiliate Subordination Agreement, dated the date hereof, among the Credit Parties and the Administrative Agent, substantially in the form of Exhibit J, as amended, supplemented or otherwise modified from time to time.

"**Agent**" means each of the Administrative Agent, the Collateral Agent and the Lead Arranger.

"**Agent Parties**" as defined in Section 5.1(o)(iii).

"**Agent's Spot Rate of Exchange**" means the Administrative Agent's spot rate of exchange for the purchase of the relevant currency with Dollars in the foreign exchange market at or about 11:00 a.m. (New York City time) on a particular day.

"**Aggregate Amounts Due**" as defined in Section 2.17.

"**Agreement**" means this Credit and Guaranty Agreement (First Lien), as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Alternate Base Rate**" means, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the greater of (i) LIBOR for a one month Interest Period beginning on such day (or if such day is not a Business Day, the immediately preceding Business Day), plus 1% and (ii) 3.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or LIBOR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or LIBOR, respectively. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist.

"**Alternative Currency**" means Euros, Canadian dollars, Australian dollar and Swedish krona.

"**Applicable Margin**" means (i) with respect to LIBOR Loans, 4.50% and (ii) with respect to ABR Loans, 3.50%.

"**Applicable Revolving Commitment Fee Percentage**'' means 1.00%.

"**Asset Sale**" means a sale, lease or sublease (as lessor or sub-lessor), sale and leaseback, assignment, conveyance, transfer or other disposition to, or any exchange of property with, any Person (other than Xerium or any of its Subsidiaries), in one transaction or a series of transactions, of all or any part of Xerium's or any of its Subsidiaries' businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including, without limitation, the Capital Stock of any of Xerium's Subsidiaries, other than (i) inventory (or other assets) sold or leased in the Ordinary Course (excluding any such sales by operations or divisions discontinued or to be discontinued), (ii) substantially worn, damaged or obsolete property disposed of in the Ordinary Course, (iii) returns of inventory in the Ordinary Course, (iv) the use of cash and Cash Equivalents in a manner not inconsistent with the provisions of this Agreement and the other Credit Documents, (v) leases of real property in the Ordinary Course, (vi) licenses or sublicenses of patents, trademarks, copyrights and other intellectual property in the Ordinary Course and (vii) sales of other assets for gross consideration of less than $100,000 with respect to any transaction or series of related transactions.

"**Assignment Agreement**" means an Assignment and Assumption Agreement substantially in the form of Exhibit C, with such amendments or modifications as may be approved by the Administrative Agent.

"**Australia Asset Sales**" means Asset Sales relating to the business, assets or properties of Huyck.Wangner Australia Pty Limited.

"**Australian Obligor**" means Huyck.Wangner Australia Pty Limited.

"**Austria Term Loan**" means an Austria Term Loan deemed made by a Bank to Huyck Austria pursuant to Section 2.1(a)(v).

"**Austria Term Loan Amount**" means the principal amount of the Austria Term Loan a Bank is deemed to have made on the Closing Date. The "Austria Term Loan Amount" of each Bank, if any, is set forth on Appendix A-5 or in the applicable Assignment Agreement. The aggregate amount of the Austria Term Loan Amounts as of the Closing Date is set forth on Appendix A-5.

"**Austria Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount of the Austria Term Loans of such Bank.

"**Authorized Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person's chief financial officer or treasurer.

"**Bank**" means each financial institution listed on Appendix A-1, A-2, A-3, A-4, A-5, A-6 or B, and any other Person that becomes a Bank party hereto pursuant to an Assignment Agreement.

"**Bank Counterparty**" means each Bank, or any Affiliate of a Bank, counterparty to the applicable documentation creating Hedging Obligations (including any Person who is a Bank (and any Affiliate thereof) as of the Closing Date and party to such documentation as of the Closing Date but subsequently, after entering into the applicable documentation creating Hedging Obligations, ceases to be a Bank) including, without limitation, each such Affiliate that enters into a joinder agreement with the Collateral Agent.

"**Bank Insolvency Event**" means that (i) a Bank or its Parent Company is insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of its creditors, or (ii) such Bank or its Parent Company is the subject of a bankruptcy, insolvency, reorganization, liquidation or similar proceeding, or a receiver, trustee, conservator, intervenor, or sequestrator or the like has been appointed for such Bank or its Parent Company, or such Bank or its Parent Company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment.

"**Bankruptcy Cases**" as defined in the recitals hereto.

"**Bankruptcy Code**" means Title 11 of the United States Code, as amended, and applicable to the Bankruptcy Cases.

"**Bankruptcy Court**" means the United States Bankruptcy Court for the District of Delaware.

"**Beneficiary**" means each Agent, the Issuing Bank, Bank and each Bank Counterparty.

"**Borrower**" as defined in the preamble hereto.

"**Business Day**" means (i) with respect to all matters except those addressed in clause (ii), any day, excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state or jurisdiction are authorized or required by law or other governmental action to close and (ii) with respect to all notices, determinations, fundings and payments in connection with LIBOR Loans, means any such day that is a Business Day described in clause (i) and that is also a day on which banks in the City of London are generally open for interbank or foreign exchange.

"**Business Plan**" as defined in Section 5.1(q).

"**CAM Exchange**" means the exchange of the Banks' interests provided for in Section 8.2.

"**CAM Exchange Date**" means the date on which any Event of Default referred to in Section 8.01(f) or (g) shall occur.

"**CAM Percentage**" means, as to each Bank, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate outstanding principal amount of the Designated Obligations owed to such Bank (whether or not at the time due and payable) on the date immediately prior to the CAM Exchange Date and (b) the denominator shall be the aggregate amount of the Designated Obligations owed to all the Banks (whether or not at the time due and payable) on the date immediately prior to the CAM Exchange Date.

"**Canadian Guarantor**" as defined in 7.14(e).

"**Canadian Pension Plan Event**" means (i) the failure by Xerium Canada, or any Affiliate of Xerium Canada to make any required contribution or premium payment to a Canadian Registered Pension Plan in a timely manner in accordance with the terms of the applicable Canadian Registered Pension Plan and all applicable laws; (ii) the withdrawal by Xerium Canada or any Affiliate of Xerium Canada as a participating employer under any multi-employer pension plan, as defined under applicable laws; (iii) the termination, in whole or in part, of any Canadian Registered Pension Plan; (iv) the institution of proceedings by a pension regulator which has jurisdiction over a Canadian Registered Pension Plan to terminate the Canadian Registered Pension Plan in whole or in part; or (v) the occurrence of any event or condition which could reasonably be expected to result in the institution of proceedings by the applicable pension regulator to terminate a Canadian Registered Pension Plan, in whole or in part.

"**Canadian Registered Pension Plan**" means a "registered pension plan", as defined in subsection 248(1) of the Income Tax Act (Canada) which is or, within the preceding six years, was sponsored, maintained or contributed to by, or required to be contributed to by, Xerium Canada or any Affiliate of Xerium Canada.

"**Capital Expenditures**" means, with respect to any Person, all expenditures that, in accordance with GAAP, are or should be included in "purchase of property and equipment" or similar items reflected in the cash flows of such Person.

"**Capitalized Lease Obligation**" means, as applied to any Person, any obligation incurred or arising out of in connection with a Capital Lease.

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

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests, membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"**Cash**" means money, currency or a credit balance in any Deposit Account.

"**Cash Collateral Account**" means a deposit account maintained by the Borrowers with the Administrative Agent, for the Secured Parties, for the purpose of holding deposits of Net

Asset Sale Proceeds and Net Insurance/Condemnation Proceeds that are allowed to be reinvested by the Borrowers in accordance with Sections 2.14(a) and 2.14(b), respectively; provided that the Administrative Agent shall require any such deposits remaining in such deposit account for three hundred sixty-one (361) days to be applied by the Borrowers to repay Loans, in each case, to the extent required by and in a manner consistent with Section 2.15(b).

"**Cash Collateralize**" means, in respect of an obligation, to provide and pledge (as a First Priority perfected security interest) cash collateral in Dollars, at a location and pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent (and "**Cash Collateralization**" has a corresponding meaning).

"**Cash Equivalents**" means (i) Dollars or any foreign currency freely exchangeable into Dollars and, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the Ordinary Course, (ii) securities issued or directly and fully guaranteed or insured by the US government or any agency or instrumentality thereof, (iii) certificates of deposit, time deposits and Eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $1 billion and whose long-term debt is rated at least "A" or the equivalent thereof by Moody's or S&P, (iv) repurchase obligations for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in the immediately preceding clause, (v) commercial paper issued by a corporation (other than an Affiliate of Xerium) rated at least "A-2" or the equivalent thereof by Moody's or S&P and in each case maturing within one year after the date of acquisition, (vi) investment funds investing substantially all of their assets in securities of the types described in clauses (i) through (v) above, (vii) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P, (viii) instruments equivalent to those referred to above denominated in Euros or any other foreign currency that are comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States and (ix) money market funds as defined in Rule 2a-7 of the General Rules and Regulations as promulgated under the Investment Company Act of 1940.

"**Certificate re Non-Bank Status**" means a certificate substantially in the form of Exhibit D.

"**Change of Control**" means, at any time, (i) any Person or "group" (within the meaning of Section 13(d) and 14(d) under the Exchange Act) shall have acquired beneficial ownership (as defined in Rule13d-3 under the Exchange Act), directly or indirectly, of 35% or more on a fully diluted basis of the voting and/or economic interest in the Capital Stock of Xerium; (ii) Xerium shall cease to directly or indirectly beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of its Subsidiaries (other than Xerium Technologies Brasil Indústria e Comércio S.A., Stowe Woodward AG and PMP Xibe Roll Covering Co Ltd and except as a result of transactions permitted under this Agreement) including, but not limited to, if a Person shall attain the right, even if not exercised, by contract, share ownership or otherwise, to appoint the majority of the board of directors of any such Subsidiary or to direct the manner in which the board of directors of such Subsidiary conducts its

affairs; (iii) the majority of the seats (other than vacant seats) on the board of directors (or similar governing body) of Xerium cease to be occupied by Persons who either (a) were members of the board of directors of Xerium on the Closing Date or (b) were nominated for election by the board of directors of Xerium, a majority of whom were directors on the Closing Date or whose election or nomination for election was previously approved by a majority of such directors; or (iv) any "change of control" or similar event under the Second Lien Credit Agreement or the documents governing Subordinated Debt, if any, shall occur. Notwithstanding the foregoing, the consummation of the transactions contemplated by the Plan of Reorganization shall not constitute a Change of Control.

"**Closing Date**" means the date on which all conditions precedent set forth in Section 3.1 are satisfied or waived in accordance with the terms of this Agreement.

"**Closing Date Bank Affiliate**" means [American Securities LLC, Carl Marks Strategic Investments, L.P., Cerberus Capital Management, L.P., on behalf of its affiliated funds and accounts].

"**Closing Date Certificate**" means the Closing Date Certificate substantially in the form of Exhibit E.

"**Closing Date Mortgaged Property**" means, each Real Estate Asset listed in Schedule 3.1(i) and which has been encumbered by fully executed and notarized Mortgages, and recorded in all appropriate places in all applicable jurisdictions.

"**Collateral**" means, collectively, all of the real, personal and mixed property (including Capital Stock) and interests therein and proceeds and products thereof, whether now or hereafter acquired, in or upon which Liens are purported to be granted and/or confirmed pursuant to the Collateral Documents as security for the Obligations.

"**Collateral Agent**" as defined in the preamble hereto.

"**Collateral Documents**" means the Pledge and Security Agreements, the Mortgages, the Landlord Personal Property Collateral Access Agreements, if any, the Term Loan LC Collateral Account Control Agreement and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant and/or confirm to the Collateral Agent, for the benefit of the Secured Parties, a Lien on any real, personal or mixed property of that Credit Party as security for the Obligations.

"**Collateral Questionnaire**" means a certificate in form satisfactory to the Collateral Agent that provides information with respect to the personal, real and mixed property of each Credit Party.

"**Common Stock**" means the common stock of Xerium, par value [$0.001] per share.

"**Communications**" as defined in Section 5.1(p)(i).

"**Compliance Certificate**" means a Compliance Certificate substantially in the form of Exhibit B.

"**Confirmation Order**" as defined in the recitals.

"**Consolidated Capital Expenditures**" means, with respect to any Person for any period, the aggregate of all Capital Expenditures of such Person and its Subsidiaries during such period determined on a consolidated basis.

"**Consolidated Current Assets**" means, at any date of the determination, the total assets (other than cash and Cash Equivalents) of Xerium and its Subsidiaries on a consolidated basis that may properly be classified as current assets in conformity with GAAP), excluding the current portion of current and deferred income taxes, deferred debt expense and property held for sale so long as any future changes in the balance sheet values of such property held for sale are non-cash events, and the proceeds from the sale of such property is intended to be applied to prepay the Loans in accordance with Section 2.14(a).

"**Consolidated Current Liabilities**" means, at any date of determination, the total liabilities of Xerium and its Subsidiaries on a consolidated basis that may properly be classified as current liabilities in conformity with GAAP, excluding the current portion of any Indebtedness, accruals of interest expense, and the current portion of current and deferred income taxes.

"**Consolidated Depreciation and Amortization Expense**" means, with respect to any Person for any period, the total amount of depreciation and amortization expense of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, including without limitation non-cash impairment charges resulting from the application of Statements of Financial Accounting Standards No. 142 and No. 144 and any amortization of intangibles arising pursuant to Statement of Financial Accounting Standards No. 141.

"**Consolidated Financial Restructuring Costs**" means cash, fees and expenses (including professional and accounting fees and expenses) incurred in connection with the Recapitalization; provided, that the amount of such costs for Fiscal Year 2010 shall not exceed $30 million in the aggregate.

"**Consolidated Interest Expense**" means, with respect to any Person for any period, consolidated interest expense of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, however, that for the purpose of calculating the Interest Coverage Ratio only, amortization of deferred financing fees and any non-cash gains and losses resulting from marking to market Hedging Obligations shall be excluded from the calculation of Consolidated Interest Expense. For purposes of clarifying the intention of the parties, the calculation of Consolidated Interest Expense shall be net of interest income and the effect of all interest rate Hedging Obligations.

"**Consolidated Net Income**" means, with respect to any Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, however, that the following, without duplication, shall be excluded in determining Consolidated Net Income: (i) any net after-tax extraordinary or non-recurring gains, losses or expenses (less all fees and expenses relating thereto), (ii) the cumulative effect of changes in accounting principles, (iii) any fees and

expenses incurred during such period in connection with the issuance or repayment of Indebtedness, any refinancing transaction or amendment or modification of any debt instrument, in each case, as permitted under this Agreement and (iv) any gains resulting from the returned surplus assets of any Pension Plan or Canadian Registered Pension Plan; and provided, further that, without duplication, (x) the net income for such period of any Person that is not a Subsidiary of such Person or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to such Person or a wholly-owned Subsidiary thereof in respect of such period (and if such net income is a loss it will be included only to the extent such loss has been funded with cash by such Person or a wholly-owned Subsidiary thereof in respect of such period), and (y) the net income (loss) for such period of any Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of its net income is not at the date of determination permitted without any prior governmental approval (which has not been obtained and which is not expected by Xerium to be obtained in the Ordinary Course) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders (other than any loan agreement or similar agreement which restricts the payment of dividends or similar distributions upon the occurrence of or during the existence or continuance of a default or event of default), unless such restrictions with respect to the payment of dividends or in similar distributions have been legally waived and except that this clause (y) shall not apply to any Subsidiary that is also a Guarantor in the calculation of Xerium's Leverage Ratio.

"**Consolidated Operational Restructuring Costs**" means, with respect to any Person for any period, any restructuring or related impairment costs for such Person and its Subsidiaries resulting from the restructuring activities of such Person and its Subsidiaries; provided, that the amount of such costs for the applicable Fiscal Year shall not exceed the Maximum Consolidated Operational Restructuring Costs.

"**Consolidated Working Capital**" means, at any date, the excess of Consolidated Current Assets on such date over Consolidated Current Liabilities on such date.

"**Consolidated Working Capital Adjustment**" means, for any period on a consolidated basis, the amount (which may be a negative number) by which Consolidated Working Capital as of the beginning of such period exceeds (or is less than) Consolidated Working Capital as of the end of such period.

"**Constitutional Documents**" means the constitutional documents of the Credit Parties as amended from time to time in accordance with the terms of this Agreement.

"**Contractual Obligation**" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"**Conversion/Continuation Date**" means the effective date of a continuation or conversion of a Loan, as the case may be, as set forth in the applicable Conversion/Continuation Notice.

"**Conversion/Continuation Notice**" means a Conversion/Continuation Notice substantially in the form of Exhibit A-2.

"**Counterpart Agreement**" means a Counterpart Agreement substantially in the form of Exhibit F delivered by a Credit Party pursuant to Section 5.10.

"**Credit Date**" means the date of a Credit Extension.

"**Credit Document**" means any of this Agreement, the Letters of Credit, the Collateral Documents, the Affiliate Subordination Agreement, the Intercreditor Agreement, the Fee Letters, any documents or certificates executed by any Borrower in favor of the Issuing Bank relating to any Letters of Credit, and all other documents, instruments or agreements executed and delivered by a Credit Party for the benefit of any Agent, the Issuing Bank or any Bank in connection herewith.

"**Credit Extension**" means the making, or deemed making, of a Loan or the issuance, or deemed issuance, of a Letter of Credit.

"**Credit Party**" means each US Credit Party and Non-US Credit Party.

"**Debt**" means, with respect to Xerium, on a consolidated basis on any date, the actual outstanding amount of funded indebtedness of Xerium and its Subsidiaries, plus, without duplication, the principal component of all Capitalized Lease Obligations and, without duplication, other Indebtedness of Xerium and its Subsidiaries on such date. For purposes of computing Debt, Indebtedness which is payable in any currency other than Dollars shall be converted into Dollars using the average New York CitiFx Benchmark rate for the most recently ended four Fiscal Quarters for which Xerium's financial statements are available.

"**Debtors**" as defined in the recitals hereto.

"**Default**" means a condition or event that, after notice or expiry of an applicable grace period, or the making of any determination under the Credit Documents, or any combination of any of the foregoing, would constitute an Event of Default.

"**Defaulting Bank**" means, at any time, a Bank as to which the Administrative Agent has notified the Borrower that (i) such Bank has failed for three or more Business Days to comply with its obligations under this Agreement to make a Loan or make a payment to the Issuing Bank in respect of a Letter of Credit (each a "**funding obligation**"), (ii) such Bank has notified the Administrative Agent or has stated publicly, that it will not comply with any such funding obligation hereunder, or has defaulted on its funding obligations under any other loan agreement or credit agreement or similar agreement, (iii) such Bank has, for three or more Business Days, failed to confirm in writing to the Administrative Agent, in response to a written request of the Administrative Agent, that it will comply with its funding obligations hereunder, or (iv) a Bank Insolvency Event has occurred and is continuing with respect to such Bank (provided that neither

the reallocation of funding obligations provided in Section 2.24(a) as a result of a Bank being a Defaulting Bank nor the performance by Non-Defaulting Banks of such reallocation of funding obligations will by themselves cause the relevant Defaulting Bank to become a Non-Defaulting Bank). Any determination that a Bank is a Defaulting Bank under clauses (i) through (iv) above will be made by the Administrative Agent in its sole discretion acting in good faith. The Administrative Agent will promptly send to all parties hereto a copy of any notice to the Borrower provided for in this definition.

"**Deficiency Amount**" as defined in Section 2.4(k).

"**Deposit Account**" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

"**Depositary Bank**" means Citibank, N.A.

"**Designated Obligations**" means all obligations of the Borrowers with respect to (a) principal of and interest on the Loans and (b) accrued and unpaid fees under the Credit Documents.

"**Determination Date**" means, with respect to any Term Loan Letter of Credit, (i) the most recent date upon which one of the following shall have occurred: (x) the date of issuance of such Term Loan Letter of Credit, (y) the date on which the Issuing Bank was or is, as applicable, required to deliver a notice of non-renewal with respect to such Letter of Credit, and (z) the first Business Day of each month, commencing on the first Business Day following the issuance of such Letter of Credit; and (ii) such other date determined by the Administrative Agent in its sole discretion.

"**DIP Credit Agreement**" means the Superpriority Priming Senior Secured Credit and Guaranty Agreement, dated as of March [__], 2010, among Xerium, the guarantors named therein, the several lenders and agent banks from time to time parties thereto, as amended, supplemented, restated or otherwise modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"**DIP Revolving Loans**" means the revolving loans made under the DIP Credit Agreement.

"**DIP Term Loan Deposit Account**" means the deposit account maintained by the agent under the DIP Credit Agreement and referred therein as the "Term Loan Deposit Account".

"**DIP Term Loans**" means the term loans made under the DIP Credit Agreement.

"Disclosure Statement" means that certain disclosure statement related to the Plan of Reorganization and filed by the Debtors with the Bankruptcy Court on [_____], 2010, as amended, restated, supplemented or otherwise modified prior to the Closing Date.

"**Dollar Equivalent**" means (i) with respect to all matters other than the Letters of Credit, (x) with respect to any amount denominated in Dollars, such amount and (y) with respect to any

amount denominated in an Alternative Currency, the amount converted into Dollars using the 12:00 p.m. New York CitiFx Benchmark rate for such Alternative Currency on such day or, if such day is not a Business Day, on the immediately preceding Business Day and (ii) with respect to the Letters of Credit issued (x) in Dollars, such amount on any Determination Date and (y) in an Alternative Currency, the amount converted into Dollars using the 12:00 p.m. New York CitiFx Benchmark rate for such Alternative Currency on such Determination Date or, if such day is not a Business Day, on the immediately preceding Business Day.

"**Dollars**" and the sign "**$**" mean the lawful money of the United States of America.

"**Domestic Subsidiary**" means any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia.

"**Effective Date**" means the date that is determined to be the "Effective Date" of and as defined in the Plan of Reorganization.

"**Eligible Assignee**" means (i) any Bank, any Affiliate of any Bank and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), and (ii) any commercial bank, financial institution, trust fund, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans as one of its businesses or in the ordinary course or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets; neither Xerium nor any Affiliate of Xerium (other than a Closing Date Bank Affiliate) shall be an Eligible Assignee.

"**Employee Benefit Plan**" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or, within the preceding six years, was sponsored, maintained or contributed to by, or required to be contributed by, Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates.

"**Environmental Claim**" means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (iii) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"**Environmental Laws**" means any and all current or future foreign or domestic, federal, provincial or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities relating to (i) environmental matters, including those relating to any Hazardous Materials Activity; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Xerium or any of its Subsidiaries or any Facility.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"**ERISA Affiliate**" means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of Xerium or any of its Subsidiaries shall continue to be considered an ERISA Affiliate of Xerium or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Xerium or such Subsidiary and with respect to liabilities arising after such period for which Xerium or such Subsidiary could be liable under the Internal Revenue Code or ERISA.

"**ERISA Event**" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30 day notice to the PBGC has been waived by regulation under subsections .21, .22, .23, .27, .28, .29, .31 and .32); (ii) the failure to meet the minimum funding standard of or other requirements of Section 412, 430 or 436 of the Internal Revenue Code with respect to any Pension Plan (whether or not waived), the failure to meet the funding standards or other requirements of Section 431 or 432 of the Internal Revenue Code with respect to any Multiemployer Plan or the failure to make by its due date any required installment, contribution or premium payment to or in respect of any Pension Plan or Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Xerium, any of its Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that is in endangered, seriously endangered or critical status pursuant to Section 432 of the Internal Revenue Code or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; or (viii) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or pursuant to ERISA with respect to

any Pension Plan; provided that, notwithstanding the forgoing, the filing and continuation of the Bankruptcy Cases shall not constitute an ERISA Event.

"**Event of Default**" means each of the conditions or events set forth in Section 8.1.

"**Excess Cash**" means commencing with Fiscal Year 2011, with respect to any period, the total of (A) the sum, without duplication, of (i) Adjusted EBITDA for such period and (ii) the Consolidated Working Capital Adjustment minus (B) the sum, without duplication, for such period of: (i) Consolidated Interest Expense paid in cash, (ii) cash income tax expense, net of cash income tax refunds and cash income tax rebates received by Xerium and its Subsidiaries, (iii) Consolidated Capital Expenditures (except to the extent (I) financed or refinanced with an incurrence of Indebtedness, until such Indebtedness is repaid (other than through the refinancing thereof), (II) financed with insurance or condemnation proceeds or (III) financed with the cash proceeds from any Asset Sale) permitted under Section 6.8(d), (iv) Consolidated Operational Restructuring Costs paid in cash, (v) cash payments of withholding taxes from proceeds of the repurchase, redemption or retention of Common Stock permitted under Section 6.5(c) and (vi) scheduled amortization payments of Debt permitted under this Agreement.

"**Excess Amount**" as defined in Section 2.4(k).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"**Existing Letters of Credit**" as defined in Section 2.4(c).

"**Excluded Taxes**" as defined in Section 2.19(a).

"**Facility**" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Xerium or any of its Subsidiaries or any of their respective predecessors or Affiliates.

"**Facility Office**" means the office or offices notified by a Bank or the Issuing Bank to the Administrative Agent in writing on or before the date it becomes a Bank or the Issuing Bank (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**Factoring Agreements**" means those certain agreements set forth on Schedule 1.1(a) and provided to the Administrative Agent and its counsel, providing for Xerium or any of its Subsidiaries to sell or otherwise dispose of any receivable:

(A) on arm's length terms for cash payable at the time of disposal in accordance with the terms of the Japanese Promissory Note Discounting Facilities as in effect on the date hereof, provided that the maximum aggregate amount of receivables which have been so sold or disposed of and which remain outstanding (other than as a result of a default by the relevant debtor) does not exceed ¥1,500,000,000 at any time; or

(B) on non-recourse (as regards default by the relevant debtor(s)) and arm's length terms for cash payable at the time of disposal by Huyck.Wangner Australia Pty

Limited in respect of customer-provided letters of credit, provided that the maximum aggregate amount of receivables which have been so sold or disposed of and which remain outstanding (other than as a result of a default by the relevant debtor) does not exceed AUD 7,500,000 at any time.

"**Federal Funds Effective Rate**" means, for any day, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th 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 that (i) if such day is not a Business Day, the Federal Funds Effective 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 (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate quoted to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"**Fee Letters**" means collectively, any fee letter between the Borrower or any Credit Party on the one hand and any of the Agents or the Lead Arranger on the other hand.

"**Financial Officer Certification**" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer of Xerium that such financial statements fairly present, in all material respects, the financial condition of Xerium and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year end adjustments.

"**First Currency**" as defined in Section 10.4(b).

"**First Priority**" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is the only Lien to which such Collateral is subject, other than Permitted Liens which are junior in priority to the Collateral Agent's Lien on such Collateral.

"**Fiscal Quarter**" means a fiscal quarter of any Fiscal Year.

"**Fiscal Year**" means the fiscal year of Xerium and its Subsidiaries ending on December 31 of each calendar year.

"**Flood Hazard Property**" means any Real Estate Asset subject to a mortgage in favor of Collateral Agent, for the benefit of the Banks, and located in an area designated by the Federal Emergency Management Agency or other Governmental Authority as having special flood or mud slide hazards.

"**Foreign Subsidiary**" means any Subsidiary that is not a Domestic Subsidiary.

"**Formalities Certificate**" means a Formalities Certificate substantially in the form of Exhibit L.

"**Fraudulent Transfer Laws**" as defined in Section 2.25(a).

"**French Guarantor**" as defined in Section 7.14(d).

"**Funding Borrower**" as defined in Section 2.25(b).

"**Funding Default**" means a default by a Bank in its obligation to fund any Revolving Loan or its portion of any unreimbursed payment under Section 2.2(b)(iv) or 2.4(g).

"**Funding Notice**" means a notice substantially in the form of Exhibit A 1.

"**FX Currency Losses**" means any losses incurred by the Issuing Bank as a result of purchasing currencies other than Dollars or exchanging Dollars into another currency in connection with any drawing under any Term Loan Letter of Credit.

"**GAAP**" means, subject to the limitations on the application thereof set forth in Section 1.2, for Xerium and its Subsidiaries, United States generally accepted accounting principles in effect as of the date of determination thereof.

"**German Term Loan**" means a German Term Loan deemed made by a Bank to Germany Holdings pursuant to Section 2.1(a)(vi).

"**German Term Loan Amount**" means the principal amount of the German Term Loan a Bank is deemed to have made on the Closing Date. The "German Term Loan Amount" of each Bank, if any, is set forth on Appendix A-6 or in the applicable Assignment Agreement. The aggregate amount of the German Term Loan Amounts as of the Closing Date is set forth on Appendix A-6.

"**German Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount of the German Term Loans of such Bank.

"**German Guarantors**" means Robec Walzen GmbH, formerly known as Stowe Woodward Forschungs- und Entwicklungs GmbH (also as universal successor of Robec GmbH), Stowe Woodward AG, Huyck.Wangner Germany GmbH, formerly known as Wangner Beteiligungsgesellschaft mbH (also as universal successor of Wangner Service GmbH, Wangner Verwaltungsgesellschaft mbH and Wangner Finckh GmbH & Co. KG).

"**Germany Holdings**" as defined in the preamble hereto.

"**Governmental Acts**" means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

"**Governmental Authority**" means any federal, provincial, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or any foreign entity or government.

"**Governmental Authorization**" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"**Grantor**" as defined in the Pledge and Security Agreement.

"**Guaranteed Obligations**" as defined in Section 7.1(b).

"**Guarantor**" means each Non-US Guarantor and each US Guarantor.

"**Guarantor Subsidiary**" means each Guarantor other than Xerium.

"**Guaranty**" means the guaranty of each Guarantor set forth in Section 7 or any other guaranty which purports to guaranty all or a portion of the Obligations.

"**Hazardous Materials**" means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

"**Hazardous Materials Activity**" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person under (i) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements entered into with a Bank Counterparty in Xerium's or any of its Subsidiaries' Ordinary Course and not for speculative purposes and (ii) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices entered into with a Bank Counterparty in Xerium's or any of its Subsidiaries' Ordinary Course and not for speculative purposes.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Bank which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

"**Historical Financial Statements**" means as of the Closing Date, (i) the audited financial statements of Xerium and its Subsidiaries, for the immediately preceding three Fiscal Years, consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Years, and (ii) the unaudited financial statements of Xerium and its Subsidiaries as at the most recently ended Fiscal Quarter, consisting of a balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for the three , six or nine month period, as applicable, ending on such date, and, in the

case of clauses (i) and (ii), certified by the chief financial officer of Xerium that they fairly present, in all material respects, the financial condition of Xerium and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year end adjustments.

"**Huyck Austria**" as defined in the preamble hereto.

"**Increased Cost Banks**" as defined in Section 2.24.

"**Indebtedness**" means, with respect to any Person, the principal and premium (if any) of any indebtedness of such Person, whether or not contingent: (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (iii) representing the deferred and unpaid purchase price of any property, other than trade payables incurred in the Ordinary Course, (iv) in respect of Capitalized Lease Obligations, (v) the direct or indirect guaranty, endorsement (other than for collection or deposit in the Ordinary Course), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (vi) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof or (vii) representing any Hedging Obligations, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP. To the extent not otherwise included, Indebtedness shall include (a) any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the Ordinary Course), and (b) Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided, however, that the amount of such Indebtedness will be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Person. Notwithstanding the foregoing, any obligation of such Person or any of its Subsidiaries in respect of (x) minimum guaranteed commissions, or other similar payments, to clients, minimum returns to clients or stop loss limits in favor of clients or indemnification obligations to clients, in each case pursuant to contracts to provide services to clients entered into in the Ordinary Course, and (y) account credits to participants under any compensation plan, shall be deemed not to constitute Indebtedness.

"**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this

indemnity), whether direct, indirect or consequential and whether based on any federal, provincial, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws and including any fees or expenses resulting from changes in laws in effect on the date of this Agreement), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (i) this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Banks' agreement to make a Credit Extension or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)); or (ii) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Xerium or any of its Subsidiaries.

"**Indemnified Taxes**" as defined in Section 2.20(a).

"**Indemnitee**" as defined in Section 10.4.

"**Information**" as defined in Section 10.18.

"Initial Business Plan" means the business plan of Xerium and its Subsidiaries delivered in connection with the closing of the DIP Credit Agreement and attached hereto as Exhibit M.

"**Intercreditor Agreement**" means the Intercreditor Agreement to be executed and delivered by the Administrative Agent and the Collateral Agent, the Second Lien Agent and the Credit Parties, substantially in the form of Exhibit K, as amended, restated, modified and supplemented from time to time.

"**Interest Coverage Ratio**" means, with respect to Xerium for any period, the ratio of (A) the Adjusted EBITDA for the four-Fiscal Quarters period then ending to (B) the Consolidated Interest Expense for the four-Fiscal Quarters then ending; provided, that in computing Consolidated Interest Expense for any period commencing on or prior to the Closing Date and ending as of the close of any Fiscal Quarter on or prior to the first anniversary of the Closing Date, Consolidated Interest Expense for such period shall equal the product of (x) Consolidated Interest Expense for the period commencing on the first day of the first full calendar month following the Closing Date and ending on the last day of such Fiscal Quarter multiplied by (y) a fraction, the numerator of which is equal to 365 and the denominator of which is equal to the number of days that have elapsed in such period commencing on the first day of the first full calendar month following the Closing Date and ending on the last day of such Fiscal Quarter.

"**Interest Payment Date**" means (i) with respect to any LIBOR Loan, the last day of each Interest Period applicable to such LIBOR Loan, provided, in the case of each Interest Period of longer than three months "Interest Payment Date" shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period and (ii) with respect to any ABR Loan, the 15th day of each March, June, September and

December, commencing on the first such day following the making of such ABR Loan or conversion from a LIBOR Loan to an ABR Loan.

"**Interest Period**" means, in connection with a LIBOR Loan, an interest period of one, two, three or six months, as selected by each Borrower in the applicable Funding Notice or Conversion/Continuation Notice, (i) initially, commencing on the Credit Date or Conversion/Continuation Date thereof, as the case may be; and (ii) thereafter, commencing on the day on which the immediately preceding Interest Period expires; provided, (a) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; (b) no Interest Period with respect to any portion of Term Loans shall extend beyond the Term Loan Maturity Date; (c) no Interest Period with respect to any portion of Revolving Loans shall extend beyond the Revolving Commitment Termination Date; and (d) all interest periods of the same currency having the same commencing date and expiration date shall be considered one Interest Period.

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of hedging the interest rate exposure associated with Xerium's and its Subsidiaries' operations and not for speculative purposes.

"**Interest Rate Determination Date**" means, with respect to any Interest Period the date that is two Business Days prior to the first day of such Interest Period.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Investment**" means (i) any direct or indirect purchase or other acquisition by Xerium or any of its Subsidiaries of, or of a beneficial interest in, any of the Securities of any other Person (other than Xerium, any other Borrower or a Guarantor Subsidiary); (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Subsidiary of Xerium from any Person (other than Xerium, any other Borrower or a Guarantor Subsidiary), of any Capital Stock of such Person; and (iii) any direct or indirect loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the Ordinary Course) or capital contribution by Xerium or any of its Subsidiaries to any other Person (other than Xerium, any other Borrower or a Guarantor Subsidiary), including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the Ordinary Course. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write ups, write downs or write offs with respect to such Investment.

"**Investment Cash Equivalents**" means (i) Dollars and, only if Section 2.4(n)(iii) is applicable, Alternative Currencies, (ii) securities issued or directly and fully guaranteed or insured by the US government or any agency or instrumentality thereof, (iii) certificates of deposit, time deposits and Eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of

$1.0 billion and whose long-term debt is rated at least "A" or the equivalent thereof by Moody's or S&P, (iv) repurchase obligations for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in the immediately preceding clause, (v) commercial paper issued by a corporation (other than an Affiliate of the Borrower) rated at least "A-2" or the equivalent thereof by Moody's or S&P and in each case maturing within one year after the date of acquisition, (vi) investment funds investing substantially all of their assets in securities of the types described in clauses (i) through (v) above, (vii) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P and (viii) money market funds as defined in Rule 2a-7 of the General Rules and Regulations as promulgated under the Investment Company Act of 1940.

"**Issuance Notice**" means an Issuance Notice substantially in the form of Exhibit A 3.

"**Issuing Bank**" means Citicorp North America, Inc., together with its permitted successors and assigns in such capacity.

"**Italia SpA**" as defined in the preamble hereto.

"**Italia Term Loan**" means an Italia Term Loan deemed made by a Bank to Italia SpA pursuant to Section 2.1(a)(iii).

"**Italia Term Loan Amount**" means the principal amount of the Italia Term Loan a Bank is deemed to have made on the Closing Date. The "Italia Term Loan Amount" of each Bank, if any, is set forth on Appendix A-3 or in the applicable Assignment Agreement. The aggregate amount of the Italia Term Loan Amounts as of the Closing Date is set forth on Appendix A-3.

"**Italia Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal of the Italia Term Loans of such Bank.

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided, in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

"**Landlord Consent and Estoppel**" means, with respect to any Leasehold Property, a letter, certificate or other instrument in writing from the lessor under the related lease, pursuant to which, among other things, the landlord consents to the granting of a Mortgage on such Leasehold Property by the Credit Party tenant, such Landlord Consent and Estoppel to be in form and substance acceptable to Collateral Agent in its reasonable discretion, but in any event sufficient for Collateral Agent to obtain a Title Policy with respect to such Mortgage.

"**Landlord Personal Property Collateral Access Agreement**" means a Landlord Waiver and Consent Agreement substantially in the form of Exhibit K with such amendments or modifications as may be approved by Collateral Agent.

"**Lead Arranger**" as defined in the preamble hereto.

"**Leasehold Property**" means any leasehold interest of any Credit Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Collateral Agent in its sole discretion as not being required to be included in the Collateral.

"**Letter of Credit**" means each Revolving Letter of Credit and Term Loan Letter of Credit, including the Existing Letters of Credit.

"**Letter of Credit Exposure**" means, as at any date of determination, the sum of (i) the aggregate undrawn amount under all Revolving Letters of Credit then outstanding, and (ii) the aggregate amount of all Unpaid Drawings.

"**Letter of Credit Usage**" means, as at any date of determination, the sum of (i) the maximum aggregate amount which is, or at any time thereafter may become, available for drawing under all Revolving Letters of Credit then outstanding, and (ii) the aggregate amount of all drawings under Revolving Letters of Credit honored by Issuing Bank and not theretofore reimbursed by or on behalf of each Borrower.

"**Leverage Ratio**" means, with respect to Xerium on any date, the ratio of (A) the Debt of Xerium and its Subsidiaries as of such date to (B) the Adjusted EBITDA of Xerium and its Subsidiaries for the period of four consecutive Fiscal Quarters ending on such date (or if such date is not the last day of a Fiscal Quarter of Xerium, for the period of four consecutive Fiscal Quarters most recently ended).

"**LIBOR**" means, in relation to any LIBOR Loan, the greater of:

(i) (a) the applicable Screen Rate; or (b) (if no Screen Rate is available for the currency or Interest Period of that LIBOR Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Administrative Agent at its request quoted by the Reference Banks to leading banks in the London interbank market, as of approximately 11:00 a.m. (London time) on the Interest Rate Determination Date for the offering of deposits in the currency of that LIBOR Loan and for a period comparable to the Interest Period for that LIBOR Loan; and

(ii) 2.00%.

"**LIBOR Loan**" means a Loan or any portion thereof bearing interest by reference to the LIBOR Rate.

"**LIBOR Rate**" means the rate of interest for each Interest Period that is equal to the interest rate per annum which is the aggregate of the applicable LIBOR determined interest rate.

"**Lien**" means (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"**Loan**" means a Term Loan and a Revolving Loan.

"**Margin Stock**" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"**Material Adverse Effect**" means any effect, event, matter or circumstance: (a) which is materially adverse to the: (i) business, assets or financial condition or prospects of Xerium and its Subsidiaries taken as a whole; or (ii) ability of any Credit Party to perform any of its Obligations in accordance with their terms under any of the Credit Documents; or (b) which in the reasonable opinion of the Requisite Banks results in any (i) Credit Document not being legal, valid and binding on and, subject to reservations contained in the legal opinions provided as conditions precedent thereto, enforceable against any party thereto from and after the Effective Date and/or (ii) Collateral Document not being a valid and effective security interest from and after the Effective Date, provided that the Bankruptcy Cases shall not be deemed to constitute an impediment to enforcement, and in the case of (b), in each case in a manner or to an extent materially prejudicial to the interest of any Bank under the Credit Documents.

"**Material Contract**" means any contract or other arrangement to which Xerium or any of its Subsidiaries is a party (other than the Credit Documents) for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"**Material Real Estate Asset**" means (i) (a) any fee-owned Real Estate Asset having a fair market value in excess of $1,000,000 as of the date of the acquisition thereof and (b) all Leasehold Properties other than those with respect to which the aggregate payments under the terms of the lease are less than $500,000 per annum, in each case located in the United States, Canada and the United Kingdom or (ii) any Real Estate Asset that the Requisite Banks have reasonably determined is material to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Xerium or any Subsidiary thereof, including each Borrower.

"**Maximum Consolidated Capital Expenditures**" as defined in Section 6.8(d).

"**Maximum Consolidated Operational Restructuring Costs**" means the following amounts set forth below opposite the applicable Fiscal Year:

Fiscal Year	Maximum Consolidated Operational Restructuring Costs
2010	$15,000,000
2011	$6,000,000
2012 and each Fiscal Year thereafter	$5,000,000

provided, that the Maximum Consolidated Operational Restructuring Costs for any Fiscal Year shall be increased by an amount equal to 50% of the portion of Maximum Consolidated Operational Restructuring Costs not incurred in the immediately preceding Fiscal Year (the "**Carry-Forward Amount**"); provided, further, that any Carry-Forward Amount not incurred in the applicable Fiscal Year shall not be added to the amount of Maximum Consolidated Operational Restructuring Costs for the immediately succeeding Fiscal Year.

"**Mexican Guarantor**" means each Guarantor incorporated in Mexico.

"**Mexico**" means the United Mexican States.

"**Moody's**" means Moody's Investors Service, Inc.

"**Mortgage**" means a Mortgage substantially in the form of Exhibit J, as it may be amended, supplemented or otherwise modified from time to time.

"**Multiemployer Plan**" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) or 4001(a)(3) of ERISA.

"**NAIC**" means The National Association of Insurance Commissioners, and any successor thereto.

"**Net Asset Sale Proceeds**" means, with respect to any Asset Sale, an amount equal to: (i) Cash payments (including any Cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by Xerium or any of its Subsidiaries from such Asset Sale, minus (ii) any bona fide direct costs (including, without limitation, reasonable transaction costs) incurred in connection with such Asset Sale, including (a) income or gains taxes payable by the seller as a result of any gain recognized in connection with such Asset Sale, (b) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale and (c) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by Xerium or any of its Subsidiaries in connection with such Asset Sale.

"**Net Insurance/Condemnation Proceeds**" means an amount equal to: (i) any Cash payments or proceeds received by Xerium or any of its Subsidiaries (a) under any casualty insurance policy in respect of a covered loss thereunder (excluding proceeds of business interruption insurance) or (b) as a result of the taking of any assets of Xerium or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (a) any actual and reasonable costs incurred by Xerium or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Xerium or such Subsidiary in respect thereof, and (b) any bona fide direct costs incurred in connection with any sale of such assets as referred to in clause (i)(b) of this definition, including income taxes payable as a result of any gain recognized in connection therewith.

"**Non-Consenting Bank**" as defined in Section 2.24.

"**Non-Defaulting Bank**" means, at any time, a Bank that is not a Defaulting Bank or a Potential Defaulting Bank.

"**Non-US Aggregate Payments**" as defined in 7.2(a).

"**Non-US Bank**" as defined in Section 2.20(c).

"**Non-US Borrower**" means each Borrower other than Xerium and XTI.

"**Non-US Credit Party**" means each Non-US Borrower and each Non-US Guarantor.

"**Non-US Contributing Guarantor**" as defined in Section 7.2(a).

"**Non-US Fair Share**" as defined in Section 7.2(a).

"**Non-US Fair Share Contribution Amount**" as defined in Section 7.2(a).

"**Non-US Funding Guarantor**" as defined in Section 7.2(a).

"**Non-US Guaranteed Obligations**" as defined in Section 7.1(a).

"**Non-US Guarantor**" means each Guarantor listed as a Non-US guarantor in Schedule 1.1(b) and any other Foreign Subsidiary that becomes a party to the Guaranty.

"**Non-US Obligations**" mean the Obligations of the Non-US Borrowers and the Non-US Guarantors.

"**Notice**" means a Funding Notice, an Issuance Notice, or a Conversion/Continuation Notice.

"**Obligation Aggregate Payments**" as defined in Section 2.25(b).

"**Obligation Fair Share**" as defined in Section 2.25(b).

"**Obligation Fair Share Contribution Amount**" as defined in Section 2.25(b).

"**Obligation Fair Share Shortfall**" as defined in Section 2.25(b).

"**Obligations**" means all obligations of every nature of a US Credit Party or a Non-US Credit Party, as the case may be, from time to time owed to the Agents (including former Agents), the Banks, or any of them, any Issuing Bank and Bank Counterparties, including Hedging Obligations, under any Credit Document or the applicable documents creating the Hedging Obligations (including, without limitation, with respect to Hedging Obligations, obligations owed to any person who was a Bank or an Affiliate of a Bank at the time such Hedging Obligation was incurred), whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in

the related bankruptcy proceeding), reimbursement of amounts drawn under Letters of Credit, payments for early termination of Hedging Obligations, fees, expenses, indemnification or otherwise.

"**Obligee Guarantor**" as defined in Section 7.7.

"**Officers' Certificate**" means a certificate signed on behalf of Xerium by two officers of Xerium, one of whom must the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of Xerium.

"**Ordinary Course**" means ordinary course of business or ordinary trade activities that are customary, typical and carried out in a manner consistent with past practice.

"**Organizational Documents**" means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its bylaws, as amended, and with respect to a German stock corporation (*Aktiengesellschaft*) an excerpt from the commercial register (*Handels-registerauszug*) (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, and with respect to a German limited partnership (*Kommanditgesellschaft*) an excerpt from the commercial register (Handels-registerauszug), (iii) with respect to any general partnership, its partnership agreement, as amended, and with respect to a German limited partnership (*Kommanditgesellschaft*) an excerpt from the commercial register (*Handels-registerauszug*), (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended, and with respect to a German limited liability company (GmbH) its list of shareholders (*Gesellschafterliste*) an excerpt from the commercial register (*Handels-registerauszug*), and (v) with respect to any other Foreign Subsidiary or entity, its memorandum or articles of association or other constitutional documents. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"**Parallel Obligations**" as defined in Section 7.13(a)(i).

"**Parent Company**" means, with respect to a Bank, the bank holding company (as defined in Federal Reserve Board Regulation Y), if any, of such Bank and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Bank.

"**Patriot Act**" as defined in Section 10.21.

"**PBGC**" means the Pension Benefit Guaranty Corporation or any successor thereto.

"**Pension Plan**" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA which is or, within the preceding six years, was sponsored, maintained or contributed to by, or required to be contributed by, Xerium, any of its Subsidiaries or any of its ERISA Affiliates.

"**Permitted Acquisition**" means any acquisition by a Borrower or any of its wholly owned Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all or substantially all of the Capital Stock of, or a business line or unit or a division of, any Person; provided,

(i) immediately prior to, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(ii) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable Governmental Authorizations;

(iii) in the case of the acquisition of Capital Stock, all of the Capital Stock (except for any such Securities in the nature of directors' qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly formed Subsidiary of a Borrower in connection with such acquisition shall be owned (directly or indirectly) 100% by a Borrower or a Guarantor Subsidiary thereof; provided such Guarantor Subsidiary shall not have any limitations in respect of its guaranty of the Obligation similar to those set forth in Section 7.14, and each Borrower shall have taken, or caused to be taken, as of the date such Person becomes a Subsidiary of each Borrower, each of the actions set forth in Sections 5.10 and/or 5.11, as applicable;

(iv) Xerium and its Subsidiaries shall be in compliance with the financial covenants set forth in Section 6.8 on a pro forma basis after giving effect to such acquisition as of the last day of the Fiscal Quarter most recently ended (as determined in accordance with Section 6.8(e));

(v) there are no material contingent liabilities (including, without limitation, Environmental Claims, but excluding for this purpose Ordinary Course Tax liabilities) relating to the company or business acquired;

(vi) Xerium shall have delivered to Administrative Agent at least fifteen (15) Business Days prior to such proposed acquisition, a Compliance Certificate evidencing compliance with Section 6.8 as required under clause (iv) above, together with all relevant financial information with respect to such acquired assets, including, without limitation, the aggregate consideration for such acquisition and any other information required to demonstrate compliance with Section 6.8; and

(vii) any Person or assets or division as acquired in accordance herewith (x) shall be in the same business or lines of business in which Xerium and/or any of its Subsidiaries are engaged as of the Closing Date and (y) shall have generated positive cash flow for the four quarter period most recently ended prior to the date of such acquisition adjusted on a pro forma basis as certified by the Chief Financial Officer of Xerium.

"**Permitted Liens**" means each of the Liens permitted pursuant to Section 6.2.

"**Permitted Refinancing Indebtedness**" as defined in Section 6.1(p).

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Petition Date**" as defined in the recitals.

"**Plan of Reorganization**" means the prepackaged plan of reorganization filed by the Debtors with the Bankruptcy Court on March [_____], 2010, as amended, restated, supplemented or otherwise modified prior to the Closing Date.

"**Plan Supplement**" means the Plan Supplement filed with the Bankruptcy Court in connection with the Plan of Reorganization.

"**Platform**" as defined in Section 5.1(p)(ii).

"**Pledge and Security Agreements**" mean the Pledge and Security Agreement to be executed by each U.S. Credit Party substantially in the form of Exhibit I and each functionally similar agreement executed by any Non-U.S. Credit Party, as each may be amended, supplemented or otherwise modified from time to time.

"**Potential Defaulting Bank**" means, at any time, a Bank (i) as to which the Administrative Agent has notified the Borrower that an event of the kind referred to in the definition of "Bank Insolvency Event" has occurred and is continuing in respect of any financial institution affiliate of such Bank, (ii) as to which the Administrative Agent or the Issuing Bank has in good faith determined and notified the Borrower and the Administrative Agent that such Bank or its Parent Company or a financial institution affiliate thereof has notified the Administrative Agent, or has stated publicly, that it will not comply with its funding obligations under any other loan agreement or credit agreement or similar agreement or (iii) that has, or whose Parent Company has, a non-investment grade rating from Moody's or S&P or another national recognized rating agency. Any determination that a Bank is a Potential Defaulting Bank under any of clauses (i) through (iii) above will be made by the Administrative Agent, in its sole discretion acting in good faith. The Administrative Agent will promptly send to all parties hereto a copy of any notice to the Borrower provided for in this definition.

"**Primary Accounts**" as defined in Section 4.28.

"**Prime Rate**" means the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective.

"**Principal Office**" means, for each of Administrative Agent and Issuing Bank, such Person's "Principal Office" as set forth on Appendix B, or such other office as such Person may

from time to time designate in writing to each Borrower, the Administrative Agent and each Bank.

"**Pro Rata Share**" means (i) with respect to all payments, computations and other matters relating to the Xerium Term Loan of any Bank, the percentage obtained by dividing (a) the Xerium Term Loan Exposure of that Bank by (b) the aggregate Xerium Term Loan Exposure of all Banks; (ii) with respect to all payments, computations and other matters relating to the XTI Term Loan of any Bank, the percentage obtained by dividing (a) the XTI Term Loan Exposure of that Bank by (b) the aggregate XTI Term Loan Exposure of all Banks; (iii) with respect to all payments, computations and other matters relating to the Italia Term Loan of any Bank, the percentage obtained by dividing (a) the Italia Term Loan Exposure of that Bank by (b) the aggregate Italia Term Loan Exposure of all Banks; (iv) with respect to all payments, computations and other matters relating to the Xerium Canada Term Loan of any Bank, the percentage obtained by dividing (a) the Xerium Canada Term Loan Exposure of that Bank by (b) the aggregate Xerium Canada Term Loan Exposure of all Banks; (v) with respect to all payments, computations and other matters relating to the Austria Term Loan of any Bank, the percentage obtained by dividing (a) the Austria Term Loan Exposure of that Bank by (b) the aggregate Austria Term Loan Exposure of all Banks; (vi) with respect to all payments, computations and other matters relating to the German Term Loan of any Bank, the percentage obtained by dividing (a) the German Term Loan Exposure of that Bank by (b) the aggregate German Term Loan Exposure of all Banks; and (vii) with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Bank or any Letters of Credit issued or participations purchased therein by any Bank, the percentage obtained by dividing (a) the Revolving Exposure of that Bank by (b) the aggregate Revolving Exposure of all Banks. For all other purposes with respect to each Bank, "Pro Rata Share" means the percentage obtained by dividing (A) an amount equal to the sum of the Xerium Term Loan Exposure, the XTI Term Loan Exposure, the Italia Term Loan Exposure, the Xerium Canada Term Loan Exposure, the Austria Term Loan Exposure, the German Term Loan Exposure and the Revolving Exposure of that Bank, by (B) an amount equal to the sum of the aggregate Xerium Term Loan Exposure, the aggregate XTI Term Loan Exposure, the aggregate Italia Term Loan Exposure, the aggregate Xerium Canada Term Loan Exposure, the aggregate Austria Term Loan Exposure, the aggregate German Term Loan Exposure and the aggregate Revolving Exposure of all Banks.

"**Qualifying Lender**" means:

(a) a Bank which is a bank as defined in Section 991 Income Tax Act 2007 of the United Kingdom, beneficially entitled to all amounts payable to it by a Credit Party under the Credit Documents and within the charge to United Kingdom corporation tax as respects such amounts; or

(b) a bank in respect of which an order under Section 991(2)(e) Income Tax Act 2007 designating it as a bank for the purposes of Section 879 Income Tax Act 2007 of the United Kingdom provides that Section 879 Income Tax Act 2007 shall apply to it as if the words from "if" to the end in that section were omitted; or

(c) a Treaty Lender.

"**Real Estate Asset**" means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Credit Party in any real property.

"**Recapitalization**" means the restructuring and recapitalization of the capital stock of Xerium and the Indebtedness of the Debtors and their Subsidiaries pursuant to the Plan of Reorganization.

"**Record Document**" means, with respect to any Leasehold Property, (i) the lease evidencing such Leasehold Property or a memorandum thereof, executed and acknowledged by the owner of the affected real property, as lessor, or (ii) if such Leasehold Property was acquired or subleased from the holder of a Recorded Leasehold Interest, the applicable assignment or sublease document, executed and acknowledged by such holder, in each case in form sufficient to give such constructive notice upon recordation and otherwise in form reasonably satisfactory to Collateral Agent.

"**Recorded Leasehold Interest**" means a Leasehold Property with respect to which a Record Document has been recorded in all places necessary or desirable, in Administrative Agent's reasonable judgment, to give constructive notice of such Leasehold Property to third party purchasers and encumbrancers of the affected real property.

"**Reference Banks**" means, in relation to LIBOR, the principal London offices of Citibank, N.A. and such two other banks as may be appointed by the Administrative Agent in consultation with Xerium.

"**Register**" as defined in Section 2.7(b).

"**Reimbursement Date**" as defined in Section 2.4(e).

"**Related Fund**" means, with respect to any Bank that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Bank or by an Affiliate of such investment advisor.

"**Release**" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"**Replacement Bank**" as defined in Section 2.24.

"**Required Prepayment Date**" as defined in Section 2.15(c).

"**Requisite Banks**" means, collectively (i) one or more Term Loan Banks having or holding Term Loan Exposure and representing more than 50.0% of the sum of the aggregate Term Loan Exposure of all Term Loan Banks and (ii) one or more Revolving Banks having or

holding Revolving Exposure and representing more than 50.0% of the sum of the aggregate Revolving Exposure of all Revolving Banks.

"**Restricted Junior Payment**" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of Xerium now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of Xerium now or hereafter outstanding, except any payment made solely in shares of that class of stock to the holders of that class; (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of Xerium now or hereafter outstanding; and (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Debt, excluding, in respect of this clause (iv), payments in kind.

"**Revolving Bank**" means, at any time, any Bank that has a Revolving Commitment at such time.

"**Revolving Commitment**" means the commitment of a Bank to make or otherwise fund any Revolving Loan and "**Revolving Commitments**" means such commitments of all Banks in the aggregate. The amount of each Bank's Revolving Commitment is set forth on Appendix B or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Revolving Commitments as of the Closing Date is $20,000,000.

"**Revolving Commitment Period**" means the period from the Closing Date to but excluding the Revolving Commitment Termination Date.

"**Revolving Commitment Termination Date**" means the earlier of (i) the date that is three (3) years after the Closing Date, (ii) the date the Revolving Commitments are permanently reduced to zero pursuant to Section 2.13(b) or 2.14, and (iii) the date of the termination of the Revolving Commitments pursuant to Section 8.1.

"**Revolving Exposure**" means, with respect to any Bank as of any date of determination, (i) prior to the termination of the Revolving Commitments, that Bank's Revolving Commitment; and (ii) after the termination of the Revolving Commitments, the sum of (a) the aggregate outstanding principal amount of the Revolving Loans of that Bank and (b) in the case of the Issuing Bank, the aggregate Letter of Credit Exposure in respect of all Revolving Letters of Credit issued by that Bank (net of any participations by other Revolving Banks in such Revolving Letters of Credit), and (c) the aggregate amount of all participations by that Bank in any outstanding Revolving Letters of Credit or any Unpaid Drawing under any Revolving Letter of Credit.

"**Revolving Letter of Credit**" means each commercial or standby letter of credit issued or to be issued by the Issuing Bank pursuant to Section 2.4(a) of this Agreement and in form and substance acceptable to the Issuing Bank and the Administrative Agent.

"**Revolving Letter of Credit Sublimit**" means (i) $3,000,000 for the period from the Closing Date through the one year anniversary of the Closing Date and (b) $7,500,000 thereafter.

"**Revolving Loan**" as defined in Section 2.2(a)(i).

"**Roll-Over Amount**" as defined in Section 6.8(d).

"**S&P**" means Standard & Poor's Ratings Group, a division of The McGraw Hill Companies.

"**Scheduled Term Loan Maturity Date**" means the date that is four and one half (4.5) years after the Closing Date.

"**Screen Rate**" means in relation to LIBOR, the offered rate for deposits in Dollars for the applicable Interest Period appearing on the Reuters Screen LIBOR 01 Page. If such page is replaced or service ceases to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Banks.

"**Second Currency**" as defined in Section 10.4(b).

"**Second Lien Agent**" means Citicorp North America, Inc., as the administrative agent and the collateral agent for the lenders under the Second Lien Credit Agreement, together with any of its successors and assigns.

"**Second Lien Credit Agreement**" means the Second Amended and Restated Credit and Guaranty Agreement (Second Lien), dated as of [_____], 2010, among the Borrowers, the Guarantors, the several lenders and agent banks from time to time parties thereto and the Second Lien Agent, as amended, supplemented, restated or otherwise modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"**Second Lien Credit Documents**" means the "Credit Documents" as defined in the Second Lien Credit Agreement.

"**Second Lien Obligations**" means the "Obligations" as defined in the Second Lien Credit Agreement.

"**Second Lien Secured Parties**" means the "Secured Parties" as defined in the Second Lien Credit Agreement.

"**Secured Parties**" has the meaning assigned to that term in the Collateral Documents.

"**Securities**" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim

certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"**Solvency Certificate**" means a Solvency Certificate of the chief financial officer of each Borrower substantially in the form of Exhibit N.

"**Solvent**" means, with respect to any Credit Party, that as of the date of determination, both (i) (a) the sum of such Credit Party's debt (including contingent liabilities) does not exceed the present fair saleable value of such Credit Party's present assets; (b) such Credit Party's capital is not unreasonably small in relation to its business as contemplated on the Closing Date and reflected in the Initial Business Plan or with respect to any transaction contemplated or undertaken after the Closing Date; and (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances and by the laws of the jurisdiction where such Credit Party is incorporated, formed or organized. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"**Subject Transaction**" as defined in Section 6.8(e).

"**Subordinated Debt**" means any unsecured subordinated Debt of any Credit Party which meets the requirements of Section 6.1(c).

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding.

"**Sum**" as defined in Section 10.4(b).

"**Swedish Guarantor**" means each Guarantor incorporated in Sweden.

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, whether disputed or not,

including any interest, penalties or additions thereto and any installments in respect thereof; provided, "Tax on the overall net income" of a Person shall be construed as a reference to a Tax imposed by the jurisdiction in which that Person is organized or in which that Person's applicable principal office (and/or, in the case of a Bank, its lending office) is located or in which that Person (and/or, in the case of a Bank, its lending office) is deemed to be doing business on all or part of the net income, profits, or gains (whether worldwide, or only insofar as such income, profits, or gains are considered to arise in or to relate to a particular jurisdiction, or otherwise) of that Person (and/or, in the case of a Bank, its applicable lending office).

"**Tax Confirmation**" means a confirmation by a Bank that it is a 991 Bank.

"**Tax Credit**" means a credit against, relief or remission for or repayment of any Tax.

"**Term LC Deposit Date**" as defined in Section 2.4(k)

"**Term LC Reimbursement Date**" as defined in Section 2.4(i)

"**Term LC Unreimbursed Amount**" as defined in Section 2.4(i)

"**Term LC Collateral Account**" means the deposit account established for the purpose of Cash Collateralizing Xerium's obligations in respect of the letters of credit under the DIP Credit Agreement and, pursuant to the terms hereof, the Term Loan Letters of Credit and shall include any sub-accounts or additional accounts contemplated by Section 2.4(n)(iii).

"**Term Loan**" means a Xerium Term Loan, an XTI Term Loan, an Italia Term Loan, a Xerium Canada Term Loan, an Austria Term Loan or a German Term Loan.

"**Term Loan Amount**" means, as applicable, a Xerium Term Loan Amount, an XTI Term Loan Amount, an Italia Term Loan Amount, a Xerium Canada Term Loan Amount, an Austria Term Loan Amount or a German Term Loan Amount, and "Term Loan Amounts" means such amounts held by all Banks.

"**Term Loan Bank**" means, at any time, any Bank that holds a Term Loan at such time.

"**Term Loan LC Collateral Account Control Agreement"** means the Account Control Agreement (Term Loan LC Collateral Account), dated as of [_____], 2010, among Xerium, the Collateral Agent, the Administrative Agent and Citibank, N.A., as amended, supplemented or otherwise modified from time to time.

"**Term Loan Letter of Credit**" means each commercial or standby letter of credit issued, to be issued or deemed to have been issued by the Issuing Bank pursuant to Section 2.4(b) of this Agreement and in form and substance acceptable to the Issuing Bank and the Administrative Agent.

"**Term Loan Letter of Credit Sublimit**" means $20,000,000.

"**Term Loan Maturity Date**" means the earlier of (i) Scheduled Term Loan Maturity Date, and (ii) the date that all Term Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

"**Terminated Bank**" as defined in Section 2.24.

"**Title Policy**" as defined in Section 3.1(i).

"**Total Utilization of Revolving Commitments**" means, as at any date of determination, the sum of (i) the aggregate principal amount of all outstanding Revolving Loans (other than Revolving Loans made for the purpose of reimbursing Issuing Bank for any amount drawn under any Letter of Credit, but not yet so applied) and (ii) the Letter of Credit Usage.

"**Treaty Lender**" means a Bank which at the time the payment is made is beneficially entitled to all amounts payable to it under the Credit Documents and is entitled pursuant to the interpretation of the taxation authorities of the jurisdiction from which the payment is made or deemed to be made under a double taxation agreement in force at that date (subject only to the completion of any necessary formalities or administrative procedures, (including, without limitation, the matters referred to in Section 2.20(e)) to receive any payments of principal, interest, fees or other amounts under the Credit Documents without deduction or withholding for or on account of Tax.

"**Type of Loan**" means a LIBOR Loan or an ABR Loan.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**Unreallocated Portion**" as defined in Section 2.23(b).

"**Unpaid Drawing**" as defined in Section 2.03(g).

"**Unused Revolving Commitment**" means, at any time, (a) the Revolving Commitments at such time minus (b) the sum of (i) the aggregate principal amount of outstanding Revolving Loans plus (ii) the Letter of Credit Usage.

"**US Aggregate Payments**" as defined in 7.2(b).

"**US Credit Party**" means Xerium, XTI, and each US Guarantor.

"**US Contributing Guarantors**" as defined in 7.2(b).

"**US Funding Guarantor**" as defined in Section 7.2(b).

"**US Fair Share**" as defined in 7.2(b).

"**US Fair Share Contribution Amount**" as defined in 7.2(b).

"**US Guarantor**" means (i) each Guarantor listed in Schedule 1.1(b) as a US Guarantor and (ii) each other Domestic Subsidiary that becomes a party to the Guaranty.

"**VAT**" means value added tax, goods and services tax and any similar sales or turnover tax.

"**Vietnam Asset Sales**" means, Asset Sales relating to the business, assets or properties of Huyck Wangner Vietnam Co. Ltd.

"**Waivable Mandatory Prepayment**" as defined in Section 2.15(c).

"**Xerium**" as defined in the preamble hereto.

"**Xerium Canada**" as defined in the preamble hereto.

"**Xerium Canada Term Loan**" means a Xerium Canada Term Loan deemed made by a Bank to Xerium Canada Inc. pursuant to Section 2.1(a)(iv).

"**Xerium Canada Term Loan Amount**" means the principal amount of the Xerium Canada Term Loan a Bank is deemed to have made on the Closing Date. The "Xerium Canada Term Loan Amount" of each Bank, if any, is set forth on Appendix A-4 or in the applicable Assignment Agreement. The aggregate amount of the Xerium Canada Term Loan Amounts as of the Closing Date is set forth on Appendix A-4.

"**Xerium Canada Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount of the Xerium Canada Term Loans of such Bank.

"**Xerium Term Loan**" means a Xerium Term Loan deemed made by a Bank to Xerium. pursuant to Section 2.1(a)(i).

"**Xerium Term Loan Amount**" means the principal amount of the Xerium Term Loan a Bank is deemed to have made on the Closing Date. The "Xerium Term Loan Amount" of each Bank, if any, is set forth on Appendix A-1 or in the applicable Assignment Agreement. The aggregate amount of the Xerium Term Loan Amounts as of the Closing Date is set forth on Appendix A-1.

"**Xerium Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount of the Xerium Term Loans of such Bank.

"**XTI**" as defined in the preamble hereto.

"**XTI Term Loan**" means an XTI Term Loan deemed made by a Bank to XTI pursuant to Section 2.1(a)(ii).

"**XTI Term Loan Amount**" means the principal amount of the XTI Term Loan a Bank is deemed to have made on the Closing Date. The "XTI Term Loan Amount" of each Bank, if any, is set forth on Appendix A-2 or in the applicable Assignment Agreement. The aggregate amount of the XTI Term Loan Amounts as of the Closing Date is set forth on Appendix A-2.

"**XTI Term Loan Exposure**" means, with respect to any Bank, as of any date of determination, the outstanding principal amount of the XTI Term Loans of such Bank.

"**991 Bank**" means a Bank falling within paragraph (a) or (b) of the definition of Qualifying Lender.

1.2 **Accounting Terms**. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Xerium to the Banks pursuant to Section 5.1(b) and 5.1(c) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the Historical Financial Statements for the Fiscal Year ended December 31, 2009 only.

1.3 **Interpretation, etc.** Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

SECTION 2. LOANS AND LETTERS OF CREDIT

2.1 **Term Loans**. (a) Subject to the terms and conditions hereof, each applicable Term Loan Bank agrees that on the Closing Date, the outstanding principal amount of the DIP Term Loans owing to such Term Loan Bank shall be converted into a Term Loan deemed to have been made by such Bank, on the Closing Date, as follows:

(i) a Xerium Term Loan to Xerium in Dollars in a principal amount equal to such Term Bank's Xerium Term Loan Amount;

(ii) an XTI Term Loan to XTI in Dollars in a principal amount equal to such Term Bank's XTI Term Loan Amount;

(iii) an Italia Term Loan to Italia SpA in Dollars in a principal amount equal to such Term Bank's Italia Term Loan Amount;

(iv) a Xerium Canada Term Loan to Xerium Canada in Dollars in a principal amount equal to such Term Bank's Xerium Canada Term Loan Amount;

(v) an Austria Term Loan to Huyck Austria in Dollars in a principal amount equal to such Term Bank's Austria Term Loan Amount; and

(vi) a German Term Loan to Germany Holdings in Dollars in an amount equal to such Term Bank's German Term Loan Amount.

Any Term Loan repaid or prepaid may not be reborrowed. Subject to Sections 2.13 and 2.14, all amounts owed hereunder with respect to all Term Loans shall be paid in full no later than the Term Loan Maturity Date. The Xerium Term Loans deemed made hereunder on the Closing Date shall be LIBOR Rate Loans. The Interest Period applicable to the DIP Term Loans on the day immediately preceding the Closing Date shall apply to the Term Loans on the Closing Date.

(b) Term Loan Deposit Account. After the payment of all fees and expenses required to be paid on the Closing Date, the Administrative Agent shall transfer all funds on deposit in the DIP Term Loan Deposit Account to Xerium on the Closing Date.

2.2 **Revolving Loans**

(a) Revolving Commitments.

(i) During the Revolving Commitment Period, subject to the terms and conditions hereof, each Revolving Bank severally agrees to make revolving loans in Dollars to Xerium ("**Revolving Loans**") in an aggregate amount up to but not exceeding such Revolving Bank's Revolving Commitment; provided, that after giving effect to the making of any Revolving Loans in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect. Subject to Sections 2.13(a) and 2.14, all amounts owed hereunder with respect to Revolving Loans shall be paid in full no later than the Revolving Loan Termination Date.

(ii) Subject to the terms and conditions hereof, each applicable Revolving Bank agrees that on the Closing Date, the outstanding principal amount of DIP Revolving Loans owing to such Revolving Bank shall be converted into a Revolving Loan deemed to have been made by such Revolving Bank to Xerium, on the Closing Date, as set forth in Appendix B.

(b) Borrowing Mechanics for Revolving Loans Generally.

(i) Except pursuant to Section 2.4(d), Revolving Loans shall be in an aggregate minimum amount of $1,000,000 and integral multiples of $250,000 in excess of that amount.

(ii) Whenever Xerium desires that Revolving Banks make Revolving Loans, Xerium shall deliver to the Administrative Agent a fully executed and delivered Funding Notice no later than (A) 9:30 a.m. (New York City time) at least three Business Days in advance of the proposed Credit Date in the case of a LIBOR Loan or (B) 9:30 a.m. (New York City time) on the proposed Credit Date in the case of an ABR Loan. Except as otherwise provided herein, a Funding Notice for a Loan that is a LIBOR Loan shall be irrevocable on and after the related Interest Rate Determination Date, and Xerium shall be bound to make a borrowing in accordance therewith.

(iii) Notice of receipt of each Funding Notice in respect of Revolving Loans, together with the amount of each Revolving Bank's Pro Rata Share thereof, if any, together with the applicable interest rate, shall be provided by the Administrative Agent to each applicable Bank by telefacsimile with reasonable promptness, but (provided the Administrative Agent shall have received such notice by 9:30 a.m. (New York City time)) not later than 3:00 p.m. (New York City time) on the same day as the Administrative Agent's receipt of such Funding Notice from Xerium.

(iv) Each Revolving Bank shall make the amount of its Revolving Loan available to the Administrative Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date by wire transfer of same day funds in Dollars, at Administrative Agent's Principal Office. Except as provided herein, upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of such Revolving Loans available to Xerium on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Revolving Loans received by the Administrative Agent from the Revolving Banks to be credited to the account of Xerium at the Administrative Agent's Principal Office or such other account as may be reasonably designated in writing no later than three (3) days before to the Administrative Agent by Xerium.

2.3 **[Reserved]**

2.4 **Letters of Credit**.

(a) Revolving Letters of Credit. During the Revolving Commitment Period, subject to the terms and conditions hereof, the Issuing Bank agrees to issue Revolving Letters of Credit for the account of each Borrower in the aggregate amount up to but not exceeding the Revolving Letter of Credit Sublimit; provided, (i) after giving effect to such issuance, in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect; (ii) after giving effect to such issuance, in no event shall the Letter of Credit Usage exceed the Revolving Letter of Credit Sublimit then in effect; (iii) in no event shall any standby Revolving Letter of Credit have an expiration date later than the earlier of (1) five (5) Business Days prior the Revolving

Commitment Termination Date and (2) the date which is one year from the date of issuance of such standby Revolving Letter of Credit; and (iv) in no event shall any commercial Revolving Letter of Credit have an expiration date later than the earlier of (1) five (5) Business Days prior to the Revolving Commitment Termination Date and (2) the date which is 180 days from the date of issuance of such commercial Revolving Letter of Credit; provided, further, in the event (x) a Funding Default exists or (y) a determination pursuant to Section 2.18 or 2.19 occurs, the Issuing Bank shall not be required to issue any Revolving Letter of Credit unless the Issuing Bank has entered into arrangements satisfactory to it and each Borrower to eliminate the Issuing Bank's risk with respect to the participation in the Revolving Letters of Credit of the Defaulting Bank, including by Cash Collateralizing such Defaulting Bank's Pro Rata Share of the Letter of Credit Usage.

(b) Term Loan Letters of Credit. Subject to the terms and conditions hereof, the Issuing Bank agrees to issue Term Loan Letters of Credit for the account of the Borrowers or any of their respective Subsidiaries in the aggregate amount which, when combined with the Dollar Equivalent of the aggregate face amount of Existing Letters of Credit, does not exceed the Term Loan Letter of Credit Sublimit; provided, (i) after giving effect to such issuance, in no event shall the amount of Cash and Investment Cash Equivalents on deposit in the Term LC Collateral Account be less than 103% of the Dollar Equivalent of the amount available to be drawn under all Term Loan Letters of Credit (including the Existing Term Loan Letters of Credit), (ii) in no event shall any standby Term Loan Letter of Credit have an expiration date later than the earlier of (1) five (5) Business Days prior to the Scheduled Term Loan Termination Date and (2) the date which is one year from the date of issuance of such standby Term Loan Letter of Credit and (iii) in no event shall any commercial Term Loan Letter of Credit have an expiration date later than the earlier of (1) five (5) Business Days prior to the Scheduled Term Loan Termination Date and (2) the date which is 180 days from the date of issuance of such commercial Term Loan Letter of Credit.

(c) Existing Letters of Credit. Schedule 2.4(c) contains a schedule of certain letters of credit issued or outstanding prior to the Closing Date under the DIP Credit Agreement (the "**Existing Letters of Credit**") for the account of Xerium or one of its Subsidiaries by Citicorp North America, Inc. On the Closing Date, (i) the Existing Letters of Credit, to the extent outstanding, shall be automatically, and without further action by the parties hereto, converted to Term Loan Letters of Credit issued and outstanding under this Agreement and subject to the provisions hereof, as if such Existing Letters of Credit had been issued on the Closing Date hereunder, (ii) the issuing bank of the Existing Letters of Credit shall be deemed to be the "Issuing Bank" hereunder solely for the purpose of maintaining such Existing Letters of Credit, and (iii) all liabilities of Xerium, the other Borrowers or any of their respective Subsidiaries with respect to Existing Letters of Credit shall constitute Obligations.

(d) Letters of Credit Generally. Each Letter of Credit is subject to the following applicable conditions: (i) each Term Loan Letter of Credit shall be denominated in Dollars or an Alternative Currency; (ii) each Revolving Letter of Credit shall be denominated in Dollars, (iii) the stated amount of each Letter of Credit shall not be less than a Dollar Equivalent of $500,000 (or the Dollar Equivalent thereof if issued in an Alternative Currency) or such lesser amount as is acceptable to the Issuing Bank and (iii) in no event shall a Letter of Credit be issued if such Letter of Credit is not in a form acceptable to the Issuing Bank in its reasonable discretion. Subject to the foregoing, the Issuing Bank may agree that a standby Letter of Credit will automatically be extended for one or more successive periods not to exceed one year each, unless the Issuing Bank elects not to extend for any such additional period; provided, the Issuing Bank shall not extend any such Letter of Credit if it has received written notice from the Administrative Agent, acting on behalf of the Requisite Banks, that an Event of Default has occurred and is continuing.

(e) Notice of Issuance. Whenever a Borrower desires the issuance of a Letter of Credit, it shall deliver an Issuance Notice to the Administrative Agent no later than 9:30 a.m. (New York City time) at least three (3) Business Days (in the case of standby letters of credit) or five (5) Business Days (in the case of commercial letters of credit), or in each case such shorter period as may be agreed to by the Issuing Bank in any particular instance, in advance of the proposed date of issuance, which Issuance Notice shall state whether the requested Letter of Credit is to be a Revolving Letter of Credit or a Term Loan Letter of Credit. Upon satisfaction or waiver of the conditions set forth in Section 3.2, the Issuing Bank shall issue the requested Letter of Credit only in accordance with the Issuing Bank's standard operating procedures. Upon the issuance of any Letter of Credit or any amendment or modification to a Letter of Credit, the Issuing Bank shall promptly notify the Administrative Agent thereof, which notice shall be accompanied by a copy of such Letter of Credit or amendment or modification to a Letter of Credit and, in the case of Revolving Letters of Credit, the amount of each Revolving Bank's respective participation in such Letter of Credit pursuant to Section 2.4(f).

(f) Responsibility of Issuing Bank With Respect to Requests for Drawings and Payments. In determining whether to honor any drawing under any Letter of Credit by the beneficiary thereof, the Issuing Bank shall be responsible only to examine the documents delivered under such Letter of Credit with reasonable care so as to ascertain whether they appear on their face to be in accordance with the terms and conditions of such Letter of Credit. As between each Borrower and the Issuing Bank, each Borrower assumes all risks of the acts and omissions of, or misuse of, the Letters of Credit issued by the Issuing Bank by the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Issuing Bank shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects

invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such 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; (iii) failure of the beneficiary of any such Letter of Credit to comply fully with any conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Bank, including any Governmental Acts; none of the above shall affect or impair, or prevent the vesting of, any of the Issuing Bank's rights or powers hereunder. Without limiting the foregoing and in furtherance thereof, any action taken or omitted by the Issuing Bank under or in connection with the Letters of Credit or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not give rise to any liability on the part of the Issuing Bank to any Borrower. Notwithstanding anything to the contrary contained in this Section 2.4(f), each Borrower shall retain any and all rights it may have against the Issuing Bank for any liability arising solely out of the gross negligence or willful misconduct of the Issuing Bank.

(g) Reimbursement by a Borrower of Amounts Drawn or Paid Under Revolving Letters of Credit. In the event the Issuing Bank has determined to honor a drawing under a Revolving Letter of Credit, it shall immediately notify the applicable Borrower and Administrative Agent, and such Borrower shall reimburse Issuing Bank on or before the Business Day immediately following the date on which such drawing is honored (the "**Reimbursement Date**") in Dollars in same day funds equal to the amount of such honored drawing (each such amount so paid until reimbursed, an "**Unpaid Drawing**"); provided, anything contained herein to the contrary notwithstanding, (i) unless such Borrower shall have notified Administrative Agent and Issuing Bank prior to 9:30 a.m. (New York City time) on the date three (3) Business Days prior to the date such drawing is honored that such Borrower intends to reimburse Issuing Bank for the amount of such honored drawing with funds other than the proceeds of Revolving Loans, such Borrower shall be deemed to have given a timely Funding Notice to Administrative Agent requesting Banks to make Revolving Loans that are ABR Loans on the Reimbursement Date in Dollars in the same amount of such honored drawing, and (ii) subject to satisfaction or waiver of the conditions specified in Section 3.2, Revolving Banks having a Revolving Commitment shall, on the Reimbursement Date, make Revolving Loans that are ABR Loans in the amount of such honored drawing, the proceeds of which shall be applied directly by Administrative Agent to reimburse the Issuing Bank for the amount of such honored drawing; and provided further, if for any reason proceeds of Revolving Loans are not received by the Issuing Bank on the Reimbursement Date in an

amount equal to the amount of such honored drawing, such Borrower shall reimburse the Issuing Bank, on demand, in an amount in same day funds equal to the excess of the amount of such honored drawing over the aggregate amount of such Revolving Loans, if any, which are so received. Nothing in this Section 2.4(g) shall be deemed to relieve any Revolving Bank from its obligation to make Revolving Loans on the terms and conditions set forth herein, and each Borrower shall retain any and all rights it may have against any Revolving Bank resulting from the failure of such Bank to make such Revolving Loans under this Section 2.4(g).

(h) Banks' Purchase of Participations in Revolving Letters of Credit. Immediately upon the issuance of each Revolving Letter of Credit, each Revolving Bank having a Revolving Commitment shall be deemed to have purchased, and hereby agrees to irrevocably purchase, from the Issuing Bank a participation in such Revolving Letter of Credit and any drawings honored thereunder in an amount equal to such Bank's Pro Rata Share (with respect to the Revolving Commitments) of the maximum amount which is or at any time may become available to be drawn thereunder. In the event that a Borrower shall fail for any reason to reimburse the Issuing Bank as provided in Section 2.4(e), the Issuing Bank shall promptly notify each Bank of the unreimbursed amount of such honored drawing and of such Bank's respective participation therein based on such Bank's Pro Rata Share of the Revolving Commitments. Each Bank shall make available to the Issuing Bank an amount equal to its respective participation, in same day funds, at the office of the Issuing Bank specified in such notice, not later than 12:00 p.m. (New York City time) on the first Business Day (under the laws of the jurisdiction in which such office of the Issuing Bank is located) after the date notified by the Issuing Bank. In the event that any Bank fails to make available to the Issuing Bank on such Business Day the amount of such Bank's participation in such Revolving Letter of Credit as provided in this Section 2.4(h), the Issuing Bank shall be entitled to recover such amount on demand from such Bank together with interest thereon for three (3) Business Days at the rate customarily used by the Issuing Bank for the correction of errors among banks and thereafter at the Alternate Base Rate. Nothing in this Section 2.4(h) shall be deemed to prejudice the right of any Bank to recover from Issuing Bank any amounts made available by such Bank to the Issuing Bank pursuant to this Section in the event that it is determined that the payment with respect to a Revolving Letter of Credit in respect of which payment was made by such Bank constituted gross negligence or willful misconduct on the part of the Issuing Bank. In the event the Issuing Bank shall have been reimbursed by other Banks pursuant to this Section 2.4(h) for all or any portion of any drawing honored by the Issuing Bank under a Revolving Letter of Credit, such Issuing Bank shall distribute to each Bank which has paid all amounts payable by it under this Section 2.4(h) with respect to such honored drawing such Bank's Pro Rata Share of all payments subsequently received by the Issuing Bank from such Borrower in reimbursement of such honored drawing when such payments are received. Any such distribution shall be made to a Bank at its primary address set forth below its name on Appendix B or at such other address as such Bank may request.

(i) Reimbursement of Amounts Drawn or Paid Under Term Loan Letters of Credit. In the event the Issuing Bank has determined to honor a drawing under a Term Loan Letter of Credit, it shall immediately notify the applicable Borrower and the Administrative Agent, and such Borrower shall reimburse the Issuing Bank in an amount equal to the Dollar Equivalent of such drawing plus any FX Currency Losses no later than 1:00 p.m. (New York City time) on the date such drawing is honored (the "**Term LC Reimbursement Date**"), if such Borrower shall have received such notice prior to 11:00 a.m. (New York City time) on such date, or, if such notice has not been received by such Borrower prior to such time on such date, then not later than 1:00 p.m. (New York City time) on the next Business Day; provided that (subject to the immediately succeeding sentence) unless such Borrower shall reimburse the Issuing Bank by 1:00 p.m. (New York City time) on the same day on which such drawing is made, the unpaid amount thereof shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin, for each day commencing on the date the drawing is made until the date that the Borrower pays the Issuing Bank for the Dollar Equivalent of the amount of such drawing plus any FX Currency Losses. If such Borrower does not so reimburse the Issuing Bank at or prior to the time for payment specified above in respect of such drawing under such Term Loan Letter of Credit, the Administrative Agent shall promptly cause the amounts on deposit in the Term Loan LC Collateral Account to be applied to repay in full such amounts (such amounts, including any FX Currency Losses accrued interest thereon, the "**Term LC Unreimbursed Amount**"). If amounts on deposit in the Term LC Collateral Account is less than such Term LC Unreimbursed Amount, then such Borrower shall be deemed to have given a timely Funding Notice to the Administrative Agent requesting Revolving Banks to make a Revolving Loan on the Term LC Reimbursement Date in the amount equal to the Term LC Unreimbursed Amount, less the amounts withdrawn from the Term LC Collateral Account pursuant to the preceding sentence, and the Revolving Banks shall, on the Term LC Reimbursement Date, make Revolving Loans in such amount, the proceeds of which shall be applied directly by the Administrative Agent to reimburse the Issuing Bank for the Term LC Unreimbursed Amount. The conditions to the making of a Revolving Loan set forth in Section 3.2 and the minimum amount of Revolving Loans set forth in Section 2.2(b)(i) shall not apply to Revolving Loans made pursuant to this Section 2.4(i), and the Revolving Loans made pursuant to this Section 2.4(i) shall initially be ABR Loans.

(j) Investing Funds in Term LC Collateral Account. Funds on deposit in the Term LC Collateral Account shall be held in the form of Cash, except as described below. So long as no Default or Event of Default shall have occurred and be continuing, Xerium is authorized to direct the Administrative Agent to make investments of funds on deposit in the Term LC Collateral Account in Investment Cash Equivalents as directed by Xerium. Upon the occurrence and during the continuation of a Default or an Event of Default, the funds on deposit in the Term LC Collateral Account shall be invested in accordance with the Term Loan LC Collateral Account Control Agreement.

(k) Top-Up and Release of Funds in the Term LC Collateral Account. If on the last Business Day of any month the aggregate amount of Cash and Investment Cash Equivalents on deposit in the Term LC Collateral Account exceeds 103% of the Dollar Equivalent of the amount available to be drawn under the Letters of Credit (such excess, the "**Excess Amount**"), then, upon the written request of Xerium, no later than the second Business Day after such request the Administrative Agent shall cause an amount of Cash (including cash proceeds from the liquidation of any Investment Cash Equivalents) equal to the Excess Amount (calculated at the date of withdrawal), to be withdrawn from the Term LC Collateral Account and transferred to Xerium. If, however, on any Determination Date the aggregate amount of Cash and Investment Cash Equivalents on deposit in the Term LC Collateral Account is less than 103% of the Dollar Equivalent of the amount available to be drawn under the Letters of Credit (such shortfall, the "**Deficiency Amount**"), then no later than the next Business Day (the "**Term LC Deposit Date**") after notice thereof to Xerium from the Administrative Agent, Xerium shall deposit Cash or Investment Cash Equivalents into the Term LC Collateral Account in an amount or with a value equal to the Deficiency Amount. If by 11:00 a.m. (New York City time) on the Term LC Deposit Date Xerium has failed to make such deposit, then the Borrower shall be deemed to have given a timely Funding Notice to the Administrative Agent requesting Revolving Banks to make a Revolving Loan on the Term LC Deposit Date in the amount of the Deficiency Amount, and the Revolving Banks shall, on the Term LC Deposit Date, make Revolving Loans in such amount, the proceeds of which shall be deposited by the Administrative Agent into the Term LC Collateral Account. The conditions to the making of a Revolving Loan set forth in Section 3.2 and the minimum amount of Revolving Loans set forth in Section 2.2(b)(i) shall not apply to Revolving Loans made pursuant to this Section 2.4(k) and the Revolving Loans made pursuant to this Section 2.4(k) shall be ABR Loans.

(l) Obligations Absolute. The obligation of each Borrower to reimburse Issuing Bank for drawings honored under the Letters of Credit issued by it and to repay any Revolving Loans made by Banks pursuant to Section 2.4(e) and the obligations of Banks under Section 2.4(g) shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms hereof under all circumstances including any of the following circumstances: (i) any lack of validity or enforceability of any Letter of Credit; (ii) the existence of any claim, set off, defense or other right which any Borrower or any Bank may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), the Issuing Bank, Bank or any other Person or, in the case of a Bank, against any Borrower, whether in connection herewith, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between such Borrower or one of its Subsidiaries and the beneficiary for which any Letter of Credit was procured); (iii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iv) payment by the Issuing

Bank under any Letter of Credit against presentation of a draft or other document which does not substantially comply with the terms of such Letter of Credit; (v) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of Xerium or any of its Subsidiaries; (vi) any breach hereof or any other Credit Document by any party thereto; (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; or (viii) the fact that an Event of Default or a Default shall have occurred and be continuing; provided, in each case, that payment by the Issuing Bank under the applicable Letter of Credit shall not have constituted gross negligence or willful misconduct of Issuing Bank under the circumstances in question.

(m) Indemnification. Without duplication of any obligation of each Borrower under Section 10.2, 10.3 or 10.4, in addition to amounts payable as provided herein, each Borrower hereby agrees to protect, indemnify, pay and save harmless the Issuing Bank from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which the Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (i) the issuance and maintenance of any Letter of Credit by the Issuing Bank, other than as a result of (1) the gross negligence or willful misconduct of the Issuing Bank or (2) the wrongful dishonor by Issuing Bank of a proper demand for payment made under any Letter of Credit issued by it, or (ii) the failure of the Issuing Bank to honor a drawing under any such Letter of Credit as a result of any Governmental Act.

(n) Term Loan LC Collateral Account.

(i) Xerium shall maintain and continue the existence of the Term Loan LC Collateral Account established under the DIP Credit Agreement with the Depositary Bank for the purpose of Cash Collateralizing a Borrower's obligations to the Issuing Bank in respect of the Term Loan Letters of Credit.

(ii) Xerium hereby grants to the Collateral Agent, for the benefit of the Issuing Bank, a security interest in the Term Loan LC Collateral Account and all Cash, balances and Investment Cash Equivalents therein and all proceeds of the foregoing, as security for the Borrowers' obligations in respect of the Term Loan Letters of Credit (and, in addition, grants a security interest therein, for the benefit of the Secured Parties as collateral security for the Obligations, provided that amounts on deposit in the Term Loan LC Collateral Account shall be applied, *first*, to repay the Borrowers' obligations to the Issuing Bank in respect of Term Loan Letters of Credit and, *second*, to all other Obligations). Except as expressly provided herein or in any other Credit Document, no Person shall have the right to make any withdrawal from the Term Loan LC Collateral Account or to exercise any right or power with respect thereto.

(iii) If an Event of Default shall have occurred and is continuing, then the Administrative Agent shall convert, or cause to be converted, amounts on deposit in the Term Loan LC Collateral Account into Alternative Currencies, to the extent necessary, so that after giving effect to such conversion the amounts on deposit in the Term Loan LC Collateral Account are in the currency which corresponds to the currency in which the Term Loan Letters of Credit are issued. The Borrowers agree that the Administrative Agent is authorized to establish additional accounts or sub-accounts as necessary to hold such funds in an Alternative Currency, and the Borrowers shall execute all documents necessary to effectuate any transfers to any other accounts or sub-accounts and to create, continue or maintain the security interest and lien perfection in the applicable accounts or sub-accounts and the Cash and Investment Cash Equivalents held therein, including the entering into any control agreements. All cost and expenses incurred by the Administrative Agent and the Collateral Agent in connection with the matters set forth in this Section 2.4(n)(iii) shall be borne by the Borrowers.

(o) Resignation of Issuing Bank. If a Bank becomes, and during the period it remains, a Defaulting Bank or a Potential Defaulting Bank, the Issuing Bank may, upon prior written notice to Xerium and the Administrative Agent, resign as Issuing Bank, effective at the close of business New York time on a date specified in such notice (which date may not be less than five (5) Business Days after the date of such notice); provided that such resignation by the Issuing Bank will have no effect on the validity or enforceability of any Letter of Credit then outstanding or on the obligations of the Borrowers or any Bank under this Agreement with respect to any such outstanding Letter of Credit or otherwise to the Issuing Bank.

(p) Defaulting Banks. In addition to the other conditions precedent herein set forth, if any Bank becomes, and during the period it remains, a Defaulting Bank or a Potential Defaulting Bank, the Issuing Bank will not be required to issue any Letter of Credit or to amend any outstanding Letter of Credit to increase the face amount thereof, alter the drawing terms thereunder or extend the expiry date thereof, unless the Issuing Bank is satisfied that any exposure that would result therefrom is eliminated or fully covered by the Revolving Commitments of the Non-Defaulting Banks or by Cash Collateralization or a combination thereof satisfactory to the Issuing

2.5 **Pro Rata Shares; Availability of Funds**.

(a) Pro Rata Shares. All Loans shall be made, and all participations purchased, by Banks simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Bank shall be responsible for any default by any other Bank in such other Bank's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Revolving Commitment of any Bank be increased or decreased as a result of a

default by any other Bank in such other Bank's obligation to make a Loan requested hereunder or purchase a participation required hereby.

(b) Availability of Funds. Unless the Administrative Agent shall have been notified by any Bank prior to the applicable Credit Date that such Bank does not intend to make available to the Administrative Agent the amount of such Bank's Loan requested on such Credit Date, the Administrative Agent may assume that such Bank has made such amount available to the Administrative Agent on such Credit Date and the Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to the Borrower a corresponding amount on such Credit Date. If such corresponding amount is not in fact made available to the Administrative Agent by such Bank, the Administrative Agent shall be entitled to recover such amount on demand from such Bank together with interest thereon, for each day from such Credit Date until the date such amount is paid to the Administrative Agent, at the customary rate set by the Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the LIBOR Rate. If such Bank does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such amount to the Administrative Agent together with interest thereon, for each day from such Credit Date until the date such amount is paid to the Administrative Agent, at the rate payable hereunder for LIBOR Rate Loans. Nothing in this Section 2.5(b) shall be deemed to relieve any Bank from its obligation to fulfill its Commitments hereunder or to prejudice any rights that the Borrower may have against any Bank as a result of any default by such Bank hereunder.

2.6 **Use of Proceeds**. The proceeds of the Loans shall be applied by each Borrower for working capital and general corporate purposes, to pay fees and expenses in connection with the transactions contemplated hereby, to make payments of fees, expenses and any other amounts owing under the DIP Credit Agreement and to pay costs, fees and expenses incurred in connection with the consummation of the Plan of Reorganization. The proceeds of the Revolving Loans and Letters of Credit made after the Closing Date shall be applied by each Borrower for working capital and general corporate purposes of Xerium and its Subsidiaries and pay fees and expenses hereunder; provided, that in no event will the proceeds of Loans be used for the purposes of repurchasing Loans as permitted under Section 2.13 hereof. No portion of the proceeds of any Credit Extension shall be used in any manner that causes or might cause such Credit Extension or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act.

2.7 **Evidence of Debt; Register; Banks' Books and Records; Promissory Notes**.

(a) Banks' Evidence of Debt. Each Bank may maintain on its internal records an account or accounts evidencing the Obligations of each Borrower to such Bank, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on such Borrower, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Bank's Revolving Commitments or such Borrower's Obligations in respect of any applicable Loans; and provided further, in the event of any inconsistency between the Register and any Bank's records, the recordations in the Register shall govern.

(b) Register. The Administrative Agent may maintain at its Principal Office a register for the recordation of the names and addresses of Banks and the Revolving Commitments and Loans of each Bank from time to time (the "**Register**"). The Administrative Agent may record in the Register the Revolving Commitments and the Loans, and each repayment or prepayment in respect of the principal amount of the Loans, and any such recordation shall be conclusive and binding on such Borrower and each Bank, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect any Bank's Revolving Commitments or such Borrower's Obligations in respect of any Loan. Each Borrower hereby designates the Administrative Agent to serve as each Borrower's agent solely for purposes of maintaining the Register as provided in this Section 2.7, and each Borrower hereby agrees that, to the extent the Administrative Agent serves in such capacity, the Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute "Indemnitees."

(c) **Notes**. If so requested by any Bank by written notice to Xerium (with a copy to the Administrative Agent) at least two (2) Business Days prior to the Closing Date, or at any time thereafter, each Borrower shall execute and deliver to such Bank (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Bank pursuant to Section 10.7) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after Xerium's receipt of such notice) a promissory note or promissory notes, in a form reasonably acceptable to the Administrative Agent and Xerium, to evidence such Bank's Term Loans or Revolving Loans, as the case may be.

2.8 **Interest on Loans**.

(a) Except as otherwise set forth herein, each Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

(i) if a LIBOR Loan, at the LIBOR Rate plus the Applicable Margin; or

(ii) if an ABR Loan, at the Alternate Base Rate plus the Applicable Margin.

(b) The basis for determining the rate of interest with respect to any Loan, and the Interest Period with respect to any LIBOR Loan, shall be selected by each Borrower and notified to the Administrative Agent and Banks pursuant to the applicable Funding Notice or Conversion/Continuation Notice, as the case may be. If on any day a Loan is outstanding with respect to which a Funding Notice or Conversion/Continuation Notice has not been delivered to the Administrative Agent in accordance with the terms hereof specifying the applicable basis for determining the rate of interest, then such Loan will automatically convert into an ABR Loan.

(c) In connection with LIBOR Loans there shall be no more than six (6) Interest Periods in the aggregate outstanding at any time. In the event a Borrower fails to specify between an ABR Loan or a LIBOR Loan in the applicable Funding Notice or Conversion/Continuation Notice, such Loan (if outstanding as a LIBOR Loan) will be automatically continued as a LIBOR Loan with an Interest Period of one month beginning on the last day of the then-current Interest Period for such Loan), or (if outstanding as an ABR Loan) will be automatically continued as an ABR Loan, or (if not then outstanding) will be automatically made as a LIBOR Loan with an Interest Period of one month. In the event a Borrower fails to specify an Interest Period for any LIBOR Loan in the applicable Funding Notice or Conversion/Continuation Notice, such Borrower shall be deemed to have selected an Interest Period of one month. As soon as practicable after 11:00 a.m. (London time) on each Interest Rate Determination Date, the Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the LIBOR Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to each Borrower and each Bank.

(d) Interest payable pursuant to Section 2.8(a) and any other interest, commission or fee accruing under a Credit Document (other than interest payable pursuant to Section 2.8(a)(ii)) will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days. Interest payable pursuant to Section 2.6(a)(ii) will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 or 366 days, as appropriate, when determined by reference to clause (a) of the definition of "Alternate Base Rate", and a year of 360 days at all other times. For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid under a Credit Document or in connection therewith is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided

by 360 or 365 days, as applicable to such interest or fee pursuant to such Credit Document. The rates of interest hereunder are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation hereunder.

(e) Except as otherwise set forth herein, interest on each Loan shall be payable in arrears on and to (i) each Interest Payment Date applicable to that Loan; (ii) upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) at maturity, including final maturity, and on the Revolving Commitment Termination Date and the Term Loan Maturity Date.

(f) Xerium agrees to pay to the Issuing Bank, with respect to drawings honored under any Revolving Letter of Credit, interest on the amount paid by the Issuing Bank in respect of each such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of Xerium at a rate equal to (i) for the period from the date such drawing is honored to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Revolving Loans that are LIBOR Loans, or ABR Loans, and (ii) thereafter, to the extent permitted by applicable law, a rate which is 2% per annum in excess of the rate of interest otherwise payable hereunder with respect to Revolving Loans that are LIBOR Loans or ABR Loans.

(g) Interest payable pursuant to Section 2.8(f) shall be computed on the basis of a 365/366 day year for the actual number of days elapsed in the period during which it accrues, and shall be payable on demand or, if no demand is made, on the date on which the related drawing under a Revolving Letter of Credit is reimbursed in full. Promptly upon receipt by the Issuing Bank of any payment of interest pursuant to Section 2.8(f), the Issuing Bank shall distribute to each Revolving Bank, out of the interest received by the Issuing Bank in respect of the period from the date such drawing is honored to but excluding the date on which the Issuing Bank is reimbursed for the amount of such drawing (including any such reimbursement out of the proceeds of any Revolving Loans), the amount that such Revolving Bank would have been entitled to receive in respect of the letter of credit fee that would have been payable in respect of such Revolving Letter of Credit for such period if no drawing had been honored under such Revolving Letter of Credit. In the event the Issuing Bank shall have been reimbursed (other than with the proceeds of a Revolving Loan) by Revolving Banks for all or any portion of such honored drawing, Issuing Bank shall distribute to each Revolving Bank which has paid all amounts payable by it under Section 2.4(f) with respect to such honored drawing such Revolving Bank's Pro Rata Share of any interest received by Issuing Bank in respect of that portion of such honored drawing so reimbursed by Revolving Banks for the period from the date on which the Issuing Bank was so reimbursed by Revolving Banks to but excluding the date on which such portion of such honored drawing is reimbursed by the applicable Borrower.

(h) For purposes of disclosure pursuant to the Interest Act (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Credit Documents (and stated herein or therein, as applicable, to be computed on the basis of a three hundred sixty (360) day year or any other period of time less than a calendar year) are equivalent to the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by three hundred sixty (360) or such other period of time, respectively.

(i) If any provision of this Agreement or any other Credit Document would obligate Xerium Canada to make any payment of interest or other amount payable to (including for the account of) any Bank in an amount, or calculated at a rate, that would be prohibited by law or would result in a receipt by such Bank of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by such Bank of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (A) first, by reducing the amount or rate of interest required to be paid to such Bank; and (B) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Bank that would constitute interest for purposes of Section 347 of the Criminal Code (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if a Bank shall have received an amount in excess of the maximum amount permitted by that section of the Criminal Code (Canada), then Xerium Canada shall be entitled, by notice in writing to such Bank, to obtain reimbursement from such Bank in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by such Bank to Xerium Canada. Any amount or rate of interest referred to in this section with respect to the Non-US Obligations shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the Non-US Obligations remain outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the Revolving Commitment Period and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Agent shall be conclusive for the purposes of such determination.

(j) Notwithstanding any provision to the contrary contained in this Agreement, in no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code, Revised Statutes of Canada, 1985, c. 46 as the same may be amended, replaced or re-enacted from time to time) payable under this Agreement exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under this Agreement lawfully permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of

"interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake of Xerium Canada and the Banks and the amount of such payment or collection shall be refunded to Xerium Canada. For the purposes of this Agreement, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of a Loan made to Xerium Canada on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent will be conclusive for the purposes of such determination.

(k) Notwithstanding any other provisions contained herein, if the remuneration stated to be applicable under this Agreement would cause a breach of Law n. 108/1996 and Law n. 24/2001 ("**Italian Usury Law**"), then the remuneration payable by any Borrower organized under the laws of the Republic of Italy under this Agreement (including fees and expenses which would be considered as interest for the purpose of Italian Usury Law) shall be capped to the maximum rate permitted to be payable under Italian Usury Law.

2.9 **Conversion/Continuation**.

(a) Subject to Section 2.15 and so long as no Default or Event of Default shall have occurred and then be continuing, each Borrower shall have the option:

(i) to convert at any time all or any part of any Loan equal to $1,000,000 and integral multiples of $250,000 in excess of that amount from one Type of Loan to another Type of Loan; provided, a LIBOR Loan may only be converted on the expiration of the Interest Period applicable to such LIBOR Loan unless the Borrower shall pay all amounts due under Section 2.15 in connection with any such conversion; or

(ii) upon the expiration of any Interest Period applicable to any LIBOR Loan, to continue all or any portion of such Loan equal to $1,000,000 and integral multiples of $250,000 in excess of that amount as a LIBOR Loan.

(b) Such Borrower shall deliver a Conversion/Continuation Notice to the Administrative Agent no later than noon (New York City time) on the date of the proposed conversion date (in the case of a conversion to an ABR Loan) and at least three (3) Business Days in advance of the proposed Conversion/Continuation Date (in the case of a conversion to, or a continuation of, a LIBOR Loan). Except as otherwise provided herein, a Conversion/Continuation Notice for conversion to, or continuation of, any LIBOR Loans (or telephonic notice in lieu thereof) shall be irrevocable and such Borrower shall be bound to effect a conversion or continuation in accordance therewith.

(c) Notwithstanding anything to the contrary in the foregoing, no conversion in whole or in part to a LIBOR Loan shall be permitted at any time at which (i) a Default or Event of Default shall have occurred and be continuing or (ii) the continuation of, or conversion into, a LIBOR Loan would violate any provision of Sections 2.15 or 2.16.

(d) If a Default or Event of Default shall have occurred and be continuing, LIBOR Loans shall automatically convert to ABR Loans upon the expiration of the Interest Period applicable thereto.

2.10 **Default Interest**. Notwithstanding anything to the contrary in Section 2.9, upon the occurrence and during the continuance of an Event of Default, the principal amount of all Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Loans or any fees or other amounts owed hereunder shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code, or other applicable bankruptcy or insolvency laws) payable upon demand, at a rate that is 2% per annum in excess of the interest rate otherwise payable under this Agreement with respect to the applicable Loans (or, in the case of any such fees and other amounts, at a rate which is 2% per annum in excess of the interest rate otherwise payable under this Agreement for ABR Loans). Payment or acceptance of the increased rates of interest provided for in this Section 2.10 is not a permitted alternative to timely payment and shall not constitute a waiver of any Default or Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Bank.

2.11 **Fees**

(a) The Borrowers agree to pay to Banks having:

(i) Revolving Exposure (A) commitment fees equal to (1) the average daily Unused Revolving Commitment times (2) the Applicable Revolving Commitment Fee Percentage; (B) letter of credit fees equal to (1) the Applicable Margin for Revolving Loans that are LIBOR Loans, times (2) the average aggregate daily maximum amount available to be drawn under all such Letters of Credit (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination) and (C) an upfront fee equal to 2.00% times the aggregate amount of the Revolving Commitments;

(ii) Term Loan Exposure an upfront fee equal to 1.50% times the aggregate amount of the Term Loan Commitments; and

(iii) All fees referred to in this Section 2.11(a) shall be paid in Cash in Dollars to the Administrative Agent at its Principal Office and upon receipt, the Administrative Agent shall promptly distribute to each Revolving Bank (in the case of the fees set forth in Section 2.11(a)(i)) and to each Term Loan

Bank (in the case of the fees set forth in Section 2.11(a)(ii) its Pro Rata Share thereof.

(b) The Borrower agrees to pay directly to the Issuing Bank, for its own account, the following fees:

(i) a fronting fee equal to 0.25%, per annum, times the average aggregate daily amount available to be drawn under all Letters of Credit (determined as of the close of business on any date of determination); and

(ii) such documentary and processing charges for any issuance, amendment, transfer or payment of a Letter of Credit as are in accordance with Issuing Bank's standard schedule for such charges and as in effect at the time of such issuance, amendment, transfer or payment, as the case may be.

(c) The fees referred to in Section 2.11(a)(i)(A), 2.11(a)(i)(B) and in 2.11(b)(i) shall be calculated on the basis of a 360 day year and the actual number of days elapsed and shall be payable in arrears on the 15th day of each March, June, September and December during the Revolving Commitment Period, commencing on the first such date to occur after the Closing Date, and on the Termination Date. The fees referred to in Sections 2.11(a)(i)(C) and 2.11(a)(ii) shall be payable on the Closing Date.

(d) In addition to any of the foregoing fees, the Borrower agrees to pay to the Agents and the Lead Arranger such other fees in the amounts and at the times separately agreed upon.

2.12 **Scheduled Payments**. Each Borrower shall make principal payments on its respective Term Loans in installments in amounts as set forth below and on the dates set forth below:

Borrower:	**Xerium**	**XTI**	**Germany Holdings**	**Huyck Austria**	**Italia SpA**	**Xerium Canada**
Payment Date:[1]						
09/15/2010	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2010	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]

[1] 1.00% annual amortization on the Term Loans, with the balance paid on the Term Loan Maturity Date. Amounts and final payment date to be inserted prior to Closing Date, once the Closing Date is determined.

03/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2011	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
03/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2012	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
03/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2013	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
03/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
06/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
09/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]
12/15/2014	[_____]	[_____]	[_____]	[_____]	[_____]	[_____]

All scheduled payments required to be made pursuant to this Section 2.12 shall be applied in accordance with Section 2.15(d).

2.13 **Voluntary Prepayments/Commitment Reductions**.

(a) Voluntary Prepayments.

(i) Any time and from time to time, each Borrower may prepay any Loans on any Business Day in whole or in part in an aggregate minimum principal amount of $1,000,000 and integral multiples of $250,000 in excess of that amount.

(ii) All such prepayments shall be made upon not less than three (3) Business Days' prior written or telephonic notice (in the case of LIBOR Loans) or upon not less than one Business Days' prior written or telephonic notice (in the case of ABR Loans), in each case given to the Administrative Agent by 12:00 p.m. (New York City time) on the date required and, if given by telephone, promptly confirmed in writing to the Administrative Agent (and the Administrative Agent will promptly transmit such telephonic or original notice by telefacsimile or telephone to each Bank). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.15(a).

(b) Voluntary Commitment Reductions.

(i) Xerium may, upon not less than three (3) Business Days' prior written or telephonic notice confirmed in writing to the Administrative Agent (which original written or telephonic notice the Administrative Agent will promptly transmit by telefacsimile or telephone to each applicable Bank), at

any time and from time to time terminate in whole or permanently reduce in part, without premium or penalty, the Revolving Commitments in an amount up to the amount by which the Revolving Commitments exceed the outstanding principal amount of the Revolving Loans at the time of such proposed termination or reduction; provided, any such partial reduction of the Revolving Commitments shall be in an aggregate minimum principal amount of $1,000,000 and integral multiples of $250,000 in excess of that amount.

(ii) Xerium's notice to the Administrative Agent shall designate the date (which shall be a Business Day) of such termination or reduction and the amount of any partial reduction, and such termination or reduction of the Revolving Commitments shall be effective on the date specified in Xerium's notice and shall reduce the applicable Revolving Commitment of each Bank proportionately to its Pro Rata Share thereof.

2.14 **Mandatory Prepayments/Commitment Reductions**.

(a) Asset Sales. Subject to the sharing provisions set forth in Section 4.1(b) of the Intercreditor Agreement, no later than the fifth Business Day following the date of receipt by Xerium or any of its Subsidiaries of aggregate Net Asset Sale Proceeds in excess of $250,000, each Borrower shall prepay the Loans and/or the Revolving Commitments shall be permanently reduced as set forth in Section 2.15(b) in an amount of such Net Asset Sale Proceeds; provided that, subject to the sharing provisions set forth in Section 4.1(b) of the Intercreditor Agreement, with respect to the Australia Asset Sales and the Vietnam Asset Sales, each Borrower shall prepay the Loans and/or the Revolving Commitments shall be permanently reduced in an aggregate amount equal to only 50% of such Net Asset Sale Proceeds; provided further, so long as no Default or Event of Default shall have occurred and be continuing, the Borrowers shall have the option, directly or through one or more of its Subsidiaries, to invest up to $3,000,000 in the aggregate of Net Asset Sale Proceeds of Asset Sales (excluding Australia Asset Sales and Vietnam Asset Sales) consummated after the Closing Date, in one transaction or a series of transactions, within three hundred and sixty (360) days of receipt thereof in long term productive assets of the general type used in the business of Xerium and its Subsidiaries, which assets need not be of the same type as the assets sold or otherwise disposed of to generate such Net Asset Sale Proceeds; provided, further, pending any such investment all such Net Asset Sale Proceeds shall be deposited in the Cash Collateral Account.

(b) Insurance/Condemnation Proceeds. Subject to the sharing provisions set forth in Section 4.1(b) of the Intercreditor Agreement, no later than the second Business Day following the date of receipt by Xerium or any of its Subsidiaries, or Administrative Agent as loss payee, of any Net Insurance/Condemnation Proceeds (but not including the first $2,000,000 of Net Insurance/Condemnation Proceeds in the aggregate received after the Closing Date), each Borrower shall prepay the Loans and/or the Revolving Commitments shall be permanently reduced as set forth in Section 2.15(b) in an aggregate

amount equal to such Net Insurance/Condemnation Proceeds; provided, so long as no Default or Event of Default shall have occurred and be continuing, each Borrower shall have the option, directly or through one or more of its Subsidiaries to commit to invest within one hundred eighty (180) days and invest such Net Insurance/Condemnation Proceeds within three hundred sixty (360) days of receipt thereof in the acquisition of long term productive assets of the general type used in the business of Xerium and its Subsidiaries, which assets need not be the same as the assets lost or damaged and which Net Insurance/Condemnation Proceeds may, but need not, be invested in the repair, restoration or replacement of the applicable assets thereof; provided further, pending any such investment all such Net Insurance/Condemnation Proceeds, as the case may be, shall be deposited in the Cash Collateral Account.

(c) Revolving Loans. Xerium shall from time to time prepay the Revolving Loans to the extent necessary so that the Total Utilization of Revolving Commitments shall not at any time exceed the Revolving Commitments then in effect.

(d) Issuance of Debt. No later than the second Business Day following the date of receipt by Xerium or any of its Subsidiaries of any Cash proceeds from the incurrence of any Indebtedness of Xerium or any of its Subsidiaries not permitted pursuant to Section 6.1, each Borrower shall prepay the Loans and/or the Revolving Commitments shall be permanently reduced as set forth in Section 2.15(b) in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses.

(e) Excess Cash. Subject to the sharing provisions of Section 4.1(b) of the Intercreditor Agreement in the event that there shall be Excess Cash for any Fiscal Year (commencing with Fiscal Year 2011), each Borrower shall, no later than 90 days after the end of such Fiscal Year, prepay the Loans and/or the Revolving Commitments shall be permanently reduced as set forth in Section 2.15(b) in an aggregate amount equal to the remainder of (i) 50% of such Excess Cash for such Fiscal Year minus (ii) the amount of voluntary prepayments of the Term Loan during such Fiscal Year and the amount of voluntary prepayments of Revolving Loans which are accompanied by a reduction of the Revolving Commitments during such Fiscal Year.

(f) Prepayment Certificate. Concurrently with any prepayment of the Loans and/or the Revolving Commitments shall be permanently reduced pursuant to Sections 2.14(a) through 2.14(e), each Borrower shall deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds or Excess Cash, as the case may be; provided, if such officer's certificate is subsequently determined to be inaccurate, such Authorized Officer (or such Authorized Officer's successor) must deliver a new certificate setting forth in detail the adjustments necessary to make the prior certificate accurate in all respects. In the event that a Borrower

shall subsequently determine that the actual amount exceeded the amount set forth in such certificate, each Borrower shall promptly make an additional prepayment of the Loans and/or the Revolving Commitments shall be permanently reduced in an amount equal to such excess, and such Borrower shall concurrently therewith deliver to Administrative Agent the certificate as set forth above in this Section 2.14(f).

(g) Notification of Mandatory Prepayment. Xerium shall notify the Administrative Agent of the amount and date of any mandatory prepayment not less than five (5) Business Days prior to the date of such mandatory prepayment, in accordance with Section 2.15(c).

2.15 **Application of Prepayments/Reductions/Scheduled Payments.**

(a) Application of Voluntary Prepayments. Any prepayment of any Loan pursuant to Section 2.13(a) shall be applied, at a Borrower's sole discretion, to prepay Revolving Loans or the Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof).

(b) Application of Mandatory Prepayments. Any amount required to be paid pursuant to Sections 2.14(a), (b), (d) and (e) shall be applied as follows:

first, to prepay the Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof) to the full extent thereof;

second, to prepay the Revolving Loans on a pro rata basis to the full extent thereof and to further permanently reduce the Revolving Commitments by the amount of such prepayment; and

third, to further permanently reduce the Revolving Commitments to the full extent thereof.

(c) Waivable Mandatory Prepayment. Anything contained herein to the contrary notwithstanding, so long as any Term Loans are outstanding, in the event a Borrower is required to make any mandatory prepayment (a "**Waivable Mandatory Prepayment**") of the Term Loans, not less than five (5) Business Days prior to the date (the "**Required Prepayment Date**") on which such Borrower is required to make such Waivable Mandatory Prepayment, such Borrower shall notify Administrative Agent of the amount and date of such prepayment, and Administrative Agent will promptly thereafter notify each Bank holding an outstanding Term Loan of the amount of such Bank's Pro Rata Share of such Waivable Mandatory Prepayment and such Bank's option to refuse such amount. Each such Bank may exercise such option by giving written notice to such Borrower and Administrative Agent of its election to do so on or before the first Business Day prior to the Required Prepayment Date (it being understood that any Bank which does not notify such Borrower and Administrative Agent of its election to exercise such option on or before the first Business Day prior to the

Required Prepayment Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, such Borrower shall pay to Administrative Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied in accordance with Section 2.15(b) (except prepayments of the Term Loans shall only be applied to the Term Loans of such Banks that have elected not to exercise such option).

(d) Application of Scheduled Payments. Any amount required to be paid pursuant to Section 2.12 shall be applied to pay the applicable Term Loans, on a pro rata basis (in accordance with the respective outstanding principal amounts thereof).

2.16 **General Provisions Regarding Payments**.

(a) Except as otherwise provided in Section 2.20, all payments by each Borrower of principal, interest, fees and other Obligations shall be made in Dollars and in same day funds, without defense, setoff or counterclaim, free of any restriction or condition, and delivered to the Administrative Agent not later than 12:00 p.m. (New York City time) on the date due at the Administrative Agent's Principal Office for the account of the Banks; funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by such Borrower on the next succeeding Business Day.

(b) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid.

(c) The Administrative Agent shall promptly distribute to each Bank at such address as such Bank shall indicate in writing, such Bank's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due thereto, including, without limitation, all fees payable with respect thereto, to the extent received by the Administrative Agent.

(d) Subject to the provisos set forth in the definition of "Interest Period", whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder or of the Revolving Commitment fees hereunder.

(e) Each Borrower hereby authorizes the Administrative Agent to charge such Borrower's accounts with the Administrative Agent in order to cause timely payment to be made to the Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

(f) The Administrative Agent shall deem any payment by or on behalf of each Borrower hereunder that is not made in same day funds prior to 12:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. The Administrative Agent shall give prompt telephonic notice to such Borrower and each applicable Bank (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 8.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate determined pursuant to Section 2.10 from the date such amount was due and payable until the date such amount is paid in full.

(g) If an Event of Default shall have occurred and not otherwise been waived, and the maturity of the Obligations shall have been accelerated pursuant to Section 8.1, all payments or proceeds received by any Agents hereunder in respect of any of the Obligations (except as expressly provided elsewhere in a Credit Document), shall be forwarded to the Administrative Agent and applied in full or in part by the Administrative Agent against, the Obligations in the following order of priority: *first*, to the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to the Administrative Agent and Collateral Agent and their agents and counsel, and all other expenses, liabilities and advances made or incurred by the Administrative Agent or Collateral Agent in connection therewith, and all amounts for which the Administrative Agent or Collateral Agent is entitled to indemnification hereunder (each in its capacity as the Administrative Agent or Collateral Agent, and not as a Bank) and all advances made by the Administrative Agent or Collateral Agent hereunder for the account of the applicable Credit Party, and to the payment of all costs and expenses paid or incurred by the Administrative Agent or Collateral Agent in connection with the exercise of any right or remedy hereunder or under any Credit Document, all in accordance with the terms hereof or thereof; *second*, to the extent of any excess of such proceeds, to the payment of all other Obligations for the ratable benefit of the Banks and the Bank Counterparties; and *third*, to the extent of any excess of such proceeds, to the payment to or upon the order of such Credit Party or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

2.17 **Ratable Sharing**. The Banks hereby agree among themselves that, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under

the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, amounts payable in respect of Letters of Credit, fees and other amounts then due and owing to such Bank hereunder or under the other Credit Documents (collectively, the "**Aggregate Amounts Due**" to such Bank) which is greater than the proportion received by any other Bank in respect of the Aggregate Amounts Due to such other Bank, then the Bank receiving such proportionately greater payment shall (a) notify the Administrative Agent and each other Bank of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Banks so that all such recoveries of Aggregate Amounts Due shall be shared by all Banks in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such purchasing Bank is thereafter recovered from such Bank upon the bankruptcy or reorganization of such Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Bank ratably 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 so purchased may exercise any and all rights of banker's lien, set off or counterclaim with respect to any and all monies owing by each Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

2.18 **Making or Maintaining LIBOR Loans.**

(a) Inability to Determine Applicable Interest Rate. In the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any LIBOR Loans, that by reasons of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such LIBOR Loans on the basis provided for in the definition of LIBOR Rate, the Administrative Agent shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to such Borrower and each Bank of such determination, whereupon (i) no Loans may be made as, or converted to, LIBOR Loans until such time as the Administrative Agent notifies such Borrower and Banks that the circumstances giving rise to such notice no longer exist, (ii) any Funding Notice or Conversion/Continuation Notice given by such Borrower with respect to the LIBOR Loans in respect of which such determination was made shall be deemed to be rescinded by such Borrower and (iii) the interest rate applicable to such LIBOR Loans shall be the Alternate Base Rate until such time as the Administrative Agent notifies such Borrower and Banks that the circumstances giving rise to such notice no longer exist.

(b) Illegality or Impracticability of LIBOR Loans. In the event that on any date any Bank shall have determined (which determination shall be

final and conclusive and binding upon all parties hereto but shall be made only after consultation with such Borrower and the Administrative Agent) that the making, maintaining or continuation of all or any of its Loans, (i) has become unlawful as a result of compliance by such Bank in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) has become impracticable, as a result of contingencies occurring after the date hereof which materially and adversely affect the London interbank market or the position of such Bank in that market, then, and in any such event, such Bank shall be an "**Affected Bank**" and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to each Borrower and the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each other Bank). Thereafter (1) the Revolving Commitments and obligation of the Affected Bank to make or maintain Loans as, or to convert Loans to, LIBOR Loans shall be suspended until such notice shall be withdrawn by the Affected Bank, (2) to the extent such determination by the Affected Bank relates to a LIBOR Loan then being requested by the Borrower pursuant to a Funding Notice or a Conversion/Continuation Notice, the Affected Bank shall make such Loan as (or continue such Loan as or convert such Loan to, as the case may be) an ABR Loan, (3) the Affected Bank's obligation to maintain its outstanding LIBOR Loans (the "**Affected Loans**") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the interest rate applicable to such Affected Loans shall be the Alternate Base Rate, provided the Affected Bank shall make commercially reasonable efforts to assign the Affected Loans according to Section 10.7. Notwithstanding the foregoing, to the extent a determination by an Affected Bank as described above relates to a LIBOR Loan then being requested by a Borrower pursuant to a Funding Notice or a Conversion/Continuation Notice, such Borrower shall have the option, subject to the provisions of Section 2.18(c), to rescind such Funding Notice or Conversion/Continuation Notice as to all Banks by giving notice (by telefacsimile or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Affected Bank gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to each other Bank). Except as provided in the immediately preceding sentence, nothing in this Section 2.18(b) shall affect the obligation of any Bank other than an Affected Bank to make or maintain Loans as, or to convert Loans to, LIBOR Loans in accordance with the terms hereof.

(c) Compensation for Breakage or Non-Commencement of Interest Periods. Each Borrower shall compensate each Bank, upon written request by such Bank to the Administrative Agent within five (5) Business Days after the applicable event (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid by such Bank to banks of funds borrowed by it to make or carry its LIBOR Loans and any loss, expense or liability sustained by such Bank in connection

with the liquidation or re employment of such funds but excluding loss of anticipated profits) which such Bank may sustain: (i) if for any reason (other than a default by such Bank) a borrowing of any LIBOR Loan does not occur on a date specified therefor in a Funding Notice or a telephonic request for borrowing or a conversion or continuation of any LIBOR Loan does not occur on a date specified therefor in a Conversion/Continuation Notice or a telephonic request for conversion or continuation; (ii) if any conversion or any prepayment or other principal payment occurs on a date prior to the last day of an Interest Period applicable to that LIBOR Loan (including, without limitation, pursuant to Section 2.18(b) hereof); or (iii) if any prepayment of any of its LIBOR Loans is not made on any date specified in a notice of prepayment given by such Borrower.

(d) Booking of LIBOR Loans. Any Bank may make, carry or transfer LIBOR Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Bank.

(e) Assumptions Concerning Funding of LIBOR Loans. Calculation of all amounts payable to a Bank under this Section 2.18 and under Section 2.19 shall be made as though such Bank had actually funded each of its relevant LIBOR Loans through the purchase of a LIBOR deposit bearing interest at the rate in an amount equal to the amount of such LIBOR Loan and having a maturity comparable to the relevant Interest Period and through the transfer of such LIBOR deposit from an offshore office of such Bank to a domestic office of such Bank in the United States of America; provided, however, each Bank may fund each of its LIBOR Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 2.18 and under Section 2.19.

2.19 **Increased Costs; Capital Adequacy**.

(a) Compensation For Increased Costs and Taxes. Subject to the provisions of Section 2.20 (which shall be controlling with respect to the matters covered thereby), in the event that any Bank (which term shall include the Issuing Bank for purposes of this Section 2.19(a)) shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that becomes effective after the date hereof, or compliance by such Bank with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi governmental authority (whether or not having the force of law): (i) subjects such Bank (or its applicable lending office) to any additional Tax (other than (A) any Tax on the overall net income of such Bank or its applicable lending office or (B) any Tax imposed as a result of the Administrative Agent's or any Bank's (including the Issuing Bank's)

failure to satisfy the applicable requirements as set forth in any statute enacted (or regulation or administrative guidance promulgated thereunder) after the date hereof that is based on, or similar to, Subtitle A - Foreign Account Tax Compliance of H.R. 2847, as passed by the United States House of Representatives on March 4, 2010 ((A) and (B), collectively, "**Excluded Taxes**")) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Bank (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Bank (other than any such reserve or other requirements with respect to LIBOR Loans); or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Bank (or its applicable lending office) or its obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to such Bank of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Bank (or its applicable lending office) with respect thereto; then, in any such case, such Borrower shall promptly pay to such Bank, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Bank in its sole discretion shall determine) as may be necessary to compensate such Bank for any such increased cost or reduction in amounts received or receivable hereunder. Such Bank shall deliver to such Borrower (with a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Bank under this Section 2.19(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy Adjustment. In the event that any Bank (which term shall include the Issuing Bank for purposes of this Section 2.19(b)) shall have determined that the adoption, effectiveness, phase in or applicability after the Closing Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its applicable lending office) with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Bank or any corporation controlling such Bank as a consequence of, or with reference to, such Bank's Loans or Revolving Commitments or Letters of Credit, or participations therein or other obligations hereunder with respect to the Loans or the Letters of Credit to a level below that which such Bank or such controlling corporation could have achieved but for such adoption, effectiveness, phase in,

applicability, change or compliance (taking into consideration the policies of such Bank or such controlling corporation with regard to capital adequacy), then from time to time, within five Business Days after receipt by such Borrower from such Bank of the statement referred to in the next sentence, such Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank or such controlling corporation on an after tax basis for such reduction. Such Bank shall deliver to such Borrower (with a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Bank under this Section 2.19(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

2.20 **Taxes; Withholding, etc**.

(a) Payments to Be Free and Clear. All sums payable by any Credit Party hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax (other than any Excluded Taxes) imposed, levied, collected, withheld or assessed by or within the United States of America or any political subdivision in or of the United States of America or any other jurisdiction from or to which a payment is made by or on behalf of any Credit Party or by any federation or organization of which the United States of America or any such jurisdiction is a member at the time of payment (such Taxes, "**Indemnified Taxes**").

(b) Withholding of Taxes. If any Credit Party or any other Person is required by law to make any deduction or withholding on account of any Tax from any sum paid or payable by any Credit Party to the Administrative Agent or any Bank (which term shall include the Issuing Bank for purposes of this Section 2.20(b)) under any of the Credit Documents: (i) each Borrower shall notify the Administrative Agent of any such requirement or any change in any such requirement as soon as each Borrower becomes aware of it; (ii) each Borrower shall pay to the appropriate taxing or other authority any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is imposed on the Administrative Agent or such Bank, as the case may be) on behalf of and in the name of the Administrative Agent or such Bank; (iii) the sum payable by such Credit Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, (including deductions, withholdings or payments applicable to additional sums payable under this Section 2.20(b)) the Administrative Agent or such Bank, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made in respect of Indemnified Taxes; and (iv) within thirty days after paying any sum from which it is required by law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (ii) above to pay, each Credit Party shall deliver to

the Administrative Agent evidence satisfactory to the other affected parties of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority. Each Credit Party shall indemnify the Administrative Agent, each Bank and the Issuing Bank, within 10 days after written demand therefor, which demand shall identify in reasonable detail the nature and amount of such Indemnified Taxes (and provide such other evidence thereof as has been received by the Administrative Agent, such Bank or the Issuing Bank, as the case may be), for the full amount of any Indemnified Taxes paid by the Administrative Agent, such Bank or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Credit Party hereunder and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Credit Party by a Bank or the Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Bank or the Issuing Bank, shall be conclusive absent manifest error.

(c) Evidence of Exemption From U.S. Withholding Tax. Each Bank that is not a United States Person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a "**Non-US Bank**") shall deliver to the Administrative Agent for transmission to Xerium, on or prior to the Closing Date (in the case of each Bank listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Bank (in the case of each other Bank), and at such other times as may be necessary in the determination of Xerium or the Administrative Agent (each in the reasonable exercise of its discretion), (i) two original copies of Internal Revenue Service Form W-8BEN or W-8ECI (or any successor forms), properly completed and duly executed by such Bank, and such other documentation required under the Internal Revenue Code and reasonably requested by Xerium to establish that such Bank is not subject to deduction or withholding of United States federal income tax with respect to any payments to such Bank of principal, interest, fees or other amounts payable under any of the Credit Documents, or (ii) if such Bank is not a "bank" or other Person described in Section 881(c)(3) of the Internal Revenue Code and cannot deliver Internal Revenue Service Form W-8ECI pursuant to clause (i) above, a Certificate re Non-Bank Status together with two original copies of Internal Revenue Service Form W-8BEN (or any successor form), properly completed and duly executed by such Bank, and such other documentation required under the Internal Revenue Code and reasonably requested by each Borrower to establish that such Bank is not subject to deduction or withholding of United States federal income tax with respect to any payments to such Bank of principal, interest, fees or other amounts payable under any of the Credit Documents. Each Bank that is a United States Person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a "**US Bank**") shall deliver to the Administrative Agent for transmission to Xerium, on or prior to the Closing Date (in the case of each Bank

listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Bank (in the case of each other Bank), and at such times as may be necessary in the determination of Xerium or the Administrative Agent (each in the reasonable exercise of its discretion), such other form or forms, certificates or documentation, including two original copies of Internal Revenue Service Form W-9, as reasonably requested by any Borrower to confirm or establish that such Bank is not subject to deduction, withholding, or backup withholding of United States federal income tax with respect to any payments to such Bank of principal, interest, fees or other amounts payable under any of the Credit Documents. Each Bank required to deliver any forms, certificates or other evidence with respect to United States federal income tax withholding matters pursuant to this Section 2.20(c) hereby agrees, from time to time after the initial delivery by such Bank of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that such Bank shall promptly deliver to the Administrative Agent for transmission to each Borrower two new original copies of Internal Revenue Service Form W-8BEN or W-8ECI, or a Certificate re Non-Bank Status and two original copies of Internal Revenue Service Form W-8BEN (or any successor form), or two new original copies of Internal Revenue Service Form W-9, as the case may be, properly completed and duly executed by such Bank, and such other documentation required under the Internal Revenue Code and reasonably requested by any Borrower to confirm or establish that such Bank is not subject to deduction or withholding of United States federal income tax with respect to payments to such Bank under the Credit Documents, or notify the Administrative Agent and each Borrower of its inability to deliver any such forms, certificates or other evidence. Each Borrower shall not be required to pay any additional amount to any Non-US Bank under Section 2.20(b) if such Bank shall have failed (1) to deliver the forms, certificates or other evidence referred to in the first three sentences of this Section 2.20(c), or (2) to notify the Administrative Agent and each Borrower of its inability to deliver any such forms, certificates or other evidence, as the case may be; provided, if such Bank shall have satisfied the requirements of the first sentence of this Section 2.20(c) on the Closing Date or on the date of the Assignment Agreement pursuant to which it became a Bank, as applicable, nothing in this last sentence of Section 2.20(c) shall relieve each Borrower of its obligation to pay any additional amounts pursuant to this Section 2.20 in the event that, as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, such Bank is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Bank is not subject to withholding as described herein.

(d) Withholding or Deduction for or on Account of Non-US Tax. A Credit Party shall not be required to pay any additional amount under Section 2.20(b) if, on the date on which the payment falls due (i) the payment could have been made to the relevant Bank without deduction or withholding for

or on account of any Tax imposed by any jurisdiction other than the United States ("**Non-US Tax**") if that Bank was a Qualifying Lender but on that date that Bank is not or has ceased to be a Qualifying Lender (other than where such Bank was a Qualifying Lender on the Closing Date or on the date of the Assignment Agreement pursuant to which it became a Bank, as applicable, and has ceased to be a Qualifying Lender as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof); (ii) the relevant Bank is a Treaty Lender and the payment could have been made to the Bank without deduction or withholding for or on account of Non-US Tax had that Bank complied with its obligations under Section 2.20(e) below; or (iii) the relevant Bank is a 991 Bank and has not given a Tax Confirmation to the Administrative Agent (other than by reason of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof after the Closing Date or the date of the Assignment Agreement pursuant to which the relevant Bank became a Bank, as applicable). The provisions of this Section 2.20(d) are subject always to the proviso contained in Section 2.20(c) above.

(e) Completion of Procedural Formalities. A Treaty Lender and each Credit Party which makes a payment to which that Treaty Lender is entitled shall co-operate in completing as soon as reasonably practicable after the Closing Date (or the date of the Assignment Agreement pursuant to which the relevant Bank becomes a Bank, as applicable) any procedural formalities necessary for that Credit Party to obtain authorization to make that payment without deduction or withholding for or on account of Non-US Tax (including for the avoidance of doubt the completion and submission to the Tax authority in the relevant Treaty Lender's country of incorporation (or, if different, its country of residence for the purposes of the relevant double taxation agreement) of appropriate forms and documents that are provided to it by the relevant Credit Party).

(f) Change in Circumstance. A Bank that is a 991 Bank shall promptly notify the Administrative Agent if there is any change in the position from that set out in the Tax Confirmation.

(g) Certain Documents. If any Tax was not correctly or legally asserted, the relevant Bank(s) shall, upon Xerium's reasonable request and at the expense of Xerium, provide such documents to Xerium to enable Xerium to contest such Tax pursuant to appropriate proceedings then available to the relevant Bank(s) (so long as providing such documents shall not, in the good faith determination of the relevant Bank(s) result in any liability to the relevant Bank(s) and doing so is otherwise permitted under applicable law as determined by the relevant Bank(s)).

(h) Withholdings for Certain German Taxes. The provisions of Section 2.20(a) through (g) shall, in addition to all other deductions and withholdings on account of any German Taxes, also apply to deductions and

withholdings that are to be made by a Credit Party with respect to any sums payable under the Credit Documents that constitute deemed distributions by a Credit Party. As among the Credit Parties on the one hand and the Administrative Agent and the Banks on the other hand, the Credit Parties shall be responsible for, and effect, the payment of these deductions and withholdings and indemnify the Administrative Agent and the Banks against any sums paid or damages incurred as a result of being required to make the respective payments; Section 2.20(b) shall in such event apply, *mutatis mutandis*.

2.21 **Obligation to Mitigate**. Each Bank (which term shall include Issuing Bank for purposes of this Section 2.21) agrees that, as promptly as practicable after the officer of such Bank responsible for administering its Loans or Letters of Credit, as the case may be, becomes aware of the occurrence of an event or the existence of a condition that would cause such Bank to become an Affected Bank or that would entitle such Bank to receive payments under Sections 2.18, 2.19 or 2.20, it will, to the extent not inconsistent with the internal policies of such Bank and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Credit Extensions, including any Affected Loans, through another office of such Bank, or (b) take such other measures as such Bank may deem reasonable, if as a result thereof the circumstances which would cause such Bank to be an Affected Bank would cease to exist or the additional amounts which would otherwise be required to be paid to such Bank pursuant to Section 2.18, 2.19 or 2.20 would be materially reduced and if, as determined by such Bank in its sole discretion, the making, issuing, funding or maintaining of such Revolving Commitments, Loans or Letters of Credit through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Revolving Commitments, Loans or Letters of Credit or the interests of such Bank; provided, such Bank will not be obligated to utilize such other office pursuant to this Section 2.21 unless each Borrower agrees to pay all incremental expenses incurred by such Bank as a result of utilizing such other office as described in clause (a) above. A certificate as to the amount of any such expenses payable by each Borrower pursuant to this Section 2.21 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Bank to such Borrower (with a copy to the Administrative Agent) shall be conclusive absent manifest error.

2.22 **Tax Credit**. If a Credit Party pays any additional amount under Section 2.20(b) and the relevant Bank (or the Administrative Agent, as the case may be) determines in its sole discretion that (a) a Tax Credit is attributable either to an increased payment of which that additional amount forms part, or to that additional amount and (b) that Bank (or the Administrative Agent, as the case may be) has obtained, utilized and retained that Tax Credit, the Bank (or the Administrative Agent, as the case may be) shall, to the extent that it can do so without prejudice to the retention of the Tax Credit, pay an amount to the Credit Party which that Credit Party determines in its absolute discretion but in good faith will leave it (after that payment) in the same after-Tax position as it would have been in had the additional amount not been required to be paid by the Credit

Party. Nothing herein contained shall interfere with the right of any Bank (or the Administrative Agent, as the case may be) to arrange its affairs in whatever manner it thinks fit and, in particular, no Bank (or the Administrative Agent, as the case may be) shall be under any obligation to claim a Tax Credit on its corporate profits or otherwise, or to claim such relief in priority to any other claims, reliefs, credits or deductions available to it or to disclose details of its affairs. Any amount to be paid by a bank pursuant to this Section 2.22 shall be made promptly on the date of receipt of the relevant Tax Credit by such Bank(or the Administrative Agent, as the case may be) or, if later, on the last date on which the applicable taxation authority would be able in accordance with applicable law to reclaim or reduce such Tax Credit.

2.23 **Defaulting Banks**

(a) Effect on Letter of Credit Exposure. If a Bank becomes, and during the period it remains, a Defaulting Bank, the following provisions shall apply with respect to such Defaulting Bank's Letter of Credit Exposure:

(i) subject to the limitation in the first proviso below, the Letter of Credit Exposure of such Defaulting Bank shall automatically be reallocated (effective on the day such Bank becomes a Defaulting Bank) among the Non-Defaulting Bank's pro rata in accordance with their respective Revolving Commitments; provided that (A) the sum of (x) the amount of each Defaulting Bank's pro rata share of such Defaulting Bank's Letter of Credit Exposure, plus (y) the principal amount of such Non-Defaulting Bank's outstanding Revolving Loans at the time of such reallocation, plus (z) such Non-Defaulting Bank's Pro Rata Share of the Letter of Credit Exposure as in effect immediately prior to such reallocation may not exceed the Revolving Commitment of such Non-Defaulting Bank as in effect at the time of such reallocation, and (B) neither such reallocation nor any payment by a Non-Defaulting Bank pursuant thereto will constitute a waiver or release of any claim the Borrowers, the Administrative Agent, the Issuing Bank or any other Bank may have against such Defaulting Bank or cause such Defaulting Bank to be a Non-Defaulting Bank;

(ii) to the extent that any portion of such Defaulting Bank's Letter of Credit Exposure cannot be so reallocated (the "**Unreallocated Portion**"), whether by reason of the first proviso in clause (i) above or otherwise, the Borrowers will, not later than two (2) Business Days after demand by the Administrative Agent (at the direction of the Issuing Bank) (A) Cash Collateralize the obligations of the Borrowers to the Issuing Bank in respect of such Letter of Credit Exposure in an amount at least equal to the aggregate amount of the Unreallocated Portion of such Letter of Credit Exposure, or (B) make other arrangements satisfactory to the Administrative Agent and to the Issuing Bank in their sole discretion to protect them against the risk of non-payment by such Defaulting Bank; and

(iii) any amount paid by the Borrowers for the account of a Defaulting Bank under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) will not be paid or distributed to such Defaulting Bank, but will instead be retained by the Administrative Agent in a segregated, non-interest bearing account until (subject to Section 2.23(e)) the termination of the Revolving Commitments and payment in full of all Secured Obligations, and will be applied by the Administrative Agent, to the fullest extent permitted by law, to the making of payments from time to time in the following order of priority: first, to the payment of any amounts owing by such Defaulting Bank to the Administrative Agent under this Agreement; second, to the payment of any amounts owing by such Defaulting Bank to the Issuing Bank under this Agreement (ratably in accordance with the amounts owing to the Issuing Bank); third, to the payment of post-default interest and then current interest due and payable to the Non-Defaulting Banks, ratably among them in accordance with the amounts of such interest then due and payable to them; fourth, to the payment of fees then due and payable to the Non-Defaulting Banks hereunder, ratably among them in accordance with the amounts of such fees then due and payable to them; fifth, to pay principal and Unpaid Drawings under Revolving Letters of Credit honored by the Issuing Bank then due and payable to the Non-Defaulting Banks hereunder ratably in accordance with the amounts thereof then due and payable to them; sixth, to the ratable payment of other amounts then due and payable to the Non-Defaulting Banks; and seventh, after the termination of the Revolving Commitments and payment in full of all Revolving Loans or any other Obligations of any Loan Party under the Credit Documents, to pay amounts owing under this Agreement to such Defaulting Bank or as a court of competent jurisdiction may otherwise direct.

(b) Authorization to Give Funding Notices. In furtherance of the foregoing, if any Bank becomes, and during the period it remains, a Defaulting Bank or a Potential Defaulting Bank, the Issuing Bank is hereby authorized by the Borrowers (which authorization is irrevocable and coupled with an interest) to give, in its discretion, through the Administrative Agent, Funding Notices pursuant to Section 2.2(b) in such amounts and in such times as may be required to (i) reimburse amounts representing Unpaid Drawings under Revolving Letters of Credit honored by the Issuing Bank and/or (ii) Cash Collateralize the obligations of the Borrowers in respect of outstanding Revolving Letters of Credit in an amount at least equal to the aggregate amount of the obligations (contingent or otherwise) of such Defaulting Bank or Potential Defaulting Bank in respect of such Revolving Letters of Credit.

(c) No Fees. Anything herein to the contrary notwithstanding, during such period as a Bank is a Defaulting Bank, such Defaulting Bank will not be entitled to any fees accruing during such period pursuant to Section 2.11(a)(i)(A) and 2.11(a)(i)(B) (without prejudice to the rights of the Banks other than Defaulting Banks in respect of such fees); provided that (a) to the extent that a portion of the Letter of Credit Exposure of such Defaulting Bank

is reallocated to the Non-Defaulting Banks pursuant to Section 2.23(a)(i), such fees that would have accrued for the benefit of such Defaulting Bank will instead accrue for the benefit of and be payable to such Non-Defaulting Banks, pro rata in accordance with their respective Revolving Commitments, and (b) to the extent any portion of such Letter of Credit Exposure cannot be so reallocated, such fees will instead accrue for the benefit of and be payable to the Issuing Bank as its interests appear (and the pro rata payment provisions of Section 2.17 will automatically be deemed adjusted to reflect the provisions of this Section).

(d) Termination of Commitment. The Borrowers may terminate the unused amount of the Revolving Commitment of a Defaulting Bank upon not less than three (3) Business Days' prior notice to the Administrative Agent (which will promptly notify the Banks thereof), and in such event the provisions of Section 2.16(g) will apply to all amounts thereafter paid by the Borrowers for the account of such Defaulting Bank under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that such termination will not be deemed to be a waiver or release of any claim the Borrowers, the Administrative Agent, the Issuing Bank or any Bank may have against such Defaulting Bank.

(e) Reinstatement. If the Borrowers, the Administrative Agent and the Issuing Bank agree in writing in their discretion that a Bank that is a Defaulting Bank or a Potential Defaulting Bank should no longer be deemed to be a Defaulting Bank or Potential Defaulting Bank, as the case may be, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Bank will, to the extent applicable, purchase such portion of outstanding Loans of the other Banks and/or make such other adjustments as the Administrative Agent may determine to be necessary to cause the Revolving Exposure of the Banks to be based upon their respective Pro Rata Shares, whereupon such Bank will cease to be a Defaulting Bank or Potential Defaulting Bank and will be a Non-Defaulting Bank (and the Revolving Exposure will automatically be adjusted on a prospective basis to reflect the foregoing); provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while such Bank was a Defaulting Bank; and provided further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Bank or Potential Defaulting Bank to Non-Defaulting Bank will constitute a waiver or release of any claim of any party hereunder arising from such Bank's having been a Defaulting Bank or Potential Defaulting Bank.

2.24 **Removal or Replacement of a Bank**. Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Bank (an "**Increased Cost Bank**") shall give notice to each Borrower that such Bank is an Affected Bank or that such Bank is entitled to receive payments under Section 2.18, 2.19 or 2.20, (ii) the circumstances which have caused such Bank to be an Affected Bank or which entitle such Bank to receive such payments shall remain

in effect, and (iii) such Bank shall fail to withdraw such notice within five Business Days after a Borrower's request for such withdrawal; (b) any Bank is a Defaulting Bank; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 10.6(b), the consent of Requisite Banks shall have been obtained but the consent of one or more of such other Banks (each a "**Non-Consenting Bank**") whose consent is required shall not have been obtained; then, with respect to each such Increased Cost Bank, Defaulting Bank or Non-Consenting Bank (the "**Terminated Bank**"), a Borrower may, by giving written notice to Administrative Agent and any Terminated Bank of its election to do so, elect to cause such Terminated Bank (and such Terminated Bank hereby irrevocably agrees) to assign its outstanding Loans and its Commitments, if any, in full to one or more Eligible Assignees (each a "**Replacement Bank**") in accordance with the provisions of Section 10.6 and Xerium shall pay any fees payable thereunder in connection with such assignment; provided, (1) on the date of such assignment, the Replacement Bank shall pay to the Terminated Bank an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Terminated Bank, (B) an amount equal to all unreimbursed drawings that have been funded by such Terminated Bank, together with all then unpaid interest with respect thereto at such time and (C) an amount equal to all accrued, but theretofore unpaid fees owing to such Terminated Bank pursuant to Section 2.11; (2) on the date of such assignment, each Borrower shall pay any amounts payable to such Terminated Bank pursuant to Section 2.18(c), 2.19 or 2.20 or otherwise as if it were a prepayment; and (3) in the event such Terminated Bank is a Non-Consenting Bank, each Replacement Bank shall consent, at the time of such assignment, to each matter in respect of which such Terminated Bank was a Non-Consenting Bank; provided, a Borrower may not make such election with respect to any Terminated Bank that is also the Issuing Bank unless, prior to the effectiveness of such election, the Borrower shall have caused each outstanding Letter of Credit issued thereby to be cancelled. Upon the prepayment of all amounts owing to any Terminated Bank and the termination of such Terminated Bank's Revolving Commitments, if any, such Terminated Bank shall no longer constitute a "Bank" for purposes hereof; provided, any rights of such Terminated Bank to indemnification hereunder shall survive as to such Terminated Bank.

2.25 Joint and Several Liability.

(a) Joint and Several Liability. All Obligations of the Borrowers under this Agreement and the other Credit Documents shall be joint and several Obligations of each Borrower to the extent (i) legally permissible and (ii) local restrictions apply and provided that, without prejudice to the limitations set forth in Section 7.14, none of Italia SpA, Huyck Austria, Xerium Canada, Germany Holdings or any Non-US Guarantor shall be liable for any Obligations of any Borrower organized in the United States. Anything contained in this Agreement and the other Credit Documents to the contrary notwithstanding, the Obligations of each Borrower hereunder shall be limited to a maximum aggregate amount

equal to the largest amount that would not render its Obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under § 548 of the Bankruptcy Code, 11 U.S.C. § 548, or any applicable provisions of comparable law of a Governmental Authority (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of intercompany Indebtedness to any other Credit Party or Affiliates of any other Credit Party to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Credit Party hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of such Borrower pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such Borrower and other Affiliates of any Credit Party of Obligations arising under Guaranties by such parties.

(b) Subrogation. Until the Obligations shall have been paid in full in Cash, each Borrower shall withhold exercise of any right of subrogation, contribution or any other right to enforce any remedy which it now has or may hereafter have against any other Borrower or any other guarantor of the Obligations. Each Borrower further agrees that, to the extent the waiver of its rights of subrogation, contribution and remedies as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any such rights such Borrower may have against any other Borrower, any collateral or security or any such other guarantor, shall be junior and subordinate to any rights Collateral Agent may have against any such other Borrower, any such collateral or security, and any such other guarantor. The Borrowers under this Agreement and the other Credit Documents together desire to allocate among themselves, in a fair and equitable manner, their Obligations arising under this Agreement and the other Credit Documents. Accordingly, in the event any payment or distribution is made on any date by any Borrower under this Agreement and the other Credit Documents (a "**Funding Borrower**") that exceeds its Obligation Fair Share (as defined below) as of such date, that Funding Borrower shall be entitled to a contribution from each of the other Borrowers in the amount of such other Borrowers' Obligation Fair Share Shortfall (as defined below) as of such date, with the result that all such contributions will cause each Borrowers' Obligation Aggregate Payments (as defined below) to equal its Obligation Fair Share as of such date. "**Obligation Fair Share**" means, with respect to a Borrower as of any date of determination, an amount equal to (i) the ratio of (X) the Obligation Fair Share Contribution Amount (as defined below) with respect to such Borrower to (Y) the aggregate of the Obligation Fair Share Contribution Amounts with respect to all the Borrowers, multiplied by (ii) the aggregate amount paid or distributed on or before such date by all Funding Borrowers under this Agreement and the other Credit Documents in respect of the Obligations guarantied. "**Obligation Fair Share Shortfall**" means, with respect to a Borrower as of any date of determination, the excess, if any, of the Obligation Fair Share of such Borrower over the Obligation Aggregate Payments of such Borrower. "**Obligation Fair**

Share Contribution Amount" means, with respect to a Borrower as of any date of determination, the maximum aggregate amount of the Obligations of such Borrower under this Agreement and the other Credit Documents that would not render its Obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided that, solely for purposes of calculating the "Obligation Fair Share Contribution Amount" with respect to any Borrower for purposes of this Section 2.25, any assets or liabilities of such Credit Party arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or Obligations of contribution hereunder shall not be considered as assets or liabilities of such Borrower. "**Obligation Aggregate Payments**" means, with respect to a Borrower as of any date of determination, an amount equal to (i) the aggregate amount of all payments and distributions made on or before such date by such Borrower in respect of this Agreement and the other Credit Documents (including in respect of this Section 2.25) minus (ii) the aggregate amount of all payments received on or before such date by such Borrower from the other Borrowers as contributions under this Section 2.25. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Borrower. The allocation among the Borrowers of their Obligations as set forth in this Section 2.25 shall not be construed in any way to limit the liability of any Borrower hereunder or under any other Credit Document. Nothing contained in this Section 2.25(b) shall be of prejudice to any more favorable provisions applicable to Italia SpA, Huyck Austria, Xerium Canada, Germany Holdings or any non-US Guarantor pursuant to Section 7.6.

(c) Parallel Debt and Collateral Agent. Notwithstanding anything to the contrary in any Credit Document, each of the Borrowers and Guarantors and each of the Secured Parties agree that the Collateral Agent shall be the joint and several creditor (together with the relevant Secured Party) of each and every obligation of any Borrower or Guarantor towards each of the Secured Parties (other than the Collateral Agent) under the Credit Documents, and that accordingly the Collateral Agent will have its own independent right to demand performance by the relevant Borrower or Guarantor of such obligations. However, any discharge of any such obligation to one of the Collateral Agent or any Secured Party (other than the Collateral Agent) shall, to that extent, discharge the corresponding obligation owing to the other. Nothing in this Agreement or in any other Credit Document shall in any way limit the Collateral Agent's right to enforce, protect and preserve all of its rights under each Collateral Document as contemplated by this Agreement or the relevant Collateral Document (or to perform any act reasonably incidental to any of the foregoing).

2.26 **Loans to Non-US Borrowers**. Each Bank may, at its option, make any Loan available to any Non-US Borrower by causing any foreign or domestic branch or Affiliate of such Bank to make such Loan; provided that any

exercise of such option shall not affect the obligation of such Non-US Borrower to repay such Loan in accordance with the terms of this Agreement.

2.27 **Intercreditor Agreement**. Each Bank hereby authorizes and directs the Administrative Agent and the Collateral Agent to enter into the Intercreditor Agreement on its behalf and hereby approves and agrees to be bound by the terms of the Intercreditor Agreement. Notwithstanding anything to the contrary herein, in the case of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall govern. The Banks acknowledge that the Second Lien Obligations are secured by the Collateral, subject to the Intercreditor Agreement.

2.28 **Assumption of Obligations**. The Borrowers (other than Xerium) and the Guarantors acknowledge that they have received significant direct and indirect benefit from the loans and credit extension made to Xerium under the DIP Credit Agreement. Each Borrower acknowledges and agrees that as of the Closing Date it they will become a borrower under this Agreement and shall be directly liable for its Obligations owed under the Credit Documents as set forth herein and in the other Credit Documents, and each Guarantor acknowledges and agrees that as of the Closing Date it will become a guarantor under this Agreement and shall be directly liable for the Obligations owed under the Credit Documents as set forth herein and in the other Credit Documents.

2.29 **Conversion of DIP Term Loans, DIP Revolving Loans and Existing Letters of Credit.** As provided in Sections 2.1(a) and 2.2(a)(ii), the DIP Revolving Loans and DIP Term Loans outstanding on the Closing Date shall be converted into Revolving Loans and Term Loans, respectively, under this Agreement and, as provided in Section 2.4(c), the Existing Letters of Credit outstanding on the Closing Date shall be converted into Term Loan Letters of Credit under this Agreement and the agreements and instruments listed on Schedule 2.29 (which shall be in form and substance reasonably satisfactory to the Administrative Agent). Each Bank (as defined in the DIP Credit Agreement) shall be a Bank hereunder and the Issuing Bank (as defined in the DIP Credit Agreement) that issued an Existing Letter of Credit shall be the Issuing Bank hereunder. The Credit Documents (as defined in the DIP Credit Agreement) shall be superseded and replaced by the applicable Credit Documents. Each of the Administrative Agent, the Issuing Bank and the Banks shall take such actions and execute and deliver such agreements, instruments or other documents as the Administrative Agent may reasonably request to give effect to the provisions of this Section 2.29; provided, however, that any such action by the Administrative Agent, the Issuing Bank or any of the Banks shall not be a condition precedent to the effectiveness of the provisions of this Section 2.29.

SECTION 3. CONDITIONS PRECEDENT

3.1 **Conditions to Closing Date**. The occurrence of the Closing Date and the obligation of each Bank to make Credit Extensions hereunder, in each

case as of the Closing Date, are, in addition to the conditions specified in Sections 3.2, subject at the time of the occurrence of the Closing Date to the satisfaction, or waiver in accordance with Section 10.6, of the following conditions on or before [July/ August __], 2010[2]:

(a) Credit Documents. The Administrative Agent shall have received sufficient copies of each Credit Document to be executed by the appropriate Credit Party on the Closing Date and delivered by each applicable Credit Party for each Bank (which may be delivered by facsimile or other electronic means for the purposes of satisfying this Section 3.1(a) on the Closing Date, with signed originals to be delivered promptly thereafter) and such Credit Documents shall be in form and substance satisfactory to the Borrowers and their counsel and the Administrative Agent and its counsel.

(b) Organizational Documents; Incumbency. The Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent: (i) a copy of each Organizational Document of each Credit Party, as applicable, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, each dated the Closing Date or a recent date prior thereto; (ii) signature and incumbency certificates of the officers of such Credit Party executing the Credit Documents to which it is a party; (iii) resolutions of the board of directors or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; (iv) resolution of the shareholder(s) of the Australian Obligor and Guarantors incorporated in the United Kingdom approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment and (v) to the extent applicable, a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation, each dated a recent date prior to the Closing Date. For Credit Parties organized, incorporated or formed outside of the United States, delivery of a Formalities Certificate shall suffice to satisfy this Section 3.1(b).

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[2] Date that is four months after the closing date of the DIP Credit Agreement to be inserted.

(c) Closing Date Certificate. The Administrative Agent shall have received a Closing Date Certificate, dated the Closing Date and signed by an Authorized Officer of Xerium.

(d) No Liabilities. Neither Xerium nor any of its Subsidiaries has any contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not reflected in the audited financial statements delivered pursuant to Section 3.1(k) for Fiscal Year 2009 or the notes thereto (other than as contemplated by the Plan of Reorganization) and which in any such case is material in relation to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Xerium and any of its Subsidiaries taken as a whole.

(e) Organizational and Capital Structure. The organizational structure and capital structure of Xerium and its Subsidiaries, after giving effect to the Recapitalization, shall be as set forth in the Plan of Reorganization and Disclosure Statement, provided that any changes to such Plan of Reorganization and Disclosure Statement which are adverse to the Banks shall be acceptable to the Banks.

(f) Confirmation Order, Plan of Reorganization. The Confirmation Order shall be in full force and effect and shall not have been reversed or modified, stayed, subject to a motion to stay or subject to appeal or petition for review, rehearing or certiorari, (ii) the Administrative Agent shall have received a copy of the Confirmation Order, certified as true, correct and complete by the clerk of the Bankruptcy Court, (iii) the Confirmation Order and the Plan of Reorganization shall each be in full force and effect and shall be in form and substance reasonably satisfactory to the Administrative Agent, (iv) all documents executed in connection with the implementation of the Plan of Reorganization shall be in accordance with the Plan of Reorganization and, if so required thereunder, shall be in form and substance reasonably satisfactory to the Administrative Agent, (v) all motions and proposed orders to be filed with the Bankruptcy Court in connection with this Agreement and the Plan of Reorganization shall be in form and substance reasonably satisfactory to the Administrative Agent and (vi) all conditions precedent to the effectiveness of the Plan of Reorganization shall have been satisfied or waived by the Administrative Agent, and the Effective Date and substantial consummation of the Plan of Reorganization shall have occurred.

(g) Second Lien Credit Agreement. (i) The terms of the Second Lien Credit Agreement shall be reasonably satisfactory to the Administrative Agent, and (ii) the Administrative Agent shall have received reasonably satisfactory evidence that the conditions to the effectiveness of the Second Lien Credit Agreement shall have been satisfied or waived in accordance with its terms.

(h) Governmental Authorizations and Consents. Each Credit Party shall have obtained all material necessary Governmental Authorizations and all consents of other Persons (including any necessary approvals of the Bankruptcy Court or otherwise in connection with the Recapitalization), in each case that are necessary in connection with the transactions contemplated by the Credit Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(i) Real Estate Assets. In order to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected security interest in certain Real Estate Assets, the Collateral Agent shall have received from each applicable Borrower and each applicable Guarantor:

(i) fully executed and notarized Mortgages, in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering each Real Estate Asset listed in Schedule 3.1(i) (each, a "**Closing Date Mortgaged Property**");

(ii) an opinion of counsel (which counsel shall be reasonably satisfactory to the Collateral Agent) in each state in which a Closing Date Mortgaged Property is located with respect to the enforceability of the form(s) of Mortgages to be recorded in such state and such other matters as the Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Collateral Agent;

(iii) (a) ALTA mortgagee title insurance policies or unconditional commitments therefor issued by one or more title companies reasonably satisfactory to the Collateral Agent with respect to each Closing Date Mortgaged Property located in the United States (each, a "**Title Policy**"), in amounts not less than the fair market value of each Closing Date Mortgaged Property, together with a title report issued by a title company with respect thereto, and copies of all recorded documents listed as exceptions to title or otherwise referred to therein, each in form and substance reasonably satisfactory to the Collateral Agent and (B) evidence satisfactory to the Collateral Agent that such Credit Party has paid to the title company or to the appropriate governmental authorities all expenses and premiums of the title company and all other sums required in connection with the issuance of each Title Policy and all recording and stamp taxes (including mortgage recording

and intangible taxes) payable in connection with recording the Mortgages for each Closing Date Mortgaged Property in the appropriate real estate records;

(iv) evidence of flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, in form and substance reasonably satisfactory to the Collateral Agent; and

(v) ALTA surveys of all Closing Date Mortgaged Properties located in the United States, certified to Collateral Agent and dated or updated not more than ninety (90) days prior to the Closing Date and a survey sufficient to remove the standard survey exception to coverage from the Title Policies which will insure the Mortgages.

(j) Personal Property Collateral. In order to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid, perfected security interest in the personal property Collateral, the Collateral Agent shall have received:

(i) evidence reasonably satisfactory to the Collateral Agent of the compliance by each Credit Party of their obligations under the Pledge and Security Agreement and the other Collateral Documents (including their obligations to execute and deliver UCC financing statements, other securities, instruments and chattel paper and any agreements governing deposit and/or securities accounts as provided therein);

(ii) the Collateral Agent shall have received (x) the originals of certificates representing the shares of capital stock pledged pursuant to the Pledge and Security Agreement and the other Collateral Documents, together with an original of an undated stock power for each such certificate executed in blank by a duly Authorized Officer of the pledgor thereof (if applicable and subject to the provisions of the relevant Collateral Document), and (y) originals of each promissory note (if any) pledged to the Collateral Agent pursuant to the Pledge and Security Agreement and the other Collateral Documents endorsed in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof;

(iii) a completed Collateral Questionnaire dated the Closing Date and executed by an Authorized Officer of Xerium, together with all attachments contemplated thereby, including (A) the results of a recent search, by a Person satisfactory to Collateral Agent, of all effective UCC financing statements (or equivalent filings) made with respect to any personal, real or mixed property of any Credit Party in the jurisdictions specified in the Collateral Questionnaire, together with copies of all such filings disclosed by such search, and (B) UCC termination statements (or similar documents) duly executed by all applicable Persons for filing in all applicable jurisdictions as

may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search (other than any such financing statements in respect of Permitted Liens);

(iv) opinions of counsel (which counsel shall be reasonably satisfactory to the Collateral Agent) with respect to the creation and perfection of the security interests in favor of Collateral Agent in such Collateral and such other matters governed by the laws of each jurisdiction in which any Credit Party or any personal property Collateral is located as the Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Collateral Agent; and

(v) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document, notice and instrument (including without limitation, any intercompany notes evidencing Indebtedness permitted to be incurred pursuant to Section 6.1(b)) and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Collateral Agent.

(k) Financial Statements; Business Plan. The Banks shall have received from Xerium (i) the audited consolidated balance sheets of Xerium and its Subsidiaries as of December 31, 2009 for the Fiscal Year then ended and the related consolidated statements of income, stockholders' equity and cash flows of Xerium and its Subsidiaries for such Fiscal Year, together with a report thereon of Ernst & Young LLP, which financial statements and report shall be in form and substance reasonably satisfactory to the Administrative Agent, and (ii) an Officer's Certificate executed by an Authorized Office of Xerium certifying that there have been no changes to the Initial Business Plan.

(l) Insurance. The Collateral Agent shall have received a certificate from Xerium's insurance broker or other evidence satisfactory to it that all insurance required to be maintained pursuant to Section 5.5 is in full force and effect, together with endorsements naming the Collateral Agent, for the benefit of Secured Parties, as additional insured and naming the Collateral Agent, on behalf of the Secured Parties and the Second Lien Secured Parties as loss payee thereunder to the extent required under Section 5.5.

(m) Opinions of Counsel to Credit Parties. The Administrative Agent and its counsel shall have received executed copies of the favorable written opinions of counsel to the Credit Parties as to such matters as the Administrative Agent may reasonably request, dated as of the Closing Date and otherwise in form and substance reasonably satisfactory to the Administrative Agent.

(n) Cash Payment and Common Stock Issuance. The Banks (or the Administrative Agent on behalf of the Banks) shall have received the cash payment and Common Stock contemplated by the Plan of Reorganization.

(o) Fees and Expenses. The Administrative Agent shall have received payment in full of all fees and expenses invoiced and due to the Agents (including the reasonable fees and expenses due of their advisors and legal counsel) in connection with this Agreement.

(p) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority (other than the Bankruptcy Cases) that, in the reasonable opinion of the Administrative Agent, singly or in the aggregate, materially impairs the transactions contemplated by the Credit Documents or that could have a Material Adverse Effect.

(q) Completion of Proceedings. All partnership, corporate and other proceedings taken or to be taken in connection with the transactions contemplated by the Credit Documents and all documents incidental thereto not previously found acceptable by the Administrative Agent and its counsel shall be satisfactory in form and substance to the Administrative Agent and such counsel, and the Administrative Agent and such counsel shall have received all such counterpart originals or certified copies of such documents as the Administrative Agent may reasonably request.

(r) Representations and Warranties. The representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of the Closing Date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that any representation or warranty that is by its terms qualified by materiality shall be true and correct in all respects.

(s) No Default. No event shall have occurred and be continuing or would result from the consummation of the transaction contemplated hereunder or under the Credit Documents that would constitute an Event of Default or a Default.

(t) No Material Adverse Effect. Since the Petition Date, nothing shall have occurred (and neither the Administrative Agent nor the Requisite Banks shall have become aware of any facts or conditions not previously known) which the Administrative Agent or the Requisite Banks shall reasonably determine has had, or could reasonably be expected to have, a Material Adverse Effect.

(u) Compliance with Law and Regulations. All Term Loans and all other financings to the Borrowers (and all guaranties thereof and security therefor), as well as the transactions contemplated by the Credit Documents and the consummation thereof, shall be in full compliance in all material respects with

all applicable requirements of law, including Regulations T, U and X of the Federal Reserve Board.

(v) No Conflict with Material Contracts. After giving effect to the transactions contemplated by the Credit Documents, there shall be no conflict with, or default under, any Material Contract.

(w) Patriot Act Information. Each of the Credit Parties shall have provided the documentation and other information to the Banks that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(x) Liquidity. The Borrowers and the Guarantors shall have unrestricted Cash and Cash Equivalents on hand plus, after giving effect to the making of any Revolving Loans on the Closing Date, Unused Revolving Commitments in an aggregate amount of at least the Dollar Equivalent of $35,000,000.

(y) Rating of Term Loans. Xerium (i) shall have obtained a corporate family rating and a rating on the Term Loans from Moody's and (ii) shall have obtained, or the Administrative Agent shall be reasonably satisfied that Xerium used commercially reasonable efforts to obtain a corporate rating and a rating on the Term Loans from S&P.

(z) Solvency Certificate. On the Closing Date, the Administrative Agent shall have received a Solvency Certificate from each Borrower dated the Closing Date and addressed to the Administrative Agent and the Banks.

(aa) Account Control Agreements. The applicable Credit Party shall have entered into account control agreements with respect to each Primary Account in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent.

For the purpose of determining compliance with the conditions specified in this Section 3.1, each Bank that has accepted the distributions under the Plan of Reorganization shall be deemed to have accepted, and to be satisfied with, each document required to be delivered in a form satisfactory to the Banks or Requisite Banks under this Section 3.1 and which was included in the Plan Supplement.

3.2 **Conditions to Each Credit Extension**.

(a) Conditions Precedent. The obligation of each Bank to make, convert or continue any Loan, or the Issuing Bank to issue any Letter of Credit, on any Credit Date or Conversion/Continuation Date, including the Closing Date, is subject to the satisfaction, or waiver in accordance with Section 10.6, of the following conditions precedent:

(i) the Administrative Agent shall have received a fully executed and delivered Funding Notice, Conversion/Continuation Notice or Issuance Notice, as the case may be;

(ii) after making the Credit Extensions requested on such Credit Date or Conversion/Continuation Date, the Total Utilization of Revolving Commitments shall not exceed the Revolving Commitments then in effect;

(iii) as of such Credit Date or Conversion/Continuation Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of that Credit Date or Conversion/Continuation Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date;

(iv) as of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(v) on or before the date of issuance of any Letter of Credit, the Administrative Agent shall have received all other information required by the applicable Issuance Notice, and such other documents or information as the Issuing Bank may reasonably require in connection with the issuance of such Letter of Credit; and

(vi) the conditions set forth in Section 3.1 shall have been satisfied or waived in accordance with Section 10.6.

Any Agent or Requisite Banks shall be entitled, but not obligated to, request and receive, prior to the making of any Credit Extension, additional information reasonably satisfactory to the requesting party confirming the satisfaction of any of the foregoing if, in the good faith judgment of such Agent or Requisite Bank, such request is warranted under the circumstances.

(b) Notices. Any Notice shall be executed by an Authorized Officer in a writing delivered to Administrative Agent. In lieu of delivering a Notice, each Borrower may give Administrative Agent telephonic notice by the required time of any proposed borrowing or conversion or continuation of any Loan or issuance of a Letter of Credit, as the case may be; provided each such notice shall be promptly confirmed in writing by delivery of the applicable Notice to Administrative Agent on or before the applicable date of any such borrowing, conversion, continuation or issuance. Neither Administrative Agent nor any Bank shall incur any liability to any Borrower in acting upon any telephonic notice referred to above that Administrative Agent believes in good faith to have been

given by a duly authorized officer or other person authorized on behalf of a Borrower or for otherwise acting in good faith.

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce the Banks and the Issuing Bank to make each Credit Extension to be made by this Agreement, and to induce each Bank Counterparty to enter into any transaction in respect of Hedging Obligations, each Credit Party represents and warrants to each Bank, Bank Counterparty and the Issuing Bank, on the Closing Date, each Interest Payment Date and each Credit Date, that the following statements are true and correct:

4.1 **Organization; Requisite Power and Authority; Qualification**. Each of Xerium and its Subsidiaries (a) is duly organized, validly existing and in good standing (or, for Non-U.S. Credit Parties of equivalent status when reasonably ascertainable) under the laws of its jurisdiction of organization as identified in Schedule 4.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect.

4.2 **Capital Stock and Ownership**. The Capital Stock of each of Xerium and its Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except as set forth on Schedule 4.2, as of the date hereof, there is no existing option, warrant, call, right, commitment or other agreement to which Xerium or any of its Subsidiaries is a party requiring, and there is no membership interest or other Capital Stock of Xerium or any of its Subsidiaries outstanding which upon conversion or exchange would require, the issuance by Xerium or any of its Subsidiaries of any additional membership interests or other Capital Stock of Xerium or any of its Subsidiaries or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of Xerium or any of its Subsidiaries. Schedules 4.1 and 4.2 correctly set forth the ownership interest of Xerium and each of its Subsidiaries in their respective Subsidiaries as of the Closing Date.

4.3 **Due Authorization**. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary action on the part of each Credit Party that is a party thereto.

4.4 **No Conflict**. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate any provision of any law or any governmental rule or regulation

applicable to Xerium or any of its Subsidiaries, any of the Organizational Documents of Xerium or any of its Subsidiaries, or any order, judgment or decree of any court or other agency of government binding on Xerium or any of its Subsidiaries; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Xerium or any of its Subsidiaries except to the extent such conflict, breach or default could not reasonably be expected to have a Material Adverse Effect; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Xerium or any of its Subsidiaries (other than any Liens created under any of the Credit Documents in favor of Collateral Agent, on behalf of Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of Xerium or any of its Subsidiaries, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to Banks and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

4.5 **Governmental Consents**. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except for (i) filings and recordings with respect to the Collateral to be made, or otherwise delivered to Collateral Agent for filing and/or recordation, as of the Closing Date and (ii) filings and recordings to be made in connection with the perfection of Collateral acquired after the Closing Date.

4.6 **Binding Obligation**. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7 **Historical Financial Statements**. The Historical Financial Statements were prepared in conformity with GAAP and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year end adjustments. As of the Closing Date, neither Xerium nor any of its Subsidiaries has any contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not reflected in the Historical Financial Statements or the notes thereto and which in any such case is material in

relation to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Xerium and any of its Subsidiaries taken as a whole.

4.8 **Business Plan**. The Initial Business Plan and each Business Plan delivered pursuant to Section 5.1(q) is and will be based on good faith estimates and assumptions made by the management of Xerium; provided, that such Business Plan is not to be viewed as fact and that actual results during the period or periods covered by the Business Plan may differ from such Business Plan and that the differences may be material; provided, further, as of the Closing Date, management of Xerium believed that the Business Plan was reasonable and attainable.

4.9 **No Material Adverse Change**. Since the Petition Date, no event, circumstance or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

4.10 **[Intentionally Omitted]**.

4.11 **Adverse Proceedings, etc**. There are no Adverse Proceedings, individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect. Neither Xerium nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.12 **Payment of Taxes**. Except as otherwise permitted under Section 5.3, all tax returns and reports of Xerium and its Subsidiaries required to be filed by any of them have been timely filed, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon Xerium and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable. Xerium knows of no proposed tax assessment against Xerium or any of its Subsidiaries which is not being actively contested by Xerium or such Subsidiary in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.13 **Properties**. (a) Title. Each of Xerium and its Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their respective

Historical Financial Statements referred to in Section 4.7 and in the most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements in the Ordinary Course or as otherwise permitted under Section 6.9. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

(b) Real Estate. As of the Closing Date, Schedule 4.13(b) contains a true, accurate and complete list of (i) all Real Estate Assets, and (ii) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Real Estate Asset of any Credit Party, regardless of whether such Credit Party is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Each agreement listed in clause (ii) of the immediately preceding sentence is in full force and effect and Xerium does not have knowledge of any default that has occurred and is continuing thereunder except where the consequences, direct or indirect, of such default or defaults, if any, could not be reasonably expected to have a Material Adverse Effect, and each such agreement constitutes the legally valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

4.14 **Environmental Matters**. Neither Xerium nor any of its Subsidiaries nor any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials Activity that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There are and, to each of Xerium's and its Subsidiaries' knowledge, have been, no conditions, occurrences, or Hazardous Materials Activities which could reasonably be expected to form the basis of an Environmental Claim against Xerium or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither Xerium nor any of its Subsidiaries nor, to any Credit Party's knowledge, any predecessor of Xerium or any of its Subsidiaries has filed any notice under any Environmental Law indicating past or present treatment of Hazardous Materials at any Facility that, individually or in the aggregate, could be reasonably expected to have a Material Adverse Effect, and none of Xerium's or any of its Subsidiaries' operations involves the generation, transportation, treatment, storage or disposal of Hazardous Materials, except as would not reasonably be expected to form the basis of an Environmental Claim against Xerium or any of its Subsidiaries, or as listed on Schedule 4.14. Compliance with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. No event or condition has occurred or is occurring with respect to Xerium or any of its Subsidiaries relating to any Environmental Law, any Release of

Hazardous Materials, or any Hazardous Materials Activity which individually or in the aggregate has had, or could reasonably be expected to have, a Material Adverse Effect.

4.15 **No Defaults**. Neither Xerium nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect and except as contemplated by the Plan of Reorganization.

4.16 **Material Contracts**. Schedule 4.16 contains a true, correct and complete list of all the Material Contracts in effect on the Closing Date, and except as described thereon, all such Material Contracts are in full force and effect and no defaults currently exist thereunder, except any such default or failure to be in force and effect which could not reasonably be expected to result in an exercise of remedies or acceleration of the indebtedness created thereunder.

4.17 **Governmental Regulation**. Neither Xerium nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal, provincial or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. Neither Xerium nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 **Margin Stock**. Neither Xerium nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made to such Credit Party will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of said Board of Governors.

4.19 **Employee Matters**. Neither Xerium nor any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Xerium or any of its Subsidiaries, or to the best knowledge of Xerium and each other Credit Party, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Xerium or any of its Subsidiaries or to the best knowledge of Xerium and each other Credit Party,

threatened against any of them, (b) no strike, work stoppage or lock-out in existence or threatened involving Xerium or any of its Subsidiaries, and (c) to the best knowledge of Xerium and each other Credit Party, no union representation question existing with respect to the employees of Xerium or any of its Subsidiaries and, to the best knowledge of Xerium and each other Credit Party, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as is not reasonably likely to have a Material Adverse Effect.

4.20 **Employee Benefit Plans**

(a) Xerium, each of its Subsidiaries and each of their respective ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA and the Internal Revenue Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan, other than any non-compliance or non-performance that would not be reasonably expected to have a Material Adverse Effect. Each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Internal Revenue Code has received a recent favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter which would cause such Employee Benefit Plan to lose its qualified status, except such defect that can be corrected pursuant to Rev. Proc. 2003-44 or any successor ruling or regulation without giving rise to a Material Adverse Effect. No liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Employee Benefit Plan or any trust established under Title IV of ERISA (other than Ordinary Course contribution obligations) has been or is expected to be incurred by Xerium, any of its Subsidiaries or any of their ERISA Affiliates that could reasonably be expected to have a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur which could reasonably be expected to result in a Material Adverse Effect.

(b) Each Canadian Registered Pension Plan has been established, registered, qualified, invested and administered in compliance with its terms and all applicable laws, other than any non-compliance that would not reasonably be expected to have a Material Adverse Effect. No liability (other than required contributions and premium payments) under the Canadian Registered Pension Plans has been or is expected to be incurred by Xerium Canada, or any Affiliate of Xerium Canada that could reasonably be expected to have a Material Adverse Effect. No Canadian Pension Plan Event has occurred or is reasonably expected to occur which could reasonably be expected to result in a liability to Xerium Canada or any Affiliate of Xerium Canada in excess of $1,000,000. Each Canadian Registered Pension Plan has been funded on both a going concern and solvency basis in accordance with applicable laws and on the basis of the actuarial report which was most recently filed with the applicable pension regulator for the applicable Canadian Registered Pension Plan. None of Xerium Canada or any

Affiliate of Xerium Canada contribute to, are obligated to contribute to (or have contributed within the last five years to) a multi-employer pension plan, as defined under applicable laws. Xerium Canada has provided the Administrative Agent with a copy of the actuarial valuation for each Canadian Registered Pension Plan most recently filed with the applicable pension regulator.

4.21 **Certain Fees**. No broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated by the Credit Documents.

4.22 **Solvency**. After giving effect to the transactions contemplated hereby and pursuant to the Plan of Reorganization and the incurrence of the Indebtedness and obligations being incurred in connection herewith and under the Second Lien Credit Agreement, each Credit Party is Solvent.

4.23 **[Reserved]**.

4.24 **Compliance with Statutes, etc**. Each of Xerium and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property (including compliance with all applicable Environmental Laws with respect to any Real Estate Asset or governing its business and the requirements of any permits issued under such Environmental Laws with respect to any such Real Estate Asset or the operations of Xerium or any of its Subsidiaries), except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

4.25 **Disclosure**. No representation or warranty of any Credit Party contained in any Credit Document or in any other documents, certificates or written statements, including without limitation, information contained in the presentations made to the Banks, furnished to Banks by or on behalf of Xerium or any of its Subsidiaries for use in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact (known to Xerium or any other Borrower, in the case of any document not furnished by either of them) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Xerium or any other Borrower to be reasonable at the time made, it being recognized by Banks that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results. There are no facts known (or which should upon the reasonable exercise of diligence be known) to Xerium or any other Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other

documents, certificates and statements furnished to Banks for use in connection with the transactions contemplated hereby.

4.26 **Insurance**. All policies of insurance of Xerium or any of its Subsidiaries, including policies of fire, theft, product liability, public liability, property damage, other casualty, employee fidelity and workers' compensation, are in full force and effect and are of a nature and provide such coverage as is sufficient and as is customarily carried by businesses of the size and character of such Person.

4.27 **Use of Proceeds**. The proceeds of the Loans shall be used by the Borrowers solely in accordance with Section 2.6.

4.28 **Deposit and Securities Accounts**. Schedule 4.28 contains a true, correct and complete list of the Credit Parties' primary Dollar denominated master deposit and investment accounts and primary Euro denominated master deposit and investment accounts (collectively, the "**Primary Accounts**").

4.29 **UK Establishment**. No Credit Party has a "UK establishment" within the meaning of the Overseas Companies Regulations 2009.

SECTION 5. AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that so long as any Commitment is in effect and until payment in full of all Obligations and cancellation or expiration of all Letters of Credit, each Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 5.

5.1 **Financial Statements and Other Reports**. Xerium will deliver to Administrative Agent:

(a) [Intentionally Omitted]

(b) Quarterly Financial Statements. As soon as available, and in any event within 45 days after the end of the first three Fiscal Quarters of each Fiscal Year, the consolidated balance sheets of Xerium and its Subsidiaries as at the end of such Fiscal Quarter and the related consolidated statements of income, stockholders' equity and cash flows of Xerium and its Subsidiaries for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form (x) the corresponding figures for the corresponding periods of the previous Fiscal Year, and (y) the corresponding figures contained in the Business Plan for the corresponding periods for the current Fiscal Year, together with a Financial Officer Certification with respect thereto and including a detailed explanation as to the material variances that may have occurred from the prior Fiscal Quarter and the figures contained in the Business Plan for the corresponding period for the current Fiscal Year;

(c) Annual Financial Statements. As soon as available, and in any event within 90 days after the end of each Fiscal Year, beginning with Fiscal Year 2010, (i) the audited consolidated balance sheets of Xerium and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Xerium and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, together with a Financial Officer Certification and including a detailed explanation as to the material variances that may have occurred from the prior Fiscal Year and the figures contained in the Business Plan for the current Fiscal Year and (ii) with respect to such consolidated financial statements a report thereon of Ernst & Young LLP or other independent certified public accountants of recognized international standing selected by Xerium (which report shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Xerium and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards) together with a written statement by such independent certified public accountants stating that nothing has come to their attention that causes them to believe that the information contained in any Compliance Certificate is not correct or that the matters set forth in such Compliance Certificate are not stated in accordance with the terms hereof;

(d) Compliance Certificate. Together with each delivery of financial statements of Xerium and its Subsidiaries pursuant to Sections 5.1(b) and 5.1(c), a duly executed and completed Compliance Certificate; provided, that in respect of the fourth Fiscal Quarter of each Fiscal Year, it shall also deliver a duly executed and completed Compliance Certificate as soon as available, and in any event within 90 days after the end of the fourth Fiscal Quarter;

(e) Statements of Reconciliation after Change in Accounting Principles. If, as a result of any change in accounting principles and policies from those used in the preparation of the Historical Financial Statements, the Compliance Certificate (including, without limitation, calculation of Excess Cash therein) of Xerium and its Subsidiaries delivered pursuant to Section 5.1(d) will differ in any material respect in the manner in which computations are derived from Xerium's financial statements for the Compliance Certificate that would have been delivered pursuant to such subsection had no such change in accounting principles and policies been made, then, together with the first delivery of such Compliance Certificate after such change, Xerium will deliver one or more statements of explanation of such difference(s) in form and substance satisfactory to Administrative Agent and, if appropriate, Xerium's proposal for amending any terms or requirements used or addressed in the Compliance Certificate to adjust for such change(s);

(f) Sufficiency of Public Quarterly and Annual Reports. Notwithstanding anything to the contrary contained herein, delivery to the Administrative Agent by Xerium of its quarterly report on Form 10-Q and its annual report on form 10-K shall satisfy the requirements of Sections 5.1(b) and (c), respectively, for so long as Xerium remains a reporting company under the Exchange Act.

(g) Notice of Default. Promptly upon any officer of Xerium or each other Borrower obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to Xerium or each other Borrower with respect thereto; (ii) that any Person has given any notice to Xerium or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 8.1(b); or (iii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action each Borrower has taken, is taking and proposes to take with respect thereto;

(h) Notice of Litigation. Promptly upon any officer of Xerium or each other Borrower obtaining knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding not previously disclosed in writing by each Borrower to Banks, or (ii) any material development in any Adverse Proceeding that, in the case of either (i) or (ii) could be reasonably expected to have a Material Adverse Effect, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to Xerium or each other Borrower to enable Banks and their counsel to evaluate such matters;

(i) ERISA. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, copies of (1) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (2) all notices received by Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (3) copies of such other documents or governmental reports or filings relating to any Employee Benefit Plan as Administrative Agent shall reasonably request;

(j) Canadian Registered Pension Plans. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any Canadian Pension Plan Event, a written notice specifying the nature thereof, what action Xerium Canada or any Affiliate of Xerium Canada has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Canada Revenue Agency or any applicable pension regulator; and (ii) with reasonable promptness, (1) copies of each annual information return filed with the Canada Revenue Agency or any applicable pension regulator with respect to a Canadian Registered Pension Plan; (2) copies of all notices received by Xerium Canada or any Affiliate of Xerium Canada from the sponsor of a multi-employer pension plan, as defined under applicable laws, concerning a Canadian Pension Plan Event; (3) copies of each actuarial valuation for each Canadian Registered Pension Plan filed with any applicable pension regulator; (4) copies of any actuarial certifications in respect of each Canadian Registered Pension Plan filed with any applicable pension regulator, whether in connection with a request for approval to effect commuted value transfers from such plan or otherwise; and (5) copies of such other documents or governmental reports or filings relating to any Canadian Registered Pension Plan as Administrative Agent shall reasonably request;

(k) Insurance Report. As soon as practicable following any material change in the insurance coverage, notice to the Administrative Agent of such change and an explanation in form and substance reasonably satisfactory to the Administrative Agent of such change;

(l) Environmental Reports and Audits. As soon as practicable following receipt thereof, copies of all environmental audits and reports with respect to environmental matters at any Facility or which relate to any environmental liabilities of Xerium or its Subsidiaries which, in any such case, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(m) Information Regarding Collateral. Each Borrower will furnish to the Collateral Agent prompt written notice of any change (i) in any Credit Party's corporate name, (ii) in any Credit Party's identity or corporate structure or (iii) in any Credit Party's Federal Taxpayer Identification Number. Each Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Collateral Documents. Each Borrower also agrees promptly to notify Collateral Agent if any material portion of the Collateral is damaged or destroyed;

(n) Annual Collateral Verification. Each year, at the time of delivery of annual financial statements with respect to the preceding Fiscal Year pursuant to Section 5.1(c), each Borrower shall deliver to the Collateral Agent an

Officer's Certificate either confirming that there has been no change in such information since the date of the Collateral Questionnaire delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section and/or identifying such changes;

(o) Other Information. (i) Promptly upon their becoming available, copies of (A) all financial statements, reports, notices and proxy statements sent or made available generally by Xerium to its security holders acting in such capacity or by any Subsidiary of Xerium to its security holders other than Xerium or another Subsidiary of Xerium, (B) all regular and periodic reports and all registration statements and prospectuses, if any, filed by Xerium or any of its Subsidiaries with any securities exchange or with the Securities and Exchange Commission and (C) all press releases and other statements made available generally by Xerium or any of its Subsidiaries to the public concerning material developments in the business of Xerium or any of its Subsidiaries, and (ii) such other information and data with respect to Xerium or any of its Subsidiaries as from time to time may be reasonably requested by Administrative Agent;

(p) Electronic Delivery.

(i) Notwithstanding anything in any Credit Document to the contrary, each Credit Party hereby agrees that it will use its reasonable best efforts to provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (A) relates to a request for a new Credit Extension or other extension of credit (including any election of an interest rate or Interest Period relating thereto), (B) relates to the payment of any principal or other amount due under any Credit Document prior to the scheduled date therefor, (C) provides notice of any Default or Event of Default under any Credit Document or (D) is required to be delivered to satisfy any condition set forth in Sections 3.1 and/or 3.2 (all such non-excluded communications being referred to herein collectively as the "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@citi.com, with a copy to [lynne.p.savage@citigroup.com]. In addition, each Credit Party agrees to continue to provide the Communications to the Administrative Agent in the manner specified in the Credit Documents, but only to the extent requested by the Administrative Agent.

(ii) Each Credit Party further agrees that the Administrative Agent may make the Communications available to the Banks by posting the Communications on IntraLinks, Fixed Income Direct or a substantially similar electronic transmission system (each such system, a "**Platform**"). Each

Credit Party acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(iii) **EACH PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF ANY PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR ANY PLATFORM. IN NO EVENT SHALL ANY AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, THE "AGENT PARTIES") HAVE ANY LIABILITY TO THE BORROWERS, ANY OTHER CREDIT PARTY, ANY BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWERS' OR THE AGENTS' TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT**.

(iv) The Administrative Agent agrees that the receipt of the Communications by it at its e-mail address set forth in Annex B shall constitute effective delivery of the Communications to the Administrative Agent for purposes of this Section 5.1(p). Each Bank agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to a Platform shall constitute effective delivery of the Communications to such Bank for purposes of this Section 5.1(p). Each Bank agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Bank's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(v) Nothing in this Section 5.1(p) shall prejudice the right of any Agent or any Bank to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(q) Business Plan. Promptly after approval thereof by the board of directors of Xerium, and in any event no later than April 1 of each Fiscal Year, Xerium shall deliver to the Administrative Agent (commencing with Fiscal Year 2010), a detailed consolidated budget and business plan of Xerium and its Subsidiaries through Fiscal Year 2015 (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of each Fiscal Year through Fiscal Year 2015) in form and substance reasonably satisfactory to the Administrative Agent (the "**Business Plan**"); provided that with respect to the Fiscal Year in which the Business Plan is being delivered such Business Plan shall be prepared by Fiscal Quarter for such Fiscal Year.

5.2 **Existence**. Except as otherwise permitted under Section 6.9, each Credit Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business; provided, no Credit Party or any of its Subsidiaries shall be required to preserve any such existence, right or franchise, licenses and permits if such Person's board of directors (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss thereof is not disadvantageous in any material respect to such Person or to Banks.

5.3 **Payment of Taxes and Claims**. Each Credit Party will, and will cause each of its Subsidiaries to, pay all material Taxes imposed upon it or any of its properties or assets or in respect of any of its profits, income, capital, capital gains, payroll businesses or franchises before any penalty or fine accrues thereon, and all Taxes or claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP, shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. No Credit Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than Xerium or any of its Subsidiaries).

5.4 **Maintenance of Properties**. Each Credit Party will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties used or useful in the business of Xerium and its Subsidiaries and from

time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof except where the failure to maintain such properties would not reasonably be expected in any individual case or in the aggregate to have a Material Adverse Effect.

5.5 **Insurance**. Xerium will maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Xerium and its Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. Without limiting the generality of the foregoing, Xerium will maintain or cause to be maintained (a) flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, and (b) replacement value casualty insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks as are at all times carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses. Each such policy of insurance issued by an insurer organized or incorporated in the United States shall (i) name the Collateral Agent, on behalf of Banks as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, satisfactory in form and substance to Collateral Agent, that names the Collateral Agent, on behalf of the Secured Parties, as the loss payee thereunder for losses of $1,000,000 or greater and provides for at least thirty days' prior written notice to the Administrative Agent and the Second Lien Agent of any modification or cancellation of such policy.

5.6 **Books and Records; Inspections**. Each Credit Party will, and will cause each of its respective Subsidiaries to, keep books and records which accurately reflect its business affairs in all material respects and material transactions and each Credit Party will, and will cause each of its respective Subsidiaries to, permit any authorized representatives designated by the Administrative Agent to visit and inspect any of the properties of any Credit Party and any of its respective Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested. Each Credit Party will cause its officers to participate in update calls, no more frequently than once each quarter, with the Agents and the Banks upon reasonable notice and request from the Administrative Agent.

5.7 **[Intentionally Omitted]**

5.8 **Compliance with Laws; SEC Filings**. Each Credit Party will comply, and shall cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facilities to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws), except where failure to do so would not reasonably be expected to have a Material Adverse Effect and Xerium shall timely file with the Securities and Exchange Commission all reports, notices and documents required to be filed under the Exchange Act.

5.9 **Environmental**.

(a) Environmental Disclosure. Xerium will deliver to Administrative Agent:

(i) as soon as practicable following receipt thereof, copies of all environmental audits, investigations, analyses and reports of any kind or character, whether prepared by personnel of Xerium or any of its Subsidiaries or by independent consultants, governmental authorities or any other Persons, with respect to significant environmental matters at any Facility or with respect to any Environmental Claims that could reasonably be expected to have a Material Adverse Effect;

(ii) promptly upon the occurrence thereof, written notice describing in reasonable detail (1) any Release required to be reported to any federal, provincial, state or local governmental or regulatory agency under any applicable Environmental Laws, (2) any remedial action taken by Xerium or any other Person in response to (A) any Hazardous Materials Activities the existence of which has a reasonable possibility of resulting in one or more Environmental Claims having, individually or in the aggregate, a Material Adverse Effect, or (B) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of resulting in a Material Adverse Effect, and (3) Xerium's or each other Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Facility that could cause such Facility or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws;

(iii) as soon as practicable following the sending or receipt thereof by Xerium or any of its Subsidiaries, a copy of any and all written communications with respect to (1) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of giving rise to a Material Adverse Effect, (2) any Release required to be reported to any federal, state or local governmental or regulatory agency, and (3) any request for information from any governmental agency that suggests such agency is

investigating whether Xerium or any of its Subsidiaries may be potentially responsible for any Hazardous Materials Activity;

(iv) prompt written notice describing in reasonable detail (1) any proposed acquisition of stock, assets, or property by Xerium or any of its Subsidiaries that could reasonably be expected to (A) expose Xerium or any of its Subsidiaries to, or result in, Environmental Claims that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (B) adversely affect the ability of Xerium or any of its Subsidiaries to maintain in full force and effect all material Governmental Authorizations required under any Environmental Laws for their respective operations and (2) any proposed action to be taken by Xerium or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject Xerium or any of its Subsidiaries to any additional material obligations or requirements under any Environmental Laws; and

(v) with reasonable promptness, such other documents and information as from time to time may be reasonably requested by the Administrative Agent in relation to any matters disclosed pursuant to this Section 5.9(a).

(b) Hazardous Materials Activities, Etc. Each Credit Party shall promptly take, and shall cause each of its Subsidiaries promptly to take, any and all actions necessary to (i) cure any violation of applicable Environmental Laws by such Credit Party or its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (ii) make an appropriate response to any Environmental Claim against such Credit Party or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.10 **Subsidiaries**. In the event that any Person becomes a Subsidiary of a Borrower, such Borrower shall (a) promptly cause such Subsidiary to become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement, taking into account not to create adverse tax consequences to any Credit Party in respect of Section 956 of the Internal Revenue Code, and (b) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, opinions and certificates as are reasonably requested by the Collateral Agent. With respect to each such Subsidiary, each Borrower shall promptly send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of such Borrower, and (ii) all of the data required to be set forth in Schedules 4.1 and 4.2 with respect to all Subsidiaries of such Borrower; provided, such written notice shall be deemed to supplement Schedule 4.1 and 4.2 for all purposes hereof.

5.11 **Additional Material Real Estate Assets**. In the event that any Credit Party acquires a Material Real Estate Asset or a Real Estate Asset owned or leased on the Closing Date becomes a Material Real Estate Asset and such interest has not otherwise been made subject to the Lien of the Collateral Documents in favor of Collateral Agent, for the benefit of Secured Parties, taking into account not to create adverse tax consequences to Xerium in respect of Section 956 of the Internal Revenue Code, then such Credit Party, as soon as practicable but in no event later than twenty (20) days after acquiring such Material Real Estate Asset, shall take all such actions and execute and deliver, or cause to be executed and delivered, all such mortgages, documents, instruments, agreements, opinions and certificates with respect to each such Material Real Estate Asset that Collateral Agent shall reasonably request to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected First Priority security interest in such Material Real Estate Assets. The applicable Credit Party shall use its commercially reasonable efforts to cause a Landlord Personal Property Collateral Access Agreement and a Landlord Consent and Estoppel to be executed by the applicable landlord and delivered to the Collateral Agent (i) within 90 days after the Closing Date with respect to any Leasehold Property listed on Schedule 4.13(b) as a Leasehold Property and located in the United States and with respect to which aggregate payments under the terms of such lease are $500,000 or more per annum, and (ii) within 90 days after the acquisition of interest therein, any other Leasehold Property located in the United States which the Credit Party leases and with respect to which aggregate payments under the terms of such lease are $500,000 or more per annum. In addition to the foregoing, each Borrower shall, at the request of Requisite Banks, deliver, from time to time, to Administrative Agent such appraisals as are required by law or regulation of Real Estate Assets with respect to which Collateral Agent has been granted a Lien.

5.12 **[Intentionally Omitted]**.

5.13 **Further Assurances**. At any time or from time to time upon the request of the Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent or the Collateral Agent may reasonably request in order to effect fully the purposes of the Credit Documents. In furtherance and not in limitation of the foregoing, each Credit Party shall take such actions as the Administrative Agent or the Collateral Agent may reasonably request from time to time to ensure that the Obligations are guarantied by the Guarantors and are secured by the Collateral.

5.14 **Intellectual Property**. Unless otherwise consented to by Agents or Requisite Banks, the Borrower and each of its Subsidiaries will continue to own or possess the right to use, free from any restrictions, all patents, trademarks, copyrights, and domain names that are used in the operation of their respective businesses as presently conducted and as proposed to be conducted, except to the

extent the failure to so own or possess would not reasonably be expected to have a Material Adverse Effect.

5.15 **Know-Your-Customer Rules**.

If :

(i) (A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Closing Date;

(B) any change in the status of a Credit Party after the Closing Date; or

(C) a proposed assignment or transfer by a Bank of any of its rights and obligations under this Agreement to a party that is not a Bank prior to such assignment or transfer,

obliges the Administrative Agent or any Bank (or, in the case of paragraph (C) above, any prospective new Bank) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Credit Party shall promptly upon the request of the Administrative Agent or any Bank supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself or on behalf of any Bank) or any Bank (for itself or, in the case of the event described in paragraph (C) above, on behalf of any prospective new Bank) in order for the Administrative Agent, such Bank or, in the case of the event described in paragraph (C) above, any prospective new Bank to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Credit Documents.

(ii) Each Bank shall promptly upon the request of the Administrative Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself) in order for the Administrative Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Credit Documents.

(iii) Xerium shall, by not less than 10 Business Days' prior written notice to the Administrative Agent, notify the Administrative Agent (which shall promptly notify the Banks) that one of its Subsidiaries shall become a Guarantor pursuant to Section 5.10.

Following the giving of any notice pursuant to paragraph (iii) above, if the accession of such Subsidiary obliges the Administrative Agent or any Bank to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, Xerium shall promptly upon the request of the

Administrative Agent or any Bank supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself or on behalf of any Bank) or any Bank (for itself or on behalf of any prospective new Bank) in order for the Administrative Agent or such Bank or any prospective new Bank to carry out and be satisfied it has complied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement.

5.16 **Pari Passu Ranking**. Each Credit Party will, and will cause each of its Subsidiaries to ensure that its payment obligations under each of the Credit Documents rank and will at all times rank at least pari passu in right and priority of payment with all its other present and future secured and unsubordinated indebtedness (actual or contingent) except indebtedness preferred solely by operation of law.

5.17 **2009 Audit Opinion**. If the audit opinion delivered with the audited consolidated financial statements of Xerium and its Subsidiaries pursuant to Section 5.1(c) for Fiscal Year 2009 contains a going concern qualification, Xerium will use its commercially reasonable efforts to cause such auditors to deliver a revised opinion withdrawing the going concern qualification.

SECTION 6. NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations and cancellation or expiration of all Letters of Credit, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 6.

6.1 **Indebtedness**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness of any Credit Party to a Borrower or to any other Credit Party, or of a Borrower to any other Borrower or any Credit Party; provided, (i) all such Indebtedness shall be evidenced by promissory notes and all such notes shall be subject to a First Priority Lien pursuant to the applicable Collateral Documents, (ii) all such Indebtedness shall be unsecured and subordinated in right of payment to the payment in full of the Obligations pursuant to the terms of the applicable promissory notes or an intercompany subordination agreement that in any such case, is reasonably satisfactory to the Administrative Agent, and (iii) any payment by any such Guarantor Subsidiary under any guaranty of the Obligations shall result in a *pro tanto* reduction of the amount of any Indebtedness owed by such Credit Party to Xerium or to any of its Subsidiaries for whose benefit such payment is made;

(c) unsecured Debt (including Subordinated Debt); provided, that (i) no Default or Event of Default is continuing under this Agreement or would result from such issuance, (ii) each Borrower is in compliance (and certifies as to such compliance) with Section 6.8 on a pro forma basis after giving effect to the such issuance, (iii) the proceeds of such issuance are applied in accordance with Section 2.14(d) of the Second Lien Credit Agreement, and if all loans thereunder are paid in full, then the proceeds of such issuance shall be used for Permitted Acquisitions or to fund Capital Expenditures permitted under this Agreement, (iv) such Debt shall have a maturity of not earlier than six (6) months after the Term Loan Maturity Date, (v) the documentation relating to such Debt shall not permit or provide for any scheduled amortization payments prior to the Term Loan Maturity Date and (vi) the documentation relating to such Debt shall not contain any covenant or event of default that is either (x) not substantially provided for in this Agreement or (y) more favorable to the holder of such Debt than the comparable covenant or event of default set forth in this Agreement, and, with respect to Subordinated Debt, shall contain customary subordination provisions pursuant to which such subordinated Debt is subordinate to the prior payment in full of the Obligations;

(d) Indebtedness incurred by Xerium or any of its Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of each Borrower or any such Subsidiary pursuant to such agreements, in connection with Permitted Acquisitions or permitted dispositions of any business, assets or Subsidiary of Xerium or any of its Subsidiaries;

(e) Indebtedness which may be deemed to exist pursuant to any guaranties, performance, surety, statutory, appeal or similar obligations incurred in the Ordinary Course;

(f) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;

(g) guaranties in the Ordinary Course of obligations to suppliers, customers, franchisees and licensees of Xerium and its Subsidiaries;

(h) guaranties or the provision of other credit support by a Borrower of Indebtedness of a Credit Party or guaranties or the provision of other credit support by a Credit Party of a Borrower of Indebtedness of a Borrower or a Credit Party with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.1;

(i) Indebtedness, including the ability to draw on commitments to incur Indebtedness, described in Schedule 6.1(i), but not any extensions, renewals or replacements of such Indebtedness except (i) renewals and extensions expressly provided for in the agreements evidencing any such Indebtedness as the

same are in effect on the date of this Agreement and (ii) refinancings and extensions of any such Indebtedness if the terms and conditions thereof are not materially less favorable to the obligor thereon or to the Banks than the Indebtedness being refinanced or extended, and the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended; provided, such Indebtedness permitted under the immediately preceding clause (i) or (ii) above shall not (A) include Indebtedness of an obligor that was not an obligor with respect to the Indebtedness being extended, renewed or refinanced, (B) exceed in a principal amount the Indebtedness being renewed, extended or refinanced, except as to fees and expenses at refinancing or (C) be incurred, created or assumed if any Default or Event of Default has occurred and is continuing or would result therefrom;

(j) Indebtedness with respect to Capital Leases or purchase money Indebtedness in an amount not to exceed at any time $25,000,000 in the aggregate (including any Indebtedness acquired in connection with a Permitted Acquisition); provided, any such purchase money Indebtedness shall be secured only to the asset(s) acquired in connection with the incurrence of such Indebtedness;

(k) other Indebtedness of Xerium and its Subsidiaries in an aggregate amount not to exceed at any time $25,000,000;

(l) Indebtedness under the Factoring Agreements otherwise permitted by this Agreement;

(m) unsecured working capital facilities of any Subsidiary in respect of which a Letter of Credit in an amount equal to the maximum principal amount of such facilities has been issued under this Agreement;

(n) Hedging Obligations entered into for the purpose of hedging risks associated with the operations of Xerium and its Subsidiaries;

(o) Indebtedness owed under the Second Lien Credit Agreement and the Second Lien Credit Documents; and

(p) provided that no Event of Default shall have occurred and be continuing or would occur as a consequence thereof, any replacement, renewal or refinancing of any Indebtedness described in Sections 6.1 (c), (j), (k), and (o) (collectively, the "**Permitted Refinancing Indebtedness**") that (i) does not exceed the aggregate principal amount of the Indebtedness being replaced, renewed or refinanced, except as to fees and expenses at refinancing, (ii) does not have a maturity date earlier than the Indebtedness being replaced renewed or refinanced, (iii) does not rank at the time of such replacement, renewal or refinancing senior to the Indebtedness being replaced, renewed or refinanced, (iv) the documentation relating to such Indebtedness shall not contain any covenant or event of default that is either (x) not substantially provided for in this

Agreement or (y) more favorable to the holder of such debt than the comparable covenant or event of default set forth in this Agreement, (v) the obligors in respect of such Permitted Refinancing Indebtedness (including in their capacities as primary obligor and guarantor) are the same as for the Indebtedness being refinanced and (vi) any Liens securing such Permitted Refinancing Indebtedness are not extended to any property which does not secure the Indebtedness being refinanced.

6.2 **Liens**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of Xerium or any of its Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except:

(a) Liens in favor of the Collateral Agent for the benefit of the Secured Parties granted pursuant to any Credit Document;

(b) Liens for Taxes not then due or if due obligations with respect to such Taxes that are not at such time required to be paid pursuant to Section 5.3 or which are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which an adequate reserve has been made in accordance with GAAP;

(c) statutory Liens of landlords, banks (and rights of set off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 401 (a)(29) or 412(n) of the Internal Revenue Code or by ERISA), in each case incurred in the Ordinary Course (i) for amounts not yet overdue or (ii) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of fifteen (15) days) are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts;

(d) Liens incurred in the Ordinary Course in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof;

(e) easements, rights of way, restrictions, encroachments, and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Xerium or any of its Subsidiaries;

(f) any (i) interest or title of a lessor or sublessor under any lease of real estate permitted hereunder, (ii) restriction or encumbrance that the interest or title of such lessor or sublessor may be subject to, or (iii) subordination of the interest of the lessee or sublessee under such lease to any restriction or encumbrance referred to in the preceding clause (ii), so long as the holder of such restriction or encumbrance agrees to recognize the rights of such lessee or sublessee under such lease;

(g) Liens solely on any cash earnest money deposits made by Xerium or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements or, for property located in foreign jurisdictions, the preparation and/or filing of functionally similar documents, relating solely to operating leases of personal property entered into in the Ordinary Course;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(k) (i) licenses of patents, trademarks and other intellectual property rights granted by Xerium or any of its Subsidiaries in the Ordinary Course and not interfering in any material respect with the ordinary conduct of the business of Xerium or such Subsidiary and (ii) leases or subleases granted by Xerium of any of its Subsidiaries to third parties in respect of surplus property which is not fundamental to the operation of the business in the Ordinary Course; provided that such leases and subleases are on arms-length commercial terms and are otherwise satisfactory to the Administrative Agent;

(l) existing Liens described in Schedule 6.2(l) and replacements thereof, so long as the replacement Liens encumber only the assets subject to the Liens being replaced and the replacement Liens secure obligations in an amount no greater than the obligations secured by the Liens being replaced;

(m) Liens securing Indebtedness permitted pursuant to Sections 6.1(j) and (k); provided, any such Lien shall encumber only the asset acquired with the proceeds of such Indebtedness;

(n) Liens granted by entities acquired pursuant to Section 6.9 prior to their acquisition and not in contemplation of such acquisition and which are discharged within three (3) months of the date of acquisition and in relation to which the secured amount is not increased in contemplation of or after the date of the relevant acquisition;

(o) the Parallel Obligations;

(p) Liens on the Collateral securing the Second Lien Obligations;

(q) Liens securing Permitted Refinancing Indebtedness, provided that any such Lien shall encumber only the assets that secure the Indebtedness being replaced, renewed or refinanced by such of such Permitted Refinancing Indebtedness;

(r) existing Liens on a title report delivered pursuant to Section 3.1(i)(iv);

(s) any Liens arising by operation of law and any lien arising under customary retention of title arrangements (*Eigentumsvorbehalt*) in the Ordinary Course;

(t) any Lien arising under the general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*) with whom Xerium or any of its Subsidiaries maintains a banking relationship with a financial institution in Germany; and

(u) Liens securing Indebtedness or obligations that do not exceed $15,000,000 (the "**Lien Basket Amount**") at any time outstanding that encumber assets located outside of the United States; provided that up to $5,000,000 of the Lien Basket Amount may relate to Liens encumbering assets located in the United States.

6.3 **Equitable Lien**. If any Credit Party or any of its Subsidiaries shall create or assume any Lien upon any of its properties or assets, whether now owned or hereafter acquired, other than Permitted Liens, 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 secured thereby as long as any such Indebtedness shall be so secured; provided, notwithstanding the foregoing, this covenant shall not be construed as a consent by Requisite Banks to the creation or assumption of any such Lien not otherwise permitted hereby.

6.4 **No Further Negative Pledges**. Except with respect to (a) specific property encumbered to secure payment of particular Indebtedness or to be sold pursuant to an executed agreement with respect to a permitted Asset Sale, (b) restrictions contained in any documents evidencing Subordinated Debt; provided, that in respect of Subordinated Debt such restrictions do not restrict the ability to grant security interests under this Agreement or any agreement that

refinances this Agreement, (c) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the Ordinary Course (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), (d) Liens permitted to be incurred under Section 6.2 and restrictions in the agreements relating thereto that limit the right of any Credit Party to dispose of or transfer the assets subject to such Liens, (e) provisions limiting the disposition or distribution of assets or property in sale-leaseback agreements, stock sale agreements and other similar agreements, which limitation is applicable only to the assets that are the subject of such agreements, (f) any encumbrance or restriction in connection with an acquisition of property, so long as such encumbrance or restriction relates solely to the property so acquired and was not created in connection with or in anticipation of such acquisition, (g) restrictions contained in the Second Lien Credit Documents and (h) restrictions imposed by customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements and other similar agreements that restrict the transfer of ownership interest in such partnership, limited liability company, joint venture or similar Person, no Credit Party nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired.

6.5 **Restricted Junior Payments**. No Credit Party shall, nor shall it permit any of its Subsidiaries or Affiliates through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment, except:

(a) any Subsidiary may declare and pay or make any distributions to its shareholders, provided that such payments are made to all its shareholders proportionately based on their ownership interest in such Subsidiary;

(b) [Intentionally omitted]; and

(c) so long as no Default or Event of Default has occurred and is continuing, Xerium may repurchase, redeem or retain Common Stock in an amount not to exceed $7.0 million per annum solely for the purpose of repurchases of Common Stock from departing Xerium executives or satisfying the purchase price of equity award under, or paying withholding taxes payable with respect to, vested equity compensation programs.

6.6 **Restrictions on Subsidiary Distributions**. Except as provided herein and as provided in the Second Lien Credit Agreement, no Credit Party shall, nor shall it permit any of its Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of Xerium to (a) pay dividends or make

any other distributions on any of such Subsidiary's Capital Stock owned by Xerium or any other Subsidiary of Xerium, (b) repay or prepay any Indebtedness owed by such Subsidiary to Xerium or any other Subsidiary of Xerium, (c) make loans or advances to Xerium or any other Subsidiary of Xerium, or (d) transfer any of its property or assets to Xerium or any other Subsidiary of Xerium, other than restrictions (i) in agreements evidencing Indebtedness permitted by Section 6.1(k) that impose restrictions on the property so acquired; (ii) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and similar agreements entered into in the Ordinary Course; (iii) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Capital Stock not otherwise prohibited under this Agreement; (iv) in any agreement for the sale or other disposition of a Subsidiary that restricts distributions by that Subsidiary pending the sale or other disposition; (v) in provisions in agreements or instruments which prohibit the payment of dividends or the making of other distributions with respect to any class of Capital Stock of a Person other than on a pro rata basis; and (vi) in any instrument governing Indebtedness or Capital Stock of a Person acquired by Xerium or any of its Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the property or assets of the Person, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by Section 6.1.

6.7 **Investments**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including without limitation any Joint Venture, except:

(a) Investments in Cash and Cash Equivalents;

(b) equity Investments and loans as of the Closing Date in or to any Subsidiary and equity Investments and loans made after the Closing Date in or to any Guarantor Subsidiary;

(c) Investments (i) in any Securities received in satisfaction or partial satisfaction of obligations of financially troubled account debtors and (ii) deposits, prepayments and other credits to suppliers made in Xerium's and its Subsidiaries' Ordinary Course;

(d) intercompany loans and guaranties to the extent permitted under Section 6.1(b), (d), (e), (g) and (h);

(e) Consolidated Capital Expenditures permitted by Section 6.8(d);

(f) loans and advances to employees of Xerium and its Subsidiaries made in the Ordinary Course in an aggregate principal amount not to exceed $1,000,000 in the aggregate;

(g) Investments made in connection with Permitted Acquisitions permitted pursuant to and in accordance with Section 6.9; provided that shares of Common Stock may be issued as consideration in connection with Permitted Acquisitions so long as Xerium is in compliance, on a pro forma basis, with the financial covenants set forth in Section 6.8;

(h) Investments received in lieu of Cash in connection with Asset Sales permitted by and in accordance with Section 6.9;

(i) Investments described in Schedule 6.7(i);

(j) other Investments (including without limitation Investments in Subsidiaries which are not wholly owned, directly or indirectly, by any Borrower) in an aggregate amount not to exceed at any time $20,000,000.

Notwithstanding the foregoing, in no event shall any Credit Party make any Investment which results in or facilitates in any manner any Restricted Junior Payment not otherwise permitted under the terms of Section 6.5.

6.8 **Financial Covenants**.

(a) **Interest Coverage Ratio**. Xerium shall not permit the Interest Coverage Ratio for any period of four consecutive Fiscal Quarters ending with any Fiscal Quarter set forth below to be less than the ratio set forth below opposite such Fiscal Quarter:

Fiscal Quarter	**Interest Coverage Ratio**
September 30, 2010	1.75
December 31, 2010	1.75
March 31, 2011	1.75
June 30, 2011	2.00
September 30, 2011	2.00
December 31, 2011	2.00
March 31, 2012	2.25
June 30, 2012	2.25
September 30, 2012	2.25
December 31, 2012	2.25
March 31, 2013	2.25
June 30, 2013	2.25
September 30, 2013	2.25
December 31, 2013	2.50

March 31, 2014	2.50
June 30, 2014	2.50
September 30, 2014	2.50
December 31, 2014	2.50
March 31, 2015	2.50
June 30, 2015	2.50
September 30, 2015	2.50
December 31, 2015	2.50

(b) Leverage Ratio. Xerium shall not permit the Leverage Ratio for any period of four consecutive Fiscal Quarters ending with any Fiscal Quarter set forth below to be greater than the ratio set forth below opposite such Fiscal Quarter:

Fiscal Quarter	**Leverage Ratio**
September 30, 2010	5.50
December 31, 2010	5.50
March 31, 2011	5.25
June 30, 2011	5.25
September 30, 2011	5.00
December 31, 2011	4.75
March 31, 2012	4.75
June 30, 2012	4.50
September 30, 2012	4.50
December 31, 2012	4.25
March 31, 2013	4.25
June 30, 2013	4.25
September 30, 2013	4.00
December 31, 2013	4.00
March 31, 2014	3.75
June 30, 2014	3.75
September 30, 2014	3.75
December 31, 2014	3.50
March 31, 2015	3.50
June 30, 2015	3.50
September 30, 2015	3.50
December 31, 2015	3.50

(c) [Intentionally omitted]

(d) Maximum Consolidated Capital Expenditures. Xerium shall not, and shall not permit its Subsidiaries to, make or incur Consolidated Capital Expenditures, in any Fiscal Year indicated below, in an aggregate amount for Xerium and its Subsidiaries in excess of the corresponding amount ("**Maximum Consolidated Capital Expenditures**") set forth below opposite such Fiscal Year

(exclusive of capital expenditures paid with Net Insurance/Condemnation Proceeds in accordance with Section 2.14(b)):

Fiscal Year	Maximum Consolidated Capital Expenditures
2010	$37,300,000
2011	$33,400,000
2012	$33,800,000
2013	$33,100,000
2014	$33,100,000
2015	$33,100,000

provided, that the Maximum Consolidated Capital Expenditures for any Fiscal Year shall be increased by an amount equal to 50% of the portion of Maximum Consolidated Capital Expenditures not expended in the immediately preceding Fiscal Year (the "**Roll-Over Amount**"); provided, further, that any Roll-Over Amount not expended in the applicable Fiscal Year shall not be added to the amount of Maximum Consolidated Capital Expenditures for the immediately succeeding Fiscal Year.

(e) Certain Calculations. (i) With respect to any period during which a Permitted Acquisition or an Asset Sale has occurred (each, a "**Subject Transaction**"), for purposes of determining compliance with the financial covenants set forth in this Section 6.8, Adjusted EBITDA shall be calculated with respect to such period on a pro forma basis (including (x) pro forma adjustments arising out of events which are directly attributable to a specific transaction, are factually supportable and are expected to have a continuing impact, in each case determined on a basis consistent with Article 11 of Regulation S-X promulgated under the Securities Act and as interpreted by the staff of the Securities and Exchange Commission, which would include cost savings resulting from head count reduction, closure of facilities and similar restructuring charges and applicable interest expense shall be calculated with respect to such period on a pro rata basis, which pro forma adjustments shall be certified by the chief financial officer of Xerium and (y) such other adjustments that are acceptable to the Administrative Agent) using the historical audited financial statements of any business so acquired or to be acquired or sold or to be sold and the consolidated financial statements of Xerium and its Subsidiaries which shall be reformulated as if such Subject Transaction, and any Indebtedness incurred or repaid in connection therewith, had been consummated or incurred or repaid at the beginning of such period (and assuming that such Indebtedness bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding Loans incurred during such period).

(ii) Whenever pro forma effect is to be given to any transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of Xerium. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a

responsible financial or accounting officer of Xerium to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

6.9 **Fundamental Changes; Disposition of Assets; Acquisitions**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, enter into any merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, or acquire by purchase or otherwise (other than purchases or other acquisitions of inventory, materials and equipment and Capital Expenditures in the Ordinary Course) the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except:

(a) any Subsidiary of Xerium may be merged with or into a Borrower or any other Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to a Borrower or any other Subsidiary; provided, however, in the case of such a merger involving a Borrower or a Guarantor Subsidiary merging with a non-Guarantor Subsidiary, such Borrower or Guarantor Subsidiary shall be the continuing or surviving Person;

(b) sales or other dispositions of assets that do not constitute Asset Sales;

(c) Asset Sales, the proceeds of which (valued at the principal amount thereof in the case of non-Cash proceeds consisting of notes or other debt Securities and valued at fair market value in the case of other non-Cash proceeds) when aggregated with the proceeds of all other Asset Sales made within the same Fiscal Year, are less than $25,000,000 (excluding proceeds from the Australia Asset Sales and the Vietnam Asset Sales); provided (1) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the board of directors of such Credit Party (or similar governing body)), (2) no less than 75% thereof shall be paid in Cash, and (3) the Net Asset Sale Proceeds thereof shall be applied as required by Section 2.14(a);

(d) disposals of obsolete, worn out or surplus property, and any assets acquired in connection with the acquisition of another Person in a division or line of business of such Person reasonably determined by the acquirer to be surplus assets;

(e) Permitted Acquisitions, so long as (i) the equity of Xerium is used as 100% of the consideration in connection therewith or (ii) cash of Xerium or any of its Subsidiaries is used as all or a portion of the consideration; provided

that, in the case of clause (ii), Xerium must demonstrate that, on a pro forma basis, the Leverage Ratio of Xerium is at least 0.5x inside the then applicable Leverage Ratio under Section 6.8(b); and

(f) Investments made in accordance with Section 6.7.

6.10 **Disposal of Subsidiary Interests**. Except for any sale of all of its interests in the Capital Stock of any of its Subsidiaries in compliance with the provisions of Section 6.9 or pursuant to the Collateral Documents, no Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to qualify directors if required by applicable law; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by applicable law.

6.11 **Sales and Lease Backs**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which such Credit Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than Xerium or any of its Subsidiaries), or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by such Credit Party to any Person (other than Xerium or any of its Subsidiaries) in connection with such lease.

6.12 **Transactions with Shareholders and Affiliates**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of Capital Stock of Xerium or any of its Subsidiaries or with any Affiliate of Xerium or of any such holder, on terms that are less favorable to Xerium or that Subsidiary, as the case may be, than those that might be obtained at the time from a Person who is not such a holder or Affiliate; provided, the foregoing restriction shall not apply to (a) any transaction between Xerium or any of its Subsidiaries and any other of Xerium and its Subsidiaries; (b) reasonable and customary fees paid to members of the board of directors (or similar governing body) of Xerium and its Subsidiaries; (c) compensation arrangements for officers and other employees of Xerium and its Subsidiaries entered into in the Ordinary Course; (d) the agreements and instruments listed on Schedule 2.29 and the transactions related thereto (which agreements and instruments shall be in form and substance reasonably satisfactory to the Administrative Agent); and (e) transactions described in Schedule 6.12. Notwithstanding anything to the contrary herein, the transactions contemplated by the Plan of Reorganization or

the Disclosure Statement shall be deemed permitted transactions under this Agreement.

6.13 **Conduct of Business**. From and after the Closing Date, no Credit Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than (i) the businesses engaged in by one or more Credit Parties on the Closing Date and similar or related businesses and (ii) such other lines of business as may be consented to by Requisite Banks.

6.14 **[Intentionally Omitted]**.

6.15 **Amendments or Waivers of Organizational Documents**. No Credit Party shall terminate or agree to any amendment, restatement, supplement or other modification to, any Organizational Document that would be materially adverse to the Banks.

6.16 **Amendments or Waivers of with respect to Subordinated Debt and the Second Lien Credit Agreement**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise change the terms of any Subordinated Debt or make any payment consistent with an amendment thereof or change thereto, if the effect of such amendment or change is to increase the interest rate or the amortization rate on such Subordinated Debt, change (to earlier dates) any dates upon which payments of principal or interest are due thereon, change any event of default or condition to an event of default with respect thereto (other than to eliminate any such event of default or increase any grace period related thereto), change the redemption, prepayment or defeasance provisions thereof, change the subordination provisions of such Subordinated Debt (or of any guaranty thereof), or if the effect of such amendment or change, together with all other amendments or changes made, is to increase materially the obligations of the obligor thereunder or to confer any additional rights on the holders of such Subordinated Debt (or a trustee or other representative on their behalf) which would be adverse to any Credit Party or Banks. In addition, the Borrowers shall not amend or otherwise modify the terms of the Second Lien Credit Agreement in contravention of the terms of the Intercreditor Agreement.

6.17 **Fiscal Year**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, change its Fiscal Year end from December 31st.

6.18 **Account Control Agreements; Cash Management**. Xerium shall not alter or permit its Subsidiaries to alter the cash concentration and cash management practice and services with respect to the accounts covered by the control agreements pursuant to which the Administrative Agent is a party unless it gives the Collateral Agent 30 days' prior written notice of such change and the applicable Credit Party, prior to effecting such change, enters into control agreements in form and substance reasonably satisfactory to the Collateral Agent; provided that if for two consecutive Fiscal Quarters the Leverage Ratio shall be less than 3.00, then the obligation of the Credit Parties to maintain control

agreements for the benefit of the Banks, including control agreements relating to the Primary Accounts (but excluding the Term Loan LC Collateral Account Control Agreement), shall terminate and upon the request of Xerium the Collateral Agent and (if a party thereto) the Administrative Agent will enter into applicable termination agreements terminating such control agreements.

SECTION 7. GUARANTY

7.1 **Guaranty of the Obligations**.

(a) Subject to the provisions of Section 7.2 and 7.14, the Non-US Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Non-US Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "**Non-US Guaranteed Obligations**")

(b) Subject to the provisions of Section 7.2, the US Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "**Guaranteed Obligations**").

7.2 **Contribution by Guarantors**.

(a) All Non-US Guarantors desire to allocate among themselves (collectively, the "**Non-US Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a "**Non-US Funding Guarantor**") under this Guaranty such that its Non-US Aggregate Payments exceed its Non-US Fair Share as of such date, such Non-US Funding Guarantor shall be entitled to a contribution from each of the other Non-US Contributing Guarantors in an amount sufficient to cause each Non-US Contributing Guarantor's Non-US Aggregate Payments to equal its Non-US Fair Share as of such date. "**Non-US Fair Share**" means, with respect to a Non-US Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Non-US Fair Share Contribution Amount with respect to such Non-US Contributing Guarantor to (ii) the aggregate of the Non-US Fair Share Contribution Amounts with respect to all Non-US Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all Non-US Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. "**Non-US Fair Share Contribution Amount**" means,

with respect to a Non-US Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Non-US Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "**Non-US Fair Share Contribution Amount**" with respect to any Non-US Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such Non-US Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Non-US Contributing Guarantor. "**Non-US Aggregate Payments**" means, with respect to a Non-US Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such Non-US Contributing Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 7.2), minus (2) the aggregate amount of all payments received on or before such date by such Non-US Contributing Guarantor from the other Non-US Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Non-US Funding Guarantor. The allocation among Non-US Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any Non-US Contributing Guarantor hereunder. Each Non-US Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2(a).

(b) All US Guarantors desire to allocate among themselves (collectively, the "**US Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a US Guarantor (a "**US Funding Guarantor**") under this Guaranty such that its US Aggregate Payments exceed its US Fair Share as of such date, such US Funding Guarantor shall be entitled to a contribution from each of the other US Contributing Guarantors in an amount sufficient to cause each US Contributing Guarantor's US Aggregate Payments to equal its US Fair Share as of such date. "**US Fair Share**" means, with respect to a US Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the US Fair Share Contribution Amount with respect to such US Contributing Guarantor to (ii) the aggregate of the US Fair Share Contribution Amounts with respect to all US Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all US Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. "**US Fair Share Contribution Amount**" means, with respect to a US Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such US Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law;

provided, solely for purposes of calculating the "**US Fair Share Contribution Amount**" with respect to any US Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such US Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such US Contributing Guarantor. "**US Aggregate Payments**" means, with respect to a US Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such US Contributing Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 7.2), minus (2) the aggregate amount of all payments received on or before such date by such US Contributing Guarantor from the other US Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable US Funding Guarantor. The allocation among US Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any US Contributing Guarantor hereunder. Each US Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2(b).

7.3 **Payment by Guarantors**

(a) Subject to Section 7.2(a), Non-US Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Non-US Guarantor by virtue hereof, that upon the failure of a Non-US Borrower to pay any of the Non-US Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Non-US Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Non-US Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Non-US Guaranteed Obligations (including interest which, but for any Non-US Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Non-US Guaranteed Obligations, whether or not a claim is allowed against such Non-US Borrower for such interest in the related bankruptcy case) and all other Non-US Guaranteed Obligations then owed to Beneficiaries as aforesaid.

(b) Subject to Section 7.2(b), US Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any US Guarantor by virtue hereof, that upon the failure of a Borrower to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated

maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), US Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for any Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against such Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

7.4 **Liability of Guarantors Absolute**. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of such Guarantor and not merely a contract of surety;

(b) Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between any Borrower and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of such Guarantor hereunder are independent of the obligations of any Borrower and the obligations of any other guarantor (including any other Guarantor) of the obligations of any Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against any Borrower or any of such other guarantors and whether or not any Borrower is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, which has not been paid. Without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of

the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Non-US Guaranteed Obligations or Guaranteed Obligations, or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, and take and hold security for the payment hereof or the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, any other guaranties of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, or any other obligation of any Person (including any other Guarantor) with respect to the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, provided, however, that no Credit Document to which such Guarantor is party may be amended without its written consent; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith or the applicable documentation creating Hedging Obligations and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or non-judicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Borrower or any security for the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; and (vi) exercise any other rights available to it under the Credit Documents or the applicable documentation creating Hedging Obligations; and

(f) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation (subject, however, to the limitations applicable to certain Non-US Guarantors as

set out in Section 7.14), impairment, discharge or termination for any reason (other than payment in full of the Non-US Guaranteed Obligations and Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Credit Documents or the applicable documentation creating Hedging Obligations, at law, in equity or otherwise) with respect to the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Credit Documents, any of the applicable documentation creating Hedging Obligations or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, in each case whether or not in accordance with the terms hereof or such Credit Document, such applicable documentation creating Hedging Obligations or any agreement relating to such other guaranty or security; (iii) the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Credit Documents or any of the applicable documentation creating Hedging Obligations or from the proceeds of any security for the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, except to the extent such security also serves as collateral for indebtedness other than the Non-US Guaranteed Obligations or Guaranteed Obligations) to the payment of indebtedness other than the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, even though any Beneficiary might have elected to apply such payment to any part or all of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Xerium or any of its Subsidiaries and to any corresponding restructuring of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be; (vii) any defenses, set offs or counterclaims which any Borrower may allege or assert against any Beneficiary in respect of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; (viii) any law or regulation of any jurisdiction or any other event affecting any term of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the

case may be; and (ix) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be.

(g) Notwithstanding anything to the contrary herein or in any Credit Document, this guarantee given by any guarantor organized under Austrian law is meant to be and shall be interpreted as abstract guarantee ("*abstrakter Garantievertrag*") and not as surety ("*Buergschaft*"), neither as a joint obligation as a borrower ("*Mitschuldner*") and such Austrian Guarantor undertakes to pay unconditionally, irrevocably, upon first demand and without raising any defenses ("*unbedingt, unwiderruflich, ueber erste Aufforderung und unter Verzicht auf alle Einwendungen*") any amounts demanded by any of the Beneficiaries under reference to this guarantee.

(h) Notwithstanding anything to the contrary herein or in any Credit Document, to the extent that this guarantee is granted by any guarantor organized under German law, such guarantee is granted in the form of an abstract guarantee (*abstraktes Garantieversprechen*) and not as a surety (*Buergschaft*) or as a joint obligation as borrower (*Mitschuldübernahme*), and any German Guarantor undertakes, subject to subsection 7.14(f) hereof, to pay unconditionally, irrevocably, upon first demand and without raising any defenses (*unbedingt, unwiderruflich, auf erstes Anfordern und unter Verzicht auf alle Einwendungen und Einreden*) any amounts demanded by any of the Beneficiaries under reference to this guarantee. Each German Guarantor hereby confirms to the Administrative Agent and each Beneficiary that (i) it has thoroughly read this guarantee and understands that it may be liable hereunder for payments in excess of the amounts of the Loans, (ii) it has discussed this guarantee with its legal counsel prior to entering into this Agreement, and (iii) in the past it has entered into such guarantees as a guarantor before.

7.5 **Waivers by Guarantors**. Each Guarantor hereby waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against any Borrower, any other guarantor (including any other Guarantor) of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be or any other Person, (ii) proceed against or exhaust any security held from any Borrower, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of any Borrower or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, or any agreement or instrument relating thereto or by reason of the cessation of the liability of any Borrower or any other Guarantor from any cause other than payment in full of the Non-US

Guaranteed Obligations or Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Non-US Guaranteed Obligations or Guaranteed Obligations, except behavior which amounts to bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, the applicable documentation creating Hedging Obligations or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Non-US Guaranteed Obligations or Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to any Borrower and notices of any of the matters referred to in Section 7.4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof, subject to the limitations applicable to certain Non-US Guarantors as set out in Section 7.14.

The Mexican Guarantor, hereby expressly waives, to the fullest extent allowed by law of Mexico, all legal benefits including, but not limited to, inter alia the benefits of order, excussio and division provided for in Articles 2813, 2814, 2815, 2817, 2818, 2820, 2821, 2822, 2823, 2826 and 2837 of Federal Civil Code of Mexico, the contents and scope of which the Mexican Guarantor hereby acknowledges to be fully aware of. Likewise, the Mexican Guarantor expressly waives the rights granted to it under Articles 2845, 2846, 2847 and 2849 of the Federal Civil Code of Mexico, pursuant to which the Mexican Guarantor would be relieved from its obligations in case any of the Banks would grant any extensions or releases to the Mexican Guarantor.

7.6 **Guarantors' Rights of Subrogation, Contribution, etc**. Until the Non-US Guaranteed Obligations and Guaranteed Obligations shall have been indefeasibly paid in full and the Revolving Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against any Borrower or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its respective obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter

have against any Borrower with respect to the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against any Borrower, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Non-US Guaranteed Obligations and Guaranteed Obligations shall have been indefeasibly paid in full and the Revolving Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, including, without limitation, any such right of contribution as contemplated by Section 7.2. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against any Borrower or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against any Borrower, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Non-US Guaranteed Obligations and Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, whether matured or unmatured, in accordance with the terms hereof.

7.7 **Subordination of Other Obligations**. Any Indebtedness of any Borrower or any Guarantor now or hereafter held by any Guarantor (the "**Obligee Guarantor**") is hereby subordinated in right of payment to the Non-US Guaranteed Obligations and Guaranteed Obligations, and any such indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof, subject, however to the limitations applicable to certain Non-US Guarantors as set out in Sections 7.13 and 7.14.

7.8 **Continuing Guaranty**. This Guaranty is a continuing guaranty and shall remain in effect until all of the Non-US Guaranteed Obligations and Guaranteed Obligations shall have been paid in full and the Revolving

Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be.

7.9 **Authority of Guarantors or Borrowers**. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or any Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

7.10 **Financial Condition of Each Borrower**. Any Credit Extension may be made to any Borrower or continued from time to time, and any applicable documentation creating Hedging Obligations may be entered into from time to time, in each case without notice to or authorization from any Guarantor regardless of the financial or other condition of such Borrower at the time of any such grant or continuation or at the time such applicable documentation creating Hedging Obligations is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of any Borrower. Each Guarantor has adequate means to obtain information from each Borrower on a continuing basis concerning the financial condition of such Borrower and its ability to perform its respective obligations under the Credit Documents and the applicable documentation creating Hedging Obligations, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of each Borrower and of all circumstances bearing upon the risk of non-payment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of any Borrower now known or hereafter known by any Beneficiary.

7.11 **Bankruptcy, etc.**

(a) So long as any Non-US Guaranteed Obligations or Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Requisite Banks, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against any Borrower or any other Guarantor, subject to the limitations applicable to certain Non-US Guarantors as set out in Section 7.13 and Section 7.14. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of any Borrower or any other Guarantor or by any defense which any Borrower or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Non-US Guaranteed Obligations and Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Non-US Guaranteed Obligations and Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Non-US Guaranteed Obligations and Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Non-US Guaranteed Obligations and Guaranteed Obligations which are guaranteed by the applicable Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve any Borrower of any portion of such Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Non-US Guaranteed Obligations or Guaranteed Obligations are paid by any Borrower, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Non-US Guaranteed Obligations and Guaranteed Obligations for all purposes hereunder.

7.12 **Discharge of Guaranty Upon Sale of Guarantor**. If all of the Capital Stock of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such Asset Sale.

7.13 **Validity of Pledge of Shares held by Xerium Technologies Limited, Xerium (France) SAS and the German Guarantors; Parallel Obligations**.

(a) For the purposes of taking a valid security interest in the shares held by Xerium (France) SAS, Xerium Technologies Limited and the German Guarantors securing only the Non-US Obligations and ensuring the continued validity of such security interest, and despite anything to the contrary contained in any Credit Document:

(i) Xerium (France) SAS shall pay to the Collateral Agent sums equal to, and in the currency of, its obligations owing by it to a Secured Party (other than the Collateral Agent) as and when the same fall due for payment under the Credit Documents and each of the German Guarantors shall pay to the Collateral Agent sums equal to, and in the currency of, the Non-US Obligations as and when the same fall due for payment under the Credit Documents (the "**Parallel Obligations**");

(ii) the rights of the Secured Parties to receive payment under the Credit Documents are several and independent from the rights of the Collateral Agent to receive the Parallel Obligations;

(iii) the Collateral Agent shall have its own independent right to demand payment of the Parallel Obligations by Xerium Technologies Limited, Xerium (France) SAS and the German Guarantors;

(iv) the payment by Xerium Technologies Limited, Xerium (France) SAS or any of the German Guarantors of its Parallel Obligations to the Collateral Agent in accordance with this Section 7.13 shall be a good discharge of the corresponding obligations owed by it to the relevant Secured Party under the relevant Credit Document, or the corresponding Non-US Obligations, as the case may be, and payment by Xerium (France) SAS or any of the German Guarantors of its obligations owed by it to the relevant Secured Party under the relevant Credit Document, or the corresponding Non-US Obligations, as the case may be, shall be a good discharge of the corresponding Parallel Obligations to the Collateral Agent; and

(v) with regard to Xerium Technologies Limited, Xerium (France) SAS and the German Guarantors, nothing in any Credit Document shall in any way limit the Collateral Agent's right to act in the protection or preservation of the rights under, or to enforce any, Collateral Document as contemplated by this Section 7.13 or the relevant Collateral Document.

(b) Despite the foregoing, any such payment shall be made to the Administrative Agent unless the Administrative Agent directs such payment to be made to the Collateral Agent.

(c) Without limiting or affecting the Collateral Agent's rights against Xerium Technologies Limited, Xerium (France) SAS or any of the German Guarantors (whether under this Section 7.13 or under any other provision of the Credit Documents and subject to paragraph (a)(v) of this Section 7.13), the Collateral Agent agrees with each other Secured Party or creditor of a Non-US Obligation, as the case may be, that it will not exercise its rights in respect of the Parallel Obligations except with the consent of the relevant Secured Party or the creditor of a Non-US Obligation or the Requisite Banks, as the case may be.

(d) A Secured Party and the Collateral Agent may not, by virtue of this Section 7.13, pursue Xerium (France) SAS or any of the German Guarantors concurrently for the same obligation.

7.14 **Limitation of Non-US Guaranteed Obligations**.[3]

(a) Austrian guarantee. The obligations of each Non-US Guarantor organized under Austrian law (each, an "**Austrian Guarantor**") shall be limited so as not to result in the violation of Austrian capital maintenance rules pursuant to Austrian company law, in particular Section 82 of the Act on Limited Liability Companies (*Gesetz über Gesellschaften mit beschränkter Haftung*) and Section 52 of the Austrian Act on Stock Corporations (*Aktiengesetz*)(Austrian Capital Maintenance Rules), and all obligations hereunder of such Austrian Guarantor shall be limited in accordance with these rules. Further, the subordination of obligations pursuant to Section 7.7 hereof shall not be binding on any Obligee Guarantor organized under Austrian law to the extent such subordination would constitute a violation of mandatory Austrian capital maintenance provisions. No reduction of the amount enforceable against an Austrian Guarantor pursuant to this paragraph in accordance with the above limitations will prejudice the rights of the Administrative Agent to continue to enforce the guarantee pursuant to Section 7.1 (subject always to the operation of the limitation set forth above at the time of such enforcement) until the Non-US Obligations have been satisfied in full.

(b) Italian guarantee. This liability of each Non-US Guarantor organized under the laws of the Republic of Italy (each, an "**Italian Guarantor**") shall:

(i) at no time require an Italian Guarantor to pay an amount which exceeds an amount corresponding from time to time to the aggregate of the outstanding indebtedness of the Italian Guarantor under the Italia Term Loan; and

(ii) the guarantee obligations of an Italian Guarantor under this Section 7.14(b) shall be limited to the extent required to comply with Italian mandatory provisions on financial assistance and corporate benefit (including, without limitation, Article 2358 of the Italian Civil Code) and, accordingly, such guarantee obligations shall not include and shall not extend to any indebtedness incurred by any Borrower and/or Guarantor in relation to the financing of the acquisition or subscription for of shares issued or to be issued

[3] Under review and discussion by local counsel.

by such Italian Guarantor or by any direct or indirect controlling entity of such Italian Guarantor, unless the conditions and procedure provided for under Article 2358 of the Italian Civil Code are complied with; without prejudice to the foregoing and for the specific purposes of article 1938 of the Italian Civil Code (if applicable), the maximum amount that each Italian Guarantor may be required to pay under this Section 7.14 shall in no event exceed Euro [_____].

(c) Intentionally omitted.

(d) French guarantee. The liability of each Non-US Guarantor organized under the laws of France (a "**French Guarantor**") shall (A) not include any obligations which if incurred would constitute the provision of financial assistance as defined by article L225-216 of the French Commercial Code, (B) only guarantee obligations to the extent that the proceeds are used to finance or refinance the working capital needs or the debt of any Borrower and (C) be limited at any time to the greater of:

(i) the equivalent to Euros of the Loans (plus any accrued interest thereon, commissions and fees) made available to any obligor (other than, if applicable, the French Guarantor) to the extent directly or indirectly on-lent by the obligor to the French Guarantor calculated by the Facility Agent on the date on which such moneys are paid; and

(ii) 80% of the greater of:

(A) the Net Asset Value of the French Guarantor calculated and certified by the statutory auditors of the French Guarantor on the basis of the last audited financial statements available at the date hereof; and

(B) the Net Asset Value of the French Guarantor calculated and certified by the statutory auditors of the French Guarantor on the basis of the last audited financial statements available at the date on which demand is made on it pursuant to this Section 7.

For the purposes of this Section 7.14(d) "**Net Asset Value**" of the French Guarantor means the *capitaux propres* (as defined under the provisions of French accounting laws, decrees and regulations consistently applied) of the French Guarantor. A certificate of the statutory auditors of the French Guarantor as to the Net Asset Value shall be prima facie evidence as to the amount to which it relates.

The liability of any French Guarantor under Section 7 (Guaranty) of this Agreement for the obligations under the Credit Documents of any Non-US Credit Party which is its Subsidiary shall not, in relation to amounts due by such Non-US Credit Party, be limited.

(e) Canadian guarantee. No Guarantor existing under the laws of Canada or any province thereof (a "**Canadian Guarantor**") shall guarantee, undertake, or provide any indemnity in respect of, the obligations of any person

under this Section 7 unless at the time such guarantee or undertaking is given or indemnity is provided (i) such person is a Subsidiary of the Canadian Guarantor or (ii) the Canadian Guarantor is a wholly owned Subsidiary of such person or (iii) such Canadian Guarantor is not prohibited by applicable laws from giving such guarantee or undertaking or providing such indemnity.

(f) German guarantees.

(i) To the extent that any of the guarantees granted hereunder by any Guarantor organized under the laws of the Federal Republic of Germany as a German limited liability company (*GmbH*) or a German limited partnership with a German limited liability company (*GmbH*) as general partner (*GmbH & Co. KG*) is enforced with respect to Non-US Guaranteed Obligations owed and payable by an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 *et seq*. of the German Stock Corporation Act (*Aktiengesetz*) of the relevant Guarantor other than affiliated companies as to which such Guarantor (or, in the case of a GmbH & Co. KG, it or its general partner) is a direct or indirect shareholder, the right to enforce the Guarantee against the relevant Guarantor shall, but only with respect to such Guarantor, be limited

(1) to such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) net assets, being its total assets less its liabilities each as calculated in accordance with the accounting standards applicable to such Guarantor (or, in the case of a GmbH & Co. KG, its general partner) by law from time to time, (*Nettovermögen*) (the "**Net Assets**"), however only if and to the extent that such Guarantor provides sufficient evidence to the Administrative Agent that

(A) such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets are reduced below the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital (*Stammkapital*) as a result of the enforcement, the application of the proceeds towards the Non-US Guaranteed Obligations would thus constitute a violation of Section 30 German Limited Liability Company Act (*GmbH-Gesetz*), and such payment of proceeds to such Guarantor is therefore required to allow such Guarantor (or, in the case of a GmbH & Co. KG, its general partner) to maintain its stated share capital in accordance with Section 30 German Limited Liability Company Act, or

(B) such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets had already been reduced prior to the enforcement to an amount below its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital, the application of the proceeds towards the Non-US Guaranteed Obligations would thus constitute a violation of Section 30 German Limited Liability Company Act, and such payment of proceeds to such Guarantor is

therefore required to restore such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital in accordance with Section 30 German Limited Liability Company Act;

(2) to such an amount as such limitation is required to prevent a destruction of such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) existence, however only if and to the extent that such Guarantor provides sufficient evidence to the Administrative Agent that such destruction of existence would otherwise occur and be deemed to have been brought about by a lack of minimum considerateness of such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) interests (*Rücksichtnahme auf die Eigenbelange der GmbH*) on the part of such Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) sole shareholder (*existenzvernichtender Eingriff*);

however in each case only if and to the extent that such Guarantor further provides sufficient evidence to the Administrative Agent that the Non-US Guaranteed Obligations, including without limitation any interest or ancillary obligations relating thereto, with respect to which the guarantee is enforced do not correspond to funds that have been directly or indirectly passed on by any of the Borrowers of such Non-US Guaranteed Obligations (1) in the form of a loan to such Guarantor (or, in the case of a GmbH & Co. KG, to it or its general partner) or (2) in the form of a loan or of equity to an affiliated company of such Guarantor (or, in the case of a GmbH & Co. KG, of it or its general partner) as to which it (or, in the case of a GmbH & Co. KG, it or its general partner) is a direct or indirect shareholder and that is not itself a Credit Party.

(ii) The foregoing subsection 7.14(f)(i)(1) shall apply only subject to the provisos that

(1) for the purposes of the determination of the relevant Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital the amount of any increase of such stated share capital after the date hereof shall be disregarded to the extent such increase (A) has been effected without the prior written consent of the Administrative Agent, (B) is effected out of company funds (*Kapitalerhöhung aus Gesellschaftsmitteln*) or (C) is not fully paid up; and

(2) for the purposes of the calculation of the relevant Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets the following items shall be adjusted as follows:

1. (A) obligations under loans provided to the relevant Guarantor (or, in the case of a GmbH & Co. KG, to it or its general partner) by its (or, in the case of a GmbH & Co. KG, its or its general partner's) direct or indirect shareholders or their affiliates to the extent that such obligations (x) are subordinated pursuant to contractual arrangements or if the conditions of Section 39(1) no. 5 or (2) of the *German Insolvency Act* (*Insolvenzordnung*) are met or (y) qualify as obligations which may not be repaid under Section 30 of the German Limited Liability Company Act;

2. (B) rights for payment under loans granted by the relevant Guarantor (or, in the case of a GmbH & Co. KG, by it or its general partner) to any of its (or, in the case of a GmbH & Co. KG, its or its general partner's) direct or indirect shareholders or their affiliates to the extent the granting of such loans constituted a violation of Section 30 German Limited Liability Company Act shall be accounted for with their full nominal value; without prejudice to the foregoing, rights for payment under loans (other than or in excess of those accounted for with their full value pursuant to the foregoing) shall be disregarded to the extent such rights do not qualify as assets of the relevant Guarantor (or, in the case of a GmbH & Co. KG, of its general partner) for purposes of Section 30 German Limited Liability Company Act provided that such loans were made by such Guarantor (or, in the case of a GmbH & Co. KG, by its general partner) to one of its (or, in the case of a GmbH & Co. KG, its general partner's) direct or indirect shareholders or their affiliates and such shareholder or affiliate is fully liable for the payment of the Non-US Guaranteed Obligations;

3. (C) obligations under loans or other contractual liabilities incurred by the relevant Guarantor (or, in the case of a GmbH & Co. KG, by it or its general partner) in violation of any Credit Document to which it (or, in the case of a GmbH & Co. KG, it or its general partner, respectively) is a party shall be disregarded; and

4. (D) any asset that is not necessary for the relevant Guarantor's (or, in the case of a GmbH & Co. KG, its or its general partner's) business (nicht betriebsnotwendig), that is shown in such Guarantor's (or, in the case of a GmbH & Co. KG, its or its general partner's, respectively) balance sheet with a book value (Buchwert) which is lower than the market value of such asset, and that can be realized, shall be taken into account with its market value, except where such Guarantor provides sufficient evidence to the Administrative Agent that (x) such realization would not be legally permitted or (y) the proceeds achievable through such realization would not exceed the total of the book value plus the expenses in connection with such realization.

(iii) The limitations set out above in (i) and (ii) shall not apply if the relevant German Guarantor has entered into a domination and or profit and loss transfer agreement (Beherrschungs- und/oder Gewinnabführungsvertrags) as the dominated party.

(g) Swedish guarantees. The obligations of any Swedish Guarantor as a Non-US Guarantor under the Credit Documents shall be limited, if required by the provisions of the Swedish Companies Act (Sw. Aktiebolagslagen 2005:551) regulating distribution of assets (Chapter 17, Section 3 or the equivalent clause/s from time to time) and it is understood that the liability of such Swedish Guarantor only applies to the extent and in such amount permitted by the above mentioned provisions of the Swedish Companies Act.

(h) Mexican guarantees. To the extent that the Guarantor is a Mexican Guarantor, the enforcement of the obligations under this Section 7 against the Mexican Guarantor shall be subject and may be limited:

(i) by the fact that the obligations of the Mexican Guarantor under the Credit Documents are invalid, illegal or unenforceable obligations of the Mexican Guarantor;

(ii) by Mexican bankruptcy, insolvency, fraudulent conveyance, suspension of payments, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally; and

(iii) by the fact that the obligations guaranteed by the Mexican Guarantor are inherent to its corporate purpose.

7.15 **Validity and Effectiveness**. This Guaranty shall remain wholly valid and effective until the full, unconditional and irrevocable performance and discharge of the Non-US Guaranteed Obligations or Guaranteed Obligations, as the case may be, and for all the period during which payments effected in such respect are subject to the claw back and/or avoidance under any applicable law.

SECTION 8. EVENTS OF DEFAULT

8.1 **Events of Default**. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by a Borrower to pay (i) when due any installment of principal of any Loan, whether at stated maturity, by acceleration, by notice of voluntary prepayment, by mandatory prepayment or otherwise; (ii) when due any amount payable to Issuing Bank in reimbursement of any drawing under a Letter of Credit; or (iii) any interest on any Loan or any fee or any other amount due hereunder, which failure continues for three (3) Business Days only if as a result of a transmission failure due to a failure of the banking markets; or

(b) Default in Other Agreements. (i) Failure of any Credit Party or any of their respective Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 8.1(a)) with an aggregate principal amount of $5,000,000 or more, in each case beyond the grace period, if any, provided therefor; or (ii) breach or default by any Credit Party with respect to any other material term of (1) one or more items of Indebtedness in the individual or aggregate principal amounts referred to in clause (i) above or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, originally provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or

(c) Breach of Certain Covenants. Failure of any Credit Party to perform or comply with any term or condition contained in Section 2.6, Section 2.23(a)(ii)(A), Section 5.1(g)(i), Section 5.1(q), Section 5.2 or Section 6; or

(d) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party in any Credit Document or in any statement or certificate at any time given by any Credit Party or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(e) Other Defaults Under Credit Documents. Any Credit Party shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in any other subsection of this Section 8.1, and such default shall not have been remedied or waived within twenty (20) Business Days after the earlier of (i) an officer of such Credit Party becoming aware of such default or (ii) receipt by Xerium of notice from the Administrative Agent or any Bank of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Xerium or any of its Subsidiaries in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal, provincial or state law; or (ii) an involuntary case (including, without limitation, a winding-up, dissolution, reorganization, compromise or arrangement) shall be commenced against Xerium or any of its Subsidiaries under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or any application shall have been made, or is required by applicable law to be made, with a court for the opening of insolvency proceedings with regard to Xerium or any of its Subsidiaries; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Xerium or any of its Subsidiaries, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Xerium or any of its Subsidiaries for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Xerium or any of its Subsidiaries, and (A) in relation only to any Non-US Borrower and any Foreign Subsidiary, any such event described in this clause (ii) shall continue for seven days without having been dismissed, bonded or discharged, and (B) in relation only to Xerium or any Domestic Subsidiary, any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Xerium or any of its Subsidiaries shall have an order for relief entered with respect to it or shall commence a voluntary case (including, without limitation, a winding-up, dissolution, reorganization, compromise or arrangement) under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Xerium or any of its Subsidiaries shall make any assignment for the benefit of creditors; or (ii) Xerium or any of its Subsidiaries shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of Xerium or any of its Subsidiaries (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 8.1(f), other than any Bankruptcy Cases not closed as of the Closing Date; or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving in the aggregate at any time an amount in excess of $5,000,000 (in either case to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Xerium or any of its Subsidiaries or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days (or in any event later than five days prior to the date of any proposed sale thereunder); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Credit Party decreeing the dissolution or split up of such Credit Party and such order shall remain undischarged or unstayed for a period in excess of thirty (30)days; or

(j) Employee Benefit Plans. (i) There shall occur one or more ERISA Events and/or Canadian Pension Plan Events which individually or in the aggregate results in or could reasonably be expected to result in liability of Xerium, any of its Subsidiaries or any of their respective ERISA Affiliates in excess of $5,000,000 during the term hereof; or (ii) there exists any fact or circumstance that would reasonably be expected to result in the imposition of a Lien or security interest under Section 412(n) of the Internal Revenue Code or under ERISA; or

(k) Change of Control. A Change of Control shall occur, other than as contemplated under the Plan of Reorganization; or

(l) Guaranties, Collateral Documents and Other Credit Documents. At any time after the execution and delivery thereof, (i) any Guaranty for any reason, other than the satisfaction in full of all Obligations, shall cease to be in

full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder, (ii) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof or any other termination of such Collateral Document in accordance with the terms thereof) or shall be declared null and void, or the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of the Collateral Agent or any Secured Party to take any action within its control, or (iii) any Credit Party shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by Banks, under any Credit Document to which it is a party or any Credit Document shall cease to be in full force and effect or shall be declared null and void;

(m) Material Adverse Effect. Any event, condition or situation shall occur that has a Material Adverse Effect, provided that the consummation of the transactions contemplated by the Plan of Reorganization shall not constitute a Material Adverse Effect;

(n) Failure to Reimburse Issuing Bank from Revolving Loans. The failure of the Issuing Bank to be reimbursed in full for any drawings under any Letter of Credit from proceeds of Revolving Loans required to be made pursuant to Section 2.4(i); or

(o) Failure to Top-Up the Term LC Collateral Account from Revolving Loans. The failure of the Term LC Collateral Account to be funded from proceeds of Revolving Loans required to be made pursuant to Section 2.4(k);

THEN, (1) upon the occurrence of any Event of Default described in Sections 8.1(f), (g) or (k), automatically, and (2) upon the occurrence and continuation of any other Event of Default, at the request of (or with the consent of) Requisite Banks, upon notice to Xerium by the Administrative Agent, (A) the Revolving Commitments, if any, of each Bank having such Revolving Commitments and the obligation of Issuing Bank to issue any Letter of Credit shall immediately terminate; (B) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) the unpaid principal amount of and accrued interest on the Loans, (II) an amount equal to the maximum amount that may at any time be drawn under all Letters of Credit then outstanding (regardless of whether any beneficiary under any such Letter of Credit shall have presented, or shall be entitled at such time to present, the drafts or other documents or certificates required to draw under such Letters of Credit), and (III) all other Obligations; provided, the foregoing shall not affect in any way the obligations of Banks under Section 2.4(g); (C) the Administrative Agent may cause the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents; and

(D) Administrative Agent shall direct each Borrower to pay (and each Borrower hereby agrees upon receipt of such notice, or upon the occurrence of any Event of Default specified in Section 8.1(f) and (g) to pay) to Administrative Agent such additional amounts of cash, to be held as security for each Borrower's reimbursement Obligations in respect of Letters of Credit then outstanding, equal to the Letter of Credit Usage at such time.

8.2 **CAM Exchange**. On the CAM Exchange Date, the Banks shall automatically and without further act be deemed to have exchanged interests in the Designated Obligations such that, in lieu of the interests of each Bank in the Designated Obligations under each Loan in which it shall participate as of such date, such Bank shall own an interest equal to such Bank's CAM Percentage in the Designated Obligations under each of the Loans. Each Bank, each Person acquiring a participation from any Bank as contemplated by Section 10.6 and each Borrower hereby consents and agrees to the CAM Exchange. Each of the Borrowers and the Banks agrees from time to time to execute and deliver to the Administrative Agent all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Banks after giving effect to the CAM Exchange, and each Bank agrees to surrender any promissory notes originally received by it in connection with its Loans hereunder to the Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of any Borrower to execute or deliver or of any Bank to accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

As a result of the CAM Exchange, on and after the CAM Exchange Date, each payment received by the Administrative Agent pursuant to any Credit Document in respect of the Designated Obligations shall be distributed to the Bank pro rata in accordance with their respective CAM Percentages (to be redetermined as of each such date of payment). Any direct payment received by a Bank upon or after the CAM Exchange Date, including by way of setoff, in respect of a Designated Obligation shall be paid over to the Administrative Agent for distribution to the Banks in accordance herewith.

SECTION 9. AGENTS

9.1 **Appointment of Agents**. Citigroup Global Markets, Inc. is hereby appointed Lead Arranger hereunder, and each Bank hereby authorizes the Lead Arranger (under release from the restrictions of Section 181 of the *German Civil Code*) to act as its agent in accordance with the terms hereof and the other Credit Documents. Citicorp North America, Inc. is hereby appointed the Administrative Agent hereunder and under the other Credit Documents and each Bank hereby authorizes the Administrative Agent to act as its agent in accordance with the terms hereof and the other Credit Documents. Citicorp North America, Inc. is hereby appointed the Collateral Agent hereunder and under the other Credit Documents and each Bank hereby authorizes the Collateral Agent to act as its agent in accordance with the terms hereof and the other Credit Documents. Each Agent hereby agrees to act upon the express conditions contained herein and the

other Credit Documents, as applicable. The provisions of this Section 9 are solely for the benefit of the Agents and the Banks and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of the Banks and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Xerium or any of its Subsidiaries. The Lead Arranger, without consent of or notice to any party hereto, may assign any and all of its respective rights or obligations hereunder to any of its Affiliates. As of the Closing Date, Citigroup Global Markets Inc, in its capacity as the Lead Arranger, shall not have any obligations hereunder but shall be entitled to all benefits of this Section 9.

9.2 **Powers and Duties**. Each Bank irrevocably authorizes each Agent (under release from the restrictions of Section 181 of the *German Civil Code*) to take such action on such Bank's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Bank; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein..

9.3 **General Immunity**.

(a) No Responsibility for Certain Matters. No Agent shall be responsible to any Bank for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Banks or by or on behalf of any Credit Party to any Agent or any Bank in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not

have any liability arising from confirmations of the amount of outstanding Loans or the Letter of Credit Usage or the component amounts thereof.

(b) Exculpatory Provisions. No Agent or any of its officers, partners, directors, employees or agents shall be liable to the Banks for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct. No Agent shall have an obligation to act without receiving a satisfactory indemnity from the parties to this Agreement. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from the Requisite Banks (or such other Banks as may be required to give such instructions under Section 10.6) and, upon receipt of such instructions from the Requisite Banks (or such other Banks, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Xerium and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Bank shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of the Requisite Banks (or such other Banks as may be required to give such instructions under Section 10.6).

9.4 **Agents Entitled to Act as Bank**. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Bank hereunder. With respect to its participation in the Loans and the Letters of Credit, each Agent shall have the same rights and powers hereunder as any other Bank and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Bank" shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Xerium or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from each Borrower for services in connection herewith and otherwise without having to account for the same to Banks.

9.5 **Banks' Representations, Warranties and Acknowledgment**. Each Bank represents and warrants that it has made its own independent

investigation of the financial condition and affairs of Xerium and its Subsidiaries in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Xerium and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Banks or to provide any Bank with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Banks.

9.6 **Right to Indemnity**. Each Bank, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, to the extent that such Agent shall not have been reimbursed by any Credit Party (and without limiting the Borrowers' obligation to do so), for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents or otherwise in its capacity as such Agent in any way relating to or arising out of this Agreement or the other Credit Documents; provided, no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Bank to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Bank's Pro Rata Share thereof; and provided further, this sentence shall not be deemed to require any Bank to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

9.7 **Successor Administrative Agent and Collateral Agent**. The Administrative Agent and the Collateral Agent may resign at any time by giving thirty days' prior written notice thereof to the Banks and Xerium, and the Administrative Agent and the Collateral Agent may be removed at any time (with or without cause) by the Requisite Banks giving ten days' prior written notice thereof delivered to Xerium and the Administrative Agent and the Collateral Agent and the Administrative Agent shall then promptly give notice of such removal to the Banks. During the first two Business Days after notice from the Administrative Agent and the Collateral Agent of its resignation or removal, one or more Revolving Banks (other than the then Administrative Agent and Collateral Agent if it is a Revolving Bank) shall have the right to propose a

successor Administrative Agent and Collateral Agent (the "**Proposed Successor Agent**"). The Proposed Successor Agent shall become the Administrative Agent and Collateral Agent if approved by the Requisite Banks. If such Proposed Successor Agent is not approved by the Requisite Banks within five Business Days after proposed by such Revolving Banks, then the Requisite Banks shall have the right upon five Business Days' notice to Xerium, to appoint a successor Administrative Agent and Collateral Agent. Upon the acceptance of any appointment as Administrative Agent or Collateral Agent hereunder by a successor Administrative Agent or Collateral Agent, that successor Administrative Agent or Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent or Collateral Agent and the retiring or removed Administrative Agent or Collateral Agent shall promptly (i) transfer to such successor Administrative Agent or Collateral Agent all sums, Securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent or Collateral Agent under the Credit Documents, and (ii) execute and deliver to such successor Administrative Agent or Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent or Collateral Agent of the security interests created under the Collateral Documents, whereupon such retiring or removed Administrative Agent or Collateral Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents. Regardless of whether a replacement Administrative Agent or Collateral Agent, as applicable, has been appointed, the removal or resignation will, to the fullest extent permitted by applicable law, be effective upon the earlier (i) the date the successor Administrative Agent or Collateral Agent is appointed and (ii) the date that is thirty days after the giving of the written notice of resignation or removal. After any retiring or removed Administrative Agent's or Collateral Agent's resignation or removal hereunder as Administrative Agent or Collateral Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent hereunder.

9.8 **Collateral Documents and Guaranty**.

(a) Agents under Collateral Documents and Guaranty. Each Bank hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable (each under release from the restrictions of Section 181 of the German Civil Code) on behalf of and for the benefit of the Banks, to be the agent for and representative of the Banks with respect to the Guaranty, the Collateral and the Collateral Documents. Pursuant to the Plan of Reorganization, the Agents, on behalf of the Banks, are empowered and authorized to execute and deliver to the Credit Parties the other Credit Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Credit Documents. Subject to Section 10.6, without further

written consent or authorization from the Banks, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (i) release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which the Requisite Banks (or such other Banks as may be required to give such consent under Section 10.6) have otherwise consented or (ii) release any Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which the Requisite Banks (or such other Banks as may be required to give such consent under Section 10.6) have otherwise consented.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Credit Documents to the contrary notwithstanding, each Borrower, the Administrative Agent, the Collateral Agent and each Bank hereby agrees that (i) no Bank shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Banks in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale, the Collateral Agent or any Bank may be the purchaser of any or all of such Collateral at any such sale and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Bank or Banks in its or their respective individual capacities unless the Requisite Banks shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale.

(c) Collateral Agent's Power of Attorney. Each Secured Party, including in its capacity as Bank Counterparty, irrevocably constitutes, to the extent necessary, the Collateral Agent as the holder of an irrevocable power of attorney (i.e. "*fondé de pouvoirs*" within the meaning of Article 2692 of the *Civil Code of Québec*) in order to hold security granted by any Credit Party in the Province of Quebec to secure the Indebtedness of such Credit Party under any bond issued by such Credit Party. Notwithstanding the provisions of section 32 of an *Act respecting the special powers of a legal person* (Québec), each Secured Party, including in its capacity as Bank Counterparty, acknowledges that the Collateral Agent may acquire and be the holder of any bond issued by any Credit Party. Each assignee Bank that enters into an Assignment Agreement shall be deemed to have confirmed and ratified the constitution of the Collateral Agent as the holder of such irrevocable power of attorney ("*fondé de pouvoirs*") and the acquisition and holding by the Collateral Agent of any bonds issued by any Credit Party. Each of the Credit Parties hereby acknowledge that, for the purposes of holding any security granted by any Credit Party on property pursuant to the laws of the Province of Québec to secure obligations of any Credit Party under any bonds issued by any Credit Party, the Collateral Agent shall be the holder of an

irrevocable power of attorney (i.e. "*fondé de pouvoirs*" within the meaning of Article 2692 of the *Civil Code of Québec*) for each Secured Party, including in its capacity as Bank Counterparty). Each of the Credit Parties hereby acknowledges that such bond constitutes a title on indebtedness, as such term is used in Article 2692 of the *Civil Code of Québec*. The execution by the Collateral Agent, acting as fondé de pouvoir as aforesaid, prior to the date of this Agreement of any deeds of hypothec or other security documents is hereby ratified and confirmed.

9.9 **Reliance and Engagement Letters**. Each Bank confirms that each of the Lead Arranger and the Administrative Agent has authority (and is released from the restrictions of Section 181 of the *German Civil Code*) to accept on its behalf the terms of any reliance or engagement letters relating to any reports or letters provided by accountants in connection with the Credit Documents or the transactions contemplated in the Credit Documents (including any net asset letter in connection with the financial assistance procedures) and to bind it in respect of those reports or letters and to sign such on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

SECTION 10. MISCELLANEOUS

10.1 **Notices**. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to a Credit Party, the Collateral Agent, the Administrative Agent or the Lead Arranger, shall be sent to such Person's address as set forth on Appendix B or in the other relevant Credit Document, and in the case of any Bank, the address as indicated on Appendix B or otherwise indicated to the Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the mail with postage prepaid and properly addressed; provided, no notice to any Agent shall be effective until received by such Agent and all notices from or to a Credit Party shall be sent through the applicable Agent.

10.2 **Expenses**. Whether or not the transactions contemplated hereby shall be consummated, each Borrower agrees to pay promptly (a) all the actual and reasonable costs and expenses of preparation of the Credit Documents and any consents, amendments, waivers or other modifications thereto; (b) all the costs of furnishing all opinions by counsel for each Borrower and the other Credit Parties; (c) the reasonable fees, expenses and disbursements of counsel to the Agents (in each case including allocated costs of internal counsel) in connection with the negotiation, preparation, execution and administration of the Credit Documents, advising the Administrative Agent and the Collateral Agent of their respective rights and obligations under the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by any Borrower; (d) all the actual costs and reasonable expenses of creating and perfecting Liens in favor of the Collateral Agent, for the

benefit of the Secured Parties pursuant hereto, including filing and recording fees, expenses stamp, registration, transfer, documentary and other similar taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent and of counsel providing any opinions that any Agent or the Requisite Banks may reasonably request in respect of the Collateral or the Liens created pursuant to the Collateral Documents or any Agent's rights and obligations under any Credit Document; (e) all the actual costs and reasonable fees, expenses and disbursements of any auditors, accountants, consultants, advisors or appraisers retained by the Administrative or the Collateral Agent with the prior consent of Xerium (not to be unreasonably withheld); (f) all the actual costs and reasonable expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by the Collateral Agent and its counsel) in connection with the custody or preservation of any of the Collateral; (g) all other actual and reasonable costs and expenses incurred by each Agent in connection with the syndication of the Loans and Commitments and the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby; and (h) after the occurrence of a Default or an Event of Default, all costs and expenses, including reasonable attorneys' fees (including allocated costs of internal counsel) and costs of settlement, incurred by any Agent and the Banks in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work out" or pursuant to any insolvency or bankruptcy cases or proceedings.

10.3 **VAT**. All amounts set out or expressed to be payable under a Credit Document by a Credit Party to a Bank shall be exclusive of any applicable VAT and (subject to the provisions regarding reimbursement of VAT below) the Credit Party shall in addition pay to the Bank an amount equal to the amount of the VAT, following receipt by the Credit Party of a valid VAT invoice. Where a Credit Party is required by a Credit Document to reimburse a Bank for any costs or expenses, that Credit Party shall also reimburse the Bank for any VAT incurred by the Bank in respect of the relevant costs or expenses to the extent that neither the Bank nor any member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant Tax authority in respect of the VAT.

10.4 **Indemnity**. In addition to the payment of expenses pursuant to Sections 10.2 and 10.3, whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees to defend (subject to Indemnitees' reasonable approval of counsel), indemnify, pay and hold harmless, each Agent and Bank and the officers, partners, directors, trustees, investment advisors, employees, agents and Affiliates of each Agent and each Bank (each, an

"**Indemnitee**"), from and against any and all Indemnified Liabilities; provided, no Credit Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 10.4 may be unenforceable in whole or in part because they are in violation of any law or public policy, the applicable Credit Party shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

(a) To the extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against the Banks, the Agents and their respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) in connection with, arising out of, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Term Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and Xerium and each other Credit Party hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(b) Currency indemnity.

(i) If any sum due from a Credit Party under the Credit Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(A) making or filing a claim or proof against that Credit Party; or

(B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Credit Party shall as an independent obligation, within three Business Days of demand, indemnify the Agent and each Bank to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (x) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (y) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(ii) Each Credit Party waives any right it may have in any jurisdiction to pay any amount under the Credit Documents in a currency or currency unit other than that in which it is expressed to be payable.

10.5 **Set Off**. Subject to the terms of the Intercreditor Agreement, in addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and continuation of any Event of Default each Bank and each of its respective Affiliates is hereby authorized by each Credit Party at any time or from time to time subject to the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), without notice to any Credit Party or to any other Person (other than the Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by such Bank or its Affiliate to or for the credit or the account of any Credit Party against and on account of the obligations and liabilities of any Credit Party to such Bank hereunder, the Letters of Credit and participations therein and under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto, the Letters of Credit and participations therein or with any other Credit Document, irrespective of whether or not (a) such Bank shall have made any demand hereunder or (b) the principal of or the interest on the Loans or any amounts in respect of the Letters of Credit or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured.

10.6 **Amendments and Waivers**.

(a) Requisite Banks' and Borrower Consent. Subject to Section 10.6(b) and 10.6(c), no amendment, modification, termination or waiver of any provision of the Credit Documents (other than the Fee Letters), or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of the Credit Parties and the Requisite Banks.

(b) Affected Banks' Consent. Without the written consent of the Credit Parties and each Bank (other than a Defaulting Bank) that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Loan;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment);

(iii) extend the stated expiration date of any Letter of Credit beyond the Revolving Commitment Termination Date;

(iv) reduce the rate of interest on any Loan (other than any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.10) or any fee payable hereunder;

(v) extend the time for payment of any such interest or fees;

(vi) reduce or forgive the principal amount of any Loan or any reimbursement obligation in respect of any Letter of Credit;

(vii) amend, modify, terminate or waive any provision of this Section 10.6(b) or Section 10.6(c);

(viii) amend the definition of "**Requisite Banks**" or "**Pro Rata Share**"; provided, with the consent of Requisite Banks, additional extensions of credit pursuant hereto may be included in the determination of "**Requisite Banks**" or "**Pro Rata Share**" on substantially the same basis as the Term Loans, the Revolving Commitments and the Revolving Loans are included on the Closing Date;

(ix) extend the Revolving Commitment Termination Date;

(x) release all or substantially all of the Collateral or all or substantially all of the Guarantors from the Guaranty except as expressly provided in the Credit Documents;

(xi) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under any Credit Document (other than the Fee Letters);

(xii) amend, modify or waive any provision of Section 2.15 or 2.16(g); or

(xiii) consent to currency changes.

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents (other than the Fee Letters), or consent to any departure by any Credit Party therefrom, shall:

(i) increase any Revolving Commitment of any Bank over the amount thereof then in effect without the consent of each Credit Party and such Bank; provided, no amendment, modification or waiver of any condition precedent, covenant, Default or Event of Default shall constitute an increase in any Revolving Commitment of any Bank;

(ii) amend, modify, terminate or waive any obligation of Banks relating to the purchase of participations in Letters of Credit as provided in Section 2.4(g) without the written consent of each Credit Party, Administrative Agent and of Issuing Bank; or

(iii) amend, modify, terminate or waive any provision of Section 9 as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of each Credit Party and such Agent.

(d) Execution of Amendments, etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of any Bank, execute amendments, modifications, waivers or consents on behalf of such Bank. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.6 shall be binding upon each Bank at the time outstanding, each future Bank and, if signed by a Credit Party, on such Credit Party.

(e) Defaulting Banks. Anything herein to the contrary notwithstanding, during such period as a Bank is a Defaulting Bank, to the fullest extent permitted by applicable law, such Bank will not be entitled to vote in respect of amendments and waivers hereunder and the Revolving Commitment and the outstanding Loans of such Bank hereunder will not be taken into account in determining with the Requisite Banks or all of the Banks, as required, have approved any such amendment or waiver (and the definition of "Requisite Banks" will automatically be deemed modified accordingly for the duration of such period); provided that any such amendment or waiver that would increase or extend the term of the Revolving Commitment of such Defaulting Bank, extend the date fixed for the payment of principal or interest owing to such Defaulting Bank, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Bank or of any fee payable to such Defaulting Bank hereunder, or alter the terms of this proviso, will require the consent of such Defaulting Bank.

10.7 **Successors and Assigns; Participations**.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Banks. No Credit Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any Credit Party without the prior written consent of all Banks. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. Each Borrower, the Administrative Agent and each Bank shall deem and treat the Persons listed as Banks in the Register as the

holders and owners of the corresponding Revolving Commitments and Loans listed therein for all purposes hereof, and no assignment or transfer of any such Revolving Commitment or Loan shall be effective, in each case, unless and until an Assignment Agreement effecting the assignment or transfer thereof shall have been delivered to and accepted by the Administrative Agent and recorded in the Register as provided in Section 10.7(e). Prior to such recordation, all amounts owed with respect to the applicable Revolving Commitment or Loan shall be owed to the Bank listed in the Register as the owner thereof, and any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Bank shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Revolving Commitments or Loans.

(c) Right to Assign. Each Bank shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Revolving Commitment or Loans owing to it or other Obligation (provided, however, that each such assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any Loan and any related Revolving Commitments):

(i) to any Person meeting the criteria of clause (i) of the definition of the term "Eligible Assignee" upon the giving of notice to Xerium and the Administrative Agent; and

(ii) to any Person meeting the criteria of clause (ii) of the definition of the term "Eligible Assignee" upon the giving of notice to Xerium and the Administrative Agent; subject, however, in the case of assignments of Revolving Loans or Revolving Commitments to any such Person, to prior written consent by Xerium, the Administrative Agent and the Issuing Bank (such consent not to be (x) unreasonably withheld or delayed or, (y) in the case of Xerium, required at any time an Event of Default shall have occurred and then be continuing); provided that Xerium shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; provided, further, each such assignment pursuant to this Section 10.7(c)(ii) shall be in an aggregate amount of not less than (A) $2,500,000 (or such lesser amount as may be agreed to by the Administrative Agent (and so long as no Event of Default shall have occurred and be continuing) Xerium or as shall constitute the aggregate amount of the Revolving Commitments and Revolving Loans of the assigning Bank) with respect to the assignment of the Revolving Commitments and Revolving Loans and (B) $1,000,000 (or such lesser amount as may be agreed to by the Administrative Agent (and so long as no Event of Default shall have occurred and be continuing) Xerium or as shall constitute the aggregate amount or the Term Loans of the assigning Bank) with respect to the assignment of Term Loans.

(d) Mechanics. The assigning Bank and the assignee thereof shall execute and deliver to the Administrative Agent an Assignment Agreement, together with (i) a processing and recordation fee of $3,500 (except (A) in the case of assignments pursuant to Section 10.7(c)(i), no processing or recordation fee shall be required and (B) that only one fee shall be payable in the case of contemporaneous assignments to or by Related Funds), and (ii) such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to the Administrative Agent pursuant to Section 2.20(c).

(e) Notice of Assignment. Upon its receipt of a duly executed and completed Assignment Agreement, together with the processing and recordation fee referred to in Section 10.7(d) (and any forms, certificates or other evidence required by this Agreement in connection therewith), the Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to each Borrower and shall maintain a copy of such Assignment Agreement.

(f) Representations and Warranties of Assignee. Each Bank, upon execution and delivery hereof or upon executing and delivering an Assignment Agreement, as the case may be, represents and warrants as of the Closing Date or as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Revolving Commitments or Loans, as the case may be; and (iii) it will make or invest in, as the case may be, its Revolving Commitments or Loans for its own account in the Ordinary Course and without a view to distribution of such Revolving Commitments or Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 10.7, the disposition of such Revolving Commitments or Loans or any interests therein shall at all times remain within its exclusive control).

(g) Effect of Assignment. Subject to the terms and conditions of this Section 10.7, as of the "Effective Date" specified in the applicable Assignment Agreement: (i) the assignee thereunder shall have the rights and obligations of a "Bank" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Bank" for all purposes hereof, and in the case of an assignment from the Issuing Bank, shall have the rights and obligations of an "Issuing Bank" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be an "Issuing Bank" for all purposes hereof; (ii) the assigning Bank thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 10.9) and be released from its obligations hereunder (and, in the case of

an Assignment Agreement covering all or the remaining portion of an assigning Bank's rights and obligations hereunder, such Bank shall cease to be a party hereto and, if such Bank were an Issuing Bank, relinquish its rights (other than any rights which survive the termination hereof under Section 10.9) and be released from its obligations hereunder as an "Issuing Bank"; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning Bank shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Bank as a Bank hereunder); (iii) the Revolving Commitments shall be modified to reflect the Revolving Commitment of such assignee and any Revolving Commitment of such assigning Bank, if any; and (iv) for the purposes of article 1263 of the Italian Civil Code, it is expressly agreed that the security created or evidenced by the Collateral Documents shall be preserved for the benefit of the assignee and each other Bank. Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with subsections (c) through (g) of this Section 10.7 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with clause (h).

(h) Participations. Each Bank shall have the right at any time to sell one or more participations to any Person (other than Xerium, any of its Subsidiaries or any of its Affiliates (excluding Closing Date Bank Affiliates)) in all or any part of its Revolving Commitments or Loans or in any other Obligation. The holder of any such participation, other than an Affiliate of the Bank granting such participation, shall not be entitled to require such Bank to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (i) extend the final scheduled maturity of any Loan, or any Letter of Credit (unless, in the case of Revolving Letters of Credit, such Revolving Letter of Credit is not extended beyond the Revolving Commitment Termination Date, and in the case of Term Loan Letters of Credit, such Term Loan Letter of Credit is not extended beyond the Term Loan Maturity 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 Default or Event of Default or of a mandatory reduction in the Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Agreement or (iii) release all or substantially all of the Collateral under the Collateral Documents (except as expressly provided in the Credit Documents) supporting the Loans hereunder in which such participant is participating. The Borrowers agree that each participant shall be entitled to the benefits of Sections 2.18(c), 2.19 and 2.20 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (c) of this Section;

provided, (i) a participant shall not be entitled to receive any greater payment under Section 2.19 or 2.20 than the applicable Bank would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with each Borrower's prior written consent, and (ii) a participant that would be a Non-US Bank if it were a Bank shall not be entitled to the benefits of Section 2.20 unless each Borrower is notified of the participation sold to such participant and such participant agrees, for the benefit of each Borrower, to comply with Section 2.20 as though it were a Bank. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 10.6 as though it were a Bank, provided such participant agrees to be subject to Section 2.17 as though it were a Bank.

(i) Certain Other Assignments. In addition to any other assignment permitted pursuant to this Section 10.7, any Bank may assign and/or pledge all or any portion of its Loans, the other Obligations owed by or to such Bank, to secure obligations of such Bank including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve Bank; provided, no Bank, as between each Borrower and such Bank, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided, further, in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a "Bank" or be entitled to require the assigning Bank to take or omit to take any action hereunder.

10.8 **Independence of Covenants**. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

10.9 **Survival of Representations, Warranties and Agreements**. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Sections 2.18(c), 2.19, 2.20, 10.2, 10.3, 10.4 and 10.5 and the agreements of the Banks set forth in Sections 2.17, 9.3(b) and 9.6 shall survive the payment of the Loans, the cancellation or expiration of the Letters of Credit and the reimbursement of any amounts drawn thereunder, and the termination hereof.

10.10 **No Waiver; Remedies Cumulative**. No failure or delay on the part of any Agent or any Bank in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege.

The rights, powers and remedies given to each Agent and each Bank hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents or any of the applicable documentation creating Hedging Obligations. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

10.11 **Marshalling; Payments Set Aside**. Neither any Agent nor any Bank shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or the Banks (or to the Administrative Agent, on behalf of the Banks), or the Administrative Agent or the Banks enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other provincial, state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

10.12 **Severability**. In case any provision in or obligation hereunder shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10.13 **Obligations Several**. The obligations of the Banks hereunder are several and no Bank shall be responsible for the obligations or Revolving Commitment of any other Bank hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Banks pursuant hereto or thereto, shall be deemed to constitute Banks as a partnership, an association, a joint venture or any other kind of entity.

10.14 **Headings**. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

10.15 **APPLICABLE LAW**. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK INCLUDING GENERAL OBLIGATIONS LAW 5-1401.**

10.16 **CONSENT TO JURISDICTION AND SERVICE OF PROCESS**. (a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY CREDIT PARTY ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT IN THE CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH CREDIT PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON-CONVENIENS; (iii) AGREES THAT, NOTWITHSTANDING SECTION 10.16(c), SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1; (iv) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (iii) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (v) AGREES AGENTS AND BANKS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION;

(b) IN ADDITION TO SECTION 10.16(a), HUYCK.WANGNER AUSTRIA GMBH IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS IN ENGLAND FOR THE PURPOSE OF HEARING AND DETERMINING ANY DISPUTE ARISING OUT OF THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT OR ANY OF THE OBLIGATIONS OR RELATING HERETO AND FOR THE PURPOSES OF ENFORCEMENT OF ANY JUDGMENT AGAINST ITS ASSETS (IN NO EVENT SHALL THE COURTS OF AUSTRIA HAVE JURISDICTION FOR THE PURPOSE OF HEARING AND DETERMINING ANY DISPUTE ARISING OUT OF THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT OR ANY OF THE OBLIGATIONS OR RELATING HERETO AND FOR THE PURPOSES OF ENFORCEMENT OF ANY JUDGMENT AGAINST ITS ASSETS); AND

(c) EACH CREDIT PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY APPOINTS CT CORPORATION SYSTEM WITH AN OFFICE ON THE DATE HEREOF AT 111 EIGHTH AVENUE, NEW YORK, NEW YORK 10001, UNITED STATES AND ITS SUCCESSORS HEREUNDER (THE "PROCESS AGENT"), AS ITS AGENT TO RECEIVE ON BEHALF OF SUCH CREDIT PARTY AND ITS PROPERTY SERVICE OF COPIES OF THE SUMMONS AND COMPLAINTS AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR

PROCEEDING BROUGHT IN ANY COURT SPECIFIED IN SECTION 10.16(a). SUCH SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO A CREDIT PARTY IN CARE OF THE PROCESS AGENT AT THE ADDRESS SPECIFIED ABOVE FOR THE PROCESS AGENT, AND EACH CREDIT PARTY HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS THE PROCESS AGENT TO ACCEPT SUCH SERVICE ON ITS BEHALF. EACH CREDIT PARTY FURTHER CONSENTS TO MAILING COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH CREDIT PARTY AT ITS ADDRESSES FOR NOTICE HEREUNDER, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER MAILING. FAILURE OF THE PROCESS AGENT TO GIVE NOTICE TO ANY CREDIT PARTY OR FAILURE OF A CREDIT PARTY TO RECEIVE NOTICE OF SUCH SERVICES OF PROCESS SHALL NOT AFFECT IN ANY WAY THE VALIDITY OF SUCH SERVICE ON THE PROCESS AGENT OR SUCH CREDIT PARTY. EACH CREDIT PARTY COVENANTS AND AGREES THAT IT SHALL TAKE ANY AND ALL REASONABLE ACTION, INCLUDING THE EXECUTION AND FILING OF ANY AND ALL DOCUMENTS, THAT MAY BE NECESSARY FOR THE PROCESS AGENT TO ACT AS SUCH. IN THE EVENT THAT AT ANY TIME SUCH PROCESS AGENT SHALL FOR ANY REASON CEASE TO MAINTAIN AN OFFICE IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY, OR CEASE TO ACT AS PROCESS AGENT, THEN, SUCH CREDIT PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ACCORDANCE WITH THE TERMS OF CLAUSE (iii) OF SECTION 10.16(a). EACH CREDIT PARTY ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS SECTION 10.16(b) SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

10.17 **WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE BANK/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING**

INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.17 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.18 **Confidentiality**. Each Agent, the Issuing Bank and each Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, trustees, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, including the NAIC, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.18, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (ii) any rating agency, or (iii) the CUSIP Service Bureau or any similar organization, (g) with the consent of the Borrowers, (h) to any pledgee referred to in Section 10.7(i) or any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors or other representatives) to any swap or derivatives or similar transaction under which payments are to be made by reference to the Borrowers and the Obligations, this Agreement or payments hereunder, so long as such pledgee or any actual or prospective counterparty (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) agrees to be bound by the provisions of this Section 10.18, or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.18 or (ii) becomes available to any Agent, the Issuing Bank or any Bank on a non-confidential basis from a source other than the Borrowers. For the purposes of this Section 10.18, "Information" means all

information received from the Borrowers relating to the Borrowers or their business, other than any such information that is available to any Agent, the Issuing Bank or any Bank on a non-confidential basis prior to disclosure by the Borrowers. Any Person required to maintain the confidentiality of Information as provided in this Section 10.18 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Notwithstanding anything in this Agreement or in any other Credit Document to the contrary, the Borrowers and each Bank (and each employee, representative or other agent of the Borrowers) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the Borrower relating to such U.S. tax treatment and U.S. tax structure.

10.19 **Usury Savings Clause**. Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, each Borrower shall pay to the Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of each Bank and each Borrower to conform strictly to any applicable usury laws. Accordingly, if any Bank contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Bank's option be applied to the outstanding amount of the Loans made hereunder or be refunded to each Borrower, as applicable.

10.20 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission or "PDF" shall be effective as delivery of a manually executed counterpart hereof.

10.21 **Effective Date**. This Agreement shall become effective on the Closing Date.

10.22 **Importation of Credit Documents into Austria**. Each of the parties hereto covenants and agrees that it will not send, or cause to be sent, bring or cause to be brought, or otherwise import, or cause otherwise to be imported, into the Republic of Austria any original counterpart or certified or conformed copy of any executed Credit Document or any document constituting or evidencing any transfer by any party of any right or interest under any Credit Document, or make use of any Credit Document or document before any fiscal or governmental authority or agency or any court of Austria; provided that, any party may, at the joint and several cost and expense of the Credit Parties, send, or cause to be sent, bring, or cause to be brought, or otherwise import, or cause otherwise to be imported, any such Credit Document or document into the Republic of Austria if required to do so by applicable law or if such Credit Document or document is required to be presented in Austria in order to assist, enforce, protect or preserve any right of or remedy available to such party arising under or in respect of any of the Credit Documents or applicable law. Each of the parties hereto further agrees not to: (i) object to the introduction into evidence of (a) any uncertified copy of a signed original of a Credit Document or notarized or certified copy thereof or (b) any written minutes recording the transactions contemplated by a Credit Document and signed by a party or its representative (for the purpose of this Section 10.22, each an "**Original**"); (ii) raise as a defense to any action or exercise of a remedy a failure to introduce an Original into evidence; (iii) object to the submission of any uncertified copy of a Credit Document in any proceedings relating to a dispute before any court, arbitral body or governmental authority in Austria (for the purpose of this Section 10.22, the "**Proceedings**"); (iv) contest the authenticity, and conformity to the Original (*Ubereinstimmung mit dem echten Original*), of an uncertified copy of an Original, in each case, unless any such uncertified copy actually introduced into evidence in Proceedings does not accurately reflect the content of such Original.

10.23 **Place of Performance**. The place of performance for all parties under this Agreement and the other Credit Documents shall be any jurisdiction other than the Republic of Austria. Nothing in this Agreement shall be construed in a way as to entitle or oblige any party hereto to render or request any performance contemplated by this Agreement, including, but not limited to, payment obligations, within the Republic of Austria. In particular, all payments to be made by, or to, a party to a Credit Document under or in connection with the Credit Documents shall be effected to and from bank accounts outside of Austria.

10.24 **USA Patriot Act Notice**. Each Bank and the Agents (for the Agents and not on behalf of any Bank) hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-5 (signed into law on October 26, 2001)), as amended (the "**Patriot Act**"), it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other

information that will allow such Bank or the applicable Agent, as applicable, to identify the Borrowers in accordance with the Patriot Act.

10.25 **No Setoffs and Defenses**. Each Credit Party acknowledges it has no setoffs or defenses to their respective obligations under the Credit Documents and no claims or counterclaims against any of the Agents or the Banks.

[Remainder of page intentionally left blank]

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

XERIUM TECHNOLOGIES, INC.

By: _____
Name:
Title:

XTI LLC

By: _____
Name:
Title:

XERIUM ITALIA S.P.A.

By: _____
Name:
Title:

XERIUM CANADA INC.

By: _____
Name:
Title:

HUYCK.WANGNER AUSTRIA GMBH

By: _____
Name:
Title:

XERIUM GERMANY HOLDING GMBH

By: _____
Name:
Title:

HUYCK.WANGNER GERMANY GMBH

By: _____
Name:
Title:

Signed by

HUYCK.WANGNER AUSTRALIA PTY LIMITED (ACN 004 624 015) in accordance with section 127 of the *Corporations Act 2001 (Australia)* by two directors:

_____	_____
Signature of director	Signature of director
_____	_____
Name of director (please print)	Name of director (please print)

ROBEC WALZEN GMBH

By: _____
Name:
Title:

WANGNER ITELPA PARTICIPAÇÕES LTDA.

By: _____
Name:
Title:

XERIUM TECHNOLOGIES DO BRASIL INDÚSTRIA E COMÉRCIO S.A.

By: _____
Name:
Title:

XERIUM DO BRASIL LTDA.

By: _____
Name:
Title:

XERIUM (FRANCE) SAS

By: _____
Name:
Title:

STOWE WOODWARD FRANCE SAS

By: _____
Name:
Title:

STOWE WOODWARD AG

By: _____
Name:
Title:

HUYCK. WANGNER JAPAN LIMITED

By: _____
Name:
Title:

STOWE WOODWARD MÉXICO, S.A. DE C.V.

By: _____
Name:
Title:

HUYCK. WANGNER (UK) LIMITED

By: _____
Name:
Title:

STOWE-WOODWARD (UK) LIMITED

By: _____
Name:
Title:

XERIUM TECHNOLOGIES LIMITED

By: _____
Name:
Title:

HUYCK LICENSCO INC.

By: _____
Name:
Title:

STOWE WOODWARD LLC

By: _____
Name:
Title:

STOWE WOODWARD LICENSCO LLC

By: _____
Name:
Title:

WEAVEXX, LLC

By: _____
Name:
Title:

XERIUM III (US) LIMITED

By: _____
Name:
Title:

XERIUM IV (US) LIMITED

By: _____
Name:
Title:

XERIUM V (US) LIMITED

By: _____
Name:
Title:

WANGNER ITELPA I LLC

By: _____
Name:
Title:

WANGNER ITELPA II LLC

By: _____
Name:
Title:

XERIUM ASIA LLC

By: _____
Name:
Title:

ROBEC BRAZIL LLC

By:

Name:
Title:

HUYCK WANGNER VIETNAM CO LTD

By: _____

Name:
Title:

HUYCK WANGNER SCANDINAVIA AB

By: _____
Name:
Title:

STOWE WOODWARD SWEDEN AB

By: _____
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.,
as Lead Arranger and Bookrunner

By: _____
Name:
Title:

CITICORP NORTH AMERICA, INC.,
as Administrative Agent and Collateral Agent

By: _____
Name:
Title:

_____, as a
Bank (please print name of institution)

By[4]::_____
Name:
Title:

[4] Bank: If more than one signature is required, please add accordingly. Please delete this footnote before executing.

APPENDIX A-1
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

Xerium Term Loan Amounts

Bank	**Xerium Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$ 29,500,000.00**	**100%**

APPENDIX A-2
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

XTI Term Loan Amounts

Bank	**XTI Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$ 4,000,000.00**	**100%**

APPENDIX A-3
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

Italia Term Loan Amounts

Bank	**Italia Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$ 3,000,000.00**	**100%**

APPENDIX A-4
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

Xerium Canada Term Loan Amounts

Bank	**Xerium Canada Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$ 7,000,000.00**	**100%**

APPENDIX A-5
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

Austria Term Loan Amounts

Bank	**Austria Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$ 4,000,000.00**	**100%**

APPENDIX A-6
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

Germany Holdings Term Loan Amounts

Bank	**Germany Holdings Term Loan Amount**	**Pro Rata Share**
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
[_____]	$ [_____]	[_____]%
Total	**$ 12,500,000.00**	**100%**

APPENDIX B
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

Revolving Loan Commitments

Bank		**Revolving Loan Commitment**	**Pro Rata Share**
[_____]	$	[_____]	[_____]%
[_____]	$	[_____]	[_____]%
[_____]	$	[_____]	[_____]%
Total	**$**	**20,000,000.00**	**100%**

APPENDIX C
TO CREDIT AND GUARANTY AGREEMENT (FIRST LIEN)

Notice Addresses

[Xerium to Update Borrower and Guarantor addresses]

"**NOTE**: THE TAKING OF THIS DOCUMENT OR ANY CERTIFIED COPY OR ANY DOCUMENT WHICH CONSTITUTES SUBSTITUTE DOCUMENTATION THEREOF, INCLUDING WRITTEN CONFIRMATIONS OR REFERENCES THERETO, INTO AUSTRIA AS WELL AS PRINTING OUT ANY E-MAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE MAY CAUSE THE IMPOSITION OF AUSTRIAN STAMP DUTY. ACCORDINGLY, IN PARTICULAR KEEP THE ORIGINAL DOCUMENT AS WELL AS ALL CERTIFIED COPIES THEREOF AND WRITTEN AND SIGNED REFERENCES THERETO OUTSIDE OF AUSTRIA AND AVOID PRINTING OUT ANY EMAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE."

XERIUM TECHNOLOGIES, INC.
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

XTI LLC
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

XERIUM ITALIA S.P.A.
Casella Postale 109
Via Persicara 70
04100 Latina,
Italy
Attention: Michael O'Donnell
Telecopier: 39-077-362-9008

XERIUM CANADA INC.
Aird & Berlis
181 Bay Street
Suite 1800
Toronto, Ontario M5J279
Attention: Michael O'Donnell
Telecopier: 416-863-1515

HUYCK.WANGNER AUSTRIA GMBH
[ADDRESS OUTSIDE OF AUSTRIA]
Attention: [OUTSIDE OF AUSTRIA]
Telecopier: [OUTSIDE OF AUSTRIA]
[NB: Please state an address which is outside of Austria, e.g. notices could be directed to a German subsidiary]

XERIUM GERMANY HOLDING GMBH
Föehrstrasse 39
72760 Reutlingen
Germany
Attention: Michael O'Donnell
Telecopier: 49-712-130-6396

HUYCK LICENSCO INC.
STOWE WOODWARD LLC
STOWE WOODWARD LICENSCO LLC
WEAVEXX, LLC
XERIUM III (US) LIMITED
XERIUM IV (US) LIMITED
XERIUM V (US) LIMITED
WANGNER ITELPA I LLC
WANGNER ITELPA II LLC
XERIUM ASIA LLC
ROBEC BRAZIL LLC
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

HUYCK.WANGNER AUSTRALIA PTY. LIMITED
P.O. Box 757
Geelong Vic. 3220
Australia
Attention: Michael O'Donnell
Telecopier: 61-352-237-099

WANGNER ITELPA PARTICIPAÇÕES LTDA.
Av. Carlos Botelho
378 – Vila Progresso
CEP 13416-140
City of Piracicaba, State of São Paulo, Brazil
Attention: Michael O'Donnell
Telecopier: 55-19-3424-1947

XERIUM TECHNOLOGIES BRASIL INDÚSTRIA E COMÉRCIO S.A.
Rod. Americana Piracicaba, S/N, Km 156,5
Dois Córregos
CEP 13400-970
City of Piracicaba, State of São Paulo, Brazil
Attention: Michael O'Donnell
Telecopier: 55-19-3424-1947

XERIUM DO BRASIL LTDA.
Avenida Barão do Rio Branco, 1958/2000
Parte, Suite B, Centro - CEP 25680-270
City of Petrópolis, State of Rio de Janeiro, Brazil
Attention: Michael O'Donnell
Telecopier: 55-24-2237-5449

XERIUM (FRANCE) SAS
102 avenue des Champs-Elysees
75008 Paris France
Attention: Michael O'Donnell
Telecopier: 33-4-50382593

STOWE WOODWARD FRANCE SAS
12 rue Jean Jaurès
Meyzieu, France 69330
Attention: Michael O'Donnell
Telecopier: 33-4-50382593

STOWE WOODWARD AG
Am Langen Graben 22
52353 Düeren Germany or
Postfach 10 02 37, 52302 Düeren Germany
Attention: Michael O'Donnell
Telecopier: 49-242-184-05319

ROBEC WALZEN GMBH
Am Langen Graben 22
52353 Düeren Germany or
Postfach 10 02 37, 52302 Düeren Germany

Attention: Michael O'Donnell
Telecopier: 49-242-184-05319

HUYCK.WANGNER GERMANY GMBH
Föhrstrasse 39
72760 Reutlingen
Germany
Attention: Michael O'Donnell
Telecopier: 49-7121-30-6396

HUYCK.WANGNER JAPAN LIMITED
5F, Kokusai Bldg., 2-13-11
Nihonbashi Kayabacho
Chuo-ku, Tokyo, 103-0025
Japan
Attention: Michael O'Donnell
Telecopier: 81-336-670-986

STOWE WOODWARD MÉXICO, S.A. DE C.V.
Circuito Balvanera No. 2
Fracc. Agro Ind. Balvanera
KM 7 Carr. Libre A Celaya
Villa Corregidora 79920
Queretaro, Mexico
Attention: Michael O'Donnell
Telecopier: 52-442-225-0618

HUYCK.WANGNER (UK) LIMITED
National House, Herne Bay
Kent, CT6 5LN
England
Attention: Michael O'Donnell
Telecopier: 44-1227-744039

STOWE-WOODWARD (UK) LIMITED
Am Langen Graben 22
52353 Düren
Germany
Attention: Michael O'Donnell
Telecopier: 49-242-184-05319

XERIUM TECHNOLOGIES LIMITED
National House, Herne Bay
Kent, CT6 5LN
England
Attention: Michael O'Donnell
Telecopier: 44-1227-744039

STOWE WOODWARD SWEDEN AB
Dalaslingan 9
231 32 Trelleborg
Sweden
Attention: [Stephen Light]
Telecopier: [___]

HUYCK. WANGNER SCANDINAVIA AB
Box 296
751 05 Uppsala
Sweden
Attention: [Stephen Light]
Telecopier:[___]

in each case, with a copy to:

Xerium Technologies, Inc.
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael Stick
Telecopier: 1-919-556-2432

and to

Xerium Technologies, Inc.
14101 Capital Blvd., Suite 14101
Youngsville, NC 27596
U.S.A.
Attention: Michael O'Donnell
Telecopier: 1-919-556-2432

CITIGROUP GLOBAL MARKETS INC.,
as Lead Arranger and Bookrunner

Citibank, N.A.
390 Greenwich St., 1st Floor
New York, NY 10013
Attention: [Blake Gronich]
Telecopier: (646) 291-1653
Email: [blake.gronich@citi.com]

CITICORP NORTH AMERICA, INC.,
as Administrative Agent, Collateral Agent and a Bank

Citicorp North America, Inc.
390 Greenwich St., 1st Floor
New York, NY 10013
Attention: [Blake Gronich]
Telecopier: [(646) 710-5361 and (646) 710-1064]
Email: [blake.gronich@citi.com]

CITIBANK, N.A., CANADIAN BRANCH,
as a Bank

Citibank, N.A., Canadian Branch
Citibank Place, 10th floor
123 Front Street West
Toronto, CANADA
Attention: [Adeel Kheraj]
Telecopier: (416) 947-5650
Email: [adeel.kheraj@citigroup.com]

CITIBANK, N.A., as a Bank

Citibank, N.A.
390 Greenwich St., 1st Floor
New York, NY 10013
Attention: [Blake Gronich]
Telecopier: [(646) 291-1653]
Email: [blake.gronich@citi.com]

SCHEDULE 1.44

Exit Facility Pledge and Security Agreement

PLEDGE AND SECURITY AGREEMENT (FIRST LIEN)

dated as of [_____], 2010

between

EACH OF THE GRANTORS PARTY HERETO

and

CITICORP NORTH AMERICA, INC.,

as the Collateral Agent

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This **PLEDGE AND SECURITY AGREEMENT (FIRST LIEN)**, dated as of [_____], 2010 (this "**Security Agreement**"), between **EACH OF THE UNDERSIGNED**, whether as an original signatory hereto or as an Additional Grantor (as herein defined) (each, a "**Grantor**"), and **CITICORP NORTH AMERICA, INC.**, as collateral agent for the Secured Parties (as herein defined) (in such capacity as collateral agent, the "**Collateral Agent**").

RECITALS:

WHEREAS, reference is made to that certain Credit and Guaranty Agreement (First Lien) dated [_____], 2010 (as it may be amended, supplemented or otherwise modified, the "**First Lien Credit Agreement**"; terms defined therein and not otherwise defined herein being used herein as therein defined) among Xerium Technologies, Inc. ("**Xerium**"), XTI LLC, Xerium Italia S.p.A., Xerium Canada Inc., Huyck.Wangner Austria GmbH and Xerium Germany Holding GmbH as Borrowers, the subsidiaries of Xerium named therein as Guarantors, Citigroup Global Markets Inc. as Sole Lead Arranger and Sole Bookrunner, Citicorp North America, Inc. as Administrative Agent and as Collateral Agent, and the other Banks party thereto;

WHEREAS, subject to the terms and conditions of the Credit Agreement, certain Grantors may enter into one or more Hedge Agreements (as defined in the Credit Agreement) with one or more Bank Counterparties;

WHEREAS, in consideration of the extensions of credit and other accommodations of Banks and Bank Counterparties as set forth in the Credit Agreement and the Hedge Agreements, respectively, each Grantor has agreed to secure such Grantor's obligations under the Credit Documents and the Hedge Agreements as set forth herein;

WHEREAS, the obligations under the Second Lien Credit Agreement and the other Second Lien Credit Documents are secured by a second priority security interest in the Collateral and the relative rights and priorities in respect of the Collateral are governed by the Intercreditor Agreement (as defined herein); and

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, each Grantor and the Collateral Agent agree as follows:

SECTION 1. DEFINITIONS.

1.1 General Definitions. In this Security Agreement, the following terms shall have the following meanings:

"**Account Debtor**" shall mean "account debtor" as defined in Article 9 of the UCC and shall include each Person who is obligated on a Receivable or any Supporting Obligation related thereto.

"**Accounts**" shall mean all "accounts" as defined in Article 9 of the UCC.

"**Additional Grantors**" shall have the meaning assigned in Section 5.3.

"**Applicable Law**" means, with respect to any Person, any domestic or foreign, federal, state, provincial or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement of any Governmental Entity applicable to such Person or any of their respective properties or assets.

"**Assigned Agreements**" shall mean all agreements and contracts to which such Grantor is a party as of the date hereof, or to which such Grantor becomes a party after the date hereof, including, without limitation, each Material Contract, as each such agreement may be amended, supplemented or otherwise modified from time to time.

"**Bank**" shall have the meaning set forth in the recitals.

"**Bank Counterparty**" shall have the meaning assigned to such term in the First Lien Credit Agreement.

"**Bankruptcy Code**" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"**Cash Proceeds**" shall have the meaning assigned in Section 7.7.

"**Chattel Paper**" shall mean all "chattel paper" as defined in Article 9 of the UCC.

"**Collateral**" shall have the meaning assigned in Section 2.1.

"**Collateral Account**" shall mean any account or accounts established by the Collateral Agent.

"**Collateral Agent**" shall have the meaning set forth in the preamble.

"**Collateral Records**" shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and related data processing software and similar items that at any time evidence or contain information relating to any of the

Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

"**Collateral Support**" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"**Commercial Tort Claims**" shall mean all "commercial tort claims" as defined in Article 9 of the UCC as listed on Schedule 4.9 (as such schedule may be amended or supplemented from time to time).

"**Commodities Accounts**" (i) shall mean all "commodity accounts" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading "Commodities Accounts" (as such schedule may be amended or supplemented from time to time).

"**Copyright Licenses**" shall mean any and all agreements granting any right in, to or under Copyrights (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Copyrights**" shall mean all United States, state and foreign copyrights, including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. §901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the applications referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, (v) all licenses, claims, damages and proceeds of suit arising therefrom, and (vi) all payments and rights to payments arising out of the sale, lease, license, assignment, or other disposition thereof.

"**Deposit Accounts**" (i) shall mean all "deposit accounts" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading "Deposit Accounts" (as such schedule may be amended or supplemented from time to time).

"**Discharge of First Lien Obligations**" shall have the meaning set forth in the Intercreditor Agreement.

"**Documents**" shall mean all "documents" as defined in Article 9 of the UCC.

"**Electronic Chattel Paper**" shall mean all "electronic chattel paper" as defined in Article 9 of the UCC.

"**Equipment**" shall mean: (i) all "equipment" as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

"**First Lien Credit Agreement**" shall have the meaning set forth in the recitals.

"**Foreign Entity**" shall mean "controlled foreign corporation" as defined in Section 957(a) or any successor provision of the Tax Code.

"**GAAP**" means, subject to the limitations on the application thereof set forth in the First Lien Credit Agreement, United States generally accepted accounting principles in effect as of the date of determination thereof.

"**General Intangibles**" (i) shall mean all "general intangibles" as defined in Article 9 of the UCC, and (ii) shall include, without limitation, all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations, all Assigned Agreements and all Intellectual Property (in each case, regardless of whether characterized as general intangibles under the UCC).

"**Goods**" (i) shall mean all "goods" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all Inventory and Equipment (in each case, regardless of whether characterized as goods under the UCC).

"**Grantors**" shall have the meaning set forth in the preamble.

"**Hedge Agreement**" shall mean any agreement in respect of any Grantor's Hedging Obligations to any Bank Counterparty under the First Lien Credit Agreement.

"**Instruments**" shall mean all "instruments" as defined in Article 9 of the UCC.

"**Insurance**" shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

"**Intellectual Property**" shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

"**Intercreditor Agreement**" means the Intercreditor Agreement, dated as of the date hereof, among the Collateral Agent, the Administrative Agent and the collateral agent and the administrative agent under the Second Lien Credit Agreement, Xerium and certain of its Subsidiaries party or that may become party thereto from time to time, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"**Inventory**" shall mean (i) all "inventory" as defined in Article 9 of the UCC and (ii) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods, and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any Grantor's business; all goods in which any Grantor has an interest in mass or a joint or other interest or right of any kind; and all goods which are returned to or repossessed by any Grantor, all computer programs embedded in any goods and all accessions thereto and products thereof (in each case, regardless of whether characterized as inventory under the UCC).

"**Investment Accounts**" shall mean the Collateral Account, Securities Accounts, Commodities Accounts and Deposit Accounts, including the Term Loan LC Collateral Account (as defined in the First Lien Credit Agreement).

"**Investment Property**" shall mean all "investment property" as defined in Article 9 of the UCC.

"**Investment Related Property**" shall mean: (i) all Investment Property, and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, the Investment Accounts and certificates of deposit.

"**Letters of Credit**" shall mean "letters of credit" as defined in Article 9 of the UCC.

"**Letter of Credit Right**" shall mean "letter-of-credit right" as defined in Article 9 of the UCC.

"**Licenses**" means collectively Copyright Licenses, Patent Licenses, Trade Secrets Licenses and Trademark Licenses.

"**Lien**" shall mean (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) in the case of Pledged Equity Interests, any purchase option, call or similar right of a third party with respect to such Pledged Equity Interests.

"**Limited Foreign Entity**" shall mean entities designated as such on Schedule 2.2.

"**Material Contract**" shall mean any contract or other arrangement to which any Grantor is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"**Money**" shall mean "money" as defined in the UCC.

"**Non-Assignable Contract**" shall mean any agreement, contract or license to which any the Grantor is a party that by its terms purports to restrict or prevent the assignment or granting of a security interest therein (either by its terms or by any federal or state statutory prohibition or otherwise irrespective of whether such prohibition or restriction is enforceable under Section 9-406 through 409 of the UCC).

"**Other Intercompany Debt**" shall have the meaning ascribed in Section 4.4.3(a)(ii).

"**Patent Licenses**" shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Patents**" shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, but not limited to: (i) each patent and patent application referred to in Schedule 4.8 hereto (as such schedule may be amended or supplemented from time to

time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (ii) all rights corresponding thereto throughout the world, (ii) all inventions and improvements described therein, (iv) all rights to sue for past, present and future infringements thereof, (v) all licenses, claims, damages, and proceeds of suit arising therefrom, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"**Permitted Sale**" shall mean those sales, transfers, assignments or other dispositions permitted by the First Lien Credit Agreement.

"**Person**" shall mean and include natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Pledge Supplement**" shall mean any supplement to this Security Agreement in substantially the form of Exhibit A.

"**Pledged Debt**" shall mean all Indebtedness owed to such Grantor, including, without limitation, all Indebtedness described on Schedule 4.4 under the heading "Pledged Debt" (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments evidencing such Indebtedness, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

"**Pledged Equity Interests**" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests.

"**Pledged LLC Interests**" shall mean all interests in any limited liability company including, without limitation, all limited liability company interests listed on Schedule 4.4 under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests.

"**Pledged Partnership Interests**" shall mean all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 4.4 under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests.

"**Pledged Stock**" shall mean all shares of capital stock owned by such Grantor, including, without limitation, all shares of capital stock described on Schedule 4.4 under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

"**Pledged Trust Interests**" shall mean all interests in a Delaware business trust or other trust including, without limitation, all trust interests listed on Schedule 4.4 under the heading "Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests.

"**Primary Accounts**" shall mean primary Dollar denominated master deposit and investment accounts and primary Euro denominated master deposit and investment accounts of each Grantor.

"**Proceeds**" shall mean all "proceeds" as defined in Article 9 of the UCC.

"**Receivables**" shall mean all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General

Intangible or Investment Related Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

"**Receivables Records**" shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or nonwritten forms of information related in any way to the foregoing or any Receivable.

"**Record**" shall have the meaning specified in Article 9 of the UCC.

"**Related Contracts**" means any and all obligations, leases, security agreements, letters of credit and other contracts related to the Receivables.

"**Second Lien Collateral Agent**" means the collateral agent under the Second Lien Collateral Documents.

"**Second Lien Collateral Documents**" means the "Collateral Documents" as defined in the Second Lien Credit Agreement.

"**Second Lien Credit Agreement**" means the Second Amended and Restated Credit and Guaranty Agreement (Second Lien) dated as of the date hereof among Xerium, XTI, Xerium Italia S.p.A., Xerium Canada Inc., Huyck Wangner Austria GmbH and Xerium Germany Holding GmbH as borrowers, the subsidiaries of Xerium named therein as Guarantors, Citigroup Global Markets Inc. as Lead Arranger and Bookrunner, Citicorp North America, Inc. as administrative agent and as collateral agent, and the other banks party thereto, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"**Secured Obligations**" shall have the meaning assigned in Section 3.1.

"**Secured Parties**" shall mean the Banks and the Bank Counterparties and shall include, without limitation, all former Banks and Bank Counterparties to the extent that any Obligations owing to such Persons were incurred while such Persons were Banks or Bank Counterparties and such Obligations have not been paid or satisfied in full.

"**Securities**" shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Accounts**" (i) shall mean all "securities accounts" as defined in Article 8 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading "Securities Accounts" (as such schedule may be amended or supplemented from time to time).

"**Securities Entitlements**" shall have the meaning specified in Article 8 of the UCC.

"**Security Agreement**" shall have the meaning set forth in the preamble.

"**Supporting Obligation**" shall mean all "supporting obligations" as defined in Article 9 of the UCC.

"**Swedish Grantor**" shall mean each Grantor incorporated or organized in Sweden.

"**Tangible Chattel Paper**" shall mean "tangible chattel paper" as defined in Article 9 of the UCC.

"**Tax Code**" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"**Trademark Licenses**" shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Trademarks**" shall mean all United States, and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other

source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to: (i) the registrations and applications referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"**Trade Secret Licenses**" shall mean any and all agreements providing for the granting of any right in or to Trade Secrets (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"**Trade Secrets**" shall mean all trade secrets and all other confidential or proprietary information and know-how whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating, or referring in any way to such Trade Secret, including but not limited to: (i) the right to sue for past, present and future misappropriation or other violation of any Trade Secret, and (ii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

"**United States**" shall mean the United States of America.

"**Xerium"** shall have the meaning set forth in the recitals.

1.2 Definitions; Interpretation. All capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the First Lien Credit Agreement or, if not defined therein, in the UCC. References to "Sections," "Exhibits" and "Schedules" shall be to Sections, Exhibits and Schedules, as the case may be, of this Security Agreement unless otherwise specifically provided. Section headings in this Security Agreement are included herein for convenience of reference only and shall not constitute a part of this Security Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such

statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. If any conflict or inconsistency exists between this Security Agreement and the First Lien Credit Agreement, the First Lien Credit Agreement shall govern. If any conflict or inconsistency exists between this Security Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall govern. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

SECTION 2. GRANT OF SECURITY.

2.1 Grant of Security. Each Grantor hereby grants to the Collateral Agent a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all personal property of such Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the "**Collateral**"):

(a) all Accounts;

(b) all Equipment and Inventory;

(c) all Chattel Paper;

(d) all Deposit Accounts;

(e) all Documents;

(f) all General Intangibles;

(g) all Goods;

(h) all Instruments;

(i) all Insurance;

(j) all Intellectual Property;

(k) all Investment Related Property;

(l) all Letters of Credit and Letter-of-Credit Rights;

(m) all Money;

(n) all Commercial Tort Claims;

(o) all Collateral Records, Collateral Support and Supporting Obligations relating to any of the foregoing; and

(p) to the extent not covered by clauses (a) through (o) of this Section 2.1, all other personal property of such Grantor, whether tangible or intangible, and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing, any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Grantor from time to time with respect to any of the foregoing.

2.2 Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the security interest granted under Section 2.1 hereof attach to (a) any lease, license, contract, property rights or agreement to which any Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other Applicable Law (including the Bankruptcy Code) or principles of equity), provided, however, that such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent severable, shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above; and (b) in any of the outstanding capital stock of a Foreign Entity in excess of the percentage indicated on Schedule 2.2 of the voting power of all classes of capital stock of such Foreign Entity entitled to vote; provided that immediately upon the amendment of the Tax Code to allow the pledge of a greater percentage of the voting power of capital stock in a Foreign Entity without adverse tax consequences, the Collateral shall include, and the security interest granted by each Grantor shall attach to, such greater percentage of capital stock of each Foreign Entity (excluding any Foreign Entity designated as a Limited Foreign Entity).

SECTION 3. SECURITY FOR OBLIGATIONS; GRANTORS REMAIN LIABLE.

3.1 Security for Obligations. This Security Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a) (and any successor provision thereof)), of all Obligations with respect to every Grantor (the "**Secured Obligations**").

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any Secured Party, (ii) each Grantor shall remain liable under each of the agreements included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Security Agreement or any other document related thereto nor shall the Collateral Agent nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

3.3 Swedish Grantors. Notwithstanding anything to the contrary herein, the obligations of a Swedish Grantor under this Security Agreement shall be limited, if required by the provisions of the Swedish Companies Act (*Sw* Aktiebolagslagen 2005:551) regulating distribution of assets (Chapter 17, Section 3 or the equivalent clause/s from time to time), and it is understood that the liability of such Swedish Grantor only applies to the extent and in such amount permitted by the above mentioned provisions of the Swedish Companies Act. The obligations of a Swedish Grantor under this Security Agreement shall furthermore be limited to the extent the Collateral can be legally provided under the laws of the jurisdiction where the assets are held by the Swedish Grantor and the Swedish Grantor shall only be under an obligation to perfect the security upon the Collateral Agent's reasonable request, in which case perfection shall be made in accordance with the laws of the relevant jurisdiction.

SECTION 4. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

4.1 Generally.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) it owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, and except for transfers or dispositions permitted under the First Lien Credit Agreement, will continue to own or have such rights in each item of the Collateral, in each case free and clear of any and all Liens, rights or claims of all other Persons, including, without limitation, liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as debtor under a security agreement entered into by another Person other than Permitted Liens;

(ii) it has indicated on Schedule 4.1(A) (as such schedule may be amended or supplemented from time to time): (w) the type of organization of such Grantor, (x) the jurisdiction of organization of such Grantor, (y) its organizational identification number (as applicable) and (z) the jurisdiction where the chief executive office or its sole place of business is located.

(iii) the full legal name of such Grantor is as set forth on Schedule 4.1(A) and it has not done in the last five (5) years, and does not do, business under any other name (including any trade-name or fictitious business name) except for those names set forth on Schedule 4.1(B) (as such schedule may be amended or supplemented from time to time);

(iv) except as provided on Schedule 4.1(C), it has not changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) within the past five (5) years;

(v) it has not become bound (whether as a result of merger or otherwise) as debtor under a security agreement entered into by another Person, which has not heretofore been terminated other than the agreements identified on Schedule 4.1(D) hereof (as such schedule may be amended or supplemented from time to time);

(vi) with respect to each agreement identified on Schedule 4.1(D), it has indicated on Schedule 4.1(A) and Schedule 4.1(B) the

information required pursuant to Section 4.1(a)(ii), (iv) and (v) with respect to the debtor under each such agreement;

(vii) upon the filing of all UCC financing statements naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth opposite such Grantor's name on Schedule 4.1(E) hereof (as such schedule may be amended or supplemented from time to time) and other filings delivered by each Grantor, and upon recordation of the security interests granted hereunder in Patents and Trademarks in the applicable intellectual property registries, including but not limited to the United States Patent and Trademark Office, the security interests granted to the Collateral Agent hereunder constitute valid and perfected first priority Liens (subject in the case of priority only to Permitted Liens and to the rights of the United States government (including any agency or department thereof) with respect to United States government Receivables) on all of the Collateral except with respect to foreign Patents and Trademarks;

(viii) all actions and consents, including all filings, notices, registrations and recordings necessary for the exercise by the Collateral Agent of the voting or other rights provided for in this Security Agreement or the exercise of remedies in respect of the Collateral have been made or obtained;

(ix) other than the financing statements filed in favor of the Collateral Agent, no effective UCC financing statement, fixture filing or other instrument similar in effect under any Applicable Law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which proper termination statements have been delivered to the Collateral Agent for filing and (y) financing statements filed in connection with Permitted Liens;

(x) no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for either (i) the pledge or grant by any Grantor of the Liens purported to be created in favor of the Collateral Agent hereunder or (ii) the exercise by Collateral Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or provided for by Applicable Law), except (A) for the filings contemplated by clause (viii) above and (B) as may be required, in connection with the disposition of any Investment Related Property, by laws generally affecting the offering and sale of Securities;

(xi) all information supplied by any Grantor with respect to any of the Collateral (in each case taken as a whole with respect to any particular

Collateral) is accurate and complete in all material respects;

(xii) none of the Collateral constitutes, or is the Proceeds of, "farm products" (as defined in the UCC);

(xiii) it does not own any "as extracted collateral" (as defined in the UCC) or any timber to be cut; and

(xiv) such Grantor has been duly organized as an entity of the type as set forth opposite such Grantor's name on Schedule 4.1(A) solely under the laws of the jurisdiction as set forth opposite such Grantor's name on Schedule 4.1(A) and remains duly existing as such. Such Grantor has not filed any certificates of domestication, transfer or continuance in any other jurisdiction.

Notwithstanding the foregoing, the representations and warranties set out in Section 4.1(a)(vii), (viii), (ix) and (x) are not given, or deemed given, by any Swedish Grantor.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) except for the security interest created by this Security Agreement, it shall not create or suffer to exist any Lien upon or with respect to any of the Collateral, except Permitted Liens, and such Grantor shall defend the Collateral against all Persons at any time claiming any interest therein;

(ii) it shall not produce, use or permit any Collateral to be used unlawfully or in violation of any provision of this Security Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral in a material manner;

(iii) it shall not change such Grantor's name, identity, corporate structure (e.g., by merger, consolidation, change in corporate form or otherwise), sole place of business, chief executive office, type of organization or jurisdiction of organization or establish any trade names unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, at least ten (10) Business Days prior to any such change or establishment, identifying such new proposed name, identity, corporate structure, sole place of business, chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to

maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby;

(iv) if the Collateral Agent or any Secured Party gives value to enable Grantor to acquire rights in or the use of any Collateral, it shall use such value for such purposes and such Grantor further agrees that repayment of any Obligation shall apply on a "first-in, first-out" basis so that the portion of the value used to acquire rights in any Collateral shall be paid in the chronological order such Grantor acquired rights therein;

(v) it shall pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided, such Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than five (5) days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against such Grantor or any of the Collateral as a result of the failure to make such payment;

(vi) upon such Grantor or any officer of such Grantor obtaining knowledge thereof, it shall promptly notify the Collateral Agent in writing of any event that may have a Material Adverse Effect on the value of the Collateral or any portion thereof, the ability of any Grantor or the Collateral Agent to dispose of the Collateral or any portion thereof, or the rights and remedies of the Collateral Agent in relation thereto, including, without limitation, the levy of any legal process against the Collateral or any portion thereof;

(vii) it shall not take or permit any action which could impair the Collateral Agent's rights in the Collateral; and

(viii) it shall not sell, transfer or assign (by operation of law or otherwise) any Collateral except for Permitted Sales.

4.2 Equipment and Inventory.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date and on each Credit Date, that:

(i) any Goods now or hereafter produced by any Grantor in the United States included in the Collateral have been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended;

and

(ii) none of the Inventory or Equipment is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the UCC) therefor or otherwise in the possession of a bailee or a warehouseman except as set forth on Schedule 4.2.

(b) Covenants and Agreements. Each Grantor covenants and agrees that:

(i) it shall keep the Equipment, Inventory and any Documents evidencing any Equipment and Inventory in the locations specified on Schedule 4.2 (as such schedule may be amended or supplemented from time to time) unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, at least fifteen (15) days prior to any change in locations, identifying such new locations and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby, or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder, with respect to such Equipment and Inventory;

(ii) it shall keep correct and accurate records of the Inventory as is customarily maintained under similar circumstances by Persons of established reputation engaged in similar business, and in any event in conformity with GAAP;

(iii) it shall not deliver any Document evidencing the ownership of any Equipment and Inventory to any Person other than the issuer of such Document to claim the Goods evidenced therefor or the Collateral Agent, other than in connection with sales of Equipment or Inventory as permitted by the First Lien Credit Agreement; and

(iv) if any Equipment or Inventory is in possession or control of any third party other than pursuant to a transfer or disposition permitted under the First Lien Credit Agreement, each Grantor shall assist the Collateral Agent in notifying the third party of the Collateral Agent's security interest and obtaining an acknowledgment from the third party that it is holding the Equipment and Inventory for the benefit of the Collateral Agent.

4.3 Receivables.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date and on each Credit Date, that:

(i) to the best of Grantor's knowledge each of its Receivables (a) is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (b) is and will be enforceable in accordance with its terms, (c) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (d) is and will be in compliance with all Applicable Laws, whether federal, state, local or foreign;

(ii) none of the Account Debtors in respect of any Receivable in excess of $1,000,000 individually is the government of the United States, any agency or instrumentality thereof, any state or municipality or any foreign sovereign. No Receivable in excess of $1,000,000 individually requires the consent of the Account Debtor in respect thereof in connection with the pledge hereunder, except any consent which has been obtained; and

(iii) no Receivable is evidenced by, or constitutes, an Instrument or Chattel Paper in excess of $1,000,000 which has not been delivered to, or otherwise subjected to the control of, the Collateral Agent to the extent required by, and in accordance with Section 4.3(c).

(b) Covenants and Agreements: Each Grantor hereby covenants and agrees that:

(i) it shall keep and maintain at its own cost and expense satisfactory records of its Receivables as are customarily maintained under similar circumstances by Persons of established reputation engaged in similar businesses, and in any event, in conformity with GAAP;

(ii) at the Collateral Agent's request, it shall mark conspicuously, in form and manner reasonably satisfactory to the Collateral Agent, all Chattel Paper, Instruments and other evidence of Receivables (other than any delivered to the Collateral Agent as provided herein), as well as the Receivables Records with an appropriate reference to the fact that the Collateral Agent has a security interest therein;

(iii) it shall perform in all material respects all of its obligations

with respect to the Receivables;

(iv) it shall not amend, modify, terminate or waive any provision of any Receivable in excess of $100,000 individually for any invoice or $500,000 in the aggregate for any account in any manner which could reasonably be expected to have a Material Adverse Effect on the value of such Receivable as Collateral. Other than in the ordinary course of business as generally conducted by it on and prior to the date hereof, and except as otherwise provided in subsection (v) below, following an Event of Default, such Grantor shall not (w) grant any extension or renewal of the time of payment of any Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon;

(v) except as otherwise provided in this subsection and in the ordinary course of business, each Grantor shall continue to collect all amounts due or to become due to such Grantor under its Receivables and any Supporting Obligation and diligently exercise each material right it may have under any of its Receivables, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor may deem necessary or advisable. Notwithstanding the foregoing, upon the occurrence and during the continuance of a Default or an Event of Default, the Collateral Agent shall have the right at any time to notify, or require any Grantor to notify, any Account Debtor of the Collateral Agent's security interest in the Receivables and any Supporting Obligation and, in addition, at any time following the occurrence and during the continuation of an Event of Default, the Collateral Agent may: (1) direct the Account Debtors under any Receivables to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Agent; (2) notify, or require any Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Receivables have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Collateral Agent; and (3) enforce, at the expense of such Grantor, collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. If the Collateral Agent notifies any Grantor that it has elected to collect the Receivables in accordance with the preceding sentence, any payments of Receivables received by such Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the

Collateral Agent if required, in the Collateral Account maintained under the sole dominion and control of the Collateral Agent, and until so turned over, all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of the Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Agent hereunder and shall be segregated from other funds of such Grantor and such Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon; and

(vi) except as it shall determine otherwise in the ordinary course of business, it shall use commercially reasonable efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Receivable.

(c) Delivery and Control of Receivables. With respect to any of its Receivables in excess of $1,000,000 individually that is evidenced by, or constitutes, Chattel Paper or Instruments, each Grantor shall cause each originally executed copy thereof to be delivered to the Collateral Agent (or its agent or designee) appropriately indorsed to the Collateral Agent or indorsed in blank: (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. With respect to any Receivables in excess of $1,000,000 individually which would constitute "electronic chattel paper" under Article 9 of the UCC, each Grantor shall take all steps necessary to give the Collateral Agent control over such Receivables (within the meaning of Section 9-105 of the UCC): (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. Any Receivable not otherwise required to be delivered or subjected to the control of the Collateral Agent in accordance with this subsection (c) shall be delivered or subjected to such control upon request of the Collateral Agent.

4.4 Investment Related Property

4.4.1 Investment Related Property Generally

(a) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in the event it acquires rights in any Investment Related Property after the date hereof, it shall deliver to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, reflecting

such new Investment Related Property and all other Investment Related Property. Notwithstanding the foregoing, it is understood and agreed that the security interest of the Collateral Agent shall attach to all Investment Related Property immediately upon any Grantor's acquisition of rights therein and shall not be affected by the failure of any Grantor to deliver a supplement to Schedule 4.4 as required hereby;

(ii) except as provided in the next sentence, in the event such Grantor receives any dividends, interest or distributions on any Investment Related Property, or any securities or other property upon the merger, consolidation, liquidation or dissolution of any issuer of any Investment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) such Grantor shall immediately take all steps, if any, necessary or advisable to ensure the validity, perfection, priority and, if applicable, control of the Collateral Agent over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Agent) and pending any such action such Grantor shall be deemed to hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Collateral Agent and shall segregate such dividends, distributions, Securities or other property from all other property of such Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, the Collateral Agent authorizes each Grantor to retain all ordinary cash dividends and distributions paid in the normal course of the business of the issuer and consistent with the past practice of the issuer and all payments of interest and principal; and

(iii) each Grantor consents to the grant by each other Grantor of a Security Interest in all Investment Related Property to the Collateral Agent.

(b) Delivery and Control.

(i) Each Grantor agrees that with respect to any Investment Related Property in which it currently has rights it shall comply with the provisions of this Section 4.4.1(b) on or before the Closing Date and with respect to any Investment Related Property hereafter acquired by such Grantor it shall comply with the provisions of this Section 4.4.1(b) promptly upon acquiring rights therein, in each case in form and substance reasonably satisfactory to the Collateral Agent. With respect to any Investment Related Property that is represented by a certificate or that is an "instrument" (other than any Investment Related Property credited to a Securities Account or any item of Other Intercompany Debt) it shall cause such certificate or instrument to be delivered to the Collateral Agent, indorsed in blank by an "effective endorsement" (as defined

in Section 8 107 of the UCC), regardless of whether such certificate constitutes a "certificated security" for purposes of the UCC. With respect to any Investment Related Property that is an "uncertificated security" for purposes of the UCC (other than any "uncertificated securities" credited to a Securities Account), it shall cause the issuer of such uncertificated security to either (i) register the Collateral Agent as the registered owner thereof on the books and records of the issuer or (ii) execute an agreement substantially in the form of Exhibit B hereto, pursuant to which such issuer agrees to comply with the Collateral Agent's instructions with respect to such uncertificated security without further consent by such Grantor.

(c) Voting and Distributions.

(i) So long as no Event of Default shall have occurred and be continuing:

(1) except as otherwise provided under the covenants and agreements relating to investment related property in this Security Agreement or elsewhere herein or in the First Lien Credit Agreement, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Security Agreement or the Credit Agreement;

(2) the Collateral Agent shall promptly execute and deliver (or cause to be executed and delivered) to each Grantor all proxies, and other instruments as such Grantor may from time to time reasonably request for the purpose of enabling such Grantor to exercise the voting and other consensual rights when and to the extent which it is entitled to exercise pursuant to clause (1) above; and

(3) Upon the occurrence and during the continuation of an Event of Default, at the option of the Collateral Agent or request of the Requisite Banks,

(A) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and

(B) in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and (2) the each Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth in Section 6.1.

4.4.2 Pledged Equity Interests

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) Schedule 4.4 (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Pledged Stock, "Pledged LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such Schedule;

(ii) except as set forth on Schedule 4.4, it has not acquired any equity interests of another entity or substantially all the assets of another entity within the past five (5) years;

(iii) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens, rights or claims of other Persons other than Permitted Liens and, except as set forth on Schedule 4.4 there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests;

(iv) without limiting the generality of Section 4.1(a)(v), no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Pledged Equity

Interests or the exercise by the Collateral Agent of the voting or other rights provided for in this Security Agreement or the exercise of remedies in respect thereof; and

(v) none of the Pledged LLC Interests nor Pledged Partnership Interests are or represent interests in issuers that: (a) are registered as investment companies or (b) are dealt in or traded on securities exchanges or markets; and

(vi) except as indicated on Schedule 4.4, all of the Pledged LLC Interests and Pledged Partnership Interests are or represent interests in issuers that have opted to be treated as securities under the uniform commercial code of any jurisdiction.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) without the prior written consent of the Collateral Agent, it shall not vote to enable or take any other action to: (a) other than as permitted under the First Lien Credit Agreement, amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that materially changes the rights of such Grantor with respect to any Investment Related Property or adversely affects the validity, perfection or priority of the Collateral Agent's security interest, (b) other than as permitted under the First Lien Credit Agreement, permit any issuer of any Pledged Equity Interest to issue any additional stock, partnership interests, limited liability company interests or other equity interests of any nature or to issue securities convertible into or granting the right of purchase or exchange for any stock or other equity interest of any nature of such issuer, (c) other than as permitted under the First Lien Credit Agreement, permit any issuer of any Pledged Equity Interest to dispose of all or a material portion of their assets, (d) waive any default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest or the terms of any Pledged Debt, or (e) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the foregoing in this clause (b), such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof;

(ii) it shall comply with all of its obligations in all material respects under any partnership agreement or limited liability company agreement relating to Pledged Partnership Interests or Pledged LLC Interests and shall enforce all of its rights with respect to any Investment Related Property;

(iii) without the prior written consent of the Collateral Agent, it shall not permit any issuer of any Pledged Equity Interest to merge or consolidate unless (i) such issuer creates a security interest for the benefit of the Collateral Agent that is perfected by a filed financing statement (that is not effective solely under section 9-508 of the UCC) in collateral in which such new debtor has or acquires rights, and (ii) all the outstanding capital stock or other equity interests of the surviving or resulting corporation, limited liability company, partnership or other entity is, upon such merger or consolidation, pledged hereunder; provided that if the surviving or resulting Grantors upon any such merger or consolidation involving an issuer which is a Foreign Entity, then such Grantor shall only be required to pledge equity interests in accordance with Section 2.2 hereof;

(iv) each Grantor consents to the grant by each other Grantor of a security interest in all Investment Related Property to the Collateral Agent and, without limiting the foregoing, consents to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

(v) it shall notify the Collateral Agent of any default under any Pledged Equity that has caused, either in any case or in the aggregate, a Material Adverse Effect.

(vi) if the Collateral Agent exercises its right to sell all or any of the Pledged Equity Interests of any Grantor pursuant to Section 7, each Grantor agrees that, upon request of the Collateral Agent, such Grantor will, at its own expense:

(1) use its best efforts to qualify the Pledged Equity Interests under the state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for the sale of the Pledged Equity Interests, as requested by the Collateral Agent;

(2) cause each such issuer to make available to its security holders, as soon as practicable, an earnings statement that will satisfy the provisions of Section 13(a) of the Securities Act;

(3) provide the Collateral Agent with such other information and projections as may be necessary or, in the opinion of the Collateral Agent, advisable to enable the Collateral Agent to effect the sale of such Pledged Equity Interests; and

(4) do or cause to be done all such other acts and things as may be necessary to make such sale of the Pledged Equity Interests or any part thereof valid and binding and in compliance with Applicable Law.

(vii) The Collateral Agent is authorized, in connection with any sale of the Pledged Equity Interests pursuant to Section 7, to deliver or otherwise disclose to any prospective purchaser of the Pledged Equity Interests (i) any information and projections provided to it pursuant to clause (d) above and (ii) any other information in its possession relating to the Pledged Equity Interests.

4.4.3 Pledged Debt

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) Subject to Section 4.4.3(a)(ii), Schedule 4.4 (as such schedule may be amended or supplemented from time to time) sets forth under the heading "Pledged Debt" all of the Pledged Debt owned by any Grantor and all of such Pledged Debt has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof and is not in default and, together with the Other Intercompany Debt, constitutes all of the issued and outstanding intercompany Indebtedness.

(ii) Schedule 4.4(a) sets forth under the heading "Other Intercompany Debt" certain intercompany debts (the "Other Intercompany Debt") evidenced by the Master Intercompany Note, dated as of the date hereof, which such Other Intercompany Debt has been duly authorized and is the legal, valid and binding obligation of the issuers thereof and is not in default.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) it shall notify the Collateral Agent of any default under any Pledged Debt that has caused or could cause, either in any individual case or in the aggregate, a Material Adverse Effect; and

(ii) it shall not deliver or otherwise transfer any instruments representing any Other Intercompany Debt to any Person other than the Collateral Agent.

4.4.4 Investment Accounts

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Securities Accounts" and "Commodities Accounts," respectively, all of the Securities Accounts and Commodities Accounts that are Primary Accounts in which each Grantor has an interest. Each Grantor is the sole entitlement holder of each such Securities Account and Commodity Account, and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant thereto) having "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over, or any other interest in, any such Securities Account or Commodity Account or securities or other property credited thereto;

(ii) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Deposit Accounts" all of the Deposit Accounts that are Primary Accounts in which each Grantor has an interest. Each Grantor is the sole account holder of each such Deposit Account and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant thereto) having either sole dominion and control (within the meaning of common law) or "control" (within the meanings of Section 9-104 of the UCC) over, or any other interest in, any such Deposit Account or any money or other property deposited therein; and

(iii) Each Grantor has taken all actions necessary or desirable, including those specified in Section 4.4.4(c), to: (a) establish the Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over any portion of the Investment Related Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodities Accounts (each as defined in the UCC) that are Primary Accounts; (b) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the UCC) over all Deposit Accounts that are Primary Accounts; and (c) deliver all Instruments to the Collateral Agent.

(b) Covenant and Agreement. Each Grantor hereby covenants and agrees with the Collateral Agent and each other Secured Party that it shall not close or terminate any Investment Account that is a Primary Account unless a successor or replacement account has been established with the consent of the Collateral Agent with respect to which successor or replacement account a control agreement has been entered into by the appropriate Grantor, Collateral Agent and securities intermediary or depository institution at which such successor or replacement account is to be maintained in accordance with the provisions of Section 4.4.4(c).

(c) Delivery and Control

(i) With respect to any Investment Related Property consisting of Securities Accounts or Securities Entitlements that are Primary Accounts, it shall use its commercially best efforts to cause the securities intermediary maintaining such Securities Account or Securities Entitlement to enter into an agreement in a customary form agreed to by such intermediary and reasonably acceptable to the Collateral Agent, pursuant to which it shall agree to comply with the Collateral Agent's "entitlement orders" without further consent by such Grantor. With respect to any Investment Related Property that is a "Deposit Account," it shall cause the depositary institution maintaining such account to enter into an agreement reasonably acceptable to the Collateral Agent, pursuant to which the Collateral Agent shall have both sole dominion and control over such Deposit Account (within the meaning of the common law) and "control" (within the meaning of Section 9-104 of the UCC) over such Deposit Account. Within 45 days after opening such accounts, each Grantor shall have entered into such control agreement or agreements with respect to: (i) any Securities Accounts, Securities Entitlements or Deposit Accounts that exist on the Credit Date, as of or prior to the Credit Date and that are Primary Accounts (ii) any Securities Accounts, Securities Entitlements or Deposit Accounts that are created or acquired after the Credit Date, as of or prior to the deposit or transfer of any such Securities Entitlements or funds, whether constituting moneys or investments, into such Securities Accounts or Deposit Accounts that are Primary Accounts.

In addition to the foregoing, if any issuer of any Investment Related Property is located in a jurisdiction outside of the United States, each Grantor shall take such additional actions, including, without limitation, causing the issuer to register the pledge on its books and records or making such filings or recordings, in each case as may be necessary or advisable, under the laws of such issuer's jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent. Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Related Property to its name or the name of

its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Related Property for certificates or instruments of smaller or larger denominations.

4.5 Material Contracts.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) Schedule 4.5 (as such schedule may be amended or supplemented from time to time) sets forth all of the Material Contracts to which such Grantor has rights;

(ii) the Material Contracts, true and complete copies (including any amendments or supplements thereof) of which have been furnished to the Collateral Agent, have been duly authorized, executed and delivered by the Grantors party thereto, are in full force and effect and are binding upon and enforceable against the Grantors party thereto in accordance with their respective terms. There exists no material default under any Material Contract by any party thereto and neither such Grantor, nor to its best knowledge, any other Person party thereto is likely to become in default thereunder and no Person party thereto has any defenses, counterclaims or right of set-off with respect to any Material Contract; and

(iii) no Material Contract prohibits assignment or requires consent of or notice to any Person in connection with the assignment to the Collateral Agent hereunder.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in addition to any rights under the Section of this Security Agreement relating to Receivables, upon the occurrence and during the continuance of a Default or an Event of Default, the Collateral Agent may at any time notify, or require any Grantor to so notify, the counterparty on any Material Contract of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the counterparty to make all payments under the Material Contracts directly to the Collateral Agent;

(ii) each Grantor shall deliver promptly to the Collateral Agent a copy of each material demand, notice or document received by it relating in any way to any Material Contract;

(iii) each Grantor shall deliver promptly to the Collateral Agent, and in any event within ten (10) Business Days, after (1) any Material Contract of such Grantor is terminated or amended in a manner that is materially adverse to such Grantor or (2) any new Material Contract is entered into by such Grantor, a written statement describing such event, with copies of such material amendments or new contracts, delivered to the Collateral Agent (to the extent such delivery is permitted by the terms of any such Material Contract, provided, no prohibition on delivery shall be effective if it were bargained for by such Grantor with the intent of avoiding compliance with this Section 4.5(b)(iii)), and an explanation of any actions being taken with respect thereto;

(iv) it shall perform in all material respects all of its obligations with respect to the Material Contracts;

(v) it shall promptly and diligently exercise each material right (except the right of termination) it may have under any Material Contract, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor or the Collateral Agent may deem necessary or advisable; and

(vi) it shall use its commercially reasonable efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Material Contract.

4.6 Letter of Credit Rights.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) all letters of credit with a stated amount greater than $1,000,000 to which such Grantor has rights as beneficiary or assignee are listed on Schedule 4.6 (as such schedule may be amended or supplemented from time to time) hereto; and

(ii) it has obtained the consent of each issuer of any letter of credit with a stated amount greater than $1,000,000 to the assignment of the proceeds of the letter of credit to the Collateral Agent.

(b) Covenants and Agreements, Generally. Each Grantor hereby covenants and agrees that:

(i) upon the reasonable request of the Collateral Agent, it will use its reasonable commercial efforts to have the issuer or other nominated person with respect to Letter of Credit Rights assigned to the Collateral Agent in excess of $1,000,000, whether now existing or after-acquired, consent to an assignment of proceeds of the related letter of credit to the Collateral Agent such that the Collateral Agent shall have control of the Letter of Credit Rights in the manner specified in Section 9-107 of the UCC; and

(ii) it shall deliver to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, for any after acquired Letter of Credit Rights.

(c) Covenants and Agreements, US Grantors. Each Grantor organized in the United States hereby covenants and agrees that:

(i) by granting a Lien in its Letter of Credit Rights to the Collateral Agent, it intends to (and hereby does) assign to the Collateral Agent its rights (including its contingent rights) to the proceeds of all Related Contracts consisting of letters of credit of which it is or hereafter becomes a beneficiary or assignee; and

(ii) upon the occurrence and during the continuation of an Event of Default, it will promptly upon the request of the Collateral Agent, (x) notify the issuer and each nominated person with respect to each of the Related Contracts consisting of letters of credit that the proceeds thereof have been assigned to the Collateral Agent hereunder and any payments due or to become due in respect thereof are to be made directly to the Collateral Agent or its designee, and (y) arrange for the Collateral Agent to become the transferee beneficiary of such letters of credit;

For the avoidance of doubt, nothing in this subsection 4.6(c) shall apply to Grantors organized under the laws of any jurisdiction other than a state of the United States.

4.7 Insurance.

(a) Covenants and Agreement. Each Grantor hereby covenants and agrees as follows:

(i) It shall, at its own expense, maintain or cause to be

maintained insurance in accordance with the terms of the First Lien Credit Agreement. Each casualty insurance policy shall provide for all losses to be paid on behalf of the Collateral Agent and such Grantor as their interests may appear, and, in accordance with the First Lien Credit Agreement;

(ii) Reimbursement under any liability insurance maintained by any Grantor pursuant to this Section 4.7, may, except as otherwise provided in Section 2.14(b) of the First Lien Credit Agreement, be paid directly to the Person who shall have incurred liability covered by such insurance. Except as otherwise provided in Section 2.14(b) of the First Lien Credit Agreement, in case of any loss involving damage to Equipment or Inventory when subsection 4.7(a)(iii) is not applicable, the applicable Grantor shall make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory granted by such Grantor, and any proceeds of insurance maintained by such Grantor pursuant to this Section 4.7 shall be paid to such Grantor as reimbursement for the costs of such repairs or replacements;

(iii) Except as otherwise provided in Section 2.14(b) of the First Lien Credit Agreement, upon the occurrence and during the continuance of any Event of Default or the actual or constructive total loss of any Equipment or Inventory, all insurance payments in respect of such Equipment or Inventory shall be paid to and applied by the Collateral Agent as specified in Section 7.7.

4.8 Intellectual Property.

(a) Representations and Warranties. Except as disclosed in Schedule 4.8 (as such schedule may be amended or supplemented from time to time), each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) Schedule 4.8 (as such schedule may be amended or supplemented from time to time) sets forth a true and complete list of (i) all United States, state and, to the best knowledge of each Grantor, foreign registrations of and applications for Patents, Trademarks and Copyrights owned by each Grantor and (ii) all Patent Licenses, Trademark Licenses, Trade Secret Licenses and Copyright Licenses with annual payments in excess of $500,000, other than (x) Licenses solely between members of the Group, and (y) Licenses of computer software not specifically created for a Credit Party;

(ii) it is the sole and exclusive owner of the entire right, title, and interest in and to all domestic Intellectual Property, and, to the best knowledge of each Grantor, all foreign Intellectual Property owned by it as listed

on Schedule 4.8 (as such schedule may be amended or supplemented from time to time), and owns or has the valid right to use all other Intellectual Property necessary to conduct its business, free and clear of all Liens, claims, encumbrances and licenses, except for Permitted Liens and the licenses set forth on Schedule 4.8 (as each may be amended or supplemented from time to time);

(iii) no Intellectual Property listed on Schedule 4.8 has been adjudged invalid or unenforceable, in whole or in part, and each Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks it owns in full force and effect except where failure to do so would not reasonably be expected to have a Material Adverse Effect;

(iv) all registered Intellectual Property is valid and enforceable; no holding, decision, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity of, such Grantor's right to register, or such Grantor's rights to own or use, any Intellectual Property and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened, except where such invalidation or unenforceability of such Intellectual Property would not reasonably be expected to have a Material Adverse Effect;

(v) all registrations and applications for Copyrights, Patents and Trademarks are standing in the name of each Grantor, and none of the Trademarks, Patents, Copyrights or Trade Secrets has been licensed by any Grantor to any Affiliate or third party, except as disclosed in Schedule 4.8 (as each may be amended or supplemented from time to time) or except where failure to do so would not reasonably be expected to have a Material Adverse Effect;

(vi) each Grantor has been using appropriate statutory notice of registration in connection with its use of registered Trademarks, proper marking practices in connection with the use of Patents, and appropriate notice of copyright in connection with the publication of Copyrights desirable to the business of such Grantor except where such failure to use appropriate statutory notice would not reasonably be expected to have a Material Adverse Effect; or

(vii) each Grantor uses adequate standards of quality in the manufacture, distribution, and sale of all products sold and in the provision of all services rendered under or in connection with all Trademark Collateral and has taken all action necessary to insure that all licensees of the Trademark Collateral owned by such Grantor use such adequate standards of quality except where failure to do so would not reasonably be expected to have a Material Adverse

Effect;

(viii) the conduct of such Grantor's business does not infringe upon or otherwise violate any U.S. trademark, patent, copyright, trade secret or other intellectual property right owned or controlled by a third party in a manner reasonably likely to result in a Material Adverse Effect, and, to the best knowledge of each Grantor, such conduct does not infringe upon or otherwise violate any foreign trademark, patent, copyright, trade secret or other intellectual property right owned or controlled by a third party in a manner reasonably likely to result in a Material Adverse Effect; no written claim has been made that the use of any Intellectual Property owned or used by Grantor (or any of its respective licensees) violates the asserted rights of any third party except where such infringement or claim would not reasonably be expected to have a Material Adverse Effect;

(ix) to the best of each Grantor's knowledge, no third party is infringing upon or otherwise violating any rights in any Intellectual Property owned or used by such Grantor, or any of its respective licensees except where such infringement or violation would not reasonably be expected to have a Material Adverse Effect;

(x) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by Grantor or to which Grantor is bound that materially adversely affect Grantor's rights to own or use any Intellectual Property;

(xi) no Grantor has made any previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, or transfer of any Intellectual Property that has not been terminated or released. There is no effective financing statement or other document or instrument now executed, or now on file or recorded in any public office, granting a security interest in or otherwise encumbering any part of the Intellectual Property, other than in favor of the Collateral Agent;

(xii) with respect to each License to which such Grantor is a party: (A) such License is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such License; (B) such License will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the rights and interest granted herein, nor will the grant of such rights and interest constitute a breach or default under such License or otherwise give the licensor or licensee a right to terminate such License;

(C) such Grantor has not received any notice of termination or cancellation under such License; (D) such Grantor has not received any notice of a breach or default under such License, which breach or default has not been cured; (E) such Grantor has not granted to any other third party any rights, adverse or otherwise, under such License except as indicated on Schedule 4.8; and (F) neither such Grantor nor, to the best of such Grantor's knowledge, any other party to such License is in breach or default in any material respect, and no event has occurred that, with notice or lapse of time or both, would constitute such a breach or default or permit termination, modification or acceleration under such License, except in each case where the failure of any License to be valid, binding and in full force and effect, or the breach or default under any such License, or the termination or cancellation of such License or the grant to any third party of any rights under such License would not reasonably be expected to have a Material Adverse Effect; and

(xiii) to best of such Grantor's knowledge, (A) none of the Trade Secrets of such Grantor has been used, divulged, disclosed or appropriated to the detriment of such Grantor for the benefit of any other Person other than such Grantor; (B) no employee, independent contractor or agent of such Grantor has misappropriated any trade secrets of any other Person in the course of the performance of his or her duties as an employee, independent contractor or agent of such Grantor; and (C) no employee, independent contractor or agent of such Grantor is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or transfer of such Grantor's Intellectual Property, except where any such use, disclosure, appropriation, misappropriation, default or breach would not reasonably be expected to have a Material Adverse Effect.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees as follows:

(i) it shall not do any act or omit to do any act whereby any of the Intellectual Property which is desirable to the business of Grantor may lapse, or become abandoned, dedicated to the public, or unenforceable, or which would adversely affect the validity, grant, or enforceability of the security interest granted therein except when such act or omission would not reasonably be expected to have a Material Adverse Effect;

(ii) it shall not, with respect to any Trademarks which are desirable to the business of Grantor, cease the use of any of such Trademarks or fail to maintain the level of the quality of products sold and services rendered under any of such Trademark at a level at least substantially consistent with the

quality of such products and services as of the date hereof, and each Grantor shall take all steps necessary to insure that licensees of such Trademarks use such consistent standards of quality except when failure to do so would not reasonably be expected to have a Material Adverse Effect;

(iii) it shall, within thirty (30) days of the creation or acquisition of any copyrightable work which is desirable to the business of Grantor, apply to register the Copyright in the United States Copyright Office except for works with an individual value not to exceed $100,000 and aggregate value not to exceed $250,000, with respect to which the Grantor has determined with the exercise of its commercial reasonable judgment that it shall not so apply;

(iv) except where such event would not reasonably be expected to have a Material Adverse Effect, it shall promptly notify the Collateral Agent if it knows or has reason to know that any item of the Intellectual Property may become (a) abandoned or dedicated to the public or placed in the public domain, (b) invalid or unenforceable, or (c) subject to any adverse determination or development (including the institution of proceedings) in any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, any state registry, any foreign counterpart of the foregoing, or any court;

(v) except when failure to do so would not reasonably be expected to have a Material Adverse Effect, it shall take all reasonable steps in the United States Patent and Trademark Office, the United States Copyright Office, any state registry or any foreign counterpart of the foregoing, to pursue any application and maintain any registration of each Trademark, Patent and Copyright owned by such Grantor and desirable to its business which is now or shall become included in the Intellectual Property including, but not limited to, those items on Schedule 4.8, (as each may be amended or supplemented from time to time);

(vi) except when failure to do so would not reasonably be expected to have a Material Adverse Effect, in the event that any Intellectual Property owned by or exclusively licensed to any Grantor is infringed, misappropriated, or diluted by a third party, such Grantor shall promptly notify the Collateral Agent and take all reasonable actions to stop such infringement, misappropriation or dilution and protect its rights in such Intellectual Property including, but not limited to, the initiation of a suit for injunctive relief and to recover damages;

(vii) it shall promptly (but in no event more than four times a year) report to the Collateral Agent (i) the filing of any application to register any

Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office, or any state registry or foreign counterpart of the foregoing (whether such application is filed by such Grantor or through any agent, employee, licensee, or designee thereof) and (ii) the registration of any Intellectual Property by any such office, in each case by executing and delivering to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto;

(viii) it shall, promptly upon the reasonable request of the Collateral Agent, execute and deliver to the Collateral Agent any document required to acknowledge, confirm, register, record, or perfect the Collateral Agent's interest in any part of the Intellectual Property, whether now owned or hereafter acquired;

(ix) except with the prior consent of the Collateral Agent or as permitted under the First Lien Credit Agreement, each Grantor shall not execute, and there will not be on file in any public office, any financing statement or other document or instruments, except financing statements or other documents or instruments filed or to be filed in favor of the Collateral Agent or with respect to Permitted Liens and each Grantor shall not sell, assign, transfer, license, grant any option, or create or suffer to exist any Lien upon or with respect to the Intellectual Property, except for the Lien created by and under this Security Agreement and the other Credit Documents or Permitted Liens;

(x) it shall hereafter use commercially reasonable efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could reasonably be expected to materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any property included within the definitions of any Intellectual Property acquired under such contracts;

(xi) it shall take commercially reasonably steps to protect the secrecy of all Trade Secrets, including, restricting access to secret information and documents;

(xii) it shall use proper statutory notice in connection with its use of any of the Intellectual Property; and

(xiii) it shall continue to collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Intellectual Property or any portion thereof. In connection with such collections, each Grantor may take (and, at the Collateral Agent's reasonable direction, shall take) such action reasonably

necessary or advisable to enforce collection of such amounts. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time, to notify, or require any Grantor to notify, any obligors with respect to any such amounts of the existence of the security interest created hereby.

4.9 Commercial Tort Claims

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that Schedule 4.9 (as such schedule may be amended or supplemented from time to time) sets forth all Commercial Tort Claims in excess of $1,000,000 of each Grantor; and

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that with respect to any Commercial Tort Claim in excess of $1,000,000 hereafter arising it shall:

(i) promptly deliver to the Collateral Agent a completed Pledge Supplement together with all supplements to schedules thereto, identifying such new Commercial Tort Claims; and

(ii) take all necessary action to subject such Commercial Tort Claim to the first priority security interest created under this Security Agreement.

SECTION 5. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES; ADDITIONAL GRANTORS.

5.1 Access; Right of Inspection. The Collateral Agent shall at all times have reasonable access during normal business hours to all the books, correspondence and records of each Grantor, and the Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Agent, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and its representatives shall at reasonable times and intervals upon at least three (3) days prior notice also have the right to enter any premises of each Grantor and inspect any property of each Grantor where any of the Collateral of such Grantor granted pursuant to this Security Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

5.2 Further Assurances.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, that it shall promptly execute and deliver all further instruments and documents,

and take all further action, that may be necessary or desirable, or that the Collateral Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(i) file such financing or continuation statements (or similar documents), or amendments thereto, and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby;

(ii) take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in the Intellectual Property with any intellectual property registry in which said Intellectual Property is registered or in which an application for registration is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State, and the foreign counterparts on any of the foregoing, except when failure to do so would not reasonably be expected to have a Material Adverse Effect;

(iii) at any reasonable time, upon request by the Collateral Agent, assemble the Collateral and allow inspection of the Collateral by the Collateral Agent, or persons designated by the Collateral Agent; and

(iv) at the Collateral Agent's request, appear in and defend any action or proceeding that may affect such Grantor's title to or the Collateral Agent's security interest in all or any part of the Collateral.

(b) Each Grantor hereby authorizes the Collateral Agent to file a Record or Records, including, without limitation, financing or continuation statements, and amendments thereto, in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired." Each Grantor shall furnish to the Collateral Agent from time to time statements and schedules

further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) Each Grantor hereby authorizes the Collateral Agent to modify this Security Agreement after obtaining such Grantor's approval of or signature to such modification by amending Schedule 4.8 (as such schedule may be amended or supplemented from time to time) to include reference to any right, title or interest in any existing Intellectual Property or any Intellectual Property acquired or developed by any Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which any Grantor no longer has or claims any right, title or interest.

5.3 Additional Grantors. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "Additional Grantor"), by executing a counterpart agreement in a form reasonably satisfactory to the Collateral Agent. Upon delivery of any such counterpart agreement to the Collateral Agent, notice of which is hereby waived by Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of Company to become an Additional Grantor hereunder. This Security Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 6. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

6.1 Power of Attorney. To the fullest extent permitted by applicable law, each Grantor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation, the following:

(a) upon the occurrence and during the continuance of any Event of Default, to obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to the First Lien Credit Agreement;

(b) upon the occurrence and during the continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) to prepare and file any UCC financing statements with regard to the Collateral against such Grantor as debtor;

(f) to prepare, sign, and file for recordation in any intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Intellectual Property in the name of such Grantor as debtor;

(g) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Security Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its reasonable sole discretion, any such payments made by the Collateral Agent to become obligations of such Grantor to the Collateral Agent, due and payable immediately without demand; and

(h) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do.

6.2 No Duty on the Part of Collateral Agent or Secured Parties. The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

SECTION 7. REMEDIES.

7.1 Generally.

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of the Collateral Agent on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(i) require any Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Agent deems appropriate; and

(iv) without notice except as specified below or under the UCC, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such commercially reasonable terms.

(b) The Collateral Agent or any Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by Applicable Law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Agent to collect such deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way alter the rights of the Collateral Agent hereunder.

(c) The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(d) The Collateral Agent shall have no obligation to marshal any of the Collateral.

7.2 Application of Proceeds. Except as expressly provided elsewhere in this Security Agreement, all proceeds received by the Collateral Agent in respect of any sale, any collection from, or other realization upon all or any part of the Collateral shall, subject to the terms of the Intercreditor Agreement, be applied by the Collateral Agent in accordance with Section 2.16(g) of the First Lien Credit Agreement.

7.3 Sales on Credit. If Collateral Agent sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Collateral Agent may resell the Collateral and Grantor shall be credited with proceeds of the sale.

7.4 Deposit Accounts.

If any Event of Default shall have occurred and be continuing, the Collateral Agent may, subject to the terms of the Intercreditor Agreement, apply the balance from any Deposit Account or instruct the bank at which any Deposit Account is maintained to pay the balance of any Deposit Account to or for the benefit of the Collateral Agent.

7.5 Investment Related Property.

Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Grantor agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to

delay the sale of any Investment Related Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Investment Related Property, upon written request, each Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Agent all such information as the Collateral Agent may request in order to determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Agent in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

7.6 Intellectual Property.

(a) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default:

(i) the Collateral Agent shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Agent or otherwise, in the Collateral Agent's sole discretion, to enforce any Intellectual Property, in which event such Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents required by the Collateral Agent in aid of such enforcement and such Grantor shall promptly, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 11 hereof in connection with the exercise of its rights under this Section, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Intellectual Property as provided in this Section, each Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement or other violation of any of such Grantor's rights in the Intellectual Property by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing as shall be necessary to prevent such infringement or violation;

(ii) upon written demand from the Collateral Agent, each Grantor shall grant, assign, convey or otherwise transfer to the Collateral Agent an absolute assignment of all of such Grantor's right, title and interest in and to the Intellectual Property and shall execute and deliver to the Collateral Agent such documents as are necessary or appropriate to carry out the intent and purposes of this Security Agreement;

(iii) each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Secured Party) receives cash proceeds in respect of the sale of, or other realization upon, the Intellectual Property;

(iv) within five (5) Business Days after written notice from the Collateral Agent, each Grantor shall make available to the Collateral Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as the Collateral Agent may reasonably designate, by name, title or job responsibility, to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by such Grantor under or in connection with the Trademarks, Trademark Licenses, such persons to be available to perform their prior functions on the Collateral Agent's behalf and to be compensated by the Collateral Agent at such Grantor's expense on a per diem, pro rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default; and

(v) the Collateral Agent shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the Intellectual Property, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done;

(1) all amounts and proceeds (including checks and other instruments) received by Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 7.7 hereof; and

(2) Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (ii) no

other Event of Default shall have occurred and be continuing, (iii) an assignment or other transfer to the Collateral Agent of any rights, title and interests in and to the Intellectual Property shall have been previously made and shall have become absolute and effective, and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Grantor, the Collateral Agent shall promptly execute and deliver to such Grantor, at such Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to such Grantor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent; provided, after giving effect to such reassignment, the Collateral Agent's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of any other Liens granted by or on behalf of the Collateral Agent and the Secured Parties.

(c) Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 7 and at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of said Trademarks, to use, operate under, license, or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located.

7.7 Cash Proceeds. In addition to the rights of the Collateral Agent specified in Section 4.3 with respect to payments of Receivables, all proceeds of any Collateral received by any Grantor consisting of cash, checks and other non-cash items (collectively, "**Cash Proceeds**") shall be held by such Grantor in trust for the Collateral Agent, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, unless otherwise provided pursuant to Section 4.4.1(a)(ii), be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required) and held by the Collateral Agent. Any Cash Proceeds received by the Collateral Agent (whether from a Grantor or otherwise): (i) if no Event of Default shall have occurred and be continuing, shall be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and (ii) if an Event of Default shall have occurred and be continuing, may, in the sole discretion of the Collateral Agent, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against the Secured Obligations then due and owing.

SECTION 8. COLLATERAL AGENT.

The Collateral Agent has been appointed to act as Collateral Agent hereunder by Banks and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral) solely in accordance with this Security Agreement and the First Lien Credit Agreement; provided, the Collateral Agent shall, after payment in full of all Obligations under the First Lien Credit Agreement and the other Credit Documents, exercise, or refrain from exercising, any remedies provided for herein in accordance with the instructions of the holders of a majority of the aggregate notional amount (or, with respect to any Hedge Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any early termination payments then due) under such Hedge Agreement) under all Hedge Agreements. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Secured Parties in accordance with the terms of this Section. Collateral Agent may resign at any time by giving thirty (30) days' prior written notice thereof to Secured Parties and the Grantors, and Collateral Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Grantors and Collateral Agent signed by the Requisite Banks. Upon any such notice of resignation or any such removal, Requisite Banks shall have the right, upon five (5) Business Days' notice to the Collateral Agent, following receipt of the Grantors' consent (which shall not be unreasonably withheld or delayed and which shall not be required while an Event of Default exists), to appoint a successor Collateral Agent. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent under this Security Agreement. Upon the acceptance of any appointment as Administrative Agent under the terms of the First Lien Credit Agreement by a successor Administrative Agent, such successor Administrative Agent shall thereby also be deemed the successor Collateral Agent and such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Security Agreement, and the retiring or removed Collateral Agent under this Security Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Security Agreement, and (ii) execute and deliver to such successor Collateral Agent such amendments to financing statements,

and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Security Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Security Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Security Agreement while it was the Collateral Agent hereunder.

SECTION 9. CONTINUING SECURITY INTEREST; TRANSFER OF LOANS.

This Security Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full in cash of all Secured Obligations, be binding upon each Grantor, its successors and assigns, and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing, but subject to the terms of the First Lien Credit Agreement, any Bank may assign or otherwise transfer any Loans held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Banks herein or otherwise. Upon the payment in full of all Secured Obligations, the cancellation or termination of the Commitments and the cancellation or expiration of all outstanding Letters of Credit, the security interest granted hereby shall terminate hereunder and of record and all rights of the Collateral Agent to the Collateral shall revert to Grantors. Upon any such termination the Collateral Agent shall, at Grantors' expense, execute and deliver to Grantors such documents as Grantors shall reasonably request to evidence such termination.

SECTION 10. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise. If any

Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by each Grantor under Section 10.2 of the First Lien Credit Agreement.

SECTION 11. INDEMNITY AND EXPENSES

(a) Without in any way limiting the terms of the First Lien Credit Agreement, each Grantor agrees to indemnify the Collateral Agent and its directors, officers, employees, and agents from and against any and all claims, losses and liabilities which the Collateral Agent or its officers, employees or agents may incur in connection with this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting from such indemnified party's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) Each Grantor will upon demand pay to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel, advisors, and of any experts and agents, that the Collateral Agent may incur in connection with (i) the administration of this Security Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Agent or the Secured Parties hereunder or (iv) the breach by any Grantor of the provisions hereof.

SECTION 12. MISCELLANEOUS.

Any notice required or permitted to be given under this Security Agreement shall be given in accordance with Section 10.1 of the First Lien Credit Agreement. Subject to the Intercreditor Agreement, to the extent that any Grantor receives conflicting notices from the Collateral Agent and the Second Lien Collateral Agent with respect to any Collateral, all parties hereby expressly agree that, until the Discharge of the First Lien Obligations has occurred, any conflict will be resolved in favor of compliance with such notice or instructions given by the Collateral Agent. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Security Agreement and the other Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Security Agreement shall be invalid, illegal or

unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Security Agreement shall be binding upon and inure to the benefit of the Collateral Agent and Grantors and their respective successors and assigns. No Grantor shall, without the prior written consent of the Collateral Agent given in accordance with the First Lien Credit Agreement, assign any right, duty or obligation hereunder. This Security Agreement and the other Credit Documents embody the entire agreement and understanding between Grantors and the Collateral Agent and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Security Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAWS.

IN WITNESS WHEREOF, each Grantor and the Collateral Agent have caused this Security Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

XERIUM TECHNOLOGIES, INC.

By: _____
Name:
Title:

XERIUM III (US) LIMITED

By: _____
Name:
Title:

XERIUM IV (US) LIMITED

By: _____
Name:
Title:

XERIUM V (US) LIMITED

By: _____
Name:
Title:

WEAVEXX, LLC

By: _____
Name:
Title:

HUYCK LICENSCO INC.

By: _____
Name:
Title:

STOWE WOODWARD LICENSCO LLC

By: _____
Name:
Title:

STOWE WOODWARD LLC

By: _____
Name:
Title:

XTI LLC

By: _____
Name:
Title:

WANGNER ITELPA I LLC

By: _____
Name:
Title:

WANGNER ITELPA II LLC

By: _____
Name:

Title:

XERIUM ASIA LLC

By: _____
Name:
Title:

ROBEC BRAZIL LLC

By: _____
Name:
Title:

HUYCK WANGNER VIETNAM CO LTD

By: _____
Name:
Title:

STOWE WOODWARD SWEDEN AB

By: _____
Name:
Title:

HUYCK WANGNER SCANDINAVIA AB

By: _____
Name:
Title:

CITICORP NORTH AMERICA, INC., as
Collateral Agent

By: _____
Name:
Title:

SCHEDULE 1.49

Germany Assumption Agreement

ASSUMPTION AGREEMENT

dated [●]

between

XERIUM TECHNOLOGIES, INC.

and

XERIUM GERMANY HOLDING GMBH

BAKER & McKENZIE

THIS AGREEMENT is dated [●] and made between:

(1) Xerium Germany Holding GmbH, a German limited liability company ("**Xerium Germany**"); and

(2) Xerium Technologies, Inc., a Delaware corporation ("**Xerium**"); and

WHEREAS:

(A) The Borrowers, certain subsidiaries of the Borrowers as guarantors, the Banks and the Administrative Agent (each as defined in the Credit Agreement) are parties to an Amended and Restated Credit and Guaranty Agreement dated as of May 20, 2008 (as amended, supplemented or otherwise modified through the date hereof, the "**Credit Agreement**");

(B) The Banks (as defined in the Credit Agreement) have made available loans to the Borrowers pursuant to the Credit Agreement; and

(C) The Borrowers, certain subsidiaries of the Borrowers as guarantors, certain of the Banks, the Administrative Agent and Collateral Agent are parties to a Plan and Disclosure Statement dated as of [●] (collectively, the **"Plan"**). The Plan provides, *inter alia*, for the restructuring of certain debt of Xerium Germany.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms not otherwise defined in this Agreement shall have the same meaning ascribed to them in the Plan (including by reference to any other document). In addition in this Agreement (including the preamble):

"**Assumption of Debt**" means the assumption of debt contemplated by Section 2 (*Assumption of Debt*).

"**Relevant Banks**" means the holders of Allowed Credit Facility Claims against Xerium Germany to be exchanged for the Xerium Germany Shares Distribution pursuant to the Plan.

"**Relevant Debt**" as defined in Section 2 (*Assumption of Debt*).

1.2 Construction

In this Agreement, unless the context requires otherwise:

(a) Statutes: references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

(b) Finance Documents: references to this Agreement and any document or agreement defined herein shall be construed as references to this Agreement or such document as the same may be amended, supplemented, restated or novated from time to time;

(c) Singular and Plural: save where the contrary is indicated, the singular of any defined term includes the plural, and vice versa;

(d) References: any reference in this Agreement to a Clause or a sub-clause shall, subject to any contrary indication, be construed as a reference to a clause or a sub-clause hereof; and

(e) Interpretation: this Agreement is made in the English language. For the avoidance of doubt, the English language version of this Agreement shall prevail over any translation of this Agreement. However, where a German translation of a word or phrase appears in the text of this Agreement, the German translation of such word or phrase shall prevail.

2. ASSUMPTION OF DEBT

Xerium hereby undertakes *vis-à-vis* Xerium Germany to pay the obligations of Xerium Germany with respect to the portion of the Allowed Credit Facility Claims against Xerium Germany to be exchanged for the Xerium Germany Shares Distribution, being Euro 30,000,000 (the "**Relevant Debt**").

3. WAIVER OF RECOURSE

Xerium hereby unconditionally waives upfront (*Vorabverzicht*) any recourse it may have against Xerium Germany with respect to the Assumption of Debt.

4. TRANSFER

Xerium shall, in satisfaction of the Relevant Debt, transfer the Xerium Germany Shares Distribution to the Relevant Banks pursuant to Section [●] of the Plan.

5. REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants that

(a) the execution, delivery and performance by each Borrower of this Agreement are within the powers of such Borrower, have been duly authorized by all necessary action and do not contravene the respective Organizational Documents of such Borrower,

(b) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery or performance by the Borrowers of this Agreement,

(c) this Agreement constitutes the legal, valid and binding obligations of each Borrower enforceable in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;

(d) the fair market value of the Xerium Germany Shares Distribution corresponds to the face value of the Relevant Debt; and

(e) Xerium has the financial capacity to settle the Relevant Debt.[1]

6. CONDITIONS PRECEDENT

The transaction contemplated by this Agreement shall become effective upon the Effective Date.

7. HEADINGS

The headings of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof.

8. EXECUTION IN COUNTERPARTS

This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or by "PDF" shall be equally effective as delivery of an original executed counterpart of this Agreement.

9. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. CREDIT DOCUMENT

This Agreement is a Credit Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated therein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

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[1] NB: It is doubtful whether a representation to this effect will be sufficient; consider tax ruling.

11. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Germany. Non-exclusive place of jurisdiction shall be Frankfurt am Main.

XERIUM TECHNOLOGIES, INC.

By: _____

Name: Stephen Light

Title: Chairman, CEO and President

XERIUM GERMANY HOLDING GMBH

By: _____

Name: Dave Maffucci

Title: Managing Director

SCHEDULE 1.52

Intercreditor Agreement

"NOTE**: THE TAKING OF THIS DOCUMENT OR ANY CERTIFIED COPY OR ANY DOCUMENT WHICH CONSTITUTES SUBSTITUTE DOCUMENTATION THEREOF, INCLUDING WRITTEN CONFIRMATIONS OR REFERENCES THERETO, INTO AUSTRIA AS WELL AS PRINTING OUT ANY E-MAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE MAY CAUSE THE IMPOSITION OF AUSTRIAN STAMP DUTY. ACCORDINGLY, IN PARTICULAR KEEP THE ORIGINAL DOCUMENT AS WELL AS ALL CERTIFIED COPIES THEREOF AND WRITTEN AND SIGNED REFERENCES THERETO OUTSIDE OF AUSTRIA AND AVOID PRINTING OUT ANY EMAIL COMMUNICATION WHICH REFERS TO THIS DOCUMENT IN AUSTRIA OR SENDING ANY E-MAIL COMMUNICATION TO WHICH A PDF SCAN OF THIS DOCUMENT IS ATTACHED TO AN AUSTRIAN ADDRESSEE OR SENDING ANY E-MAIL COMMUNICATION CARRYING AN ELECTRONIC OR DIGITAL SIGNATURE WHICH REFERS TO THIS DOCUMENT TO AN AUSTRIAN ADDRESSEE."**

INTERCREDITOR AGREEMENT

This **INTERCREDITOR AGREEMENT** (this "**Agreement**"), is dated as of **[_____],** 2010, and entered into by and among **CITICORP NORTH AMERICA, INC.**, in its capacity as administrative agent and collateral agent for the First Lien Claimholders (as defined below), including its successors and assigns from time to time (the **"First Lien Agent"**) and **CITICORP NORTH AMERICA, INC.**, in its capacity as administrative agent and collateral agent for the Second Lien Claimholders (as defined below), including its successors and assigns from time to time (the **"Second Lien Agent"**) and acknowledged and agreed to by **XERIUM TECHNOLOGIES, INC.**, a Delaware corporation (the **"Company"**) and the other Grantors (as defined below). Capitalized terms used in this Agreement have the meanings assigned to them in Section 1 below.

RECITALS

The Company, the other Borrowers (as defined below), certain subsidiaries of the Company as Guarantors, the lenders party thereto, and Citicorp North America, Inc., as Administrative Agent and Collateral Agent, have entered into (or deemed to have entered into) that Second Amended and Restated Credit and Guaranty Agreement (Second Lien), dated as of the date hereof, providing for a term loan (as amended, restated, supplemented, modified or replaced from time to time, the **"Second Lien Credit Agreement"**);

The Company, the other Borrowers, the lenders party thereto, certain subsidiaries of the Company as Guarantors, and Citicorp North America, Inc., as Administrative Agent and Collateral Agent, entered into that Credit and Guaranty

Agreement (First Lien), dated as of the date hereof, providing for revolving credit and term loan facilities (as amended, restated, supplemented, modified or replaced from time to time, the **"First Lien Credit Agreement"**);

Pursuant to (i) the First Lien Credit Agreement certain present and future Subsidiaries of the Company (such current and future Subsidiaries providing a guaranty thereof, the **"Guarantors"**) have guaranteed the First Lien Obligations to the extent provided therein (the **"First Lien Guaranty"**); and (ii) the Second Lien Credit Agreement, the Guarantors have guaranteed the Second Lien Obligations to the extent provided therein (the **"Second Lien Guaranty"**);

The obligations of the Company, the other Borrowers and the Guarantors under the First Lien Credit Agreement and the obligations of the Company, the other Borrowers and the Guarantors under the First Lien Guaranty will be secured on a first priority basis by liens on certain assets of the Company, the other Borrowers and the Guarantors, respectively, pursuant to the terms of the First Lien Collateral Documents;

The obligations of the Company, the other Borrowers and the Guarantors under the Second Lien Credit Agreement and the obligations of the Company, the other Borrowers and the Guarantors under the Second Lien Guaranty will be secured on a second priority basis by liens on certain assets of the Company, the other Borrowers and the Guarantors, respectively, pursuant to the terms of the Second Lien Collateral Documents;

The First Lien Loan Documents and the Second Lien Loan Documents provide, among other things, that the parties thereto shall set forth in this Agreement their respective rights and remedies with respect to the Collateral; and

In order to induce the First Lien Agent and the First Lien Claimholders to extend credit and other financial accommodations and lend monies to or for the benefit of the Borrowers or any other Grantor, the Second Lien Agent on behalf of the Second Lien Claimholders has agreed to the intercreditor and other provisions set forth in this Agreement.

AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. Definitions. Defined Terms. As used in the Agreement, the following terms shall have the following meanings:

"Affiliate" has the meaning assigned to that term in the First Lien Credit Agreement.

"Agreement" means this Intercreditor Agreement, as amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

"Asset Sales" has the meaning assigned to that term in the First Lien Credit Agreement and the Second Lien Credit Agreement, each as in effect on the date hereof.

"**Bank Counterparty**" means any Person who is a "Bank Counterparty" under the First Lien Loan Agreement.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Bankruptcy Law" means the Bankruptcy Code and any other applicable bankruptcy, insolvency or similar federal, state or foreign law.

"**Borrowers**" means the Company and the other borrowers under the First Lien Credit Agreement and the Second Lien Credit Agreement.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law or governmental action to close.

"**Cap Amount**" has the meaning assigned to that term in the definition of "First Lien Obligations."

"Collateral" means all of the assets and property of any Grantor, whether real, personal or mixed, constituting both First Lien Collateral and Second Lien Collateral.

"Company" has the meaning assigned to that term in the Preamble to this Agreement.

"Comparable Second Lien Collateral Document" means, in relation to any Collateral subject to any Lien created under any First Lien Collateral Document, the Second Lien Loan Document that creates a Lien on the same Collateral, granted by the same Grantor.

"DIP Financing" has the meaning assigned to that term in Section 6.1.

"Dollar Equivalent" means on any day (a) with respect to any amount denominated in Dollars, such amount and (b) with respect to any amount denominated in a currency other than Dollars (the "**Alternative Currency**"), the amount of Dollars into which such amount may be converted at the spot rate at which Dollars are offered to the First Lien Administrative Agent in New York, New York for the Alternative Currency in which such amount is denominated at approximately 11:00 a.m. (New York City time) on such day or if such day is not a Business Day, on the immediately preceding Business Day.

"Discharge of First Lien Obligations" means:

(a) payment in full in cash of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in such Insolvency or Liquidation Proceeding) on all Indebtedness outstanding under the First Lien Loan Documents and constituting First Lien Obligations;

(b) payment in full in cash of all other First Lien Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than any indemnification obligations for which no claim or demand for payment, whether oral or written, has been made at such time);

(c) termination or expiration of all commitments, if any, to extend credit that would constitute First Lien Obligations; and

(d) termination or cash collateralization (in an amount and manner reasonably satisfactory to the First Lien Agent, but in no event greater than 103% of the aggregate undrawn face amount) of all letters of credit issued under the First Lien Loan Documents and constituting First Lien Obligations.

"Excess Cash" has the meaning assigned to that term in the First Lien Credit Agreement and the Second Lien Credit Agreement, each as in effect on the date hereof.

"First Lien Administrative Agent" means the Administrative Agent under the First Lien Credit Agreement.

"First Lien Claimholders" means, at any relevant time, the holders of First Lien Obligations at that time, including the First Lien Lenders and the agents under the First Lien Loan Documents.

"First Lien Agent" has the meaning assigned to that term in the Recitals to this Agreement.

"First Lien Collateral" means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any First Lien Obligations.

"First Lien Collateral Documents" means the Collateral Documents (as defined in the First Lien Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any First Lien Obligations or under which rights or remedies with respect to such Liens are governed.

"First Lien Credit Agreement" has the meaning assigned to that term in the Recitals to this Agreement.

"First Lien Guaranty" has the meaning assigned to that term in the Recitals to this Agreement.

"First Lien Lenders" means the "Banks" under and as defined in the First Lien Loan Documents.

"First Lien Loan Documents" means the First Lien Credit Agreement and the other Credit Documents (as defined in the First Lien Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other First Lien Obligation, and any other document or instrument executed or delivered at any time in connection with any First Lien Obligations, including any intercreditor or joinder agreement among holders of First Lien Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, amended and restated, supplemented, modified, renewed or extended from time to time in accordance with the provisions of this Agreement.

"First Lien Obligations" means, subject to clause (c) hereof, the following:

(a) (i) All principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made pursuant to the First Lien Credit Agreement, (ii) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the First Lien Credit Agreement, (iii) all guarantee obligations, fees, expenses and all other Obligations under the First Lien Credit Agreement and the other First Lien Loan Documents, in each case whether or not allowed or allowable in an Insolvency or Liquidation Proceeding and (iv) the "Obligations" (as such term is defined in the First Lien Credit Agreement).

(b) To the extent any payment with respect to any First Lien Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Second Lien Claimholder, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Lien Claimholders and the Second Lien Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the First Lien Loan Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the First Lien Claimholders and the Second Lien Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the "First Lien Obligations".

(c) Notwithstanding the foregoing, if the sum of: (1) Indebtedness for borrowed money constituting principal outstanding under the First Lien Credit Agreement and the other First Lien Loan Documents (other than Indebtedness in respect of Hedge Agreements); plus (2) the aggregate face amount of any letters of credit issued but not reimbursed under the First Lien Credit Agreement, is in excess of the Dollar Equivalent of $80,000,000 in the aggregate on the date hereof (the **"Cap Amount"**) plus Indebtedness in

respect of Hedge Agreements, then only that portion of such Indebtedness and such aggregate face amount of letters of credit which together do not exceed the Cap Amount shall be included in First Lien Obligations, and interest and reimbursement obligations with respect to such Indebtedness, letters of credit and Hedge Agreements shall only constitute First Lien Obligations to the extent related to Indebtedness, face amounts of letters of credit and Hedge Agreements included in the First Lien Obligations.

"Grantors" means the Company, the other Borrowers, each of the Guarantors and each other Person that has or may from time to time hereafter execute and deliver a First Lien Collateral Document or a Second Lien Collateral Document as a "grantor" or "pledgor" (or the equivalent thereof).

"Guarantors" has the meaning set forth in the Recitals to this Agreement.

"**Hedging Agreement**" means (a) a currency exchange, interest rate or commodity swap agreement, currency exchange, interest rate or commodity cap agreement and currency exchange, interest rate or commodity collar agreement entered into with a Bank Counterparty in the Company's or any of its Subsidiaries' ordinary course of business and not for speculative purposes or (b) any other agreement or arrangement designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices entered into with a Bank Counterparty in the Company's or any of its Subsidiaries' ordinary course of business and not for speculative purposes.

"Indebtedness" means and includes all Obligations that constitute "Indebtedness" within the meaning of the First Lien Credit Agreement or the Second Lien Credit Agreement, as applicable.

"Insolvency or Liquidation Proceeding" means:

(a) any voluntary or involuntary case or proceeding under any applicable Bankruptcy Law with respect to any Grantor;

(b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of their respective assets;

(c) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or

(d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

"Lien" means any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof)

and any option, trust or other preferential arrangement having the practical effect of any of the foregoing.

"Obligations" means the "Obligations" (as such term is defined in the First Lien Credit Agreement and the Second Lien Credit Agreement) and all other obligations of every nature of each Grantor from time to time owed to the First Lien Claimholders, the Second Lien Claimholders or any of them or their respective Affiliates, agents or trustees, in each case under the First Lien Loan Documents or the Second Lien Loan Documents, whether for principal, interest, fees, expenses, indemnification or otherwise and all guarantees of any of the foregoing.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"Pledged Collateral" has the meaning set forth in Section 5.4.

"**Post-Petition Interest**" means interest, fees, expenses and other charges that pursuant to the First Lien Credit Agreement or the Second Lien Credit Agreement, continue to accrue after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, expenses and other charges are allowed or allowable under the Bankruptcy Law or in any such Insolvency or Liquidation Proceeding.

"Recovery" has the meaning set forth in Section 6.5.

"Second Lien Agent" has the meaning assigned to that term in the Preamble of this Agreement.

"Second Lien Claimholders" means, at any relevant time, the holders of Second Lien Obligations at that time, including the Second Lien Lenders and the agents under the Second Lien Loan Documents.

"Second Lien Collateral" means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Second Lien Obligations.

"Second Lien Collateral Documents" means the Collateral Documents (as defined in the Second Lien Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any Second Lien Obligations or under which rights or remedies with respect to such Liens are governed.

"Second Lien Credit Agreement" has the meaning assigned to that term in the Recitals to this Agreement.

"Second Lien Guaranty" has the meaning assigned to that term in the Recitals to this Agreement.

"Second Lien Lenders" means the "Banks" under and as defined in the Second Lien Credit Agreement.

"Second Lien Loan Documents" means the Second Lien Credit Agreement and the other Credit Documents (as defined in the Second Lien Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Second Lien Obligation, and any other document or instrument executed or delivered at any time in connection with any Second Lien Obligations, including any intercreditor or joinder agreement among holders of Second Lien Obligations to the extent such are effective at the relevant time, as each may be amended, restated, amended and restated, supplemented, modified, renewed or extended from time to time in accordance with the provisions of this Agreement.

"Second Lien Obligations" means

(a) (i) All principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made pursuant to the Second Lien Credit Agreement, (ii) all guarantee obligations, fees, expenses and other Obligations under the Second Lien Credit Agreement and the other Second Lien Loan Documents, in each case whether or not allowed or allowable in an Insolvency or Liquidation Proceeding and (iii) the "Obligations" (as such term is defined in the Second Lien Credit Agreement).

(b) To the extent any payment with respect to any Second Lien Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Lien Claimholders and the Second Lien Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred.

(c) To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the Second Lien Loan Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall be deemed to continue to accrue and be added to the amount to be calculated as the "Second Lien Obligations".

"Standstill Period" has the meaning set forth in Section 3.1(a)(1).

"Subsidiary" has the meaning assigned to that term in the First Lien Credit Agreement.

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

1.2 Terms Generally.The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise:

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented, modified, renewed or extended;

(b) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns;

(c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(d) all references herein to Sections shall be construed to refer to Sections of this Agreement; and

(e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. Lien Priorities.

2.1 Relative Priorities.Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Second Lien Obligations granted on the Collateral or of any Liens securing the First Lien Obligations granted on the Collateral and notwithstanding any provision of the UCC, or any other applicable law or the Second Lien Loan Documents or any defect or deficiencies in, or failure to perfect or lapse in perfection of, or avoidance as a fraudulent conveyance or otherwise of, the Liens securing the First Lien Obligations or any other circumstance whatsoever, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby agrees that:

(a) any Lien on the Collateral securing any First Lien Obligations now or hereafter held by or on behalf of the First Lien Agent or any First Lien Claimholders or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any Lien on the Collateral securing any Second Lien Obligations; and

(b) any Lien on the Collateral securing any Second Lien Obligations now or hereafter held by or on behalf of the Second Lien Agent, any Second Lien Claimholders or any agent or trustee therefor regardless of how acquired, whether by grant,

possession, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Collateral securing any First Lien Obligations. All Liens on the Collateral securing any First Lien Obligations shall be and remain senior in all respects and prior to all Liens on the Collateral securing any Second Lien Obligations for all purposes, whether or not such Liens securing any First Lien Obligations are subordinated to any Lien securing any other obligation of the Company, any other Grantor or any other Person.

2.2 Prohibition on Contesting Liens.Each of the Second Lien Agent, for itself and on behalf of each Second Lien Claimholder, and the First Lien Agent, for itself and on behalf of each First Lien Claimholder, agrees that it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the priority, validity, perfection or enforceability of a Lien held by or on behalf of any of the First Lien Claimholders in the First Lien Collateral or by or on behalf of any of the Second Lien Claimholders in the Second Lien Collateral, as the case may be, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of the First Lien Agent or any First Lien Claimholder or the Second Lien Agent or any Second Lien Claimholder, as the case may be, to enforce this Agreement, including the provisions of this Agreement relating to the priority of the Liens securing the First Lien Obligations and the Second Lien Obligations as provided in Sections 2.1 and 3.1.

2.3 No New Liens. So long as the Discharge of First Lien Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, the parties hereto agree that the Company shall not, and shall not permit any other Grantor to:

(a) grant or permit any additional Liens on any asset or property to secure any Second Lien Obligation unless it has granted or concurrently grants a Lien on such asset or property to secure the First Lien Obligations, the parties hereto agreeing that any such Lien shall be subject to Section 2.1 hereof; or

(b) grant or permit any additional Liens on any asset or property to secure any First Lien Obligations unless it has granted or concurrently grants a Lien on such asset or property to secure the Second Lien Obligations. To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the First Lien Agent and/or the First Lien Claimholders, the Second Lien Agent, on behalf of Second Lien Claimholders, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2.

2.4 Similar Liens and Agreements.The parties hereto agree that it is their intention that the First Lien Collateral and the Second Lien Collateral be identical. In furtherance of the foregoing and of Section 8.9, the parties hereto agree, subject to the other provisions of this Agreement:

(a) upon request by the First Lien Agent or the Second Lien Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the First Lien Collateral and the Second Lien Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the First Lien Loan Documents and the Second Lien Loan Documents; and

(b) that the documents and agreements creating or evidencing the First Lien Collateral and the Second Lien Collateral and guarantees for the First Lien Obligations and the Second Lien Obligations, subject to Section 5.3(d), shall be in all material respects the same forms of documents other than with respect to the first lien and the second lien nature of the Obligations thereunder.

SECTION 3. Enforcement.

3.1 Exercise of Remedies.(a) Until the Discharge of First Lien Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, the Second Lien Agent and the Second Lien Claimholders:

(1) will not exercise or seek to exercise any rights or remedies with respect to any Collateral (including the exercise of any right of setoff or any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Second Lien Agent or any Second Lien Claimholder is a party) or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); provided, however, that the Second Lien Agent may exercise any or all such rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which the Second Lien Agent declared the existence of any Event of Default under any Second Lien Loan Documents and demanded the repayment of all the principal amount of any Second Lien Obligations; and (ii) the date on which the First Lien Agent received notice from the Second Lien Agent of such declarations of an Event of Default (the **"Standstill Period"**); provided, further, however, that notwithstanding anything herein to the contrary, in no event shall the Second Lien Agent or any Second Lien Claimholder exercise any rights or remedies with respect to the Collateral if, notwithstanding the expiration of the Standstill Period, the First Lien Agent or First Lien Claimholders shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of the Collateral (prompt notice of such exercise to be given to the Second Lien Agent);

(2) will not contest, protest or object to any foreclosure proceeding or action brought by the First Lien Agent or any First Lien Claimholder or any other exercise by the First Lien Agent or any First Lien Claimholder of any rights and remedies relating to the Collateral under the First Lien Loan Documents or otherwise; and

(3) subject to their rights under clause (a)(1) above, will not object to the forbearance by the First Lien Agent or the First Lien Claimholders from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Collateral, in each case so long as the Liens granted to secure the Second Lien Obligations of the Second Lien Claimholders attach to the proceeds thereof subject to the relative priorities described in Section 2.

(b) Until the Discharge of First Lien Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, subject to Section 3.1(a)(1), the First Lien Agent and the First Lien Claimholders shall have the exclusive right to enforce rights, exercise remedies (including set-off, recoupment and the right to credit bid their debt) and, subject to Section 5.1, to make determinations regarding the release, disposition, or restrictions with respect to the Collateral without any consultation with or the consent of the Second Lien Agent or any Second Lien Claimholder; provided, that the Lien securing the Second Lien Obligations shall remain on the proceeds of such Collateral released or disposed of subject to the relative priorities described in Section 2. In exercising rights and remedies with respect to the Collateral, the First Lien Agent and the First Lien Claimholders may enforce the provisions of the First Lien Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC or any other applicable law and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction. Any payment or proceeds of Collateral received by the First Lien Agent or any First Lien Claimholder in connection with the First Lien Agent's exercise of rights or remedies in respect of Collateral shall be applied to the Obligations as provided in Section 4.1. To the extent the Second Lien Agent is expressly permitted hereunder to exercise rights or remedies in respect of the Collateral, then (x) in exercising rights and remedies with respect to the Collateral, the Second Lien Agent may enforce the provisions of the Second Lien Loan Documents and exercise remedies thereunder, all in such order and in such manner as it may determine in the exercise of its sole discretion and (y) such exercise and enforcement by the Second Lien Agent shall include the rights of an agent appointed by the Second Lien Agent to sell or otherwise dispose of Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC or any other applicable law and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(c) Notwithstanding the foregoing, the Second Lien Agent and any Second Lien Claimholder may:

(1) file a claim or statement of interest with respect to the Second Lien Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor;

(2) take any action (not adverse to the priority status of the Liens on the Collateral securing the First Lien Obligations, or the rights of any First Lien Agent or the First Lien Claimholders to exercise remedies in respect thereof) in order to create, perfect, preserve or protect its Lien on the Collateral;

(3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Second Lien Claimholders, including any claims secured by the Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Second Lien Obligations and the Collateral;

(5) bid for or purchase for cash any Collateral at any private or public sale of such Collateral initiated by the First Lien Agent or any First Lien Claimholder;

(6) join (but not control in any way) any foreclosure or other judicial lien enforcement proceeding with respect to any Collateral initiated by the First Lien Agent or any First Lien Claimholder so long as they do not delay, interfere or hinder in any way with the exercise by the First Lien Agent or the First Lien Claimholders of their rights as provided in the First Lien Loan Documents and this Agreement; or

(7) exercise any of its rights or remedies with respect to the Collateral after the termination of the Standstill Period to the extent permitted by Section 3.1(a)(1).

The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that it will not take or receive any Collateral or any proceeds of Collateral in connection with the exercise of any right or remedy (including set-off and recoupment) with respect to any Collateral in its capacity as a creditor, unless and until the Discharge of First Lien Obligations has occurred, except in connection with any foreclosure expressly permitted by Section 3.1(a)(1) to the extent the Second Lien Agent and Second Lien Claimholders are permitted to retain the proceeds thereof in accordance with Sections 4.1 and 4.2 of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of First Lien Obligations has occurred, except as expressly provided in Sections 3.1(a), 4.1, 6.3(b) and this Section 3.1(c), the sole right of the Second Lien Agent and the Second Lien Claimholders with respect to the Collateral is to hold a Lien on the Collateral pursuant to the Second Lien Collateral Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of First Lien Obligations has occurred.

(d) Subject to Sections 3.1(a) and (c) and Section 6.3(b):

(1) the Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, agrees that the Second Lien Agent and the Second Lien Claimholders will not take any action that would hinder any exercise of remedies under the First Lien Loan Documents or as otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Collateral, whether by foreclosure or otherwise;

(2) the Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, hereby waives any and all rights it or the Second Lien Claimholders may have as a junior lien creditor or otherwise to object to the manner in which the First Lien Agent or the First Lien Claimholders seek to enforce or collect the First Lien Obligations or the Liens securing the First Lien Obligations granted in any of the First Lien Collateral undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the First Lien Agent or First Lien Claimholders is adverse to the interest of the Second Lien Claimholders; and

(3) the Second Lien Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in the Second Lien Collateral Documents or any other Second Lien Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the First Lien Agent or the First Lien Claimholders with respect to the Collateral as set forth in this Agreement and the First Lien Credit Documents.

(e) Except as specifically set forth in Sections 3.1(a), (d), and (g), the Second Lien Agent and the Second Lien Claimholders may exercise rights and remedies as unsecured creditors against the Company or any other Grantor that has guaranteed or granted Liens to secure the Second Lien Obligations in accordance with the terms of the Second Lien Loan Documents and applicable law; provided that in the event that any Second Lien Claimholder becomes a judgment Lien creditor in respect of Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Second Lien Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the First Lien Obligations) as the other Liens securing the Second Lien Obligations are subject to this Agreement.

(f) Except as specifically set forth in Sections 3.1(a), (d), and (g), nothing in this Agreement shall prohibit the receipt by the Second Lien Agent or any Second Lien Claimholders of the required payments of interest, principal and other amounts owed in respect of the Second Lien Obligations so long as such receipt is not the direct or indirect result of the exercise by the Second Lien Agent or any Second Lien Claimholders of rights or remedies as a secured creditor (including set-off and recoupment) or enforcement in contravention of this Agreement of any Lien held by any of them. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the First Lien Agent or the First Lien Claimholders may have with respect to the First Lien Collateral.

(g) The Second Lien Agent and the Second Lien Claimholders agree with the Grantors that none of the Grantors may make any payment to the Second Lien Agent or any Second Lien Claimholders in respect of the Second Lien Obligations (other than non-cash pay interest in kind, payments under Section 4.1 and payments in the form of reorganization securities contemplated by Section 6.6) until the Discharge of First Lien Obligations if:

(i) a payment default on the First Lien Obligations occurs and is continuing beyond any applicable grace period in the applicable First Lien Loan Document and the Second Lien Agent and the Company receives written notice thereof from the First Lien Agent;

(ii) any other default occurs (other than an Event of Default under Section 8.1(f) or 8.1(g)[1] of the First Lien Credit Agreement) and is continuing beyond any applicable grace period in the applicable First Lien Loan Document on the First Lien Obligations that permits the First Lien Claimholders to accelerate its maturity and the Second Lien Agent and the Company receive a notice thereof from the First Lien Agent (any such notice given pursuant to this clause (ii) (a "**Payment Blockage Notice**"); or

(iii) an Event of Default occurs and is continuing under Section 8.1(f) or 8.1(g) of the First Lien Credit Agreement,

provided that, unless otherwise prohibited by this Section 3, the Grantors may resume payments in respect of the Second Lien Obligations upon the earlier of:

(i) in the case of a payment default under clause (i) above, upon the earlier of (a) the Discharge of First Lien Obligations has occurred and (b) the date upon which such default is cured or waived;

(ii) in the case of a nonpayment default under clause (ii) above, upon the earlier of (a) the Discharge of First Lien Obligations has occurred, (b) the date on which such nonpayment default is cured or waived, and (c) 180 days after the date on which the applicable Payment Blockage Notice is issued, unless the First Lien Obligations have been accelerated; or

(iii) in the case of an Event of Default under clause (iii) above, upon the occurrence of the Discharge of First Lien Obligations.

3.2 Actions Upon Breach. If any Second Lien Claimholder, in contravention of the terms of this Agreement, in any way takes, attempts to or threatens to take any action with respect to the Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fails to take any action required by this Agreement, this Agreement shall create an irrebuttable presumption

[1] Sections 8.1(f) and (g) are the bankruptcy default provisions.

and admission by such Second Lien Claimholder that relief against such Second Lien Claimholder by injunction, specific performance and/or other appropriate equitable relief is necessary to prevent irreparable harm to the First Lien Claimholders, it being understood and agreed by the Second Lien Agent on behalf of each Second Lien Claimholder that (i) the First Lien Claimholders' damages from its actions may at that time be difficult to ascertain and may be irreparable, and (ii) each Second Lien Claimholder waives any defense that the Grantors and/or the First Lien Claimholders cannot demonstrate damage and/or be made whole by the awarding of damages.

SECTION 4. Payments.

4.1 Application of Proceeds.(a) So long as the Discharge of First Lien Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by the First Lien Agent or First Lien Claimholders shall be applied by the First Lien Agent to the First Lien Obligations in such order as specified in the relevant First Lien Loan Documents. Upon the Discharge of First Lien Obligations, the First Lien Agent shall deliver to the Second Lien Agent any Collateral and proceeds of Collateral held by it in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Second Lien Agent to the Second Lien Obligations in such order as specified in the Second Lien Collateral Documents.

(b) The First Lien Agent, on behalf of the First Lien Claimholders, and the Second Lien Agent, on behalf of the Second Lien Claimholders, acknowledge that mandatory prepayments under the First Lien Credit Agreement and the Second Lien Credit Agreement from proceeds from certain Asset Sales, insurance and condemnation payments and Excess Cash, as described in Section 2.14 of the First Lien Credit Agreement and Section 2.14 of the Second Lien Credit Agreement, shall be shared ratably between the First Lien Claimholders and the Second Lien Claimholders based on the then outstanding principal amount of the loans outstanding under the First Lien Credit Agreement and the Second Lien Credit Agreement, and that mandatory prepayments from proceeds from the incurrence by the Company or any of its Subsidiaries of certain Indebtedness as described in Section 2.14 of the First Lien Credit Agreement, shall be applied first to the payment of the First Lien Obligations until the Discharge of First Lien Obligations and then to the payment of the Second Lien Obligations.

4.2 Payments Over.(a) So long as the Discharge of First Lien Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, any Collateral or proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) received by the Second Lien Agent or any Second Lien Claimholders in connection with the exercise of any right or remedy (including set-off or recoupment) relating to the Collateral in contravention of this Agreement in all cases shall be segregated and held in trust and forthwith paid over to the First Lien Agent for the benefit of the First Lien Claimholders in the same form as received, with any necessary

endorsements or as a court of competent jurisdiction may otherwise direct. The First Lien Agent is hereby authorized to make any such endorsements as agent for the Second Lien Agent or any such Second Lien Claimholders. This authorization is coupled with an interest and is irrevocable until the Discharge of First Lien Obligations.

(b) So long as the Discharge of First Lien Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, any Collateral or proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) received by the Second Lien Agent or any Second Lien Claimholders in connection with the exercise of any right or remedy (including set-off or recoupment) relating to the Collateral not in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the First Lien Agent for the benefit of the First Lien Claimholders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct; provided, however, that this Section 4.2(b) shall only be applicable if the exercise of such right or remedy by the Second Lien Agent or any Second Lien Claimholder has the effect of discharging the Lien of the First Lien Agent on such Collateral. The First Lien Agent is hereby authorized to make any such endorsements as agent for the Second Lien Agent or any such Second Lien Claimholders. This authorization is coupled with an interest and is irrevocable until the Discharge of First Lien Obligations.

(c) So long as the Discharge of First Lien Obligations has not occurred, if in any Insolvency or Liquidation Proceeding the Second Lien Agent or any Second Lien Claimholders shall receive any distribution of money or other property in respect of the Collateral, such money or other property shall be segregated and held in trust and forthwith paid over to the First Lien Agent for the benefit of the First Lien Claimholders in the same form as received, with any necessary endorsements. Any Lien received by the Second Lien Agent or any Second Lien Claimholders in any Insolvency or Liquidation Proceeding shall be subject to the terms of this Agreement.

SECTION 5. Other Agreements.

5.1 Releases.(a) If in connection with the exercise of the First Lien Agent's remedies in respect of the Collateral, the First Lien Agent, for itself or on behalf of any of the First Lien Claimholders, releases any of its Liens on any part of the Collateral or releases any Guarantor from its obligations under its guaranty of the First Lien Obligations or forecloses on or otherwise disposes of any Collateral, then the Liens, if any, of the Second Lien Agent, for itself or for the benefit of the Second Lien Claimholders, on such Collateral, and the obligations of such Guarantor under its guaranty of the Second Lien Obligations, shall be automatically, unconditionally and simultaneously released; provided, that such release of the Liens of the Second Lien Agent will not occur without the consent of the Second Lien Agent if in connection with the exercise of the First Lien Agent's remedies in respect of the Collateral the net proceeds thereof will not be applied to the First Lien Obligations. The Second Lien Agent, for itself or on behalf of any such Second Lien Claimholders, promptly shall execute and deliver to the First Lien Agent or such Guarantor

such termination statements, releases and other documents as the First Lien Agent or such Guarantor may request to effectively confirm such release.

(b) If in connection with any sale, lease, exchange, transfer or other disposition of any Collateral by any Grantor permitted under the terms of the First Lien Loan Documents and not expressly prohibited under the terms of the Second Lien Loan Documents (other than in connection with the exercise of the First Lien Agent's remedies in respect of the Collateral which shall be governed by Section 5.1(a) above), the First Lien Agent, for itself or on behalf of any of the First Lien Claimholders, releases any of its Liens on any part of the Collateral, or releases any Guarantor from its obligations under its guaranty of the First Lien Obligations, then the Liens, if any, of the Second Lien Agent, for itself or for the benefit of the Second Lien Claimholders, on such Collateral, and the obligations of such Guarantor under its guaranty of the Second Lien Obligations, shall be automatically, unconditionally and simultaneously released. The Second Lien Agent, for itself or on behalf of any such Second Lien Claimholders, promptly shall execute and deliver to the First Lien Agent or such Guarantor such termination statements, releases and other documents as the First Lien Agent or such Grantor may request to effectively confirm such release.

(c) Until the Discharge of First Lien Obligations occurs, to the extent that the First Lien Agent or the First Lien Claimholders (i) have released any Lien on Collateral or any Guarantor from its obligation under its guaranty and any such Liens or guaranty are later reinstated or (ii) obtain any new liens or additional guarantees from any Guarantor, then the Second Lien Agent, for itself and for the Second Lien Claimholders, shall be granted a Lien on any such Collateral, subject to the lien subordination provisions of this Agreement, and an additional guaranty, as the case may be.

(d) Until the Discharge of First Lien Obligations occurs, the Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, hereby irrevocably constitutes and appoints the First Lien Agent, with the full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Second Lien Agent or the Second Lien Claimholders or in the Second Lien Agent's own name, from time to time in the First Lien Agent's discretion, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 5.1, including any endorsements or other instruments of transfer or release.

5.2 Insurance.Unless and until the Discharge of First Lien Obligations has occurred, the First Lien Agent and the First Lien Claimholders shall have the sole and exclusive right, subject to any rights of the Grantors under the First Lien Loan Documents, to adjust settlement for any insurance policy covering the Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting the Collateral. Subject to the ratable sharing provision in Section 4.1(b), and subject to the rights of the Grantors under the First Lien Loan Documents and the Second Lien Loan Documents, all proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of

condemnation) if in respect to the Collateral shall be paid to the First Lien Agent for the benefit of the First Lien Claimholders pursuant to the terms of the First Lien Loan Documents (including for purposes of cash collateralization of letters of credit) and thereafter, to the extent no First Lien Obligations are outstanding, and subject to the rights of the Grantors under the Second Lien Loan Documents, to the Second Lien Agent for the benefit of the Second Lien Claimholders to the extent required under the Second Lien Collateral Documents and then, to the extent no Second Lien Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. Until the Discharge of First Lien Obligations has occurred, if the Second Lien Agent or any Second Lien Claimholders shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such proceeds over to the First Lien Agent in accordance with the terms of Section 4.2 for application as described in Section 4.1(b) and this Section 5.2.

5.3 Amendments to First Lien Loan Documents and Second Lien Loan Documents.(a) The First Lien Loan Documents may be amended, restated, amended and restated, supplemented or otherwise modified in accordance with their terms, in each case, without notice to, or the consent of the Second Lien Agent or the Second Lien Claimholders, all without affecting the lien subordination or other provisions of this Agreement or refinanced to the extent permitted by the Second Lien Credit Agreement; provided, however, that any such amendment, restatement, amendment and restatement, supplement, modification or refinancing shall not, without the consent of the Second Lien Agent:

(1) increase the sum of (without duplication) (A) the then outstanding aggregate principal amount of the First Lien Credit Agreement (including, if any, any undrawn portion of any commitment under the First Lien Credit Agreement) and (B) the aggregate face amount of any letters of credit issued under the First Lien Credit Agreement and not reimbursed in excess of the Cap Amount;

(2) extend the scheduled maturity of the First Lien Credit Agreement beyond the scheduled maturity of the Second Lien Credit Agreement, unless such extension shall not preclude the Second Lien Claimholders from receiving payment in respect of the Second Lien Obligations in accordance with the terms of this Agreement;

(3) contravene the provisions of this Agreement;

(4) change the prepayment provisions thereof;

(5) increases the amount of proceeds from the disposition of any Collateral that are not required to be used to prepay First Lien Obligations and that may be retained by the Grantors to an amount greater than permitted under the Second Lien Credit Agreement; or

(6) modifies a covenant or event of default that directly restricts one or more Grantors from making payments under the Second Lien Loan Documents that would otherwise be permitted under the First Lien Loan Documents as in effect on the date hereof.

(b) Without the prior written consent of the First Lien Agent, no Second Lien Loan Document may be refinanced, amended, restated, amended and restated, supplemented or otherwise modified or entered into to the extent such refinancing, amendment, restatement, amendment and restatement, supplement or modification, or the terms of any new Second Lien Loan Document, would:

(1) increase the then outstanding principal amount of the Second Lien Credit Agreement;

(2) change any default or Event of Default thereunder in a manner adverse to the loan parties thereunder;

(3) change (to earlier dates) any dates upon which payments of principal or interest are due thereon, except for any acceleration of the maturity date of the Second Lien Obligations during the continuance of an Event of Default (as defined in the Second Lien Credit Agreement);

(4) change the prepayment provisions thereof;

(5) contravene the provisions of this Agreement; or

(6) increase materially the obligations of the obligor thereunder or to confer any additional material rights on the Second Lien Lenders (or a representative on their behalf) which would be adverse to any loan parties, any First Lien Lenders, the First Lien Agent or the holders of any other First Lien Obligations.

(c) Each Grantor agrees that each Second Lien Collateral Document to which it is a party shall include the following language (or language to similar effect approved by the First Lien Agent, which approval shall not be unreasonably withheld, delayed or conditioned):

> "Notwithstanding anything herein to the contrary, the lien and security interest granted to the Second Lien Agent pursuant to this Agreement and the exercise of any right or remedy by the Second Lien Agent hereunder are subject to the provisions of the Intercreditor Agreement, dated as of [_____,] 2010 (as amended, restated, supplemented or otherwise modified from time to time, the **"Intercreditor Agreement"**), among Citicorp North America, Inc. as First Lien Agent and Citicorp North America, Inc. as Second Lien Agent and certain other persons party or that may become party thereto from time to time. In the event of any conflict

between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control."

(d) In the event any First Lien Agent or the First Lien Claimholders and the relevant Grantor enter into any amendment, waiver or consent in respect of any of the First Lien Collateral Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Lien Collateral Document or changing in any manner the rights of the First Lien Agent, such First Lien Claimholders, the Company or any other Grantor thereunder, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Second Lien Collateral Document without the consent of the Second Lien Agent or the Second Lien Claimholders and without any action by the Second Lien Agent, the Company or any other Grantor, provided, that:

(1) no such amendment, waiver or consent shall have the effect of:

(A) removing assets subject to the Lien of the Second Lien Collateral Documents, except to the extent that a release of such Lien is permitted or required by Section 5.1 and provided that there is a corresponding release of the Liens securing the First Lien Obligations;

(B) imposing duties on the Second Lien Agent without its consent;

(C) permitting other Liens on the Collateral not permitted under the terms of the Second Lien Loan Documents or Section 6; or

(D) being prejudicial to the interests of the Second Lien Claimholders to a greater extent than the First Lien Claimholders; and

(2) notice of such amendment, waiver or consent shall have been given to the Second Lien Agent no later than the effective date of such amendment, waiver or consent.

5.4 Gratuitous Bailee for Perfection.(a) The First Lien Agent agrees to hold that part of the Collateral that is in its physical possession or "control" (within the meaning of Section 9-314 of the UCC) (or in the physical possession or control of its agents or bailees) to the extent that physical possession or control thereof is taken to perfect a Lien thereon under the UCC (such Collateral being the "**Pledged Collateral**") or other applicable law as collateral agent for the First Lien Claimholders and as gratuitous bailee for the Second Lien Agent (such bailment being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2) and 9-313(c) of the UCC and any other relevant comparable law) and any assignee solely for the purpose of perfecting the security interest granted under the First Lien Loan Documents and the Second Lien Loan Documents, respectively, subject to the terms and conditions of this Section 5.4. Solely with respect to any deposit accounts under the control (within the meaning of Section 9-

104 of the UCC and under any other relevant comparable law) of the First Lien Agent, the First Lien Agent agrees to also hold control over such deposit accounts as gratuitous agent for the Second Lien Agent, subject to the terms and conditions of this Section 5.4.

(b) The First Lien Agent shall have no obligation whatsoever to the First Lien Claimholders, the Second Lien Agent or any Second Lien Claimholder to ensure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.4. The duties or responsibilities of the First Lien Agent under this Section 5.4 shall be limited solely to holding the Pledged Collateral as bailee (and with respect to deposit accounts, agent) in accordance with this Section 5.4 and delivering the Pledged Collateral upon a Discharge of First Lien Obligations as provided in paragraph (d) below.

(c) The First Lien Agent shall not have by reason of the First Lien Collateral Documents, the Second Lien Collateral Documents, this Agreement or any other document a fiduciary relationship in respect of the First Lien Claimholders, the Second Lien Agent or any Second Lien Claimholder and the Second Lien Agent and the Second Lien Claimholders hereby waive and release the First Lien Agent from all claims and liabilities arising pursuant to the First Lien Agent's role under this Section 5.4 as gratuitous bailee and gratuitous agent with respect to any common Collateral. It is understood and agreed that the interests of the First Lien Agent and the Second Lien Agent may differ and the First Lien Agent shall be fully entitled to act in its own interest without taking into account the interests of the Second Lien Agent or Second Lien Claimholders.

(d) Upon the Discharge of First Lien Obligations under the First Lien Loan Documents to which the First Lien Agent is a party, the First Lien Agent shall deliver the remaining Pledged Collateral in its possession (if any) together with any necessary endorsements (such endorsement shall be without recourse and without any representation or warranty), first, to the Second Lien Agent to the extent Second Lien Obligations remain outstanding, and second, to the Company to the extent no First Lien Obligations or Second Lien Obligations remain outstanding (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral). The First Lien Agent further agrees to take all other action reasonably requested by the Second Lien Agent at the expense of the Second Lien Agent or the Company in connection with the Second Lien Agent obtaining a first-priority interest in the Collateral or as a court of competent jurisdiction may otherwise direct.

5.5 Purchase Right.Without prejudice to the enforcement of the First Lien Claimholders remedies, the First Lien Claimholders agree at any time following (a) an acceleration of the First Lien Obligations in accordance with the terms of the First Lien Credit Agreement, (b) a payment default under the First Lien Credit Agreement that has not been cured or waived by the First Lien Claimholders within 180 days of the occurrence thereof, (c) the commencement of any Insolvency or Liquidation Proceeding, or (d) the commencement of any enforcement action in respect of the First Lien Obligations, the First Lien Agent, on behalf of the First Lien Claimholders, will offer the Second Lien Claimholders the option (but the Second Lien Claimholders will not have the obligation) to purchase the entire aggregate amount of outstanding First Lien Obligations (including

unfunded commitments under the First Lien Credit Agreement) at par plus accrued interest (without regard to any prepayment penalty or premium), without warranty or representation or recourse, on a pro rata basis across First Lien Claimholders. The Second Lien Claimholders shall irrevocably accept or reject such offer within ten (10) Business Days of the receipt thereof and the parties shall endeavor to close promptly thereafter. If the Second Lien Claimholders accept such offer, they shall give the Company contemporaneous written notice thereof and same shall be exercised pursuant to documentation mutually acceptable to each of the First Lien Agent and the Second Lien Agent. If the Second Lien Claimholders reject such offer (or do not so irrevocably accept such offer within the required timeframe), the First Lien Claimholders shall have no further obligations pursuant to this Section 5.6 and may take any further actions in their sole discretion in accordance with the First Lien Loan Documents and this Agreement.

SECTION 6. Insolvency or Liquidation Proceedings.

6.1 Finance and Sale Issues.Until the Discharge of First Lien Obligations has occurred, if the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the First Lien Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code), on which the First Lien Agent or any other creditor has a Lien or to permit the Company or any other Grantor to obtain financing, whether from the First Lien Claimholders or any other Person under Section 364 of the Bankruptcy Code or any similar Bankruptcy Law (**"DIP Financing"**), then the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing and to the extent the Liens securing the First Lien Obligations are subordinated to or pari passu with such DIP Financing, the Second Lien Agent will subordinate its Liens in the Collateral to the Liens securing such DIP Financing (and all Obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the First Lien Agent or to the extent permitted by Section 6.3); provided that, the aggregate principal amount of the DIP Financing plus the aggregate outstanding principal amount of First Lien Obligations (other than First Lien Obligations in respect of Hedge Agreements) plus the aggregate face amount of any letters of credit issued and not reimbursed under the First Lien Credit Agreement does not exceed the Cap Amount and the Second Lien Agent and the Second Lien Claimholders retain the right to object to any ancillary agreements or arrangements regarding Cash Collateral use or the DIP Financing that are materially prejudicial to their interests. The Second Lien Agent on behalf of the Second Lien Claimholders, agrees that it will raise no objection or oppose a motion to sell or otherwise dispose of any Collateral free and clear of its Liens or other claims under Section 363 of the Bankruptcy Code (or any other similar law) if the requisite First Lien Claimholders have consented to such sale or disposition of such assets, and such motion does not impair the rights of the Second Lien Claimholders under Section 363(k) of the Bankruptcy Code (or any other similar law); provided, that the Cap Amount shall be reduced by an amount equal to the net cash

proceeds of such sale or other disposition which are used to pay the principal or face amount of the First Lien Obligations.

6.2 Relief from the Automatic Stay.Until the Discharge of First Lien Obligations has occurred, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Collateral, without the prior written consent of the First Lien Agent, unless a motion for adequate protection permitted under Section 6.3 has been denied by the Bankruptcy Court and except in connection with any remedies permitted to be taken by the Second Lien Agent pursuant to Section 3.1(a)(1).

6.3 Adequate Protection.The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(1) any request by the First Lien Agent or the First Lien Claimholders for adequate protection; or

(2) any objection by the First Lien Agent or the First Lien Claimholders to any motion, relief, action or proceeding based on the First Lien Agent or the First Lien Claimholders claiming a lack of adequate protection.

(b) Notwithstanding the foregoing provisions in this Section 6.3, in any Insolvency or Liquidation Proceeding:

(1) if the First Lien Claimholders (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any Cash Collateral use or DIP Financing, then the Second Lien Agent, on behalf of itself or any of the Second Lien Claimholders, may seek or request adequate protection in the form of a Lien on such additional collateral, which Lien will be subordinated to the Liens securing the First Lien Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens securing the Second Lien Obligations are so subordinated to the First Lien Obligations under this Agreement and the First Lien Agent, on behalf of itself and the First Lien Claimholders, shall not object to any such request for adequate protection that meets the requirements of Section 6.3(b)(2); and

(2) The Second Lien Agent and Second Lien Claimholders shall only be permitted to seek adequate protection with respect to their rights in the Collateral in any Insolvency or Liquidation Proceeding in the form of (A) additional collateral; provided that, as adequate protection for the First Lien Obligations, the First Lien Agent, on behalf of the First Lien Claimholders, is also granted a senior Lien on such additional collateral; (B) replacement Liens on the Collateral; provided that, as adequate protection for the First Lien Obligations, the First Lien Agent, on behalf of the First Lien Claimholders, is also granted senior replacement Liens on the Collateral; (C) an administrative expense claim; provided that, as

adequate protection for the First Lien Obligations, the First Lien Agent, on behalf of the First Lien Claimholders, is also granted an administrative expense claim which is senior and prior to the administrative expense claim of the Second Lien Agent and the Second Lien Claimholders; (D) a claim for professional fees and expenses in any Insolvency or Liquidation Proceeding; provided that, as adequate protection for the First Lien Obligations, the First Lien Agent, on behalf of the First Lien Claimholders, is also granted a claim for professional fees and expenses which is senior and prior to the claim for professional fees and expenses of the Second Lien Agent and the Second Lien Claimholders; (E) cash payments with respect to interest on the Second Lien Obligations; provided either (1) as adequate protection for the First Lien Obligations, the First Lien Agent, on behalf of the First Lien Claimholders, is also granted cash payments with respect to interest on the First Lien Obligations, or (2) such cash payments do not exceed an amount equal to the interest accruing on the principal amount of Second Lien Obligations outstanding on the date such relief is granted at the interest rate under the Second Lien Credit Documents and accruing from the date the Second Lien Agent is granted such relief; and (F) any other form of adequate protection; provided that, as adequate protection for the First Lien Obligations, the First Lien Agent, on behalf of the First Lien Claimholders, is also granted a claim for such form of adequate protection which is senior and prior to the claim for such form of adequate protection of the Second Lien Agent and the Second Lien Claimholders. If any Second Lien Secured Party receives post-petition interest and/or adequate protection payments in an Insolvency or Liquidation Proceeding ("Second Lien Adequate Protection Payments"), and the First Lien Claimholders do not receive payment in full in cash of all First Lien Obligations (subject, in the case of principal outstanding under the First Lien Credit Agreement and the other First Lien Documents and face amounts of letters of credit, to the Cap Amount) upon the effectiveness of the plan of reorganization for, or conclusion of, that Insolvency or Liquidation Proceeding, then, each Second Lien Claimholders shall pay over to the First Lien Claimholders an amount (the "Pay-Over Amount") equal to the lesser of (i) the Second Lien Adequate Protection Payments received by such Second Lien Claimholders and (ii) the amount of the short-fall (the "Short Fall") in payment in full of the First Lien Loan Obligations (subject, in the case of principal outstanding under the First Lien Credit Agreement and the other First Lien Documents and face amounts of letters of credit, to the Cap Amount); provided that to the extent any portion of the Short Fall represents payments received by the First Lien Claimholders in the form of promissory notes, equity or other property, equal in value to the cash paid in respect of the Pay-Over Amount, the First Lien Claimholders shall, upon receipt of the Pay-Over Amount, transfer those promissory notes, equity or other property, pro rata, equal in value to the cash paid in respect of the Pay-Over Amount to the applicable Second Lien Claimholders in exchange for the Pay-Over Amount. Notwithstanding anything herein to the contrary, the First Lien Claimholders shall not be deemed to have consented to, and expressly retain their rights to object to the grant of adequate protection in the form of cash payments to the Second Lien Claimholders made pursuant to the foregoing Section 6.3(b).

(c) The Second Lien Agent, for itself and on behalf of the other Second Lien Claimholders, agrees that notice of a hearing to approve DIP Financing or use of Cash Collateral on an interim basis shall be adequate if delivered to the Second Lien Agent at least five (5) Business Days in advance of such hearing and that notice of a hearing to approve DIP Financing or use of Cash Collateral on a final basis shall be adequate if delivered to the Second Lien Agent at least fifteen (15) days in advance of such hearing.

6.4 No Waiver.Subject to Sections 3.1(a) and (d), 6.3(b) and 6.7(d), nothing contained herein shall prohibit or in any way limit the First Lien Agent or any First Lien Claimholder from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by the Second Lien Agent or any of the Second Lien Claimholders, including the seeking by the Second Lien Agent or any Second Lien Claimholders of adequate protection or the asserting by the Second Lien Agent or any Second Lien Claimholders of any of its rights and remedies under the Second Lien Loan Documents or otherwise.

6.5 Avoidance Issues.If any First Lien Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the Company or any other Grantor any amount paid in respect of First Lien Obligations (a **"Recovery"***)*, then such First Lien Claimholders shall be entitled to a reinstatement of First Lien Obligations with respect to all such recovered amounts, and from and after the date of such reinstatement the Discharge of First Lien Obligations shall be deemed not to have occurred for all purposes hereunder. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

6.6 Reorganization Securities.If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of First Lien Obligations and on account of Second Lien Obligations, then, to the extent the debt obligations distributed on account of the First Lien Obligations and on account of the Second Lien Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

6.7 Post-Petition Interest.Neither the Second Lien Agent nor any Second Lien Claimholder shall oppose or seek to challenge any claim by the First Lien Agent or any First Lien Claimholder for allowance in any Insolvency or Liquidation Proceeding of First Lien Obligations consisting of Post-Petition Interest to the extent of the value of any First Lien Claimholder's Lien, without regard to the existence of the Lien of the Second Lien Agent on behalf of the Second Lien Claimholders on the Collateral.

(b) Neither the First Lien Agent nor any other First Lien Claimholder shall oppose or seek to challenge any claim by the Second Lien Agent or any Second Lien Claimholder for allowance in any Insolvency or Liquidation Proceeding of Second Lien

Obligations consisting of Post-Petition Interest to the extent of the value of the Lien of the Second Lien Agent on behalf of the Second Lien Claimholders on the Collateral (after taking into account the value of the First Lien Obligations).

6.8 Waiver.The Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, waives any claim it may hereafter have against any First Lien Claimholder arising out of the election of any First Lien Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in connection with the Collateral in any Insolvency or Liquidation Proceeding.

6.9 Separate Grants of Security and Separate Classification.The Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, and the First Lien Agent for itself and on behalf of the First Lien Claimholders, acknowledges and agrees that

(a) the grants of Liens pursuant to the First Lien Collateral Documents and the Second Lien Collateral Documents constitute two separate and distinct grants of Liens; and

(b) because of, among other things, their differing rights in the Collateral, the Second Lien Obligations are fundamentally different from the First Lien Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding.

To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the First Lien Claimholders and the Second Lien Claimholders in respect of the Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each of the parties hereto hereby acknowledges and agrees that, subject to Sections 2.1 and 4.1, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Collateral (with the effect being that, to the extent that the aggregate value of the Collateral is sufficient (for this purpose ignoring all claims held by the Second Lien Claimholders), the First Lien Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing (or that would be owing if there were such separate classes of senior and junior secured claims) in respect of Post-Petition Interest, including any additional interest payable pursuant to the First Lien Credit Agreement, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding) before any distribution is made in respect of the claims held by the Second Lien Claimholders with respect to the Collateral, with the Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, hereby acknowledging and agreeing to turn over to the First Lien Agent, for itself and on behalf of the First Lien Claimholders, Collateral or proceeds of Collateral otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Lien Claimholders).

6.10 Credit Bid Rights. Notwithstanding anything herein to the contrary, this Agreement shall not be construed to prohibit the Second Lien Claimholders from exercising a credit bid under Section 363(k) of the Bankruptcy Code in a sale or other disposition of Collateral under Section 363 of the Bankruptcy Code; provided that in connection with and immediately after giving effect to such sale and credit bid there occurs a Discharge of First Priority Obligations.

SECTION 7. Reliance; Waivers; Etc.

7.1 Reliance.Other than any reliance on the terms of this Agreement, the First Lien Agent, on behalf of itself and the First Lien Claimholders under its First Lien Loan Documents, acknowledges that it and such First Lien Claimholders have, independently and without reliance on the Second Lien Agent or any Second Lien Claimholders, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into such First Lien Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the First Lien Credit Agreement or this Agreement. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, acknowledges that it and the Second Lien Claimholders have, independently and without reliance on the First Lien Agent or any First Lien Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Second Lien Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Second Lien Loan Documents or this Agreement.

7.2 No Warranties or Liability. The First Lien Agent, on behalf of itself and the First Lien Claimholders under the First Lien Loan Documents, acknowledges and agrees that each of the Second Lien Agent and the Second Lien Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Second Lien Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided herein, the Second Lien Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Second Lien Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. Except as otherwise provided herein, the Second Lien Agent, on behalf of itself and the Second Lien Obligations, acknowledges and agrees that the First Lien Agent and the First Lien Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the First Lien Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided herein, the First Lien Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under their respective First Lien Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Second Lien Agent and the Second Lien Claimholders shall have no duty to the First Lien Agent or any of the First Lien Claimholders, and the First Lien Agent and the First Lien Claimholders shall have no duty to the Second Lien

Agent or any of the Second Lien Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Company or any other Grantor (including the First Lien Loan Documents and the Second Lien Loan Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 No Waiver of Lien Priorities.(a) No right of the First Lien Claimholders, the First Lien Agent or any of them to enforce any provision of this Agreement or any First Lien Loan Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or any other Grantor or by any act or failure to act by any First Lien Claimholder or the First Lien Agent, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the First Lien Loan Documents or any of the Second Lien Loan Documents, regardless of any knowledge thereof which the First Lien Agent or the First Lien Claimholders, or any of them, may have or be otherwise charged with.

(b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Company and the other Grantors under the First Lien Loan Documents and subject to the provisions of Section 5.3(a)), the First Lien Claimholders, the First Lien Agent and any of them may, at any time and from time to time in accordance with the First Lien Loan Documents and/or applicable law, without the consent of, or notice to, the Second Lien Agent or any Second Lien Claimholders, without incurring any liabilities to the Second Lien Agent or any Second Lien Claimholders and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the Second Lien Agent or any Second Lien Claimholders is affected, impaired or extinguished thereby) do any one or more of the following:

(1) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the First Lien Obligations or any Lien on any First Lien Collateral or guaranty thereof or any liability of the Company or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the First Lien Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the First Lien Agent or any of the First Lien Claimholders, the First Lien Obligations or any of the First Lien Loan Documents; provided that any such increase in the First Lien Obligations shall not increase the sum of the Indebtedness constituting principal under the First Lien Credit Agreement and the face amount of any letters of credit issued under the First Lien Credit Agreement and not reimbursed to an amount in excess of the Cap Amount;

(2) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the First Lien Collateral or any liability of the Company or any other Grantor to the First Lien

Claimholders or the First Lien Agent, or any liability incurred directly or indirectly in respect thereof;

(3) settle or compromise any First Lien Obligation or any other liability of the Company or any other Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability (including the First Lien Obligations) in any manner or order; and

(4) exercise or delay in or refrain from exercising any right or remedy against the Company or any security or any other Grantor or any other Person, elect any remedy and otherwise deal freely with the Company, any other Grantor or any First Lien Collateral and any security and any guarantor or any liability of the Company or any other Grantor to the First Lien Claimholders or any liability incurred directly or indirectly in respect thereof.

(c) Except as otherwise expressly provided herein, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, also agrees that the First Lien Claimholders and the First Lien Agent shall have no liability to the Second Lien Agent or any Second Lien Claimholders, and the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby waives any claim against any First Lien Claimholder or the First Lien Agent, arising out of any and all actions which the First Lien Claimholders or the First Lien Agent may take or permit or omit to take with respect to:

(1) the First Lien Loan Documents (other than this Agreement);

(2) the collection of the First Lien Obligations; or

(3) the foreclosure upon, or sale, liquidation or other disposition of, any First Lien Collateral. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that the First Lien Claimholders and the First Lien Agent have no duty to them in respect of the maintenance or preservation of the First Lien Collateral, the First Lien Obligations or otherwise.

(d) Until the Discharge of First Lien Obligations, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Collateral or any other similar rights a junior secured creditor may have under applicable law.

7.4 Obligations Unconditional.All rights, interests, agreements and obligations of the First Lien Agent and the First Lien Claimholders and the Second Lien Agent and the Second Lien Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Lien Loan Documents or any Second Lien Loan Documents;

(b) except as otherwise expressly set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the First Lien Obligations or Second Lien Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any First Lien Loan Document or any Second Lien Loan Document;

(c) except as otherwise expressly set forth in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the First Lien Obligations or Second Lien Obligations or any guaranty thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Company or any other Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, the Company or any other Grantor in respect of the First Lien Agent, the First Lien Obligations, any First Lien Claimholder, the Second Lien Agent, the Second Lien Obligations or any Second Lien Claimholder in respect of this Agreement.

SECTION 8. Miscellaneous.

8.1 Conflicts.In the event of any conflict between the provisions of this Agreement and the provisions of the First Lien Loan Documents or the Second Lien Loan Documents, the provisions of this Agreement shall govern and control.

8.2 Effectiveness; Continuing Nature of this Agreement; Severability.This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination and the First Lien Claimholders may continue, at any time and without notice to the Second Lien Agent or any Second Lien Claimholder subject to the Second Lien Loan Documents, to extend credit and other financial accommodations and lend monies to or for the benefit of the Company or any Grantor constituting First Lien Obligations in reliance hereof. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to the Company or any other Grantor shall include the Company or such Grantor as debtor and debtor-in-possession and any receiver or trustee for the Company or any other Grantor

(as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

(a) with respect to the First Lien Agent, the First Lien Claimholders and the First Lien Obligations, the date of Discharge of First Lien Obligations, subject to the rights of the First Lien Claimholders under Section 6.5; and

(b) with respect to the Second Lien Agent, the Second Lien Claimholders and the Second Lien Obligations, upon the later of (1) the date upon which the obligations under the Second Lien Credit Agreement terminate if there are no other Second Lien Obligations outstanding on such date and (2) if there are other Second Lien Obligations outstanding on such date, the date upon which such Second Lien Obligations terminate.

8.3 Amendments; Waivers.No amendment, modification or waiver of any of the provisions of this Agreement by the Second Lien Agent or the First Lien Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, the Company shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent the rights or obligations of the Company or any other Grantor are affected. The Company shall be given notice and copies of all amendments, modifications and waivers hereof or hereunder.

8.4 Information Concerning Financial Condition of the Company and its Subsidiaries.. (a) The First Lien Agent and the First Lien Claimholders, on the one hand, and the Second Lien Claimholders and the Second Lien Agent, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Company and its Subsidiaries and all endorsers and/or guarantors of the First Lien Obligations or the Second Lien Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the First Lien Obligations or the Second Lien Obligations.

(b) The First Lien Agent and the First Lien Claimholders shall have no duty to advise the Second Lien Agent or any Second Lien Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event the First Lien Agent or any of the First Lien Claimholders, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to the Second Lien Agent or any Second Lien Claimholder, it or they shall be under no obligation:

(i) to make, and the First Lien Agent and the First Lien Claimholders shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided;

(ii) to provide any additional information or to provide any such information on any subsequent occasion;

(iii) to undertake any investigation; or

(iv) to disclose any information, which pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

(c) The Second Lien Agent and the Second Lien Claimholders shall have no duty to advise the First Lien Agent or any First Lien Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event the Second Lien Agent or any of the Second Lien Claimholders, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to the First Lien Agent or any First Lien Claimholder, it or they shall be under no obligation:

(i) to make, and the Second Lien Agent and the Second Lien Claimholders shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided;

(ii) to provide any additional information or to provide any such information on any subsequent occasion;

(iii) to undertake any investigation; or

(iv) to disclose any information, which pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Subrogation.With respect to the value of any payments or distributions in cash, property or other assets that any of the Second Lien Claimholders or the Second Lien Agent pays over to the First Lien Agent or the First Lien Claimholders under the terms of this Agreement, the Second Lien Claimholders and the Second Lien Agent shall be subrogated to the rights of the First Lien Agent and the First Lien Claimholders; provided that, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of First Lien Obligations has occurred. Each Grantor acknowledges and agrees that the value of any payments or distributions in cash, property or other assets received by the Second Lien Agent or the Second Lien Claimholders that are paid over to the First Lien Agent or the First Lien Claimholders pursuant to this Agreement shall not reduce any of the Second Lien Obligations.

8.6 Application of Payments.All payments received by the First Lien Agent or the First Lien Claimholders may be applied, reversed and reapplied, in whole or

in part, to such part of the First Lien Obligations provided for in the First Lien Loan Documents. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, assents to any extension or postponement of the time of payment of the First Lien Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security which may at any time secure any part of the First Lien Obligations and to the addition or release of any other Person primarily or secondarily liable therefor, except as expressly set forth in Section 5.3 of this Agreement.

8.7 SUBMISSION TO JURISDICTION; WAIVERS.**(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY:**

(1) **ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;**

(2) **WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;**

(3) **AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 8.8; AND**

(4) **AGREES THAT SERVICE AS PROVIDED IN CLAUSE (3) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.**

(b) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER HEREOF, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND

REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE; MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.7(b) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER FIRST LIEN LOAN DOCUMENT OR SECOND LIEN LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

8.8 Notices.All notices to the Second Lien Claimholders and the First Lien Claimholders permitted or required under this Agreement shall also be sent to the Second Lien Agent and the First Lien Agent, respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes hereof, the addresses of the parties hereto shall be as set forth in the First Lien Credit Agreement and the Second Lien Credit Agreement, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

8.9 Further Assurances.The First Lien Agent, on behalf of itself and the First Lien Claimholders under the First Lien Loan Documents, and the Second Lien Agent, on behalf of itself and the Second Lien Claimholders under the Second Lien Loan Documents, and the Company and the other Grantors, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the First Lien Agent or the Second Lien Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement.

8.10 APPLICABLE LAW.THIS AGREEMENT, AND ANY CLAIM OR CONTROVERSY RELATING TO THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW OR TORT LAW, SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.11 Binding on Successors and Assigns.This Agreement shall be binding upon the First Lien Agent, the First Lien Claimholders, the Second Lien Agent, the Second Lien Claimholders and their respective successors and assigns. If either of the First Lien Agent or the Second Lien Agent resigns or is replaced pursuant to the First Lien Credit Agreement or the Second Lien Credit Agreement, as applicable, its successor shall be deemed to be a party to this Agreement and shall have all the rights of, and be subject to all the obligations of, this Agreement.

8.12 Specific Performance.Each of the First Lien Agent and the Second Lien Agent may demand specific performance of this Agreement. The First Lien Agent, on behalf of itself and the First Lien Claimholders under the First Lien Loan Documents, and the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby irrevocably waive any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the First Lien Agent or the First Lien Claimholders or the Second Lien Agent or the Second Lien Claimholders, as the case may be.

8.13 Headings.Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

8.14 Counterparts.This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by electronic transmission or "PDF" shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.15 Authorization.Each party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

8.16 No Third Party Beneficiaries.This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the First Lien Claimholders and the Second Lien Claimholders. Nothing in this Agreement shall impair, as between the Company and the other Grantors and the First Lien Agent and the First Lien Claimholders, or as between the Company and the other Grantors and the Second Lien Agent and the Second Lien Claimholders, the obligations of the Company and the other Grantors to pay principal, interest, fees and other amounts as provided in the First Lien Loan Documents and the Second Lien Loan Documents, respectively.

8.17 Provisions Solely to Define Relative Rights.The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the First Lien Agent and the First Lien Claimholders on the one hand and the Second Lien Agent and the Second Lien Claimholders on the other hand. Nothing in this Agreement is intended to or shall impair the obligations of the Company or any other Grantor, which are

absolute and unconditional, to pay the First Lien Obligations and the Second Lien Obligations as and when the same shall become due and payable in accordance with their terms.

8.18 Multiple Capacities.The First Lien Claimholders, the Second Lien Claimholders, the Grantors and all other parties hereto, hereby (i) acknowledge that Citicorp North America, Inc. is acting hereunder and under the First Lien Loan Documents, the Second Lien Loan Documents and the facilities described therein in multiple capacities for multiple parties and (ii) waives any conflict of interest, now contemplated or arising hereafter, in connection therewith and agrees not to assert against Citicorp North America, Inc. any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto. Each Party agrees that Citicorp North America, Inc., in its various capacities hereunder, may take such actions on its behalf as is contemplated by the terms of thereof. Citicorp North America, Inc. may, in such multiple capacities, discharge its separate functions fully, without hindrance, liability or regard to claims based on conflict of interest principles, duty of loyalty principles or other breach of duties principles arising from or based on its acting in such multiple capacities. In furtherance thereof, each party hereto expressly waives all defenses, claims or assertions it may have against Citicorp North America, Inc. that are based on any such claims.

8.19 Austrian Stamp Duty

Notwithstanding the foregoing, each of the parties hereto covenants and agrees that it will not send, or cause to be sent, bring or cause to be brought, or otherwise import, or cause otherwise to be imported, into the Republic of Austria any original counterpart or certified or conformed copy of any executed First Lien Loan Documents or Second Lien Loan Documents (for the purposes of this Section 8.19, together, the "**Loan Documents**") or any document constituting or evidencing any transfer by any party of any right or interest under any Loan Document, or make use of any Loan Document or document before any fiscal or governmental authority or agency or any court of Austria; provided that, any party may, at the joint and several cost and expense of the Credit Parties as defined in the First Lien Credit Agreement if with respect to any executed First Lien Loan Documents or the Credit Parties as defined in the Second Lien Credit Agreement if with respect to any executed Second Lien Loan Document, send, or cause to be sent, bring, or cause to be brought, or otherwise import, or cause otherwise to be imported, any such Loan Document or document into the Republic of Austria if required to do so by applicable law or if such Loan Document or document is required to be presented in Austria in order to assist, enforce, protect or preserve any right of or remedy available to such party arising under or in respect of any of the Loan Documents or applicable law.

Each of the parties further agrees not to: (i) object to the introduction into evidence of (a) any uncertified copy of a signed original of a Loan Document or notarized or certified copy thereof or (b) any written minutes recording the transactions contemplated by a Loan Document and signed by a party or its representative (for the purpose of this Section 8.19, each an "**Original**"); (ii) raise as a defense to any action or exercise of a remedy a failure to introduce an Original into evidence; (iii) object to the submission of any uncertified copy of a Loan Document in any proceedings relating to a dispute before any

court, arbitral body or governmental authority in Austria (for the purpose of this Section 8.19, the "**Proceedings**"); (iv) contest the authenticity, and conformity to the Original (*Ubereinstimmung mit dem echten Original*), of an uncertified copy of an Original, in each case, unless any such uncertified copy actually introduced into evidence in Proceedings does not accurately reflect the content of such Original.

[Remainder of Page Intentionally Left Blank]

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

First Lien Agent

CITICORP NORTH AMERICA, INC.,
as First Lien Agent

By:_____
Name:
Title:

Second Lien Agent

CITICORP NORTH AMERICA, INC.,
as Second Lien Agent

By:_____
Name:
Title:

Acknowledged and Agreed to by:

XERIUM TECHNOLOGIES, INC.,

By:_____
Name:
Title:

XTI LLC

By:_____
Name:
Title:

XERIUM ITALIA S.P.A.

By:_____
Name:
Title:

XERIUM CANADA INC.

By:_____
Name:
Title:

HUYCK.WANGNER AUSTRIA GMBH

By:_____
Name:
Title:

XERIUM GERMANY HOLDING GMBH

By:_____
Name:
Title:

HUYCK.WANGNER GERMANY GMBH

By:_____
Name:
Title:

HUYCK.WANGNER AUSTRALIA PTY LIMITED

By:_____
Name:
Title:
By:_____
Name:
Title:

ROBEC WALZEN GMBH

By:_____
Name:
Title:

WANGNER ITELPA PARTICIPAÇÕES LTDA.

By:_____
Name:
Title:

XERIUM TECHNOLOGIES DO BRASIL INDÚSTRIA E COMÉRCIO S.A.

By:_____
Name:
Title:

XERIUM DO BRASIL LTDA.

By:_____
Name:
Title:

XERIUM (FRANCE) SAS

By:_____

Name:
Title:

STOWE WOODWARD FRANCE SAS

By:_____
Name:
Title:

STOWE WOODWARD AG

By:_____
Name:
Title:

HUYCK. WANGNER JAPAN LIMITED

By:_____
Name:
Title:

STOWE WOODWARD MÉXICO, S.A. DE C.V.

By:_____
Name:
Title:

HUYCK. WANGNER UK LIMITED

By:_____
Name:
Title:

STOWE-WOODWARD (UK) LIMITED

By:_____
Name:
Title:

XERIUM TECHNOLOGIES LIMITED

By:_____
Name:
Title:

HUYCK LICENSCO INC.

By:_____
Name:
Title:

STOWE WOODWARD LLC

By:_____
Name:
Title:

STOWE WOODWARD LICENSCO LLC

By:_____
Name:
Title:

WEAVEXX, LLC

By:_____
Name:
Title:

XERIUM III (US) LIMITED

By:_____
Name:
Title:

XERIUM IV (US) LIMITED

By:_____
Name:
Title:

XERIUM V (US) LIMITED

By:_____
Name:
Title:

WANGNER ITELPA I LLC

By:_____
Name:
Title:

WANGNER ITELPA II LLC

By:_____
Name:
Title:

XERIUM ASIA LLC

By:_____
Name:
Title:

ROBEC BRAZIL LLC

By:_____
Name:
Title:

HUYCK WANGNER VIETNAM CO LTD

By:_____
Name:

Title:

HUYCK WANGNER SCANDINAVIA AB

By:_____
Name:
Title:

STOWE WOODWARD SWEDEN AB

By:_____
Name:
Title:

SCHEDULE 1.56

New Warrants

FORM OF WARRANT

XERIUM TECHNOLOGIES, INC.

WARRANTS TO PURCHASE [ ] SHARES OF COMMON STOCK

Warrant No. **[**01**]** Date of Issuance: **[**April __**]**, 2010
CUSIP No.: **[**_____**]**

THIS CERTIFIES THAT, **[**_____**]**, and any of its registered assigns (the *"**Holder**"*), is the registered owner of **[**_____**]** Warrants, each of which entitles the Holder to purchase from Xerium Technologies, Inc., a Delaware corporation (the "***Company***"), upon the terms and subject to the conditions hereinafter set forth, during the Exercise Period (as defined herein), a number of shares of Common Stock (each an *"**Exercise Share**"* and collectively, the *"**Exercise Shares**"*) equal to the Warrant Share Number at a purchase price equal to the Exercise Price. This Warrant Certificate (as defined below) is issued pursuant to the plan of reorganization of the Company and certain of its subsidiaries and affiliates under Chapter 11 of Title 11 of the United States Code (the "***Plan***").

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be executed by its duly authorized officer as of **[**April __**]**, 2010. This Warrant Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Warrant Agent.

XERIUM TECHNOLOGIES, INC.

By:_____
Name: Stephen Light
Title: Chief Executive Officer

Countersigned:

AMERICAN STOCK TRANSFER & TRUST
COMPANY, LLC,
as Warrant Agent

By: _____
Authorized Signatory

1. Definitions. Capitalized terms used herein but not otherwise defined herein shall have their respective meanings as set forth in the Warrant Agreement. As used herein, the following terms shall have the following respective meanings:

(A) *"**Agent Members**"* means the securities brokers and dealers, banks and trust companies, clearing organizations and certain other organizations that are participants in the Depositary's system.

(B) *"**Bloomberg**"* has the meaning specified in Section 2.2.

(C) *"**Business Day**"* means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

(D) *"**Common Stock**"* means the common stock, par value $0.001 per share, of the Company.

(E) *"**Company**"* has the meaning in the first paragraph of this Warrant Certificate.

(F) *"**Definitive Warrant**"* means a Warrant Certificate in definitive form that is not deposited with the Depositary or with the Warrant Agent as custodian for the Depositary.

(G) *"**Depositary**"* means The Depository Trust Company, its nominees and their respective successors.

(H) *"**Exercise Date**"* has the meaning specified in Section 2.

(I) *"**Eligible Market**"* means any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Market, The NASDAQ Global Select Market or The NASDAQ Capital Market.

(J) "***Exercise Period***" means the period beginning at 9:30 a.m., New York City time, on the first day after the date hereof and ending at 5:00 p.m., New York City time, on **[**April __**]**, 2014, unless sooner terminated as provided below.

(K) *"**Exercise Price**"* means $**[**1.04**]** per share of Common Stock, subject to adjustment pursuant to Section 3 below.

(L) "***Exercise Shares***" has the meaning specified in the first paragraph of this Warrant Certificate; provided that the aggregate number of Exercise Shares under all Warrants shall not exceed **[**_____**]**, subject to the anti-dilution adjustments set forth in Section 3.

(M) "***Fundamental Transaction***" has the meaning specified in Section 5.

(N) *"**Global Warrant**"* means a Warrant Certificate in global form that is deposited with the Depositary or with the Warrant Agent as custodian for the Depositary.

(O) *"**Holder**"* has the meaning in the first paragraph of this Warrant Certificate.

(P) *"**Plan**"* has the meaning specified in the first paragraph of this Warrant Certificate.

(Q) *"**Trading Day**"* shall mean (a) a day on which the Common Stock is listed or quoted and traded on its primary Trading Market, or (b) if the Common Stock is not then listed or quoted and traded on its primary Trading Market, then a day on which the Common Stock is traded on any Trading Market, or (c) if the Common Stock is not then listed or quoted and traded on any Trading Market, then a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (d) if the Common Stock is not then reported by the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported in the "pink sheets" by Pink Sheets LLC (or any similar organization or agency succeeding to its functions of reporting prices); *provided*, that in the event that the Common Stock is not listed or quoted as set forth in (a), (b) (c) and (d) hereof, then Trading Day shall mean a Business Day.

(R) "***Trading Market***" shall mean any Eligible Market, or any national securities exchange, market or trading or quotation facility on which the Common Stock is then listed or quoted.

(S) *"**Transfer Agent**"* means American Stock Transfer & Trust Company, LLC, as transfer agent of the Company, and any successor transfer agent.

(T) *"**Warrant**"* means a right to purchase the number of shares of Common Stock equal to the Exercise Shares as provided herein.

(U) *"**Warrant Agent**"* has the meaning specified in Section 15.

(V) *"**Warrant Agreement**"* has the meaning specified in Section 15.

(W) *"**Warrant Certificate**"* means a fully registered certificate evidencing Warrants.

(X) *"**Warrant Share Number**"* means **[**one (1)**]** share of Common Stock, subject to adjustment pursuant to Section 3 below.

2. Exercise of Warrant. The Warrants evidenced by this Warrant Certificate may be exercised by the Holder in whole or in part at any time and from time to time solely during the Exercise Period, by delivery of the following to the Warrant Agent at the address set forth in Section 11 hereof (or at such other address as it may designate by notice in writing to the Holder):

(A) An executed Notice of Exercise in the form attached hereto;

(B) Payment of the Exercise Price either (i) by wire transfer of immediately available funds or by check or (ii) pursuant to Section 2.1 below; and

(C) This Warrant Certificate.

A Holder of a Warrant Certificate may obtain information with respect to effecting a payment by wire transfer by contacting the Warrant Agent.

In the case of a Global Warrant, any person with a beneficial interest in such Global Warrant shall effect compliance with the requirements in clauses (A), (B) and (C) above through the relevant Agent Member in accordance with procedures of the Depositary.

In the case of a Global Warrant, whenever some but not all of the Warrants represented by such Global Warrant are exercised in accordance with the terms thereof and of the Warrant Agreement, such Global Warrant shall be surrendered by the Holder to the Warrant Agent, which shall cause an adjustment to be made to Schedule A to such Global Warrant so that the number of Warrants represented thereby will be equal to the number of Warrants theretofor represented by such Global Warrant less the number of Warrants then exercised. The Warrant Agent shall thereafter promptly return such Global Warrant to the Holder or its nominee or custodian. In the case of a Definitive Warrant, whenever some but not all of the Warrants represented by such Definitive Warrant are exercised in accordance with the terms thereof and of the Warrant Agreement, the Holder shall be entitled, at the request of such Holder, to receive from the Company within a reasonable time, and in any event not exceeding three (3) Business Days, a new Definitive Warrant in substantially identical form for the number of Warrants equal to the number of Warrants theretofor represented by such Definitive Warrant less the number of Warrants then exercised.

If this Warrant Certificate shall have been exercised in full, the Warrant Agent shall promptly cancel such certificate following its receipt from the Holder or the Depositary, as applicable.

Notwithstanding anything in this Warrant Certificate to the contrary, in the case of Warrants evidenced by a Global Warrant, any Agent Member may, without the consent of the Warrant Agent or any other person, on its own behalf and on behalf of any beneficial owner for which it is acting, enforce, and may institute and maintain, any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, its right to exercise, and to receive Shares for, its Warrants as provided in the Global Warrant, and to enforce the Warrant Agreement.

This Warrant Certificate shall be deemed to have been exercised on the date the deliverables described in clauses (A), (B) and (C) in the first paragraph of this Section 2 are received by the Warrant Agent (in the case of a Definitive Warrant) or the Agent Member (in the case of a Global Warrant) (such date, the "***Exercise Date***").

2.1 Issuance of Exercise Shares. Exercise Shares issued upon valid exercise of Warrants evidenced by this Warrant Certificate shall be (i) issued in such name or names as the exercising Holder may designate and (ii) delivered by the Transfer Agent to such Holder or its nominee or nominees (A) via book-entry transfer crediting the account of such Holder (or the relevant Agent Member for the benefit of such Holder) through the Depositary's DWAC system (if the Transfer Agent participates in such system), or (B) otherwise in certificated form by physical delivery to the address specified by the Holder in the Notice of Exercise. The Company shall use its commercially reasonable efforts to cause its Transfer Agent to be a participant in the Depositary's DWAC system. The Company shall cause the number of full Exercise Shares to which such Holder shall be entitled to be so delivered by the Transfer Agent within a reasonable time, not to exceed three (3) Business Days after the date on which Warrants evidenced by this Warrant Certificate have been duly exercised in accordance with the terms hereof.

The Company hereby represents and warrants that any Exercise Shares issued upon the exercise of Warrants evidenced by this Warrant Certificate in accordance with the provisions of Section 2 will be duly and validly authorized and issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by a Holder, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith). The Company agrees that the Exercise Shares so issued will be deemed to have been issued to a Holder as of the close of business on the date on which Warrants evidenced by this Warrant Certificate have been duly exercised, notwithstanding that the stock transfer books of the Company may then be closed or certificates representing such Exercise Shares may not be actually delivered on such date. The Company will at all times, from the commencement of the Exercise Period until the expiration thereof (or, if such date shall not be a Business Day, then on the next succeeding Business Day) reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of providing for the exercise of Warrants evidenced by this Warrant Certificate, the aggregate number of shares of Common Stock then issuable upon exercise hereof at any time. The Company will (A) procure, at its sole expense, the listing of the Exercise Shares issuable upon exercise hereof prior to the commencement of the Exercise Period, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Exercise Shares at all times after issuance. The Company will use reasonable best efforts to ensure that the Exercise Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Exercise Shares are listed or traded.

Subject to the final sentence of this paragraph and to the extent permitted by law, the Company's obligations to cause its Transfer Agent to issue and deliver Exercise Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or entity or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person or entity of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person or entity, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Exercise Shares. The Holder shall have the right to pursue any remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Exercise Shares upon exercise of this Warrant Certificate as required pursuant to the terms hereof.

Notwithstanding anything in this Warrant Certificate to the contrary, in the case of Warrants evidenced by a Global Warrant, any Agent Member may, without the consent of the Warrant Agent or any other person, on its own behalf and on behalf of any beneficial owner for which it is acting, enforce, and may institute and maintain, any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, its right to exercise, and to receive Exercise Shares for, its Warrants as provided in the Global Warrant, and to enforce the Warrant Agreement.

2.2 Net Exercise. If during the Exercise Period the fair market value of one share of the Common Stock is greater than the Exercise Price (at the date of calculation as set forth below), in lieu of exercising this Warrant Certificate by payment of cash or by check, the Holder may, at its election, effect a "net exercise" of this Warrant, in which event, if so effected, the Holder shall receive Exercise Shares equal to the value (as determined below) of this

Warrant Certificate (or the portion thereof being exercised and canceled) by surrender of this Warrant Certificate at the principal office of the Warrant Agent together with the properly endorsed Notice of Exercise in which event the Warrant Agent shall issue to the Holder a number of shares of Common Stock computed by the Company and communicated to the Warrant Agent, using the following formula:

$$X = \frac{Y*(A-B)}{A}$$

Where X = the number of Exercise Shares to be issued to the Holder

Y = the number of Exercise Shares with respect to which this Warrant Certificate is being exercised

A = the Fair Market Value (as defined below) of one share of Common Stock (at the date of such calculation)

B = Exercise Price (as adjusted to the date of such calculation)

For purposes of this Warrant, the "***Fair Market Value***" of one share of Common Stock shall mean (i) the average of the closing sales prices for the shares of Common Stock on the New York Stock Exchange or other Eligible Market where the Common Stock is listed or traded as reported by Bloomberg Financial Markets (or a comparable reporting service of national reputation selected by the Company and reasonably acceptable to the Holder if Bloomberg Financial Markets is not then reporting sales prices of the Common Stock) (collectively, "***Bloomberg***") for the five (5) consecutive Trading Days immediately prior to the Exercise Date, or (ii) if an Eligible Market is not the principal Trading Market for the shares of Common Stock, the average of the reported sales prices reported by Bloomberg on the principal Trading Market for the Common Stock during the same period, or, if there is no sales price for such period, the last sales price reported by Bloomberg for such period, (iii) if the Common Stock is not then listed, quoted or traded on any Trading Market, then the last sales price in the over-the-counter market, as reported by the OTC Bulletin Board, or (iv) if none of the foregoing applies, the last sales price of the Common Stock in the over-the-counter market as reported in the "pink sheets" by Pink Sheets LLC (or any similar organization or agency succeeding to its functions of reporting prices) for such security as reported by Bloomberg, or if no sales price is so reported for such security, the last bid price of such security as reported by Bloomberg, or (v) if fair market value cannot be calculated as of such date on any of the foregoing bases, the fair market value shall be as determined by the Board of Directors of the Company in the exercise of its good faith judgment.

2.3 Payment of Taxes and Expenses. The Company shall pay any recording, filing, stamp or similar tax which may be payable in respect of any transfer involved in the issuance of, and the preparation and delivery of certificates (if applicable) representing, (i) any Exercise Shares issuable upon exercise of this Warrant Certificate and/or (ii) new or replacement warrants in the Holder's name; *provided*, *however*, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance, delivery or registration of any certificates for Exercise Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant Certificate or receiving Exercise Shares upon exercise hereof.

3. Adjustment of Exercise Price and Warrant Share Number. The Exercise Price and the Warrant Share Number are subject to adjustment from time to time as set forth in this Section 3.

(A) If the Company, at any time while this Warrant Certificate is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Warrant Share Number shall be proportionately adjusted to reflect the distribution, subdivision or combination and the Exercise Price shall be multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such event, and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(B) Upon the occurrence of each adjustment pursuant to this Section 3, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant Certificate and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted Warrant Share Number or type of Exercise Shares or other securities issuable upon exercise of this Warrant Certificate (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. The Company will promptly deliver a copy of each such certificate to the Holder and to the Warrant Agent.

(C) As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 3, the Company shall take any action which may be necessary, including obtaining any regulatory, Trading Market or stockholder approvals or exemptions, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all Exercise Shares that a Holder is entitled to receive upon exercise of a Warrant pursuant to this Section 3.

4. Fractional Shares. No fractional shares shall be issued upon the exercise of any Warrants evidenced by this Warrant Certificate as a consequence of any adjustment pursuant hereto. All Exercise Shares (including fractions) issuable upon exercise of this Warrant Certificate may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the number of Exercise Shares to be issued will be rounded up to the nearest whole share.[1]

5. Fundamental Transactions. If any capital reorganization, reclassification of the capital stock of the Company, consolidation or merger of the Company with another entity in which the Company is not the survivor or the stockholders of the Company immediately prior to such transaction own less than 50% of the voting power of the surviving entity immediately after such transaction, or sale, transfer or other disposition of all or substantially all of the Company's assets to another entity shall be effected (any such transaction being hereinafter referred to as a "***Fundamental Transaction***"), then the Company shall use its commercially reasonable efforts to ensure that lawful and adequate provision shall be made whereby the Holder shall thereafter have the right to purchase and receive upon the basis and upon the terms and conditions herein specified and in lieu of the Exercise Shares immediately theretofore issuable upon exercise of this Warrant Certificate, such shares of stock, securities or assets as would have been issuable or payable with respect to or in exchange for a number of Exercise Shares equal to the number of Exercise Shares immediately theretofore issuable upon exercise of this Warrant Certificate, had such reorganization, reclassification, consolidation, merger, sale, transfer or other disposition not taken place, and in any such case appropriate provision shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof (including, without limitation, provision for adjustment of the Exercise Price) shall thereafter be applicable, as nearly equivalent as may be practicable in relation to any share of stock, securities or assets thereafter deliverable upon the exercise thereof. The Company shall not effect any such consolidation, merger, sale, transfer or other disposition unless prior to or simultaneously with the consummation thereof the successor entity (if other than the Company) resulting from such consolidation or merger, or the entity purchasing or otherwise acquiring such assets or other appropriate corporation or entity shall assume the obligation to deliver to the Holder, at the last address of the Holder appearing on the books of the Company, such shares of stock, securities or assets as, in accordance with the foregoing provisions, the Holder may be entitled to purchase, and the other obligations under this Warrant Certificate. The provisions of this Section 5 shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, transfers or other dispositions, each of which transactions shall also constitute a Fundamental Transaction.

6. No Stockholder Rights. Warrants evidenced by this Warrant Certificate shall not entitle the Holder or the owner of any beneficial interest in such Warrants to any voting rights or other rights as a stockholder of the Company prior to the date such Holder becomes a stockholder of record of the Exercise Shares.

7. Transfer of Warrant. This Warrant Certificate and all rights hereunder are transferable, in whole or in part, upon the books of the Company (or an agent duly appointed by the Company) by the registered holder hereof in person or by duly authorized attorney, and one or more new Warrant Certificates shall be made and delivered by the

[1] TBD whether fractional shares will be settled in cash or in stock by rounding up to the nearest whole number.

Company, of the same tenor and date as this Warrant Certificate but registered in the name of one or more transferees, upon surrender of this Warrant Certificate, duly endorsed, to the office of the Warrant Agent described in Section 2; *provided* that if this Warrant Certificate is a Global Warrant registered in the name of the Depositary, transfers of such Global Warrant may only be made as a whole, and not in part, and only by (i) the Depositary to a nominee of the Depositary, (ii) a nominee of the Depositary to the Depositary or another nominee of the Depositary or (iii) the Depositary or any such nominee to a successor Depositary or its nominee. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new Warrants pursuant to this Section 7 shall be paid by the Company.

If this Warrant Certificate is a Global Warrant, then so long as the Global Warrant is registered in the name of the Depositary, the holders of beneficial interests in the Warrants evidenced thereby shall have no rights under the Warrant Agreement with respect to the Global Warrant held on their behalf by the Depositary or the Warrant Agent as its custodian, and the Depositary may be treated by the Company, the Warrant Agent and any agent of the Company or the Warrant Agent as the absolute owner of the Global Warrant for all purposes whatsoever except to the extent set forth herein. Accordingly, any such owner's beneficial interest in the Global Warrant will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or the Agent Members, and neither the Company nor the Warrant Agent shall have any responsibility with respect to such records maintained by the Depositary or the Agent Members. Notwithstanding the foregoing, nothing herein shall (i) prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by the Depositary or (ii) impair, as between the Depositary and the Agent Members, the operation of customary practices governing the exercise of the rights of a holder of a beneficial interest in any Warrant. Except as may otherwise provided in this Warrant Certificate or the Warrant Agreement, the rights of beneficial owners in a Global Warrant shall be exercised through the Depositary subject to the applicable procedures of the Depositary. Any holder of the Global Warrant shall, by acceptance of the Global Warrant, agree that transfers of beneficial interests in the Global Warrant may be effected only through a book-entry system maintained by the Depositary, and that ownership of a beneficial interest in the Warrants represented thereby shall be required to be reflected in book-entry form.

A Warrant originally issued as a Global Warrant shall be exchanged for Definitive Warrants, and Definitive Warrants may be transferred or exchanged for a beneficial interest in a Global Warrant, only at such times and in the manner specified in the Warrant Agreement. The holder of a Global Warrant may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold beneficial interests in such Global Warrant through Agent Members, to take any action that a Holder is entitled to take under a Warrant or the Warrant Agreement.

8. Exchange and Registry of Warrants. This Warrant Certificate is exchangeable, upon the surrender hereof by the Holder to the Company, for a new Warrant Certificate or Warrant Certificates of like tenor and representing the same aggregate number of Warrants. The Company or an agent duly appointed by the Company (which initially shall be the Warrant Agent) shall maintain a registry showing the name and address of the Holder as the registered holder of this Warrant Certificate. This Warrant Certificate may be surrendered for exchange or exercise in accordance with its terms, at the office of the Company or any such agent, and the Company shall be entitled to rely in all respects upon such registry.

9. Lost, Stolen, Mutilated or Destroyed Warrant. If this Warrant Certificate is lost, stolen, mutilated or destroyed, the Company may, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant Certificate, include the surrender thereof), issue a new Warrant Certificate of like denomination and tenor as this Warrant Certificate so lost, stolen, mutilated or destroyed. Any such new Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant Certificate shall be at any time enforceable by anyone.

10. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding day that is a Business Day.

11. Notices. Any notice or communication shall be in writing and delivered in person, mailed by certified or registered mail, return receipt requested, or nationally recognized next-Business Day courier, addressed as follows:

If to the Company:

Xerium Technologies, Inc.
8537 Six Forks Road, Suite 300
Raleigh, NC 27615
Attn:
Telephone:
Facsimile:

If to the Warrant Agent:

American Stock Transfer & Trust Company, LLC
59 Maiden Lane
Plaza Level
New York, NY 10038
Telephone: 718-921-8208
Facsimile: 718-921-8335
Attention: Geraldine Zarbo

The Company or the Warrant Agent by notice to the other may designate additional or different addresses for subsequent notices or communications.

11.1 Unless the Warrant is a Global Warrant, any notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears on the registry of the Warrant Agent and shall be sufficiently given if so mailed within the time prescribed. Any notice to the owners of a beneficial interest in a Global Warrant shall be distributed through the Depositary in accordance with the procedures of the Depositary. Communications to such Holder shall be deemed to be effective at the time of dispatch to the Depositary.

11.2 Failure to provide a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is provided in the manner provided above, it is duly given, whether or not the intended recipient actually receives it.

12. Acceptance. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein and in the Warrant Agreement.

13. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant Certificate and the Warrants evidenced hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each of the Company and the Holder hereby irrevocably waives personal service of process and consents to process being served in any proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it hereunder and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

14. Binding Effect; Countersignature by Warrant Agent. This Warrant Certificate shall be binding upon any successors or assigns of the Company. This Warrant Certificate shall not be valid until an authorized signatory of the Warrant Agent or its agent as provided in the Warrant Agreement countersigns this Warrant Certificate. Such signature shall be solely for the purpose of authenticating this Warrant Certificate and shall be conclusive evidence that this Warrant Certificate has been countersigned under the Warrant Agreement.

15. Warrant Agreement; Amendments. This Warrant Certificate is issued under and subject to the terms of a Warrant Agreement dated as of **[**April __**]**, 2010 (the "***Warrant Agreement***"), between the Company and American Stock Transfer & Trust Company, LLC (the "***Warrant Agent***", which term includes any successor Warrant Agent under the Warrant Agreement), and is subject to the terms and provisions contained in the Warrant Agreement, to all of which terms and provisions the beneficial owners of the Warrants and the Holders consent by acceptance hereof. The Warrant Agreement is hereby incorporated herein by reference and made a part hereof. Reference is hereby made to the Warrant Agreement for a statement of the respective rights, limitations of rights, duties and obligations

of the Company, the Warrant Agent and the Holders and beneficial owners of the Warrants. A copy of the Warrant Agreement may be obtained for inspection by the Holders upon written request to the Warrant Agent at American Stock Transfer & Trust Company, LLC, 59 Maiden Lane, Plaza Level, New York, New York 10038, telephone: 718-921-8208, facsimile: 718-921-8335, Attention: Geraldine Zarbo. The Warrant Agreement and this Warrant Certificate may be amended and the observance of any term of the Warrant Agreement or this Warrant Certificate may be waived only to the extent provided in the Warrant Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Form of Notice of Exercise

(to be executed only upon exercise of Warrants)

Date: _____

TO: Xerium Technologies, Inc. (the "***Company***")

RE: Election to Purchase Common Stock

The undersigned registered holder of **[●]** Warrants irrevocably elects to exercise the number of Warrants set forth below represented by the Warrant Certificate enclosed herewith, and surrenders all right, title and interest in the number of Warrants exercised hereby to the Company, and directs that the shares of Common Stock or other securities or property delivered upon exercise of such Warrants, and any interests in the Definitive Warrant representing unexercised Warrants, be registered or placed in the name and at the address specified below and delivered thereto.

Number of Warrants _____

Holder: _____
By: _____
Name: _____
Title: _____

Signature guaranteed by (if a guarantee is required):

_____

Securities and/or check to be issued to:

If in book-entry form through the Depositary:

Depositary Account Number: _____

Name of Agent Member: _____

If in definitive form:

Social Security Number
or Other Identifying Number: _____

Name: _____

Street Address: _____

City, State and Zip Code: _____

Any unexercised Warrants evidenced by the exercising Holder's interest in the Global Warrant or Definitive Warrant, as the case may be, to be issued to:

If in book-entry form through the Depositary:

Depositary Account Number: _____

Name of Agent Member: _____

If in definitive form:

Social Security Number
or Other Identifying Number: _____

Name: _____

Street Address: _____

City, State and Zip Code: _____

Form of Assignment

For value received, the undersigned registered Holder of the within Warrant Certificate hereby sells, assigns and transfers unto the Assignee(s) named below (including the undersigned with respect to any Warrants constituting a part of the Warrants evidenced by the within Warrant Certificate not being assigned hereby) all of the right, title and interest of the undersigned under the within Warrant Certificate with respect to the number of Warrants set forth below.

Name of Assignees	**Address**	**Number of Warrants**	**Social Security Number or other Identifying Number**

and does irrevocably constitute and appoint **[●]**, the undersigned's attorney, to make such transfer on the books of the Company maintained for the purpose, with full power of substitution in the premises.

Dated:

Holder: _____
By: _____
Name: _____
Title: _____

Signature guaranteed by (if a guarantee is required):

_____

FORM OF WARRANT

Global Securities Legend

UNLESS THIS GLOBAL WARRANT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR EXERCISE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL WARRANT SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE WARRANT AGREEMENT REFERRED TO ON THE REVERSE HEREOF.

XERIUM TECHNOLOGIES, INC.

WARRANTS TO PURCHASE [ ] SHARES OF COMMON STOCK

Warrant No. **[**01**]** Date of Issuance: **[**April __**]**, 2010
CUSIP No.: **[**_____**]**

THIS CERTIFIES THAT, Cede & Co., and any of its registered assigns (the *"**Holder**"*), is the registered owner of the number of Warrants set forth on Schedule A hereto, each of which entitles the Holder to purchase from Xerium Technologies, Inc., a Delaware corporation (the "***Company***"), upon the terms and subject to the conditions hereinafter set forth, during the Exercise Period (as defined herein), a number of shares of Common Stock (each an *"**Exercise Share**"* and collectively, the *"**Exercise Shares**"*) equal to the Warrant Share Number at a purchase price equal to the Exercise Price. This Warrant Certificate (as defined below) is issued pursuant to the plan of reorganization of the Company and certain of its subsidiaries and affiliates under Chapter 11 of Title 11 of the United States Code (the "***Plan***").

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be executed by its duly authorized officer as of **[**April __**]**, 2010. This Warrant Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Warrant Agent.

XERIUM TECHNOLOGIES, INC.

By:_____
Name: Stephen Light
Title: Chief Executive Officer

Countersigned:

AMERICAN STOCK TRANSFER & TRUST
COMPANY, LLC,
as Warrant Agent

By: _____
Authorized Signatory

1. Definitions. Capitalized terms used herein but not otherwise defined herein shall have their respective meanings as set forth in the Warrant Agreement. As used herein, the following terms shall have the following respective meanings:

(A) *"**Agent Members**"* means the securities brokers and dealers, banks and trust companies, clearing organizations and certain other organizations that are participants in the Depositary's system.

(B) *"**Bloomberg**"* has the meaning specified in Section 2.2.

(C) *"**Business Day**"* means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

(D) *"**Common Stock**"* means the common stock, par value $0.001 per share, of the Company.

(E) *"**Company**"* has the meaning in the first paragraph of this Warrant Certificate.

(F) *"**Definitive Warrant**"* means a Warrant Certificate in definitive form that is not deposited with the Depositary or with the Warrant Agent as custodian for the Depositary.

(G) *"**Depositary**"* means The Depository Trust Company, its nominees and their respective successors.

(H) *"**Exercise Date**"* has the meaning specified in Section 2.

(I) *"**Eligible Market**"* means any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Market, The NASDAQ Global Select Market or The NASDAQ Capital Market.

(J) "***Exercise Period***" means the period beginning at 9:30 a.m., New York City time, on the first day after the date hereof and ending at 5:00 p.m., New York City time, on **[**April __**]**, 2014, unless sooner terminated as provided below.

(K) *"**Exercise Price**"* means $**[**1.04**]** per share of Common Stock, subject to adjustment pursuant to Section 3 below.

(L) "***Exercise Shares***" has the meaning specified in the first paragraph of this Warrant Certificate; provided that the aggregate number of Exercise Shares under all Warrants shall not exceed **[**_____**]**, subject to the anti-dilution adjustments set forth in Section 3.

(M) "***Fundamental Transaction***" has the meaning specified in Section 5.

(N) *"**Global Warrant**"* means a Warrant Certificate in global form that is deposited with the Depositary or with the Warrant Agent as custodian for the Depositary.

(O) *"**Holder**"* has the meaning in the first paragraph of this Warrant Certificate.

(P) *"**Plan**"* has the meaning specified in the first paragraph of this Warrant Certificate.

(Q) *"**Trading Day**"* shall mean (a) a day on which the Common Stock is listed or quoted and traded on its primary Trading Market, or (b) if the Common Stock is not then listed or quoted and traded on its primary Trading Market, then a day on which the Common Stock is traded on any Trading Market, or (c) if the Common Stock is not then listed or quoted and traded on any Trading Market, then a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (d) if the Common Stock is not then reported by the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported in the "pink sheets" by Pink Sheets LLC (or any similar organization or agency succeeding to its functions of reporting prices); *provided*, that in the event that the Common Stock is not listed or quoted as set forth in (a), (b) (c) and (d) hereof, then Trading Day shall mean a Business Day.

(R) "***Trading Market***" shall mean any Eligible Market, or any national securities exchange, market or trading or quotation facility on which the Common Stock is then listed or quoted.

(S) *"**Transfer Agent**"* means American Stock Transfer & Trust Company, LLC, as transfer agent of the Company, and any successor transfer agent.

(T) *"**Warrant**"* means a right to purchase the number of shares of Common Stock equal to the Exercise Shares as provided herein.

(U) *"**Warrant Agent**"* has the meaning specified in Section 15.

(V) *"**Warrant Agreement**"* has the meaning specified in Section 15.

(W) *"**Warrant Certificate**"* means a fully registered certificate evidencing Warrants.

(X) *"**Warrant Share Number**"* means **[**one (1)**]** share of Common Stock, subject to adjustment pursuant to Section 3 below.

2. Exercise of Warrant. The Warrants evidenced by this Warrant Certificate may be exercised by the Holder in whole or in part at any time and from time to time solely during the Exercise Period, by delivery of the following to the Warrant Agent at the address set forth in Section 11 hereof (or at such other address as it may designate by notice in writing to the Holder):

(A) An executed Notice of Exercise in the form attached hereto;

(B) Payment of the Exercise Price either (i) by wire transfer of immediately available funds or by check or (ii) pursuant to Section 2.1 below; and

(C) This Warrant Certificate.

A Holder of a Warrant Certificate may obtain information with respect to effecting a payment by wire transfer by contacting the Warrant Agent.

In the case of a Global Warrant, any person with a beneficial interest in such Global Warrant shall effect compliance with the requirements in clauses (A), (B) and (C) above through the relevant Agent Member in accordance with procedures of the Depositary.

In the case of a Global Warrant, whenever some but not all of the Warrants represented by such Global Warrant are exercised in accordance with the terms thereof and of the Warrant Agreement, such Global Warrant shall be surrendered by the Holder to the Warrant Agent, which shall cause an adjustment to be made to Schedule A to such Global Warrant so that the number of Warrants represented thereby will be equal to the number of Warrants theretofor represented by such Global Warrant less the number of Warrants then exercised. The Warrant Agent shall thereafter promptly return such Global Warrant to the Holder or its nominee or custodian. In the case of a Definitive Warrant, whenever some but not all of the Warrants represented by such Definitive Warrant are exercised in accordance with the terms thereof and of the Warrant Agreement, the Holder shall be entitled, at the request of such Holder, to receive from the Company within a reasonable time, and in any event not exceeding three (3) Business Days, a new Definitive Warrant in substantially identical form for the number of Warrants equal to the number of Warrants theretofor represented by such Definitive Warrant less the number of Warrants then exercised.

If this Warrant Certificate shall have been exercised in full, the Warrant Agent shall promptly cancel such certificate following its receipt from the Holder or the Depositary, as applicable.

Notwithstanding anything in this Warrant Certificate to the contrary, in the case of Warrants evidenced by a Global Warrant, any Agent Member may, without the consent of the Warrant Agent or any other person, on its own behalf and on behalf of any beneficial owner for which it is acting, enforce, and may institute and maintain, any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, its right to exercise, and to receive Shares for, its Warrants as provided in the Global Warrant, and to enforce the Warrant Agreement.

This Warrant Certificate shall be deemed to have been exercised on the date the deliverables described in clauses (A), (B) and (C) in the first paragraph of this Section 2 are received by the Warrant Agent (in the case of a Definitive Warrant) or the Agent Member (in the case of a Global Warrant) (such date, the "***Exercise Date***").

2.1 Issuance of Exercise Shares. Exercise Shares issued upon valid exercise of Warrants evidenced by this Warrant Certificate shall be (i) issued in such name or names as the exercising Holder may designate and (ii) delivered by the Transfer Agent to such Holder or its nominee or nominees (A) via book-entry transfer crediting the account of such Holder (or the relevant Agent Member for the benefit of such Holder) through the Depositary's DWAC system (if the Transfer Agent participates in such system), or (B) otherwise in certificated form by physical delivery to the address specified by the Holder in the Notice of Exercise. The Company shall use its commercially reasonable efforts to cause its Transfer Agent to be a participant in the Depositary's DWAC system. The Company shall cause the number of full Exercise Shares to which such Holder shall be entitled to be so delivered by the Transfer Agent within a reasonable time, not to exceed three (3) Business Days after the date on which Warrants evidenced by this Warrant Certificate have been duly exercised in accordance with the terms hereof.

The Company hereby represents and warrants that any Exercise Shares issued upon the exercise of Warrants evidenced by this Warrant Certificate in accordance with the provisions of Section 2 will be duly and validly authorized and issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by a Holder, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith). The Company agrees that the Exercise Shares so issued will be deemed to have been issued to a Holder as of the close of business on the date on which Warrants evidenced by this Warrant Certificate have been duly exercised, notwithstanding that the stock transfer books of the Company may then be closed or certificates representing such Exercise Shares may not be actually delivered on such date. The Company will at all times from the commencement of the Exercise Period until the expiration thereof (or, if such date shall not be a Business Day, then on the next succeeding Business Day) reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of providing for the exercise of Warrants evidenced by this Warrant Certificate, the aggregate number of shares of Common Stock then issuable upon exercise hereof at any time. The Company will (A) procure, at its sole expense, the listing of the Exercise Shares issuable upon exercise hereof prior to the commencement of the Exercise Period, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Exercise Shares at all times after issuance. The Company will use reasonable best efforts to ensure that the Exercise Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Exercise Shares are listed or traded.

Subject to the final sentence of this paragraph and to the extent permitted by law, the Company's obligations to cause its Transfer Agent to issue and deliver Exercise Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or entity or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person or entity of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person or entity, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Exercise Shares. The Holder shall have the right to pursue any remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Exercise Shares upon exercise of this Warrant Certificate as required pursuant to the terms hereof.

Notwithstanding anything in this Warrant Certificate to the contrary, in the case of Warrants evidenced by a Global Warrant, any Agent Member may, without the consent of the Warrant Agent or any other person, on its own behalf and on behalf of any beneficial owner for which it is acting, enforce, and may institute and maintain, any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, its right to exercise, and to receive Exercise Shares for, its Warrants as provided in the Global Warrant, and to enforce the Warrant Agreement.

2.2 Net Exercise. If during the Exercise Period the fair market value of one share of the Common Stock is greater than the Exercise Price (at the date of calculation as set forth below), in lieu of exercising this Warrant Certificate by payment of cash or by check, the Holder may, at its election, effect a "net exercise" of this Warrant, in which event, if so effected, the Holder shall receive Exercise Shares equal to the value (as determined below) of this

Warrant Certificate (or the portion thereof being exercised and canceled) by surrender of this Warrant Certificate at the principal office of the Warrant Agent together with the properly endorsed Notice of Exercise in which event the Warrant Agent shall issue to the Holder a number of shares of Common Stock computed by the Company and communicated to the Warrant Agent, using the following formula:

$$X = \frac{Y*(A-B)}{A}$$

Where X = the number of Exercise Shares to be issued to the Holder

Y = the number of Exercise Shares with respect to which this Warrant Certificate is being exercised

A = the Fair Market Value (as defined below) of one share of Common Stock (at the date of such calculation)

B = Exercise Price (as adjusted to the date of such calculation)

For purposes of this Warrant, the "***Fair Market Value***" of one share of Common Stock shall mean (i) the average of the closing sales prices for the shares of Common Stock on the New York Stock Exchange or other Eligible Market where the Common Stock is listed or traded as reported by Bloomberg Financial Markets (or a comparable reporting service of national reputation selected by the Company and reasonably acceptable to the Holder if Bloomberg Financial Markets is not then reporting sales prices of the Common Stock) (collectively, "***Bloomberg***") for the five (5) consecutive Trading Days immediately prior to the Exercise Date, or (ii) if an Eligible Market is not the principal Trading Market for the shares of Common Stock, the average of the reported sales prices reported by Bloomberg on the principal Trading Market for the Common Stock during the same period, or, if there is no sales price for such period, the last sales price reported by Bloomberg for such period, (iii) if the Common Stock is not then listed, quoted or traded on any Trading Market, then the last sales price in the over-the-counter market, as reported by the OTC Bulletin Board, or (iv) if none of the foregoing applies, the last sales price of the Common Stock in the over-the-counter market as reported in the "pink sheets" by Pink Sheets LLC (or any similar organization or agency succeeding to its functions of reporting prices) for such security as reported by Bloomberg, or if no sales price is so reported for such security, the last bid price of such security as reported by Bloomberg, or (v) if fair market value cannot be calculated as of such date on any of the foregoing bases, the fair market value shall be as determined by the Board of Directors of the Company in the exercise of its good faith judgment.

2.3 Payment of Taxes and Expenses. The Company shall pay any recording, filing, stamp or similar tax which may be payable in respect of any transfer involved in the issuance of, and the preparation and delivery of certificates (if applicable) representing, (i) any Exercise Shares issuable upon exercise of this Warrant Certificate and/or (ii) new or replacement warrants in the Holder's name; *provided*, *however*, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance, delivery or registration of any certificates for Exercise Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant Certificate or receiving Exercise Shares upon exercise hereof.

3. Adjustment of Exercise Price and Warrant Share Number. The Exercise Price and the Warrant Share Number are subject to adjustment from time to time as set forth in this Section 3.

(A) If the Company, at any time while this Warrant Certificate is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Warrant Share Number shall be proportionately adjusted to reflect the distribution, subdivision or combination and the Exercise Price shall be multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such event, and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(B) Upon the occurrence of each adjustment pursuant to this Section 3, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant Certificate and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted Warrant Share Number or type of Exercise Shares or other securities issuable upon exercise of this Warrant Certificate (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. The Company will promptly deliver a copy of each such certificate to the Holder and to the Warrant Agent.

(C) As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 3, the Company shall take any action which may be necessary, including obtaining any regulatory, Trading Market or stockholder approvals or exemptions, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all Exercise Shares that a Holder is entitled to receive upon exercise of a Warrant pursuant to this Section 3.

4. Fractional Shares. No fractional shares shall be issued upon the exercise of any Warrants evidenced by this Warrant Certificate as a consequence of any adjustment pursuant hereto. All Exercise Shares (including fractions) issuable upon exercise of this Warrant Certificate may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the number of Exercise Shares to be issued will be rounded up to the nearest whole share.[1]

5. Fundamental Transactions. If any capital reorganization, reclassification of the capital stock of the Company, consolidation or merger of the Company with another entity in which the Company is not the survivor or the stockholders of the Company immediately prior to such transaction own less than 50% of the voting power of the surviving entity immediately after such transaction, or sale, transfer or other disposition of all or substantially all of the Company's assets to another entity shall be effected (any such transaction being hereinafter referred to as a "***Fundamental Transaction***"), then the Company shall use its commercially reasonable efforts to ensure that lawful and adequate provision shall be made whereby the Holder shall thereafter have the right to purchase and receive upon the basis and upon the terms and conditions herein specified and in lieu of the Exercise Shares immediately theretofore issuable upon exercise of this Warrant Certificate, such shares of stock, securities or assets as would have been issuable or payable with respect to or in exchange for a number of Exercise Shares equal to the number of Exercise Shares immediately theretofore issuable upon exercise of this Warrant Certificate, had such reorganization, reclassification, consolidation, merger, sale, transfer or other disposition not taken place, and in any such case appropriate provision shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof (including, without limitation, provision for adjustment of the Exercise Price) shall thereafter be applicable, as nearly equivalent as may be practicable in relation to any share of stock, securities or assets thereafter deliverable upon the exercise thereof. The Company shall not effect any such consolidation, merger, sale, transfer or other disposition unless prior to or simultaneously with the consummation thereof the successor entity (if other than the Company) resulting from such consolidation or merger, or the entity purchasing or otherwise acquiring such assets or other appropriate corporation or entity shall assume the obligation to deliver to the Holder, at the last address of the Holder appearing on the books of the Company, such shares of stock, securities or assets as, in accordance with the foregoing provisions, the Holder may be entitled to purchase, and the other obligations under this Warrant Certificate. The provisions of this Section 5 shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, transfers or other dispositions, each of which transactions shall also constitute a Fundamental Transaction.

6. No Stockholder Rights. Warrants evidenced by this Warrant Certificate shall not entitle the Holder or the owner of any beneficial interest in such Warrants to any voting rights or other rights as a stockholder of the Company prior to the date such Holder becomes a stockholder of record of the Exercise Shares.

7. Transfer of Warrant. This Warrant Certificate and all rights hereunder are transferable, in whole or in part, upon the books of the Company (or an agent duly appointed by the Company) by the registered holder hereof in person or by duly authorized attorney, and one or more new Warrant Certificates shall be made and delivered by the

[1] TBD whether fractional shares will be settled in cash or in stock by rounding up to the nearest whole number.

Company, of the same tenor and date as this Warrant Certificate but registered in the name of one or more transferees, upon surrender of this Warrant Certificate, duly endorsed, to the office of the Warrant Agent described in Section 2; *provided* that if this Warrant Certificate is a Global Warrant registered in the name of the Depositary, transfers of such Global Warrant may only be made as a whole, and not in part, and only by (i) the Depositary to a nominee of the Depositary, (ii) a nominee of the Depositary to the Depositary or another nominee of the Depositary or (iii) the Depositary or any such nominee to a successor Depositary or its nominee. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new Warrants pursuant to this Section 7 shall be paid by the Company.

If this Warrant Certificate is a Global Warrant, then so long as the Global Warrant is registered in the name of the Depositary, the holders of beneficial interests in the Warrants evidenced thereby shall have no rights under the Warrant Agreement with respect to the Global Warrant held on their behalf by the Depositary or the Warrant Agent as its custodian, and the Depositary may be treated by the Company, the Warrant Agent and any agent of the Company or the Warrant Agent as the absolute owner of the Global Warrant for all purposes whatsoever except to the extent set forth herein. Accordingly, any such owner's beneficial interest in the Global Warrant will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or the Agent Members, and neither the Company nor the Warrant Agent shall have any responsibility with respect to such records maintained by the Depositary or the Agent Members. Notwithstanding the foregoing, nothing herein shall (i) prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by the Depositary or (ii) impair, as between the Depositary and the Agent Members, the operation of customary practices governing the exercise of the rights of a holder of a beneficial interest in any Warrant. Except as may otherwise provided in this Warrant Certificate or the Warrant Agreement, the rights of beneficial owners in a Global Warrant shall be exercised through the Depositary subject to the applicable procedures of the Depositary. Any holder of the Global Warrant shall, by acceptance of the Global Warrant, agree that transfers of beneficial interests in the Global Warrant may be effected only through a book-entry system maintained by the Depositary, and that ownership of a beneficial interest in the Warrants represented thereby shall be required to be reflected in book-entry form.

A Warrant originally issued as a Global Warrant shall be exchanged for Definitive Warrants, and Definitive Warrants may be transferred or exchanged for a beneficial interest in a Global Warrant, only at such times and in the manner specified in the Warrant Agreement. The holder of a Global Warrant may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold beneficial interests in such Global Warrant through Agent Members, to take any action that a Holder is entitled to take under a Warrant or the Warrant Agreement.

8. Exchange and Registry of Warrants. This Warrant Certificate is exchangeable, upon the surrender hereof by the Holder to the Company, for a new Warrant Certificate or Warrant Certificates of like tenor and representing the same aggregate number of Warrants. The Company or an agent duly appointed by the Company (which initially shall be the Warrant Agent) shall maintain a registry showing the name and address of the Holder as the registered holder of this Warrant Certificate. This Warrant Certificate may be surrendered for exchange or exercise in accordance with its terms, at the office of the Company or any such agent, and the Company shall be entitled to rely in all respects upon such registry.

9. Lost, Stolen, Mutilated or Destroyed Warrant. If this Warrant Certificate is lost, stolen, mutilated or destroyed, the Company may, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant Certificate, include the surrender thereof), issue a new Warrant Certificate of like denomination and tenor as this Warrant Certificate so lost, stolen, mutilated or destroyed. Any such new Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant Certificate shall be at any time enforceable by anyone.

10. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding day that is a Business Day.

11. Notices. Any notice or communication shall be in writing and delivered in person, mailed by certified or registered mail, return receipt requested, or nationally recognized next-Business Day courier, addressed as follows:

If to the Company:

Xerium Technologies, Inc.
8537 Six Forks Road, Suite 300
Raleigh, NC 27615
Attn:
Telephone:
Facsimile:

If to the Warrant Agent:

American Stock Transfer & Trust Company, LLC
59 Maiden Lane
Plaza Level
New York, NY 10038
Telephone: 718-921-8208
Facsimile: 718-921-8335
Attention: Geraldine Zarbo

The Company or the Warrant Agent by notice to the other may designate additional or different addresses for subsequent notices or communications.

11.1 Unless the Warrant is a Global Warrant, any notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears on the registry of the Warrant Agent and shall be sufficiently given if so mailed within the time prescribed. Any notice to the owners of a beneficial interest in a Global Warrant shall be distributed through the Depositary in accordance with the procedures of the Depositary. Communications to such Holder shall be deemed to be effective at the time of dispatch to the Depositary.

11.2 Failure to provide a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is provided in the manner provided above, it is duly given, whether or not the intended recipient actually receives it.

12. Acceptance. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein and in the Warrant Agreement.

13. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant Certificate and the Warrants evidenced hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each of the Company and the Holder hereby irrevocably waives personal service of process and consents to process being served in any proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it hereunder and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

14. Binding Effect; Countersignature by Warrant Agent. This Warrant Certificate shall be binding upon any successors or assigns of the Company. This Warrant Certificate shall not be valid until an authorized signatory of the Warrant Agent or its agent as provided in the Warrant Agreement countersigns this Warrant Certificate. Such signature shall be solely for the purpose of authenticating this Warrant Certificate and shall be conclusive evidence that this Warrant Certificate has been countersigned under the Warrant Agreement.

15. Warrant Agreement; Amendments. This Warrant Certificate is issued under and subject to the terms of a Warrant Agreement dated as of **[**April __**]**, 2010 (the "***Warrant Agreement***"), between the Company and American Stock Transfer & Trust Company, LLC (the "***Warrant Agent***", which term includes any successor Warrant Agent under the Warrant Agreement), and is subject to the terms and provisions contained in the Warrant Agreement, to all of which terms and provisions the beneficial owners of the Warrants and the Holders consent by acceptance hereof. The Warrant Agreement is hereby incorporated herein by reference and made a part hereof. Reference is hereby made to the Warrant Agreement for a statement of the respective rights, limitations of rights, duties and obligations

of the Company, the Warrant Agent and the Holders and beneficial owners of the Warrants. A copy of the Warrant Agreement may be obtained for inspection by the Holders upon written request to the Warrant Agent at American Stock Transfer & Trust Company, LLC, 59 Maiden Lane, Plaza Level, New York, New York 10038, telephone: 718-921-8208, facsimile: 718-921-8335, Attention: Geraldine Zarbo. The Warrant Agreement and this Warrant Certificate may be amended and the observance of any term of the Warrant Agreement or this Warrant Certificate may be waived only to the extent provided in the Warrant Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The initial number of Warrants represented by the Global Warrant is **[**_____**]**.

The following decreases in the number of Warrants represented by the Global Warrant have been made as a result of the exercise of certain Warrants represented by the Global Warrant:

Date of Exercise of Warrants	Number of Warrants Exercised	Total Number of Warrants Represented Hereby Following Such Exercise	Notation Made by Warrant Agent

Form of Notice of Exercise

(to be executed only upon exercise of Warrants)

Date: _____

TO: Xerium Technologies, Inc. (the "***Company***")

RE: Election to Purchase Common Stock

The undersigned registered holder of **[●]** Warrants irrevocably elects to exercise the number of Warrants set forth below represented by the Global Warrant, and surrenders all right, title and interest in the number of Warrants exercised hereby to the Company, and directs that the shares of Common Stock or other securities or property delivered upon exercise of such Warrants, and any interests in the Global Warrant representing unexercised Warrants, be registered or placed in the name and at the address specified below and delivered thereto.

Number of Warrants _____

Holder: _____
By: _____
Name: _____
Title: _____

Signature guaranteed by (if a guarantee is required):

_____

Securities and/or check to be issued to:

If in book-entry form through the Depositary:

Depositary Account Number: _____

Name of Agent Member: _____

If in definitive form:

Social Security Number
or Other Identifying Number: _____

Name: _____

Street Address: _____

City, State and Zip Code: _____

Any unexercised Warrants evidenced by the exercising Holder's interest in the Global Warrant or Definitive Warrant, as the case may be, to be issued to:

If in book-entry form through the Depositary:

Depositary Account Number: _____

Name of Agent Member: _____

If in definitive form:

Social Security Number
or Other Identifying Number: _____

Name: _____

Street Address: _____

City, State and Zip Code: _____

Form of Assignment

For value received, the undersigned registered Holder of the within Warrant Certificate hereby sells, assigns and transfers unto the Assignee(s) named below (including the undersigned with respect to any Warrants constituting a part of the Warrants evidenced by the within Warrant Certificate not being assigned hereby) all of the right, title and interest of the undersigned under the within Warrant Certificate with respect to the number of Warrants set forth below.

Name of Assignees	**Address**	**Number of Warrants**	**Social Security Number or other Identifying Number**

and does irrevocably constitute and appoint **[●]**, the undersigned's attorney, to make such transfer on the books of the Company maintained for the purpose, with full power of substitution in the premises.

Dated:

Holder: _____
By: _____
Name: _____
Title: _____

Signature guaranteed by (if a guarantee is required):

_____

WARRANT AGREEMENT

Dated as of

[April __], 2010

between

Xerium Technologies, Inc.

and

American Stock Transfer & Trust Company, LLC,
as Warrant Agent

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ARTICLE V

WARRANT AGENT

ARTICLE VI

MISCELLANEOUS

EXHIBITS

This **WARRANT AGREEMENT** (this "*Agreement*"), dated as of **[**April __**]**, 2010, is entered into between Xerium Technologies, Inc., a Delaware corporation (the "*Company*"), and American Stock Transfer & Trust Company, LLC, a **[**_____**]** limited liability company, as Warrant Agent (the "*Warrant Agent*").

RECITALS:

WHEREAS, the Company has issued **[**_____**]** warrants (the "*Warrants*") to its holders of Common Stock (as defined below) of record as of **[**April __**]**, 2010, pursuant to, and upon the terms set forth in, the plan of reorganization of the Company and certain of its subsidiaries and affiliates under Chapter 11 of Title 11 of the United States Code (the "*Plan*");

WHEREAS, each Warrant entitles the registered holder thereof (the "*Holder*") to purchase **[**one (1)**]** share of common stock of the Company, $0.001 par value per share (the "*Common Stock*"), subject to the provisions of this Agreement and the relevant Warrant Certificate; and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance, registration, transfer, exchange, redemption, exercise, cancellation and replacement of the Warrants and, in the Warrant Agent's capacity as the Company's transfer agent, the delivery of the Exercise Shares.

NOW, THEREFORE, in consideration of the premises, the mutual agreements herein set forth, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions.

"*Affiliate*" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with, such other Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") when used with respect to any Person, means the possession, directly or indirectly, of the power to cause the direction of management and/or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"*Agent Members*" means the securities brokers and dealers, banks and trust companies, clearing organizations and certain other organizations that are participants in the Depositary's system.

"*Business Day*" means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

"*Certificated Holder*" means such Holder who shall receive a Definitive Warrant, pursuant to the Plan, as a result of owning shares of Common Stock in such Holder's name as of April **[__]**, 2010 on the stock registry of the Company.

"*Depositary*" means The Depository Trust Company, its nominees and their respective successors.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Exercise Price*" has the meaning set forth in the form of Warrant Certificate attached as Exhibit A hereto.

"*Exercise Share*" has the meaning set forth in the form of Warrant Certificate attached as Exhibit A hereto.

"*Officer*" means the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or any Controller of the Company.

"*Officers' Certificate*" means a certificate signed by two (2) Officers of the Company.

"*Opinion of Counsel*" means a written opinion from legal counsel who is reasonably acceptable to the Warrant Agent. Such counsel may be an employee of or counsel to the Company.

"*Person*" means an individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, limited liability partnership, trust, unincorporated organization, or government or any agency or political subdivision thereof or any other entity.

"*Warrant Certificate*" means any fully registered certificate (including a Global Warrant) issued by the Company and authenticated by the Warrant Agent under this Agreement evidencing Warrants, in the form attached as Exhibit A hereto.

"*Warrant Share Number*" has the meaning set forth in the form of Warrant Certificate attached as Exhibit A hereto.

Section 1.02. Other Definitions.

Term	Defined in Section
"*Agreement*"	Preamble
"*Company*"	Preamble
"*Common Stock*"	Recitals
"*Definitive Warrant*"	2.01(a)
"*Global Warrant*"	2.01(b)
"*Holder*"	Recitals
"*Plan*"	Recitals
"*Registry*"	2.03(a)
"*Warrant*"	Recitals
"*Warrant Agent*"	Preamble

Section 1.03. Rules of Construction. Unless the text otherwise requires:

(i) a defined term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles as in effect on the date hereof;

(iii) "or" is not exclusive;

(iv) "including" means including, without limitation; and

(v) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

WARRANTS

Section 2.01. Form.

(a) Definitive Warrants. Warrants shall be issued to each Certificated Holder in the form of one or more definitive Warrants in fully registered form without the global securities legend set forth in Exhibit A hereto (each, a "*Definitive Warrant*"), and registered in the name of the Certificated Holder or a nominee of the Certificated Holder, duly executed by the Company and countersigned by the Warrant Agent as hereinafter provided.

(b) Global Warrants. Except as provided in Section 2.01(a), Section 2.04 or Section 2.05, Warrants issued upon any transfer or exchange thereof shall be issued in the form of one or more permanent global Warrants in fully registered form with the global securities legend set forth in Exhibit A hereto (each, a "*Global Warrant*"), which shall be deposited on behalf of the Company with the Warrant Agent, as custodian for the Depositary (or with such other custodian as the Depositary may direct), and registered in the name of the Depositary or a

nominee of the Depositary, duly executed by the Company and countersigned by the Warrant Agent as hereinafter provided.

(c) Book-Entry Provisions. This Section 2.01(c) shall apply only to a Global Warrant deposited with or on behalf of the Depositary.

(i) The Company shall execute and the Warrant Agent shall, in accordance with Section 2.02, countersign, either by manual or facsimile signature, and deliver one or more Global Warrants that (A) shall be registered in the name of the Depositary or the nominee of the Depositary and (B) shall be delivered by the Warrant Agent to the Depositary or pursuant to the Depositary's instructions or held by the Warrant Agent as custodian for the Depositary. Each Global Warrant shall be dated the date of its countersignature.

(ii) Agent Members shall have no rights under this Agreement with respect to any Global Warrant held on their behalf by the Depositary or by the Warrant Agent as the custodian of the Depositary or under such Global Warrant except to the extent set forth herein or in a Warrant Certificate, and the Depositary may be treated by the Company, the Warrant Agent and any agent of the Company or the Warrant Agent as the absolute owner of such Global Warrant for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (A) prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by the Depositary or (B) impair, as between the Depositary and the Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any Warrant.

(d) Warrant Certificates. Warrant Certificates shall be in substantially the form attached as Exhibit A hereto and shall be typed, printed, lithographed or engraved or produced by any combination of such methods or, if applicable, produced in any other manner permitted by the rules of any securities exchange on which the Warrants may be listed, all as determined by the Officer or Officers of the Company executing such Warrant Certificates, as evidenced by their execution thereof. Any Warrant Certificate shall have such insertions as are appropriate or required or permitted by this Agreement and may have such letters, numbers or other marks of identification and such legends and endorsements, stamped, printed, lithographed or engraved thereon, (i) as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, (ii) such as may be required to comply with this Agreement, any law or any rule of any securities exchange on which the Warrants may be listed, and (iii) such as may be necessary to conform to customary usage.

Section 2.02. Execution and Countersignature.

(a) At least one Officer shall sign the Warrant Certificates for the Company by manual or facsimile signature.

(b) If an Officer whose signature is on a Warrant Certificate no longer holds that office at the time the Warrant Agent countersigns the Warrant Certificate, the Warrants evidenced by such Warrant Certificate shall be valid nevertheless.

(c) The Warrant Agent shall initially countersign, either by manual or facsimile signature, and deliver Warrant Certificates entitling the Holders thereof to purchase in the aggregate not more than **[**_____**]** shares of Common Stock (subject to adjustment as provided in such Warrant Certificates) upon a written order of the Company signed by one Officer of the Company. Such order shall specify the number of Warrants to be evidenced on the Warrant Certificate to be countersigned, the date on which such Warrant Certificate is to be countersigned and the number of Warrants then authorized. Each Warrant Certificate shall be dated the date of its countersignature.

(d) At any time and from time to time after the execution of this Agreement, the Warrant Agent shall upon receipt of a written order of the Company signed by an Officer of the Company countersign, either by manual or facsimile signature, for issue a Warrant Certificate evidencing the number of Warrants specified in such order; provided, however, that the Warrant Agent shall be entitled to receive an Officers' Certificate and an Opinion of Counsel of the Company to the effect that issuance and execution of such Warrants is authorized or permitted by this Agreement in connection with such countersignature of Warrants.

(e) The Warrants evidenced by a Warrant Certificate shall not be valid until an authorized signatory of the Warrant Agent countersigns the Warrant Certificate. Such signature shall be solely for the purpose of authenticating the Warrant Certificate and shall be conclusive evidence that the Warrant Certificate so countersigned has been duly authenticated and issued under this Agreement.

Section 2.03. Registry. (a) The Warrants shall be issued in registered form only. The Company shall cause to be kept at the office of the Warrant Agent, and the Warrant Agent shall maintain, a registry (the "*Registry*") of the Warrant Certificates and of their transfer, exchange and substitution. The Registry shall show the names and addresses of the respective Holders and the date and number of Warrants evidenced on the face of each of the Warrant Certificates. The Holder of a Definitive Warrant will be the Person in whose name the Definitive Warrant is registered. The Holder of any Global Warrant will be the Depositary or a nominee of the Depositary in whose name the Global Warrant is registered. The Warrant holdings of Agent Members will be recorded on the books of the Depositary. The beneficial interests in the Global Warrant held by customers of Agent Members will be reflected on the books and records of such Agent Members and will not be known to the Warrant Agent, the Company or to the Depositary.

(b) The Company and the Warrant Agent may deem and treat any Person in whose name a Warrant Certificate is registered in the Registry as the absolute owner of such Warrant Certificate for all purposes whatsoever and neither the Company nor the Warrant Agent shall be affected by notice to the contrary.

Section 2.04. Transfer and Exchange.

(a) Transfer and Exchange of Definitive Warrants by Certificated Holders.

(i) A Certificated Holder may transfer a Definitive Warrant only upon surrender of such Definitive Warrant for registration of transfer. Definitive Warrants may be presented for registration of transfer and exchange at the offices of the Warrant Agent with a written instruction of transfer in form satisfactory to the Warrant Agent, duly executed by such Certificated Holder or by such Certificated Holder's attorney, duly authorized in writing. No such transfer shall be effected until, and the transferee shall succeed to the rights of a Certificated Holder only upon, final acceptance and registration of the transfer in the Registry by the Warrant Agent.

(ii) Every Definitive Warrant presented or surrendered for registration of transfer or for exchange or substitution under this Section 2.04(a) shall be duly endorsed, or be accompanied by a duly executed instrument of transfer in form satisfactory to the Company and the Warrant Agent, by the holder thereof or such Certificated Holder's attorney duly authorized in writing.

(iii) A Definitive Warrant may be exchanged at the option of the Certificated Holder or Certificated Holders thereof, when presented or surrendered in accordance with this Warrant Agreement, for another Warrant Certificate or other Warrant Certificates of like tenor and representing in the aggregate a like number of Warrants. If less than all Warrants represented by a Definitive Warrant are transferred, exchanged or substituted in accordance with this Warrant Agreement, the Warrant Certificate shall be surrendered to the Warrant Agent and a new Warrant Certificate for a number of Warrants equal to the Warrants represented by such Warrant Certificate that were not transferred, exchanged or substituted, registered in such name or names as may be directed in writing by the surrendering Certificated Holder, shall be executed by the Company and delivered to the Warrant Agent and the Warrant Agent shall countersign such new Warrant Certificate and shall deliver such new Warrant Certificate to the Person or Persons entitled to receive the same.

(b) Transfer and Exchange of Global Warrants.

(i) The transfer and exchange of Global Warrants or beneficial interests therein shall be effected through the book-entry system maintained by the Depositary, in accordance with this Agreement and the procedures of the Depositary therefor. A transferor of a beneficial interest in a Global Warrant (or the relevant Agent Member on behalf of such transferor) shall deliver to the Warrant Agent a written order given in accordance with the Depositary's procedures containing information regarding the account of the Agent Member to be credited with a beneficial interest in the Global Warrant. The Warrant Agent shall, in accordance with such instructions, instruct the Depositary to credit to the account of the Agent Member specified in such instructions a beneficial interest in the Global Warrant and to debit the account of the Agent Member making the transfer of the beneficial interest in the Warrant being transferred.

(ii) Notwithstanding any other provisions of this Agreement (other than the provisions set forth in Section 2.05), a Global Warrant may only be transferred as a whole, and not in part, and only by (i) the Depositary to a nominee of the Depositary, (ii) a nominee of the Depositary to the Depositary or another nominee of the Depositary or (iii) the Depositary or any such nominee to a successor Depositary or its nominee.

(iii) In the event that a Global Warrant is exchanged and transferred for Definitive Warrants pursuant to Section 2.05, such Warrants may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of this Section 2.04 and the requirements of any Warrant Certificate and such other procedures as may from time to time be adopted by the Company that are not inconsistent with the terms of this Agreement or of any Warrant Certificate.

(c) Cancellation or Adjustment of Global Warrant. At such time as all beneficial interests in a Global Warrant have been exchanged for Definitive Warrants, redeemed, repurchased, exercised or canceled, such Global Warrant shall be returned to the Depositary for cancellation or retained and canceled by the Warrant Agent. At any time prior to such cancellation, if any beneficial interest in a Global Warrant is transferred or exchanged for Definitive Warrants, redeemed, repurchased, exercised or canceled, the number of Warrants represented by such Global Warrant shall be reduced and an adjustment shall be made on the books and records of the Warrant Agent to reflect such reduction.

(d) Registration or Transfer in Name of Fiduciary. Neither the Company nor the Warrant Agent will be liable or responsible for any registration or transfer of any Warrants that are registered or to be registered in the name of a fiduciary or the nominee of a fiduciary.

(e) Obligations with Respect to Transfers and Exchanges of Definitive Warrants and Global Warrants.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Warrant Agent shall countersign, by either manual or facsimile signature, Global Warrants and Definitive Warrants as required pursuant to the provisions of Section 2.02 and this Section 2.04.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax, assessments, or governmental charge payable in connection therewith. The Warrant Agent shall have no duty or obligation under any Section of this Agreement requiring the payment of taxes, assessments, and/or governmental charges unless and until it is satisfied that all such taxes, assessments, and/or governmental charges have been paid.

(iii) All Warrants issued upon any transfer or exchange pursuant to the terms of this Agreement shall be the valid obligations of the Company, entitled to the same benefits under this Agreement as the Warrants surrendered upon such transfer or exchange.

(f) No Obligation of the Warrant Agent.

(i) The Warrant Agent shall have no responsibility or obligation to any beneficial owner of a Global Warrant, any Agent Member or other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Global Warrants or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than the Depositary) of any notice or the payment of any amount, under or with respect to such Warrants. All notices and communications to be given to the Holders and all payments to be made to Holders under the Warrants shall be given or made only to or upon the order of the registered Holders (which, in the case of a Global Warrant, shall be the Depositary or its nominee). The rights of beneficial owners in any Global Warrant shall be exercised through the Depositary subject to the applicable rules and procedures of the Depositary. The Warrant Agent may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(ii) The Warrant Agent shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Agreement or under applicable law with respect to any transfer of any interest in any Warrant (including any transfer between or among the Agent Members or beneficial owners in any Global Warrant) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Agreement, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.05. Global Warrant in Exchange for Definitive Warrant. (a) Beneficial interests in a Global Warrant deposited with the Depositary or with the Warrant Agent as custodian for the Depositary pursuant to Section 2.01(b) shall be transferred to each beneficial owner thereof in the form of Definitive Warrants evidencing a number of Warrants equivalent to such owner's beneficial interest in such Global Warrant, in exchange for such Global Warrant, only if such transfer complies with Section 2.04 and (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Warrant or if at any time the Depositary ceases to be a "clearing agency" registered under the Exchange Act and, in each such case, a successor Depositary is not appointed by the Company within 90 days of such notice, (ii) the Company, in its sole discretion, notifies the Warrant Agent in writing that it elects to cause the issuance of Definitive Warrants under this Agreement, or (iii) the Company shall be adjudged a bankrupt or insolvent or make an assignment for the benefit of its creditors or institute proceedings to be adjudicated a bankrupt or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization under federal bankruptcy laws or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or custodian of all or any substantial part of its property, or shall admit in writing its inability to pay or meet its debts as they mature, or if a receiver or custodian of it or all or any substantial part of its property shall be appointed, or if a public officer shall have taken charge or control of the Company or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation.

(b) Any Global Warrant that is transferable to the beneficial owners thereof in the form of Definitive Warrants pursuant to this Section 2.05 shall be surrendered by the Depositary to the Warrant Agent, to be so transferred, in whole, without charge, and the Warrant Agent shall countersign, by either manual or facsimile signature, and deliver to each beneficial owner in the name of such beneficial owner, upon such transfer of such Global Warrant, Definitive Warrants evidencing a number of Warrants equivalent to such beneficial owner's beneficial interest in the Global Warrant. The Warrant Agent shall register such transfer in the Registry, and upon such transfer the surrendered Global Warrant shall be cancelled by the Warrant Agent.

(c) All Definitive Warrants issued upon transfer pursuant to this Section 2.05 shall be the valid obligations of the Company, evidencing the same obligations of the Company and entitled to the same benefits under this Agreement and the Global Warrant surrendered upon such transfer.

(d) Subject to the provisions of Section 2.05(b), the registered Holder of a Global Warrant may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Agreement or the Warrants.

(e) In the event of the occurrence of any of the events specified in Section 2.05(a), the Company will promptly make available to the Warrant Agent a reasonable supply of Definitive Warrants in definitive, fully registered form.

Section 2.06. Replacement Certificates. If a mutilated Warrant Certificate is surrendered to the Warrant Agent or if the Holder of a Warrant Certificate provides proof reasonably satisfactory to the Company and the Warrant Agent that the Warrant Certificate has been lost, destroyed or wrongfully taken, the Company shall issue and the Warrant Agent shall countersign a replacement Warrant Certificate of like tenor and representing an equivalent number of Warrants, if the reasonable requirements of the Warrant Agent and of Section 8-405 of the Uniform Commercial Code as in effect in the state of New York are met. If required by the Warrant Agent or the Company, such Holder shall furnish an indemnity bond sufficient in the reasonable judgment of the Company and the Warrant Agent to protect the Company and the Warrant Agent from any loss that either of them may suffer if a Warrant Certificate is replaced. The Company and the Warrant Agent may charge the Holder for their expenses in replacing a Warrant Certificate.

Section 2.07. Outstanding Warrants. (a) Warrants outstanding at any time are all Warrants evidenced on all Warrant Certificates authenticated by the Warrant Agent except for those canceled by it and those delivered to it for cancellation. A Warrant ceases to be outstanding if the Company or an Affiliate of the Company holds the Warrant.

(b) If a Warrant Certificate is replaced pursuant to Section 2.06, the Warrants evidenced thereby cease to be outstanding unless the Warrant Agent and the Company receive proof satisfactory to them that the replaced Warrant Certificate is held by a bona fide purchaser.

Section 2.08. Cancellation. (a) In the event the Company shall purchase or otherwise acquire Definitive Warrants, the same shall thereupon be delivered to the Warrant Agent for cancellation.

(b) The Warrant Agent and no one else shall cancel and destroy all Warrant Certificates surrendered for transfer, exchange, replacement, exercise or cancellation and deliver a certificate of such destruction to the Company unless the Company directs the Warrant Agent to deliver canceled Warrant Certificates to the Company. The Company may not issue new Warrant Certificates to replace Warrant Certificates to the extent they evidence Warrants that have been exercised or Warrants that the Company has purchased or otherwise acquired.

Section 2.09. CUSIP Numbers. The Company in issuing the Warrants may use "CUSIP" numbers (if then generally in use) and, if so, the Warrant Agent shall use "CUSIP" numbers in notices as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Warrant Certificates or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Warrant Certificates.

ARTICLE III

EXERCISE TERMS

Section 3.01. Exercise. The Exercise Price of each Warrant, the Warrant Share Number, the number of Warrants evidenced by any Warrant Certificate and the Exercise Period of each Warrant shall be set forth in the related Warrant Certificate. The Exercise Price of each Warrant and the Warrant Share Number are subject to adjustment pursuant to the terms set forth in the Warrant Certificate.

Section 3.02. Manner of Exercise and Issuance of Shares. Warrants may be exercised in the manner set forth in Section 2 of the Warrant Certificate, and upon any such exercise, Exercise Shares shall be issued in the manner set forth in Section 2.1 of the Warrant Certificate.

Section 3.03. Covenant to Make Stock Certificates Available. The Warrant Agent is hereby authorized to request from time to time from any stock transfer agents of the Company stock certificates required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement, and the Company agrees to authorize and direct such transfer agents to comply with all such requests of the Warrant Agent. The Company shall supply such transfer agents with duly executed stock certificates for such purposes.

ARTICLE IV

ANTIDILUTION PROVISIONS

Section 4.01. Antidilution Adjustments; Notice of Adjustment. The Exercise Price and the Warrant Share Number shall be subject to adjustment from time to time as provided in Section 3 of the Warrant Certificate. Whenever the Exercise Price or the Warrant

Share Number is so adjusted or is proposed to be adjusted as provided in Section 3 of the Warrant Certificate, the Company shall deliver to the Warrant Agent the notices or statements, and shall cause a copy of such notices or statements to be sent or communicated to each Holder pursuant to Section 6.03, as provided in Section 3(B) of the Warrant Certificate.

Section 4.02. Adjustment to Warrant Certificate. The form of Warrant Certificate need not be changed because of any adjustment made pursuant to the Warrant Certificate, and Warrant Certificates issued after such adjustment may state the same Exercise Price and the same Warrant Share Number as are stated in the Warrant Certificates initially issued pursuant to this Agreement. The Company, however, may at any time in its sole discretion make any change in the form of Warrant Certificate that it may deem appropriate to give effect to such adjustments and that does not affect the substance of the Warrant Certificate, and any Warrant Certificate thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant Certificate or otherwise, may be in the form as so changed.

ARTICLE V

WARRANT AGENT

Section 5.01. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the provisions of this Agreement and the Warrant Agent hereby accepts such appointment. The Warrant Agent shall not be liable for anything that it may do or refrain from doing in connection with this Agreement, except for its own gross negligence, willful misconduct or bad faith.

Section 5.02. Rights and Duties of Warrant Agent.

(a) Agent for the Company. In acting under this Warrant Agreement and in connection with the Warrant Certificates, the Warrant Agent is acting solely as agent of the Company and does not assume any obligation or relationship or agency or trust for or with any of the holders of Warrant Certificates or beneficial owners of Warrants.

(b) Counsel. The Warrant Agent may consult with counsel satisfactory to it (who may be counsel to the Company), and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice of such counsel.

(c) Documents. The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or thing suffered by it in reliance upon any Warrant Certificate, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(d) No Implied Obligations. The Warrant Agent shall be obligated to perform only such duties as are specifically set forth herein and in the Warrant Certificates, and no implied duties or obligations of the Warrant Agent shall be read into this Agreement or the

Warrant Certificates against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder that may involve it in any expense or liability for which it does not receive indemnity if such indemnity is reasonably requested. The Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of any of the Warrant Certificates countersigned by the Warrant Agent and delivered by it to the Holders or on behalf of the Holders pursuant to this Agreement or for the application by the Company of the proceeds of the Warrants. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in the Warrant Certificates or in the case of the receipt of any written demand from a Holder with respect to such default, including any duty or responsibility to initiate or attempt to initiate any proceedings at law or otherwise. The Warrant Agent shall have no duty or responsibility to insure compliance with any applicable federal or state securities law in connection with the issuance, transfer or exchange or any Warrants hereunder.

(e) Not Responsible for Adjustments or Validity of Stock. The Warrant Agent shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist that may require an adjustment of the Warrant Share Number or the Exercise Price, or with respect to the nature or extent of any adjustment when made, or with respect to the method employed, or herein or in any supplemental agreement provided to be employed, in making the same. The Warrant Agent shall not be accountable with respect to the validity or value of any Exercise Shares or of any securities or property that may at any time be issued or delivered upon the exercise of any Warrant or upon any adjustment pursuant to Section 3 of the Warrant Certificate, and it makes no representation with respect thereto. The Warrant Agent shall not be responsible for any failure of the Company to issue, transfer or deliver any Exercise Shares or stock certificates upon the surrender of any Warrant Certificate for the purpose of exercise or upon any adjustment pursuant to Section 3 of the Warrant Certificate, or to comply with any of the covenants of the Company contained in the Warrant Certificate or this Agreement.

(f) Notices. If the Warrant Agent shall receive any notice or demand (other than Notice of Exercise of Warrants) addressed to the Company by the Holder of a Warrant, the Warrant Agent shall promptly forward such notice or demand to the Company.

(g) Liability. In no event shall the Warrant Agent be liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Warrant Agent has been advised of the likelihood of the loss or damage and regardless of the form of the action.

(h) No Liability for Interest. The Warrant Agent shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement.

(i) Ambiguity or Uncertainty. In the event the Warrant Agent believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Warrant Agent hereunder, the Warrant Agent shall seek clarification and direction from the Company and shall be fully protected and shall not be in any way liable to the Company or any Holder for any action taken or omitted in accordance

with written instructions signed by the Company which eliminates such ambiguity or uncertainty.

Section 5.03. Individual Rights of Warrant Agent. The Warrant Agent and any stockholder, director, officer or employee of the Warrant Agent may buy, sell or deal in any of the Warrants or other securities of the Company or its affiliates or become pecuniarily interested in transactions in which the Company or its affiliates may be interested, or contract with or lend money to the Company or its affiliates or otherwise act as fully and freely as though it were not the Warrant Agent under this Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

Section 5.04. Warrant Agent's Disclaimer. The Warrant Agent shall not be responsible for, and makes no representation as to the validity or adequacy of this Agreement or the Warrant Certificates and it shall not be responsible for any statement of fact or recitals in this Agreement or the Warrant Certificates other than its countersignature thereon. The Warrant Agent will not be under any responsibility or liability in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution and delivery hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except the due countersignature thereof by the Warrant Agent)); nor will it be responsible or liable for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant Certificate; nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of stock or other securities to be issued pursuant to this Agreement or any Warrant Certificate or as to whether any shares of stock or other securities will, when issued, be validly authorized and issued, fully paid and nonassessable.

Section 5.05. Compensation and Indemnity. (a) The Company agrees to pay the Warrant Agent from time to time reasonable compensation for its services as agreed and to reimburse the Warrant Agent upon request for all reasonable out-of-pocket expenses, including the reasonable compensation and expenses of the Warrant Agent's agents and counsel, incurred by the Warrant Agent in connection with the preparation, delivery, administration, execution and amendment of this Agreement and the exercise and performance of its duties hereunder. The Company shall indemnify the Warrant Agent, its officers and directors, against any loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by it without gross negligence, willful misconduct or bad faith on its part for any action taken, suffered or omitted by the Warrant Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability arising therefrom. The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Warrant Agent through willful misconduct, gross negligence or bad faith. The Company's payment obligations pursuant to this Section shall survive the termination of this Agreement.

(b) To secure the Company's payment obligations under this Agreement, the Warrant Agent shall have a lien prior to the Holders on all money or property held or collected by the Warrant Agent.

(c) No provision of this Agreement shall require the Warrant Agent to risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or

in the exercise of its rights and powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 5.06. Successor Warrant Agent

(a) Company to Provide and Maintain Warrant Agent. The Company agrees for the benefit of the Holders that there shall at all times be a Warrant Agent hereunder until all the Warrants have been exercised or cancelled or are no longer exercisable.

(b) Resignation and Removal. (i) The Warrant Agent may at any time resign by giving written notice to the Company of such intention on its part, specifying the date on which its desired resignation shall become effective; provided, however, that such date shall not be less than 60 days after the date on which such notice is given unless the Company otherwise agrees.

(ii) The Warrant Agent hereunder may be removed at any time by the filing with it of an instrument in writing signed by or on behalf of the Company and specifying such removal and the date when it shall become effective, which date shall not be less than 60 days after such notice is given unless the Warrant Agent otherwise agrees. Any removal under this Section shall take effect upon the appointment by the Company as hereinafter provided of a successor Warrant Agent (which shall be (i) a bank or trust company, (ii) organized under the laws of the United states of America or one of the states thereof, (iii) authorized under the laws of the jurisdiction of its organization to exercise corporate trust powers, (iv) having a combined capital and surplus of at least $50,000,000 (as set forth in its most recent reports of condition published pursuant to law or to the requirements of any United states federal or state regulatory or supervisory authority) and (v) having an office in the Borough of Manhattan, The City of New York) and the acceptance of such appointment by such successor Warrant Agent. The obligations of the Company under Section 5.05 shall continue to the extent set forth herein notwithstanding the resignation or removal of the Warrant Agent.

(c) Company to Appoint Successor. In the event that at any time the Warrant Agent shall resign, or shall be removed, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or shall commence a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or under any other applicable federal or state bankruptcy, insolvency or similar law or shall consent to the appointment of or taking possession by a receiver, custodian, liquidator, assignee, trustee, sequestrator (or other similar official) of the Warrant Agent or its property or affairs, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall take corporate action in furtherance of any such action, or a decree or order for relief by a court having jurisdiction in the premises shall have been entered in respect of the Warrant Agent in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or similar law, or a decree or order by a court having jurisdiction in the premises shall have been entered for the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator (or similar official) of the Warrant Agent or of its property or affairs, or any public officer shall take charge or control of the Warrant Agent

or of its property or affairs for the purpose of rehabilitation, conservation, winding up or liquidation, a successor Warrant Agent, qualified as aforesaid, shall be appointed by the Company by an instrument in writing, filed with the successor Warrant Agent. In the event that a successor Warrant Agent is not appointed by the Company, a successor Warrant Agent, qualified as aforesaid, may be appointed by the Warrant Agent or the Warrant Agent may petition a court, at the expense of the Company, to appoint a successor Warrant Agent, at the expense of the Company. Upon the appointment as aforesaid of a successor Warrant Agent and acceptance by the successor Warrant Agent of such appointment, the Warrant Agent shall cease to be Warrant Agent hereunder; provided, however, that in the event of the resignation of the Warrant Agent under this subsection (c), such resignation shall be effective on the earlier of (i) the date specified in the Warrant Agent's notice of resignation and (ii) the appointment and acceptance of a successor Warrant Agent hereunder.

(d) Successor to Expressly Assume Duties. Any successor Warrant Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Company an instrument accepting such appointment hereunder, and thereupon such successor Warrant Agent, without any further act, deed or conveyance, shall become vested with all the rights and obligations of such predecessor with like effect as if originally named as Warrant Agent hereunder, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obligated to transfer, deliver and pay over, and such successor Warrant Agent shall be entitled to receive, all monies, securities and other property on deposit with or held by such predecessor, as Warrant Agent hereunder.

(e) Successor by Merger. Any entity into which the Warrant Agent hereunder may be merged or consolidated, or any entity resulting from any merger or consolidation to which the Warrant Agent shall be a party, or any entity to which the Warrant Agent shall sell or otherwise transfer all or substantially all of its assets and business, shall be the successor Warrant Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, including, without limitation, any successor to the Warrant Agent first named above; provided, however, that it shall be qualified as aforesaid.

Section 5.07. Representations of the Company. The Company represents and warrants to the Warrant Agent that:

(a) the Company has been duly organized and is validly existing under the laws of the jurisdiction of its incorporation;

(b) this Agreement has been duly authorized, executed and delivered by the Company and is enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting the enforcement of creditors' rights generally; and

(c) the execution and delivery of this Agreement does not, and the issuance of the Warrants in accordance with the terms of this Agreement and the Warrant Certificate will not, (i) violate the Company's certificate of incorporation or by-laws, (ii) violate any law or regulation applicable to the Company or order or decree of any court or public authority having jurisdiction over the Company, or (iii) result in a breach of any mortgage, indenture, contract,

agreement or undertaking to which the Company is a party or by which it is bound, except in the case of (ii) and (iii) for any violations or breaches that could not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Persons Benefitting. Nothing in this Agreement is intended or shall be construed to confer upon any Person other than the Company, the Warrant Agent and the Holders any right, remedy or claim under or by reason of this Agreement or any part hereof.

Section 6.02. Amendment. This Agreement and the Warrants may be amended by the parties hereto without the consent of any Holder for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein or therein or adding or changing any other provisions with respect to matters or questions arising under this Agreement or the Warrants as the Company and the Warrant Agent may deem necessary or desirable; provided, however, that such action shall not adversely affect the rights of any of the Holders in any material respect. Any amendment or supplement to this Agreement or the Warrants that has a material adverse effect on the interests of any of the Holders or owners of a beneficial interest in a Global Warrant shall require the written consent of the Holders of a majority of the then outstanding Warrants; provided that the consent of each Holder affected thereby shall be required for any amendment pursuant to which (i) the Exercise Price would be increased or the Warrant Share Number would be decreased (in each case, other than pursuant to adjustments provided for in Section 3 of the Warrant Certificate), (ii) the Exercise Period would be shortened or (iii) any change adverse to the Holder would be made to the anti-dilution provisions set forth in Article IV of this Agreement or Section 3 of the Warrant Certificate. In determining whether the Holders of the required number of Warrants have concurred in any direction, waiver or consent, Warrants owned by the Company or by any Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Warrant Agent shall be protected in relying on any such direction, waiver or consent, only Warrants that the Warrant Agent knows are so owned shall be so disregarded. Also, subject to the foregoing, only Warrants outstanding at the time shall be considered in any such determination. The Warrant Agent shall have no duty to determine whether any such amendment would have an effect on the rights or interests of the holders of the Warrants. Upon receipt by the Warrant Agent of an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the execution of the amendment have been complied with and such execution is permitted by this Agreement and the Warrant Certificate, the Warrant Agent shall join in the execution of such amendment; provided, that the Warrant Agent may, but shall not be obligated to, execute any amendment or supplement which affects the rights or changes or increases the duties or obligations of the Warrant Agent.

Section 6.03. Notices. (a) Any notice or communication shall be in writing and delivered in person, mailed by certified or registered mail, return receipt requested, or nationally recognized next-Business Day courier, addressed as follows:

if to the Company:

Xerium Technologies, Inc.
8537 Six Forks Road, Suite 300
Raleigh, NC 27615
Attn:
Telephone:
Facsimile:

if to the Warrant Agent:

American Stock Transfer & Trust Company, LLC
59 Maiden Lane
Plaza Level
New York, NY 10038
Telephone: 718-921-8208
Facsimile: 718-921-8335
Attention: Geraldine Zarbo

The Company or the Warrant Agent by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) Unless the Warrant is a Global Warrant, any notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears on the Registry and shall be sufficiently given if so mailed within the time prescribed. Any notice to the owners of a beneficial interest in a Global Warrant shall be distributed through the Depositary in accordance with the procedures of the Depositary. Communications to such Holder shall be deemed to be effective at the time of dispatch to the Depositary.

(c) Failure to provide a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is provided in the manner provided above, it is duly given, whether or not the intended recipient actually receives it.

Section 6.04. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each of the Company and the Warrant Agent hereby irrevocably waives personal service of process and consents to process being served in any proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it hereunder and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

Section 6.05. Successors. All agreements of the Company in this Agreement and the Warrants shall bind its successors. All agreements of the Warrant Agent in this Agreement shall bind its successors.

Section 6.06. Multiple Originals. The parties may sign any number of copies of this Agreement. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Agreement.

Section 6.07. Inspection of Agreement. A copy of this Agreement shall be available at all reasonable times for inspection by any registered Holder or any owner of a beneficial interest in a Global Warrant at the principal office of the Warrant Agent (or successor warrant agent).

Section 6.08. Table of Contents. The table of contents and headings of the Articles and Sections of this Agreement have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 6.09. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect in that jurisdiction only such clause or provision, or part thereof, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Agreement in any jurisdiction.

Section 6.10. Waiver of Jury Trial. THE COMPANY AND THE WARRANT AGENT EACH IRREVOCABLY WAIVES, TO THE FULLEST EXTENT THAT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TRIAL BY JURY.

IN WITNESS WHEREOF, the parties have caused this Warrant Agreement to be duly executed as of the date first written above.

XERIUM TECHNOLOGIES, INC.

By:_____
Name:
Title:

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC, as Warrant Agent

By:_____
Name:
Title:

SCHEDULE 1.57

Nominating Agreement

DIRECTOR NOMINATION AGREEMENT

This Director Nomination Agreement (this "Agreement") is made as of [_____], 2010(the "Effective Time"), between Xerium Technologies, Inc., a Delaware corporation (the "Company"), and the stockholder party hereto (the "Stockholder"). Unless otherwise specified herein, all of the capitalized terms used herein are defined in Section 4 hereof.

WHEREAS, the Company has issued shares of its common stock, par value, $0.001 per share, of the Company (the "Common Stock") pursuant to, and upon the terms set forth in, the plan of reorganization of the Company and certain of its subsidiaries under Chapter 11 of Title 11 of the United States Code; and

WHEREAS, the Company has agreed to permit the Stockholder, who Beneficially Owns [ ] shares (the "Number of Shares") of Common Stock on the date hereof, to designate one or more persons for nomination for election to the board of directors of the Company (the "Board") on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Section 1. Board of Directors.

(a) Subject to the terms and conditions of this Agreement, from and after the Effective Time and until a Termination Event shall have occurred, the Stockholder shall have the right to designate one person to be nominated for election to the Board (the "Nominee") by giving written notice to the Company in accordance with the Company's Bylaws, but in no event later than sixty (60) days prior to the deadline for receipt of a stockholder proposal to be eligible for inclusion in the Company's proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, with respect to any meeting of the Company's stockholders at which directors are to be elected, which notice shall include all information regarding the Nominee that is required by applicable law, the Company's Bylaws, the rules and regulations of the Securities and Exchange Commission and the listing standards of any national securities exchange on which the Common Stock is listed, provided however, that, before the Nominee will be included in the Board's slate of nominees submitted to the stockholders for election as members of the Board at the next meeting of stockholders called with respect to such election, the Nominating and Corporate Governance Committee of the Board must consent to his/her nomination, such consent not to be unreasonably withheld.

(b) For a period of thirty (30) days from the date of receipt of the Stockholder's nomination pursuant to Section 1(a) hereof (the "Initial Review Period"), the Stockholder will (i) provide such additional information about the Nominee as reasonably requested by the Nominating and Governance Committee of the Board and (ii) cause the Nominee to be available for interviews and discussions with the Nominating and Corporate Governance Committee of the Board.

(c) If the Nominating and Governance Committee consents to the nomination of the Nominee by the end of the Initial Review Period, the Company shall take all actions reasonably necessary to ensure that: (i) the Nominee is included in the Board's slate of nominees submitted to the stockholders for election as directors at the next meeting of stockholders called with respect to such election, and at every adjournment or postponement thereof (the "Next Election"); and (ii) the Nominee is included in the proxy statement prepared by management of the Company in connection with soliciting proxies for the Next Election.

(d) If the Nominating and Governance Committee does not provide its consent pursuant to Section 1(a) hereof, then the Stockholder shall have the right to designate an alternative person to be nominated for election by the Board (the "Alternate Nominee") by giving written notice to the Company in accordance with the Company's Bylaws, but in no event later than fifteen (15) days after the expiration of the Initial Review Period, which notice shall include all information regarding the Alternate Nominee that is required by applicable law, the Company's Bylaws, the rules and regulations of the Securities and Exchange Commission and the listing standards of any national securities exchange on which the Common Stock is listed.

(e) For a period of fifteen (15) days from the date of receipt of the Stockholder's written notice proposing an Alternate Nominee pursuant to Section 1(d) hereof (the "Second Review Period"), the Stockholder will (i) provide such additional information about the Alternate Nominee as reasonably requested by the Nominating and Governance Committee of the Board and (ii) cause the Alternate Nominee to be available for interviews and discussions with the Nominating and Governance Committee of the Board.

(f) If the Nominating and Governance Committee consents to the nomination of the Alternate Nominee by the end of the Second Review Period, the Company shall take all actions reasonably necessary to ensure that: (i) the Alternate Nominee is included in the Board's slate of nominees submitted to the stockholders for election as directors at the Next Election; and (ii) the Alternate Nominee is included in the proxy statement prepared by management of the Company in connection with soliciting proxies for the Next Election.

(g) The Company shall work in good faith with the Stockholder to identify and pre-clear Nominees and Alternate Nominees, as the case may be, in advance of deadlines contained in Sections 1(b) and 1(e) hereof and take such other actions as reasonably requested by the Stockholder to assist the Stockholder in submitting Nominees or Alternate Nominees, as the case may be, that will obtain the requisite consent required under Section 1(a) hereof.

(h) Notwithstanding anything to the contrary contained herein, the rights of the Stockholder under this Agreement shall terminate automatically as soon as the Stockholder, together with its Affiliates, ceases to Beneficially Own at least one-half of the Number of Shares of Common Stock (a "Termination Event"). The Stockholder shall notify the Company within three Business Days after the occurrence of a Termination Event. At the time of nomination, a Nominee or Alternate Nominee, as applicable, shall execute and deliver a resignation letter that shall be irrevocable upon election of such Nominee or Alternate Nominee as a member of the Board and shall be effective automatically upon the occurrence of a Termination Event.

(i) Prior to a Termination Event, if a vacancy occurs because of the death, disability, disqualification, resignation or removal of a Nominee or Alternate Nominee, as the case may be, as a member of the Board, the Company shall provide notice of such vacancy to the Stockholder within five (5) Business Days of such vacancy. The Stockholder shall be entitled to designate such person's successor by giving written notice to the Company within thirty (30) days of the date the Stockholder receives notification of the vacancy from the Company (the "Initial Vacancy Review Period"), such notice to the Company to include all information regarding such proposed successor that is required by applicable law, the Company's Bylaws, the rules and regulations of the Securities and Exchange Commission and the listing standards of any national securities exchange on which the Common Stock is listed, provided however, that, before such successor will be appointed to fill such vacancy, the Nominating and Corporate Governance Committee of the Board must consent to his/her appointment, such consent not to be unreasonably withheld. Any successor that is appointed to fill a vacancy pursuant to this Section 1(i) shall have the right to serve until the next meeting of the stockholders of the Company at which directors are elected, or until his/her successor is elected and duly qualified. If the Nominating and Governance Committee does not provide its consent within the Initial Vacancy Review Period, then the Stockholder shall have the right to designate an alternative person to fill the vacancy (the "Alternative Vacancy Nominee") by giving written notice to the Company in accordance with the Company's Bylaws, but in no event later than fifteen (15) days after the expiration of the Initial Vacancy Review Period, which notice shall include all information regarding the Alternate Nominee that is required by applicable law, the Company's Bylaws, the rules and regulations of the Securities and Exchange Commission and the listing standards of any national securities exchange on which the Common Stock is listed. If the Nominating and Governance Committee does not provide its consent to the Alternative Vacancy Nominee within thirty (30) days of receipt of his/her designation from the Stockholder, then the Nominating and Governance Committee shall have the right to appoint a director to fill the vacancy, provided however, that so long as a Termination Event has not occurred prior to the next meeting of the stockholders of the Company at which directors are elected, the Stockholder shall have to right to designate the person to be nominated for election to the Board to fill the vacant Board seat subject of this Section 1(i) at such meeting in accordance with Sections 1(a) through (f) hereof and subject to the limitations therein.

(j) The Nominee or Alternate Nominee, as applicable, shall be entitled to all rights and privileges as a member of the Board as other similarly situated members of the Board for their service to the Company (e.g., out-of-pocket expenses for attending meetings, compensation for service to the Company).

(k) Notwithstanding anything to the contrary contained herein, and for the avoidance of doubt, the Stockholder shall only have the right to nominate or designate one person at a time to serve as a member of the Board, and in no event will the Company or the Board be obligated to nominate or designate a person to the Board that, upon such person's election by the stockholders of the Company or appointment by the Board, would result in more than one nominee or designee of the Stockholder serving as a member of the Board.

(l) Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be nominated for election to the Board or recommend to the stockholders the election of any person (i) who fails to submit to the Company on a timely basis such

questionnaires as the Company may reasonably require of its directors generally and such other information as the Company may reasonably request in connection with the preparation of its filings under the federal securities laws; or (ii) the nomination of whom the Board or the Nominating and Governance Committee determines in good faith, after consultation with outside legal counsel, would constitute a breach of its fiduciary duties or applicable law or violate the Company's Certificate of Incorporation; provided, however, that upon the occurrence of either (i) or (ii) above, the Company shall promptly notify the Stockholder of the occurrence of such event and permit the applicable Stockholder to provide an alternate person in accordance with the applicable provisions hereof (Section 1(d) for Nominees or Alternate Nominees for election at stockholder meetings and Section 1(i) with respect to the filling of vacancies on the Board) and the Company shall use commercially reasonable efforts to perform its obligations hereunder with respect to such alternate person, provided however, that, notwithstanding anything to the contrary contained herein, in no event shall the Company be obligated to postpone, reschedule or delay any scheduled meeting of the stockholders with respect to such election of any person nominated to the Board pursuant to the provisions of this Agreement.

Section 2. Further Obligations.

(a) The Company shall (i) maintain directors' and officers' liability insurance in an amount determined by the Board to be reasonable and customary, (ii) for so long as any Nominee or Alternate Nominee serves as a member of the Board, maintain such coverage with respect to such Nominee or Alternate Nominee and (iii) for two years after such Nominee or Alternate Nominee ceases to be a member of the Board maintain coverage with respect to any act or omission occurring while such Nominee or Alternate Nominee was a member of the Board.

(b) For so long as any Nominee or Alternate Nominee serves as a member of the Board, the Company shall not amend, alter or repeal any right to indemnification or exculpation covering or benefiting any such Nominee or Alternate Nominee.

(c) Notwithstanding anything to the contrary contained herein, it shall be reasonable for the Nominating and Governance Committee to withhold its consent for any person suggested for nomination or appointment to the Board pursuant to terms of this Agreement, if the Board or the Nominating and Governance Committee determines, in good faith, that none of the persons suggested for nomination or appointment to the Board pursuant to the terms of this Agreement and each of the Other Nomination Agreements is "independent" in accordance with the standards for director independence adopted by the Board, or, if the Common Stock is listed on any national securities exchange, such standards consistent with the rules of such national securities exchange.[1]

Section 3. Transfers; Termination.

(a) The Stockholder's rights hereunder do not attach to its shares of Common Stock and may only be assigned pursuant to a Permitted Assignment under Section 5 hereof.

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[1] The three Stockholders who will be granting nominating rights should agree among themselves on a mechanism to determine who will nominate an independent director.

(b) Except pursuant to a Permitted Assignment under Section 5 hereof, this Agreement shall terminate automatically upon the occurrence of a Termination Event and shall be of no further force and effect, and no party hereto shall have any surviving obligations, rights, or duties hereunder after a Termination Event; provided that the Stockholder shall be obligated to comply with Section 1(h) hereof..

Section 4. Definitions.

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

"Agreement" has the meaning set forth in the preamble.

"Alternate Nominee" has the meaning set forth in Section 1(d) hereof.

"Alternative Vacancy Nominee" has the meaning set forth in Section 1(i) hereof.

"Beneficially Own" has the meaning ascribed to it in Section 13(d) of the Securities Exchange Act of 1934, as amended.

"Board" has the meaning set forth in recitals.

"Common Stock" has the meaning set forth in the recitals.

"Company" has the meaning set forth in the preamble.

"Effective Time" has the meaning set forth in the preamble.

"Initial Review Period" has the meaning set forth in Section 1(b) hereof.

"Initial Vacancy Review Period" has the meaning set forth in Section 1(i) hereof.

"Joinder Agreement" has the meaning set forth in Section 5 hereof.

"Next Election" has the meaning set forth in Section 1(c) hereof.

"Nominee" has the meaning set forth in Section 1(a) hereof.

"Number of Shares" has the meaning set forth in Recitals hereto.

"Other Nomination Agreements" means (i) the Nomination Agreement, dated as of the date hereof, between the Company and _____ and (ii) the Nomination Agreement, dated as of the date hereof, between the Company and _____.

"Permitted Assignee" means an Affiliate of the Stockholder so long as the Affiliate, together with the Stockholder and the other Affiliates of the Stockholder, hold in the aggregate at least one-half the Number of Shares of Common Stock.

"Permitted Assignment" has the meaning set forth in Section 5 hereof.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Second Review Period" has the meaning set forth in Section 1(e) hereof.

"Stockholder" has the meaning set forth in the preamble.

"Termination Event" has the meaning set forth in Section 1(h) hereof.

"Transfer" means any sale, transfer, assignment or other disposition of (whether with or without consideration and whether voluntary or involuntary or by operation of law) of Common Stock.

Section 5. Assignment; Benefit of Parties; Transfer.

No party may assign this Agreement or any of its rights or obligations hereunder and any assignment hereof will be null and void except that (a) the Stockholder may assign, in whole, but not in part, this Agreement to a Permitted Assignee (a "Permitted Assignment"); provided that in each case the Permitted Assignee executes a joinder agreement pursuant to which such Permitted Assignee agrees to be bound by the terms hereof as the Stockholder hereunder (a "Joinder Agreement"). The Stockholder shall notify the Company immediately upon any such Permitted Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, legal representatives and Permitted Assignees for the uses and purposes set forth and referred to herein. In the event of a Transfer by a Stockholder, the transferee shall not have the rights and powers of a Stockholder hereunder unless (i) the transferee is a Permitted Assignee of the Stockholder prior to and following the Transfer and (ii) the Stockholder and such transferee comply with the terms of this Agreement, including without limitation the obligation under this Section 5 for the Transferee to execute a Joinder Agreement. Nothing herein contained shall confer or is intended to confer on any third party or entity that is not a party to this Agreement any rights under this Agreement. For the avoidance of doubt, in the event of a Permitted Assignment, the Permitted Assignee shall be deemed be the Stockholder for purposes of this Agreement

Section 6. Remedies.

The Company and the Stockholder shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that a breach of this Agreement would cause irreparable harm and money damages would not be an adequate remedy for any such breach and that, in addition to other rights and remedies hereunder, the Company and the Stockholder shall be entitled to specific performance and/or injunctive or other equitable relief (without posting a bond or other security) from any court of law or equity of competent jurisdiction in order to enforce or prevent any violation of the provisions of this Agreement.

Section 7. Notices.

All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when (i) delivered personally to the recipient, (ii) telecopied or sent by facsimile to the recipient, or (iii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the Stockholder or the Company at the address set forth below, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party.

The Stockholder's address is:

_____
_____
_____
Attention: _____
Facsimile: _____

with copies to:

_____
_____
_____
Attention: _____
Facsimile: _____

The Company's address is:

Xerium Technologies, Inc.
8537 Six Forks Road, Suite 300
Raleigh, NC 27615
Attention: _____
Facsimile: _____

with copies to:

Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, LLP
2500 Wachovia Capital Center
Raleigh, NC 27601
Attention: Gerald F. Roach
Facsimile: (919) 821-6800

and

Cadwalader, Wickersham & Taft LLP
1 World Financial Center
New York, NY 10281
Attention: R. Ronald Hopkinson
Facsimile: (212) 504-6666

Section 8. Adjustments.

If, and as often as, there are any changes in the Common Stock by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization, recapitalization or sale, or by any other means, appropriate adjustment shall be made to the definition of Number of Shares and in the provisions of this Agreement, as may be required, so that the rights, privileges, duties and obligations hereunder shall continue with respect to the Common Stock as so changed.

Section 9. Descriptive Headings, Interpretation, No Strict Construction.

The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and, if applicable, hereof. The words "include," "includes" or "including" in this Agreement shall be deemed to be followed by "without limitation." The use of the words "or," "either" or "any" shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. All references to laws, rules, regulations and forms in this Agreement shall be deemed to be references to such laws, rules, regulations and forms, as amended from time to time or, to the extent replaced, the comparable successor thereto in effect at the time. All references to agencies, self-regulatory organizations or governmental entities in this Agreement shall be deemed to be references to the comparable successors thereto from time to time.

Section 10. No Third-Party Beneficiaries.

Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or give to, any person or entity other than the parties hereto and their respective successors and assigns any remedy or claim under or by reason of this Agreement or any terms, covenants or conditions hereof, and all of the terms, covenants, conditions, promises and

agreements contained in this Agreement shall be for the sole and exclusive benefit of the parties hereto and their respective successors and assigns.

Section 11. Further Assurances.

Each of the parties hereby agrees that it will hereafter execute and deliver any further document, agreement, instruments of assignment, transfer or conveyance as may be necessary or desirable to effectuate the purposes hereof.

Section 12. Counterparts.

This Agreement may be executed in one or more counterparts, and may be delivered by means of facsimile or electronic transmission in portable document format, each of which shall be deemed to be an original and shall be binding upon the party who executed the same, but all of such counterparts shall constitute the same agreement.

Section 13. Delivery by Facsimile and Electronic Means.

This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other electronic means, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

Section 14. Arm's Length Agreement.

Each of the parties to this Agreement agrees and acknowledges that this Agreement has been negotiated in good faith, at arm's length, and not by any means prohibited by law.

Section 15. Sophisticated Parties; Advice of Counsel.

Each of the parties to this Agreement specifically acknowledges that (i) it is a knowledgeable, informed, sophisticated Person capable of understanding and evaluating the provisions set forth in this Agreement and (ii) it has been fully advised and represented by legal counsel of its own independent selection and has relied wholly upon its independent judgment and the advice of such counsel in negotiating and entering into this Agreement.

Section 16. Governing Law.

This Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) to the extent such rules or provisions would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 17. Submission to Jurisdiction.

Any action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby must be brought in the United States District Court located in the State of Delaware or any Delaware state court, and each party consents to the exclusive jurisdiction and venue of such courts (and of the appropriate appellate courts therefrom) in any such action, suit or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such, action, suit or proceeding in any such court or that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 18. Waiver of Jury Trial.

Each of the parties to this Agreement hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Agreement, including contract claims, tort claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into this Agreement, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 18 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 19. Complete Agreement.

This Agreement and any Joinder Agreements hereto represent the complete agreement between the parties hereto as to all matters covered hereby, and supersedes any prior agreements or understandings between the parties.

Section 20. Severability.

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 21. Amendment and Waiver.

Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective against the Company or the Stockholder unless such modification is approved in writing by the Company and the Stockholder. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Company:

XERIUM TECHNOLOGIES, INC

By:_____
Name:
Title:

Stockholder:

[_____]

By:_____
Name:
Title:

SCHEDULE 1.69

Registration Rights Agreement

REGISTRATION RIGHTS AGREEMENT

by and among

XERIUM TECHNOLOGIES, INC.

and

THE HOLDERS NAMED HEREIN

Dated as of _____, 2010

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REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made as of _____, 2010 by and among Xerium Technologies, Inc., a Delaware corporation (the "Company"), and the shareholders[1] identified as "Investors" on the signature page hereto and any parties identified on the signature page of any joinder agreements executed and delivered pursuant to Section 14 hereof (each, including the Investors, a "Holder" and, collectively, the "Holders").

RECITALS:

WHEREAS, the Company proposes to issue the Common Stock (as defined below) pursuant to, and upon the terms set forth in, the plan of reorganization of the Company and certain of its subsidiaries and affiliates under Chapter 11 of Title 11 of the United States Code (the "Plan"); and

WHEREAS, in accordance with the Plan, the Company has agreed for the benefit of the Holders to enter into this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Holders hereby agree as follows:

Section 1. Definitions.

"Affiliate" of any particular Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"Agreement" has the meaning specified in the first paragraph hereof.

"beneficially own", "beneficial ownership" and similar phrase as such terms are used in Rule 13d-3 and Rule 13d-5 promulgated under the Exchange Act, provided that in calculating the beneficial ownership of any Holder, such Holder shall be deemed to have beneficial ownership of all securities that such Holder has the right to acquire, irrespective of whether such right is currently exercisable, is exercisable only after the lapse of any period of time, is exercisable only upon the occurrence of a subsequent condition or event, or is exercisable only upon any act by the Holder or by any other Person.

"Board" means the Board of Directors of the Company.

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[1] NOTE: American Securities, Carl Marks, Cerberus and Apax. – Please provide contact information for notice sections on signature pages.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by applicable law or executive order to close.

"Commission" means the United States Securities and Exchange Commission or any successor governmental agency.

"Common Stock" means the shares of common stock, par value $0.01 per share, of the Company, in each case, issued on or after the Effective Date.

"Company" has the meaning specified in the first paragraph hereof.

"Company Demand Registration Notice" has the meaning specified in Section 2(b).

"Company Shelf Takedown Notice" has the meaning specified in Section 3(c).

"control" (including the terms "controlling," "controlled by" and "under common control with") means, unless otherwise noted, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract, or otherwise.

"Counsel to the Holders" means one (1) firm of counsel representing the Holders in the aggregate, as selected by the Holders of a majority of the Registrable Securities.

"Demand Registration" has the meaning specified in Section 2(a)(ii).

"Demand Registration Notice" has the meaning specified in Section 2(b).

"Demand Shelf Takedown Notice" has the meaning specified in Section 3(c).

"Disclosure Package" means, with respect to any offering of securities, (i) the preliminary Prospectus, (ii) the price to the public and the number of securities included in the offering to be included on the cover page of the Prospectus; (iii) each Free Writing Prospectus and (iv) all other information, in each case, that is deemed, under Rule 159 promulgated under the Securities Act, to have been conveyed to purchasers of securities at the time of sale of such securities (including a contract of sale).

"Effective Date" has the meaning assigned to such term in the Plan.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"FINRA" means the Financial Industry Regulatory Authority.

"Form S-3 Shelf" has the meaning specified in Section 3(a).

"Free Writing Prospectus" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

"Holder" and "Holders" have the meanings given to those terms in the first paragraph hereof.

"Holder Free Writing Prospectus" means each Free Writing Prospectus prepared by or on behalf of the relevant Holder or used or referred to by such Holder in connection with the offering of Registrable Securities.

"Investors" has the meaning specified in the first paragraph hereof.

"Lock-Up Period" has the meaning specified in Section 6(a).

"Losses" has the meaning specified in Section 10(d).

"Material Adverse Change" means (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or over-the-counter market in the United States of America; (b) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States of America; (c) a material outbreak or escalation of armed hostilities or other international or national calamity (including an act of terrorism) involving the United States of America or the declaration by the United States of a national emergency or war or a change in national or international financial, political or economic conditions; or (d) any material adverse change in the business, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole.

"NYSE" means the New York Stock Exchange.

"Other Holders" has the meaning specified in Section 4(c).

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity.

"Piggyback Registration" has the meaning specified in Section 4(a).

"Piggyback Takedown" has the meaning specified in Section 4(a).

"Plan" has the meaning specified in the Recitals.

"Prospectus" means the prospectus used in connection with a Registration Statement.

"Registrable Securities" means at any time any shares of Common Stock (i) issued on or after the Effective Date to any Holder pursuant to the Plan or (ii) held or beneficially owned by any Holder, including any Common Stock issued pursuant to the Plan or upon the conversion, exercise or exchange, as applicable, of any other securities and/or interests issued pursuant to the Plan; provided, however, that as to any Registrable Securities, such securities shall cease to constitute Registrable Securities upon the earliest to occur of: (A) the date on which such securities are disposed of pursuant to an effective registration statement

under the Securities Act; (B) the date on which such securities are disposed of pursuant to Rule 144 (or any successor provision) under the Securities Act; (C) the date on which such securities cease to be outstanding; or (D) are held or beneficially owned by any Person that is not a Holder.

"Registration Expenses" means all expenses (other than underwriting discounts and commissions) arising from or incident to the registration of Registrable Securities in compliance with this Agreement, including:

(i) stock exchange, Commission, FINRA and other registration and filing fees,

(ii) all fees and expenses incurred in connection with complying with any securities or blue sky laws (including fees, charges and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities),

(iii) all printing, messenger and delivery expenses,

(iv) the fees, charges and disbursements of counsel to the Company and of its independent public accountants and any other accounting and legal fees, charges and expenses incurred by the Company (including any expenses arising from any special audits or "comfort letters" required in connection with or incident to any registration),

(v) the fees and expenses incurred in connection with the listing of the Registrable Securities on NYSE (or any other national securities exchange),

(vi) the fees and expenses incurred in connection with any "road show" for underwritten offerings, and

(vii) reasonable and documented out-of-pocket fees, charges and disbursements of Counsel to the Holders, reasonably acceptable to the Company, including, for the avoidance of doubt, any expenses of Counsel to the Holders in connection with reviewing or filing of any Registration Statement, Prospectus or Free Writing Prospectus or any amendment or supplement thereto hereunder;

provided that, in no instance shall Registration Expenses include Selling Expenses.

"Registration Statement" means any registration statement filed hereunder or in connection with a Piggyback Takedown.

"Requesting Holder" has the meaning specified in Section 2(a)(i).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Selling Expenses" means the underwriting fees, discounts, selling commissions and stock transfer taxes applicable to all Registrable Securities registered by the Holders and legal expenses not included within the definition of Registration Expenses.

"Shelf" has the meaning specified in Section 3(a).

"Shelf Registration" means a registration of securities pursuant to a registration statement filed with the Commission in accordance with and pursuant to Rule 415 promulgated under the Securities Act (or any successor rule then in effect).

"Shelf Takedown" means either an Underwritten Shelf Takedown or a Piggyback Takedown.

"Suspension Period" has the meaning specified in Section 5(a).

"Underwritten Shelf Takedown" has the meaning specified in Section 3(b).

Section 2. Demand Registrations; General Provisions.

(a) Requests for Registration; Limitations on Holders.

(i) Commencing on the 90th day after the Effective Date, any Holder or group of Holders (such Holder or group of Holders, in such capacity, a "Requesting Holder") may request registration under the Securities Act of all or any portion of the Registrable Securities held by such Requesting Holder on Form S-1 or, under the circumstances specified in Section 3, on Form S-3 (a "Demand Registration").

(ii) A Requesting Holder shall not be permitted to submit a Demand Registration Notice or effect any Demand Registration for a Form S-1 or, under the circumstances specified in Section 3, a Form S-3, unless such Demand Registration is for a number of Registrable Securities (A) the total offering price of which (including piggyback shares and before deduction of fees and underwriting discounts) is reasonably expected to be at least, in the aggregate, $50 million (in the case of a Form S-1) or $20 million (in the case of a Form S-3), or (B) representing at least 10% (including piggyback shares) of the outstanding Common Stock in the aggregate

(b) Demand Registration Notices. All requests for Demand Registrations by a Requesting Holder shall be made by giving written notice to the Company (the "Demand Registration Notice"). Each Demand Registration Notice shall specify (i) whether the Registrable Securities to be in included in such Demand Registration shall, at the request of the Requesting Holder, be sold in an underwritten offering, (ii) the number of Registrable Securities proposed to be sold in the Demand Registration and (iii) the expected price range (net of underwriting discounts and commissions) of such Demand Registration. Within five (5) Business Days after receipt of any Demand Registration Notice, the Company shall give written notice of such requested Demand Registration to all other Holders of Registrable Securities (the "Company Demand Registration Notice") and, shall include in such Demand Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 days after sending the Company Demand Registration Notice.

(c) Withdrawals from Registration or Underwritten Offerings. Any Holder may withdraw its Registrable Securities from a Demand Registration or underwritten offering at any time (prior to a sale thereunder) by providing the Company with written notice, provided that the Requesting Holder effecting such withdrawal shall pay or reimburse the Company for all out-of-pocket fees and expenses reasonably incurred in connection with such Demand Registration or underwritten offering pro rata of the Registrable Securities held by such Holder. Upon receipt of such written notice, the Company shall continue all commercial reasonable efforts to secure registration or effect the underwritten offering of the remaining Registrable Securities not requested to be withdrawn, unless the remaining Registrable Securities would not meet the requirements of Section 2(a)(ii), in which case, the Company may in its sole discretion cease all efforts to proceed with registration or the underwritten offering, it being understood, for the avoidance of doubt, that such Demand Registration or request underwritten offering shall count for purposes of Section 2(e) and Section 3(d). If the Company ceases all efforts to secure registration or effect the underwritten offering pursuant to this provision, then such registration or underwritten offering shall nonetheless be deemed an effective or completed Demand Registration or completed underwritten offering for all purposes hereunder unless (i) the withdrawal is made following the occurrence of a Material Adverse Change not known to the Requesting Holders at the time of the Demand Registration Notice or Demand Shelf Takedown Notice or (ii) the Requesting Holders pay or reimburse the Company for all out-of-pocket fees and expenses reasonably incurred in connection with such Demand Registration or underwritten offering.

(d) Priority on Demand Registrations. If the Demand Registration is an underwritten offering and the managing underwriters for such Demand Registration advise the Company and the applicable Requesting Holders that the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such Demand Registration exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Registrable Securities requested to be included in the Demand Registration, the Company shall include in such Demand Registration the number of Registrable Securities which can be so sold in the following order of priority: (i) first, the Registrable Securities requested to be included in such Demand Registration by the Requesting Holders or any other Holder who elects to be included in such Demand Registration in accordance with the terms of this Agreement, which in the judgment of such underwriter can be sold in an orderly manner within the price range of such offering, *pro rata* among the respective Requesting Holders on the basis of the number of shares of Common Stock beneficially owned by each such Requesting Holder; (ii) second, any securities to be offered by and on behalf of the Company in such underwritten offering, and (iii) third, other securities requested to be included in such Demand Registration to the extent permitted hereunder.

(e) Company Restrictions on Demand Registrations and Underwritten Shelf Takedowns. Notwithstanding anything to the contrary herein, the Company shall not be required to effect (i) more than one (1) Demand Registration (which shall include for purposes of this Section 2(e) any Underwritten Shelf Takedowns) in the aggregate during any consecutive nine (9) month period, and (ii) any Demand Registration within 120 days after the effective date thereof of a previous registration in which the Holders of Registrable Securities exercised their piggyback rights pursuant to Section 4 of this Agreement. For the avoidance of doubt, the

restrictions set forth in this Section 2(e) shall not apply to any non-underwritten Take-Down by any Holder under a Shelf.

Section 3. Shelf Registrations; Underwritten Shelf Takedowns.

(a) Transition to Form S-3. As soon as the Company is eligible to use Form S-3, or an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) on Form S-3 with respect to the Registrable Securities, a Requesting Holder shall no longer be entitled to request that a Demand Registration be effected on Form S-1. In lieu of a Form S-1, the Company, upon receiving a Demand Registration Notice shall (i) file a registration statement pursuant to Rule 415 under the Securities Act (or any successor rule) to effect such Demand Registration (such Form S-3, together with any successor forms, the "Form S-3 Shelf" or the "Shelf"), or (ii) at any time that a Form S-3 Shelf covering Registrable Securities is effective, register additional Registrable Securities of a Requesting Holder pursuant to a post-effective amendment to such shelf registration statement to effect such Demand Registration (in either case, a "Shelf Registration"), in each case in accordance with Section 7. For the avoidance of doubt, a Shelf Registration shall be deemed a "Demand Registration" subject to the thresholds and limitations provided in Section 2(a)(ii) and 2(e).

(b) Demand Shelf Takedown Notices. Subject to Section 2(a)(ii) and Section 2(e), at any time and from time to time after the Shelf has been declared effective by the Commission, any Requesting Holder may request to sell all or any portion of its Registrable Securities in an underwritten offering pursuant to the Shelf (each, an "Underwritten Shelf Takedown") by giving written notice to the Company (the "Demand Shelf Takedown Notice"). Each Demand Shelf Takedown Notice shall specify the number of Registrable Securities proposed to be sold in the Underwritten Shelf Takedown and the expected price range (net of underwriting discounts and commissions) of such Underwritten Shelf Takedown. Within five (5) Business Days after receipt of any Demand Shelf Takedown Notice, the Company shall give written notice of such requested Underwritten Shelf Takedown to all other Holders of Registrable Securities (the "Company Shelf Takedown Notice") and, subject to the provisions of Section 3(d) below, shall include in such Underwritten Shelf Takedown all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 Business Days after sending the Company Shelf Takedown Notice.

(c) Priority on Underwritten Shelf Takedowns. If the managing underwriters for such Underwritten Shelf Takedown advise the Company that the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such Underwritten Shelf Takedown exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Registrable Securities requested to be included in the Underwritten Shelf Takedown, the Company shall include in such Underwritten Shelf Takedown the number of Registrable Securities which can be so sold in the following order of priority: (i) first, the Registrable Securities requested to be included in such Underwritten Shelf Takedown pursuant to Section 3(b), which in the judgment of such underwriter can be sold in an orderly manner within the price range of such offering, *pro rata* among the respective Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included therein by each such Holder; (ii) second, any securities to offered by and on behalf of

the Company under such Shelf Takedown; and (iii) third, other securities requested to be included in such Underwritten Shelf Takedown to the extent permitted hereunder.

(d) Holder Limitations; Company Restrictions on Underwritten Shelf Takedowns. Subject to the restrictions of Section 2(e), a Requesting Holder or group of Requesting Holders shall not be permitted to submit a Demand Shelf Takedown Notice unless such Demand Shelf Takedown Notice is for a number of Registrable Securities (A) the total offering price of which (including piggyback shares and before deduction of fees and underwriting discounts) is reasonably expected to be at least, in the aggregate, $20 million, or (B) representing at least 10% (including piggyback shares) of the outstanding Common Stock in the aggregate.

Section 4. Piggyback Registrations; Piggyback Takedowns.

(a) Right to Piggyback. Whenever the Company proposes to register any of its securities (whether or not following a Demand Registration Notice by a Requesting Holder) (a "Piggyback Registration"), or proposes to offer any Common Stock pursuant to a registration statement in an underwritten offering of Common Stock under the Securities Act (whether or not following a request by a Requesting Holder) (together with a Piggyback Registration, a "Piggyback Takedown"), the Company shall give written notice to all Holders of Registrable Securities of its intention to effect such Piggyback Takedown as promptly as practicable. In the case of a Piggyback Takedown that is an underwritten offering under a shelf registration statement, such notice shall be given not less than seven (7) Business Days prior to the expected date of commencement of marketing efforts for such Piggyback Takedown. In the case of a Piggyback Takedown that is an underwritten offering under a registration statement that is not a shelf registration statement, such notice shall be given not less than seven (7) Business Days prior to the expected date of filing of such registration statement. The Company shall, subject to the provisions of Section 4(b) and Section 4(c) below, include in such Piggyback Takedown, as applicable, all Registrable Securities with respect to which the Company has received written requests for inclusion therein within five (5) Business Days after sending the Company's notice. Notwithstanding anything to the contrary contained herein, (i) the Company may determine not to proceed with any Piggyback Takedown upon written notice to the Holders of Registrable Securities requesting to include their Registrable Securities in such Piggyback Takedown, and (ii) any Holder of Registrable Securities may withdraw its request for inclusion by giving written notice to the Company of its intention to withdraw that registration; provided, however, that the withdrawal shall be irrevocable and after making the withdrawal, a Holder shall no longer have any right to include its Registrable Securities in that Piggyback Takedown.

(b) Priority on Primary Piggyback Takedowns. If a Piggyback Takedown is an underwritten primary registration on behalf of the Company, and the managing underwriters for a Piggyback Takedown advise the Company that the number of securities requested to be included in such Piggyback Takedown exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, the Company shall include in such Piggyback Takedown the number which can be so sold in the following order of priority: (i) first, the securities the Company proposes to sell; (ii) second, the Registrable Securities requested to be included in such Piggyback Takedown (*pro rata* among the Holders of such Registrable Securities on the basis of the number of shares of Common

Stock beneficially owned by each such Holder); and (iii) third, other securities requested to be included in such Piggyback Takedown.

(c) Priority on Secondary Piggyback Takedowns. If a Piggyback Takedown is an underwritten secondary registration on behalf of holders of the Company's securities that are not Holders under this Agreement ("Other Holders"), and the managing underwriters advise the Company that the number of securities requested to be included in such Piggyback Takedown exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Other Holders, the Company shall include in such registration the number which can be so sold in the following order of priority: (i) first, the Registrable Securities requested to be included in such registration (*pro rata* among the Holders of any such securities and Registrable Securities on the basis of the number of securities and Registrable Securities owned by each such Holder); (ii) second, the securities requested to be included therein by the Other Holders requesting such registration (*pro rata* among the holders of any such securities on the basis of the number of securities owned by each such holder); and (iii) third, other securities requested to be included in such registration.

Section 5. Deferrals and Suspensions.

(a) Deferral and Suspension Triggers. Notwithstanding anything to the contrary herein, if the Board determines in good faith that the registration or distribution, as applicable, of Registrable Securities would reasonably be expected to impede, delay or interfere with, or require premature disclosure of, any material financing, offering, acquisition, merger, corporate reorganization, segment reclassification, discontinuance of operations or other material corporate action, or other significant transaction or any negotiations, discussions or pending proposals with respect thereto, or any other bona fide material business purpose involving the Company or any of its subsidiaries, the Company shall be entitled to defer or suspend (each, a "Suspension Period"), the filing or use, as applicable, of any Registration Statement or Prospectus and shall not be required to amend or supplement the Registration Statement, any related Prospectus or any document incorporated therein by reference. The Company as promptly as practicable will give written notice of any such Suspension Period to each Holder that has securities registered on a Registration Statement filed or requested to be filed pursuant to Section 2(a) hereunder.

(b) Limitations on Suspension Periods. Notwithstanding anything contained in this Section 5 to the contrary, the Company shall not be entitled to more than two (2) Suspension Periods in any consecutive 12-month period, and in no event shall the number of days included in all Suspension Periods during such consecutive 12-month period exceed 120 days in the aggregate.

Section 6. Holdback Agreements.

(a) Lock-up for Holders of Registrable Securities. In connection with any Shelf Takedown that is an underwritten offering or any other underwritten public offering of equity securities by the Company, no Holder of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, shall dispose of any

Registrable Securities without prior written consent from the Company, during the 60-day period beginning on the date of pricing of such Shelf Takedown that is an underwritten offering or other underwritten public offering (the "Lock-Up Period"), except as part of such Shelf Takedown or other underwritten public offering in accordance with the terms of this Agreement, and (i) unless the underwriters managing the Shelf Takedown that is an underwritten offering or other underwritten public equity offering by the Company otherwise agree by written consent and (ii) only if such Lock-Up Period is applicable on substantially similar terms to the Company and the executive officers and directors of the Company; provided that nothing herein will prevent any Holder that is a partnership or corporation from making a distribution of Registrable Securities to the partners or stockholders thereof or a transfer to an Affiliate that is otherwise in compliance with the applicable securities laws, so long as such distributees or transferees agree to be bound by the restrictions set forth in this Section 6(a). Each Holder agrees to execute a lock-up agreement in favor of the Company's underwriters to such effect (in each case on substantially the same terms and conditions as all Holders) and, in any event, that the Company's underwriters in any relevant Shelf Takedown that is an underwritten offering or other underwritten public offering shall be third party beneficiaries of this Section 6(a); provided, however, that the term of such lock-up agreement shall not exceed 90 days from the date of pricing such offering. The provisions of this Section 6(a) will no longer apply to a Holder once such Holder ceases to hold Registrable Securities.

(b) The Company. In connection with any Shelf Takedown or any other underwritten public offering of equity securities, the Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-8 or Form S-4 under the Securities Act), during the seven days prior to and the 90-day period beginning on the date of pricing of such Shelf Takedown or other underwritten public offering.

Section 7. Company Undertakings. Whenever Registrable Securities are registered pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities as soon as reasonably practicable in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) use its commercially reasonable efforts to (i) file with the Commission (A) a Registration Statement on Form S-1 , or (B) as soon as the Company is eligible to use Form S-3, a Form S-3 Shelf, in each case no later than 45 days after receiving the respective Demand Registration Notice relating thereto, and (ii) cause the applicable Registration Statement or Form S-3 Shelf to be declared effective by the Commission as soon as practicable thereafter;

(b) before filing a Registration Statement or Prospectus or any amendments or supplements thereto in electronic format furnish to the Holders whose securities are covered by the Registration Statement copies of all such documents, other than documents that are incorporated by reference, proposed to be filed and such other documents reasonably requested by such Holders, which documents shall be subject to the review and comment of the Counsel to the Holders;

(c) notify as promptly as practicable each Holder of Registrable Securities of the effectiveness of each Registration Statement and prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for a period ending on the date on which all Registrable Securities have been sold under such Registration Statement or have otherwise ceased to be Registrable Securities (provided that the Company shall not be required to keep any Shelf in effect for more than one (1) year after the date on which the Commission has declared such Shelf effective, or, in the event the Shelf is filed as an automatic shelf registration statement (as defined in Rule 405 under the Securities Act), for one (1) year after the date on which it is filed with the Commission), and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(d) furnish to each seller of Registrable Securities, and the managing underwriters, without charge, such number of copies of the applicable Registration Statement, each amendment and supplement thereto, the Prospectus included in such Registration Statement (including each preliminary Prospectus, final Prospectus, and any other Prospectus (including any Prospectus filed under Rule 424, Rule 430A or Rule 430B promulgated under the Securities Act and any "issuer free writing prospectus" as such term is defined under Rule 433 promulgated under the Securities Act)), all exhibits and other documents filed therewith and such other documents as such seller or such managing underwriters may reasonably request including in order to facilitate the disposition of the Registrable Securities;

(e) use its commercially reasonable efforts (i) to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests, and (ii) to keep such registration or qualification in effect for so long as such Registration Statement remains in effect (provided that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction);

(f) notify as promptly as practicable each seller of such Registrable Securities and the managing underwriters: (i) at any time when a Prospectus relating to the applicable Registration Statement is required to be delivered under the Securities Act, (A) upon discovery that, or upon the happening of any event as a result of which, such Registration Statement, or the Prospectus or Free Writing Prospectus relating to such Registration Statement, or any document incorporated or deemed to be incorporated therein by reference contains an untrue statement of a material fact or omits any fact necessary to make the statements in the Registration Statement or the Prospectus or Free Writing Prospectus relating thereto not misleading or otherwise requires the making of any changes in such Registration Statement, Prospectus, Free Writing Prospectus or document, and, at the request of any such seller and subject to Section 5(a) hereof, the Company shall as promptly as possible prepare a supplement or amendment to such Prospectus or Free Writing Prospectus, furnish a reasonable number of copies of such supplement or amendment to each seller of such Registrable Securities and the managing underwriters and file such supplement or amendment with the Commission so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus or Free

Writing Prospectus as so amended or supplemented shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading, (B) as soon as the Company becomes aware of any comments or inquiries by the Commission or any Federal or state governmental authority or any requests by the Commission or any Federal or state governmental authority for amendments or supplements to a Registration Statement or related Prospectus or Free Writing Prospectus covering Registrable Securities or for additional information relating thereto, (C) as soon as the Company becomes aware of the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement covering the Registrable Securities or (D) of the receipt by the Company of any written notification with respect to the suspension of the qualification or exemption from qualification of any Registrable Security for sale in any jurisdiction, or the initiation of any proceeding for such purpose; and (ii) when each Registration Statement or any amendment thereto has been filed with the Commission and when each Registration Statement or the related Prospectus or Free Writing Prospectus or any Prospectus supplement or any post effective amendment thereto has become effective.

(g) use its commercially reasonable efforts to cause all such Registrable Securities to continue to be so listed on the NYSE or another national securities exchange on which the Company's Common Stock is then traded;

(h) provide and cause to be maintained a transfer agent and registrar for all such Registrable Securities from and after the effective date of the applicable Registration Statement;

(i) enter into and perform under such customary agreements (including underwriting agreements in customary form, including customary representations and warranties and provisions with respect to indemnification and contribution) in order to expedite or facilitate the disposition of such Registrable Securities and, if the Demand Registration Notice or Demand Shelf Takedown Notice specifies that disposition of Registrable Securities shall be conducted through an underwritten offering, provide reasonable cooperation, including causing appropriate officers to attend and participate in "road shows" and analyst or investor presentations and such other selling or other informational meetings organized by the underwriters, if any;

(j) for a reasonable period prior to the filing of any Registration Statement or the commencement of marketing efforts for a Shelf Takedown, as applicable, pursuant to this Agreement, during normal business hours, make available for reasonable inspection by the Holders of Registrable Securities, Counsel to the Holders, the lead underwriter managing any disposition pursuant to such Registration Statement or Shelf Takedown, and any other attorney, accountant or other agent retained by such Holder, as applicable, such financial and other records and pertinent corporate documents of the Company as are reasonably required to conduct customary documentary due diligence, and cause the Company's appropriate executive officers to participate in one (1) customary due diligence session in connection with such Registration Statement or Shelf Takedown, as applicable, provided that the Holders and their respective representatives shall conduct any such due diligence in a manner so as to minimize disruption of the Company's business and operations, and provided, further, that the recipients of such financial and other records and pertinent corporate documents and any other type of information in any format agree in writing to keep the confidentiality thereof pursuant to

a written agreement reasonably acceptable to the Company, provided, that such information is deemed by the Company to be "non-public" information;

(k) permit any Holder of Registrable Securities, Counsel to the Holders, any underwriter participating in any disposition pursuant to a Registration Statement, and any other attorney, accountant or other agent retained by such Holder, to participate (including, but not limited to, reviewing, commenting on and attending all meetings) in the preparation of such Registration Statement and any Prospectus supplements relating to a Shelf Takedown, if applicable, provided that the Holders and their respective representatives shall conduct any such due diligence in a manner so as to minimize disruption of the Company's business and operations;

(l) in connection with any Shelf Takedown, obtain and furnish to each such Holder of Registrable Securities including Registrable Securities in such Shelf Takedown a signed copies of (i) a cold comfort letter from the Company's independent public accountants and (ii) a legal opinion of counsel to the Company addressed to the relevant underwriters and/or such Holders of Registrable Securities, in each case in customary form and covering such matters of the type customarily covered by such letters as the managing underwriters and/or Holders of a majority of the Registrable Securities included in such Shelf Takedown reasonably request;

(m) with respect to each Free Writing Prospectus or other materials to be included in the Disclosure Package, ensure that no Registrable Securities be sold "by means of" (as defined in Rule 159A(b) under the Securities Act) such Free Writing Prospectus or other materials without the prior written consent of a majority of the Holders of the Registrable Securities that are being sold pursuant to such Free Writing Prospectus, which Free Writing Prospectuses or other materials shall be subject to the review of Counsel to the Holders; provided, however, the Company shall not be responsible or liable for any breach by a Holder that has not obtained the prior written consent of the Company pursuant to Section 16(m);

(n) provide a CUSIP number for the Registrable Securities prior to the effective date of the first Registration Statement including Registrable Securities;

(o) (i) prepare and file with the Commission such amendments and supplements to each Registration Statement as may be necessary to comply with the provisions of the Securities Act, including post effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective for the applicable time period required hereunder, and if applicable, file any Registration Statements pursuant to Rule 462(b) under the Securities Act; (ii) cause the related Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and (iii) comply with the provisions of the Securities Act and the Exchange Act and any applicable securities exchange or other recognized trading market with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented;

(p) reasonably cooperate with each Holder of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and underwriters' counsel in connection with any filings required to be made with FINRA;

(q) within the deadlines specified by the Securities Act, make all required filing fee payments in respect of any Registration Statement or Prospectus used under this Agreement (and any offering covered thereby);

(r) in the case of certificated Registrable Securities, cooperate with the participating Holders of Registrable Securities and the managing underwriters to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving written representations from each participating Holder that the Registrable Securities represented by the certificates so delivered by such Holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the Holders or managing underwriters may reasonably request at least two (2) Business Days prior to any sale of Registrable Securities;

(s) in the event of the issuance (or, in the case of any threatened issuance that the Company has knowledge of) of any stop order suspending the effectiveness of a Registration Statement, or of any order suspending or preventing the use of any related Prospectus or suspending the qualification of any Registrable Securities included in such Registration Statement for sale in any jurisdiction, the Company shall use its commercially reasonable efforts to, as promptly as practicable, (i) prevent the issuance of any such stop order, and in the event of such issuance, to obtain the withdrawal of such order and (ii) obtain the withdrawal of any order suspending or preventing the use of any related Prospectus or Free Writing Prospectus or suspending qualification of any Registrable Securities included in such Registration Statement for sale in any jurisdiction at the earliest practicable date;

(t) as promptly as practicable notify in writing the Holders, the sales or placement agent, if any, therefor and the managing underwriters of the securities being sold, (i) when such Registration Statement or related Prospectus or Free Writing Prospectus or any Prospectus amendment or supplement or post effective amendment has been filed, and, with respect to any such Registration Statement or any post effective amendment, when the same has become effective and (ii) of any written comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto;

(u) if requested by any participating Holder of Registrable Securities or the managing underwriters, as promptly as practicable include in a Prospectus supplement or amendment such information as the Holder or managing underwriters may reasonably request, including in order to permit the intended method of distribution of such securities, and make all required filings of such Prospectus supplement or such amendment as soon as reasonably practicable after the Company has received such request; and

(v) use its commercially reasonable efforts to take all other actions necessary to effect the registration and sale of the Registrable Securities contemplated hereby.

Section 8. Registration Expenses. All Registration Expenses shall be borne by the Company. For the avoidance of doubt, subject to the proviso in Section 2(c) of this Agreement, all reasonable Registration Expenses in connection with any registration initiated as a Demand Registration shall be borne by the Company regardless of whether or not such registration has become effective and whether or not such registration has counted as one of the permitted Long-Form Registrations pursuant to Section 2(c) of this Agreement. All Selling Expenses relating to Registrable Securities registered shall be borne by the selling Holders of such Registrable Securities *pro rata* on the basis of the number of Registrable Securities sold.

Section 9. Selection of Underwriters.

(a) Demand Registrations; Underwritten Shelf Takedowns. In connection with a Demand Registration that is distributed as an underwritten offering or an Underwritten Shelf Takedown, the Holders of a majority of the Registrable Securities to be included in such underwritten offering or underwritten takedown shall have the right to select the investment banker(s) and manager(s) to administer the offering, subject to the approval of the Company, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Piggyback Takedown. If any Piggyback Takedown is an underwritten offering, the Company will have the sole right to select the investment banker(s) and manager(s) for the offering.

Section 10. Indemnification; Contribution.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless each Holder of Registrable Securities and each Person who controls any such Holder within the meaning of either the Securities Act or the Exchange Act, each Affiliate of any thereof, and all directors, officers, employees, members, managers and agents of each of the foregoing Persons, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating, preparing or defending same) (collectively, "Losses") to which they or any of them may become subject insofar as such Losses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement as originally filed or in any amendment thereof, or the Disclosure Package, or any Free Writing Prospectus or any preliminary, final or summary Prospectus included in any such Registration Statement, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any other federal law, any state or foreign securities law, or any rule or regulation promulgated under of the foregoing laws, relating to the offer or sale of the Registrable Securities, and in any such case, the Company agrees to reimburse each such indemnified party, as incurred, for any reasonable legal or other expenses reasonably incurred by them in connection with investigating, preparing or defending any such Loss, action or investigation (whether or not the indemnified party is a party to any proceeding); provided, however, that the Company will not be liable in any case to the

extent that any such Loss arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information relating to such Holder furnished to the Company by or on behalf of any such Holder specifically for inclusion therein, including any notice and questionnaire. This indemnity obligation will be in addition to any liability which the Company may otherwise have.

(b) Indemnification by the Holders. Each Holder of Registrable Securities severally (and not jointly) agrees to indemnify and hold harmless the Company and each Person who controls the Company within the meaning of either the Securities Act or the Exchange Act, each Affiliate of the Company, and all directors, officers, employees, members, managers and agents of the foregoing Persons, to the fullest extent permitted by applicable law, from and against any and all Losses to which they or any of them may become subject insofar as such Losses arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement as originally filed or in any amendment thereof, or in the Disclosure Package or any Free Writing Prospectus, preliminary, final or summary Prospectus included in any such Registration Statement, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, to the extent, but only to the extent, that any such untrue statement or alleged untrue statement or omission or alleged omission is contained in any written information relating to such Holder furnished to the Company by or on behalf of such Holder specifically for inclusion therein; provided, however, that the total amount to be indemnified by such Holder pursuant to this Section 10(b) shall be limited to the net proceeds (after deducting underwriters' discounts and commissions) received by such Holder in the offering to which such Registration Statement or Prospectus relates; and provided, further, that a Holder shall not be liable in any case to the extent that prior to the filing of any such Registration Statement, Disclosure Package, Prospectus, or Free Writing Prospectus or any amendment thereof or supplement thereto, each Holder has furnished in writing to the Company, information expressly for use in, and within a reasonable period of time prior to the effectiveness of such Registration Statement or use of such Disclosure Package, Prospectus, or Free Writing Prospectus or any amendment thereof or supplement thereto which corrected or made not misleading information previously provided to the Company. This indemnity obligation will be in addition to any liability which any such Holder may otherwise have.

(c) Conduct of Indemnification Proceedings.

(i) Promptly after receipt by an indemnified party under this Section 10 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 10, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (x) will not relieve it from liability under Section 10(a) or Section 10(b) above unless and to the extent such action and such failure results in material prejudice to the indemnifying party and forfeiture by the indemnifying party of substantial rights and defenses; and (y) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation

provided in Section 10(a) or Section 10(b) above. The indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, except as provided in the next sentence, after notice from the indemnifying party to such indemnified party of its election to so assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Notwithstanding the indemnifying party's rights in the prior sentence, the indemnified party shall have the right to employ one (1) firm of separate counsel, and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if:

(A) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with an actual or potential conflict of interest;

(B) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party;

(C) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within 10 days after notice of the institution of such action or such earlier time as may be necessary to pursue appropriate defenses, rights, and remedies; or

(D) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party.

(ii) No indemnifying party shall, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general circumstances or allegations, be liable for the fees and expenses of more than one separate firm of attorneys for all indemnified parties. An indemnifying party shall not be liable under this Section 10 to any indemnified party regarding any settlement or compromise or consent to the entry of any judgment with respect to any pending claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent is consented to by such indemnifying party, which consent shall not be unreasonably withheld.

No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement or compromise that (x) does not include as an unconditional term thereof the giving by the claimant or plaintiff therein, to such indemnified party and its Affiliates, of a full and final release from all liability in respect to such claim or litigation or (y) includes a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of such indemnified party or any of its Affiliates.

(d) Contribution.

(i) In the event that the indemnity provided in Section 10(a) or Section 10(b) above is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party agrees to contribute to the aggregate Losses to which such indemnifying party may be subject in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and by the indemnified party on the other from the offering of the Registrable Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the indemnifying party on the one hand and the indemnified party on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party on the one hand or the indemnified party on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(ii) The parties agree that it would not be just and equitable if contribution pursuant to this Section 10(d) were determined by *pro rata* allocation (even if the Holders of Registrable Securities or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 10(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 10(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing or defending any such action or claim.

(iii) Notwithstanding the provisions of this Section 10(d), no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(iv) For purposes of this Section 10, each Person who controls any Holder of Registrable Securities, agent or underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of any such Holder, agent or underwriter shall have the same rights to contribution as such Holder, agent or underwriter, and each Person who controls the Company within the meaning of either the Securities Act or the Exchange Act and each officer and director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this Section 10(d).

(e) The provisions of this Section 10 will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder of Registrable Securities or the Company or any of the officers, directors or controlling Persons referred to in this Section 10 hereof, and will survive the transfer of Registrable Securities.

(f) To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 10 to the fullest extent permitted by law; provided, however, that: (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities pursuant to such Shelf Registration.

Section 11. Conditions on Participation in Underwritten Offering/Sale of Registrable Securities.

(a) No Person may participate in any underwritten offering hereunder unless such Person (i) agrees to enter into an underwriting agreement in customary form and provide the representations and warranties, and indemnities to the underwriters and the Company and to sell such Person's securities on the basis provided in any such underwriting agreement and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements; provided that no Holder of Registrable Securities included in any underwritten offering shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding (A) such Holder's ownership of its Registrable Securities to be sold or transferred free and clear of liens, (B) such Holder's power and authority to effect, and lack of conflicts in effecting, such transfer and (C) such matters pertaining to compliance with securities laws as may be reasonably requested) or to undertake any indemnification obligations to the Company.

(b) Each Person that has securities registered on a Registration Statement filed hereunder agrees that, upon receipt of any notice contemplated in Section 5(a), such Person will forthwith discontinue the disposition of its Registrable Securities pursuant to the applicable Registration Statement.

(c) No Holder shall use a Holder Free Writing Prospectus without the prior written consent of the Company, which consent shall not be unreasonably withheld.

Section 12. Rule 144. With a view to making available to the Holders of Registrable Securities the benefits of Rule 144 under the Securities Act, the Company covenants that it will make available information necessary to comply with Rule 144, if available with respect to resales of the Registrable Securities under the Securities Act, and take such further action as such Holder may reasonably request, in each case to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (if available with respect to resales of the Registrable Securities), as such rule may be amended from time to time or any similar rule or regulation hereafter adopted by the Commission until all Registrable Securities have ceased to be Registrable Securities.

Section 13. Private Placement. Except for Section 6(a), the Company agrees that nothing in this Agreement shall prohibit the Holders, at any time and from time to time, from selling or otherwise transferring Registrable Securities pursuant to a private placement or other transaction which is not registered pursuant to the Securities Act. To the extent requested by a Holder, the Company shall take all reasonable steps to assist and cooperate with such Holder to facilitate such sale or transfer, including providing reasonable due diligence access to potential purchasers.

Section 14. Transfer of Registration Rights. The rights of a Holder hereunder may be transferred, assigned, or otherwise conveyed on a pro rata basis in connection with any transfer, assignment, or other conveyance of Registrable Securities to any transferee or assignee (except with respect to transfers of Demand Registration rights which may be transferred in whole and not in part as provided in Section 2(h)); provided that all of the following additional conditions are satisfied with respect to any transfer, assignment or conveyance of rights hereunder: (a) such transfer or assignment is effected in accordance with applicable securities laws; (b) such transferee or assignee agrees in writing to become subject to the terms of this Agreement by executing a joinder or similar document; and (c) the Company is given written notice by such Holder of such transfer or assignment, stating the name and address of the transferee or assignee, identifying the Registrable Securities with respect to which such rights are being transferred or assigned and specifying whether or not the Demand Registration rights pursuant to Section 2 have been assigned. Any transfer, assignment or other conveyance of the rights of a Holder in breach of this Agreement shall be void and of no effect.

Section 15. Amendment, Modification and Waivers; Further Assurances.

(a) Amendment. This Agreement may be amended with the consent of the Company and the written consent of each Holder entitled to registration rights hereunder; provided that no such amendment, action or omission that adversely affects, alters or changes the interests of any Holder shall be effective against such Holder without the prior written consent of such Holder.

(b) Effect of Waiver. No waiver of any terms or conditions of this Agreement shall operate as a waiver of any other breach of such terms and conditions or any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof. No written waiver hereunder, unless it by its own terms explicitly provides to the contrary, shall be construed to effect a continuing waiver of the provisions being waived and no such waiver in any instance shall constitute a waiver in any other instance or for any other purpose or impair the right of the party against whom such waiver is claimed in all other instances or for all other purposes to require full compliance with such provision. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each provision of this Agreement in accordance with its terms.

(c) Further Assurances. Each of the parties hereto shall execute all such further instruments and documents and take all such further action as any other party hereto may reasonably require in order to effectuate the terms and purposes of this Agreement.

Section 16. Miscellaneous.

(a) Adjustments. If, and as often as, there are any changes in the Registrable Securities by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization, recapitalization or sale, or by any other means, appropriate adjustment shall be made in the provisions of this Agreement, as may be required, so that the rights, privileges, duties and obligations hereunder shall continue with respect to the Registrable Securities as so changed.

(b) Successors and Assigns. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including any trustee in bankruptcy) whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or Holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent Holder of Registrable Securities. No assignment or delegation of this Agreement by the Company, or any of the Company's rights, interests or obligations hereunder, shall be effective against any Holder without the prior written consent of such Holder.

(c) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when (i) delivered personally to the recipient, (ii) telecopied or sent by facsimile to the recipient, or (iii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the Company at the address set forth below and to any Holder of Registrable Securities at the address set forth on the signature page hereto, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party.

The Company's address is:

Xerium Technologies, Inc.
8537 Six Forks Road, Suite 300
Raleigh, NC 27615
Attention: Chief Financial Officer
Facsimile: (919) 556-2432

with copies to, which shall not constitute notice:

Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, LLP
2500 Wachovia Capitol Center
Raleigh, NC 27601
Attention: Gerald F. Roach
Facsimile: (919) 821-6800

and

Cadwalader, Wickersham & Taft LLP
1 World Financial Center
New York, NY 10281
Attention: R. Ronald Hopkinson
Peter C. Gyr
Facsimile: (212) 504-6666

(d) Business Day Convention. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or legal holiday in the State of New York or the jurisdiction in which the Company's principal office is located, the time period shall automatically be extended to the Business Day immediately following such Saturday, Sunday or legal holiday.

(e) No Inconsistent Agreements. The Company represents and warrants that it is not a party to, or otherwise subject to, any other agreement granting registration rights to any other Person with respect to any securities of the Company, including securities convertible, exercisable or exchangeable into or for shares of any equity securities of the Company. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Holders of Registrable Securities in this Agreement.

(f) Adjustments Affecting Registrable Securities. The Company shall not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the Holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or which would materially and adversely affect the marketability of such Registrable Securities in any such registration (including effecting a stock split or a combination of shares).

(g) Counterparts. This Agreement may be executed in one or more counterparts, and may be delivered by means of facsimile or electronic transmission in portable document format, each of which shall be deemed to be an original and shall be binding upon the party who executed the same, but all of such counterparts shall constitute the same agreement.

(h) Descriptive Headings; Interpretation; No Strict Construction. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and, if applicable, hereof. The words "include," "includes" or "including" in this Agreement shall be deemed to be followed by "without limitation." The use of the words "or," "either" or "any" shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. All references to laws, rules, regulations and forms in this Agreement shall be deemed to be references to such laws, rules, regulations and forms, as amended from time to time or, to the extent replaced, the comparable successor thereto in effect at the time. All references to agencies, self-regulatory organizations or governmental entities in this Agreement shall be deemed to be references to the comparable successors thereto from time to time.

(i) Delivery by Facsimile and Electronic Means. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other electronic means, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(j) Arm's-Length Agreement. Each of the parties to this Agreement agrees and acknowledges that this Agreement has been negotiated in good faith, at arm's length, and not by any means prohibited by law.

(k) Sophisticated Parties; Advice of Counsel. Each of the parties to this Agreement specifically acknowledges that (i) it is a knowledgeable, informed, sophisticated Person capable of understanding and evaluating the provisions set forth in this Agreement and (ii) it has been fully advised and represented by legal counsel of its own independent selection

and has relied wholly upon its independent judgment and the advice of such counsel in negotiating and entering into this Agreement.

(l) Notification of Status. Each Holder shall provide written notice to the Company within three (3) Business Days from the first day on which the Holder no longer holds Registrable Securities.

(m) Governing Law. This Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) to the extent such rules or provisions would cause the application of the laws of any jurisdiction other than the State of New York.

(n) Submission to Jurisdiction. Any action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby must be brought in the United States District Court for the in the Southern District of New York or any New York state court, in each case, located in the Borough of Manhattan, of the City of New York, and each party consents to the exclusive jurisdiction and venue of such courts (and of the appropriate appellate courts therefrom) in any such action, suit or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such, action, suit or proceeding in any such court or that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(o) Waiver of Jury Trial. Each of the parties to this Agreement hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Agreement, including contract claims, tort claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into this Agreement, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 16(o) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

(p) Complete Agreement. This Agreement and any certificates, documents, instruments and writings that are delivered pursuant hereto, represent the complete agreement between the parties hereto as to all matters covered hereby, and supersedes any prior agreements or understandings among the parties.

(q) Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(r) Termination. The rights and obligations of any Holder and of the Company with respect to such Holder, other than those contained in Section 10, shall terminate upon the earliest to occur of any of the following: (i) the securities held or beneficially owned by such Holder subject to this Agreement cease to be Registrable Securities, (ii) such Holder no longer holds any Registrable Securities, (iii) such Holder no longer holds or beneficially owns at least five percent (5%) of the then outstanding shares of Common Stock in the aggregate or (iv) the third anniversary of the date of this Agreement occurs.

(s) Remedies; Specific Performance. Any Person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically, to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that money damages would not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement and shall not be required to prove irreparable injury to such party or that such party does not have an adequate remedy at law with respect to any breach of this Agreement (each of which elements the parties admit). The parties hereto further agree and acknowledge that each and every obligation applicable to it contained in this Agreement shall be specifically enforceable against it and hereby waives and agrees not to assert any defenses against an action for specific performance of their respective obligations hereunder. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies available under this Agreement or otherwise.

(t) Attorneys' Fees. In the event of litigation or other proceedings in connection with or related to this Agreement, the prevailing party in such litigation or proceeding shall be entitled to reimbursement from the opposing party of all reasonable expenses, including reasonable attorneys' fees and expenses of investigation in connection with such litigation or proceeding.

(u) Holders not Acting as a Group. Neither the fact of this Agreement nor anything contained herein shall be interpreted to mean or be deemed an admission by any of the Holders that they constitute a "group" as such term is used in Rule 13(d)(1)(k) under the Exchange Act.

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

XERIUM TECHNOLOGIES, INC.

By:_____
Name:
Title:

INVESTORS

[NAME]

By:_____
Name:
Title:
Address: [_____]
Facsimile:

[NAME]

By:_____
Name:
Title:
Address: [_____]
Facsimile:

[NAME]

By:_____
Name:
Title:
Address: [_____]
Facsimile:

[NAME]

By:_____
Name:
Title:
Address: [_____]
Facsimile:

SCHEDULE 1.82

Restated Bylaws of each Reorganized Debtor

AMENDED AND RESTATED BY-LAWS

OF

XERIUM TECHNOLOGIES, INC.

Adopted: May 13, 2005

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ARTICLE 1 - STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place, within or without the State of Delaware, or, if so determined by the Board of Directors of the Corporation (the "Board of Directors") in its sole discretion, at no place (but rather by means of remote communication), as may be designated from time to time by the Board of Directors, or, if not so designated, at the principal executive office of the Corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held at such date and time as shall be fixed by the Board of Directors and stated in the notice of the meeting. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu of the annual meeting, and any action taken at that special meeting shall have the same effect as if it had been taken at the annual meeting, and in such case all references in these Amended and Restated By-Laws (the "By-Laws") to the annual meeting of stockholders shall be deemed to refer to such special meeting.

1.3 Special Meeting. A special meeting of the stockholders may be called at any time by the Chairman of the Board, the Chief Executive Officer, two or more directors, or by one director in the event that there is only a single director in office.

1.4 Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notices of all meetings shall state the place, if any, the date, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and the hour of the meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. Notice of any meeting of stockholders shall be given either personally or by mail, electronic mail, telecopy, telegram or other electronic or wireless means. Notices not personally delivered shall be sent charges prepaid and shall be addressed to the stockholder at the address of that stockholder appearing on the books of the Corporation. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or at the time of transmission when sent by electronic mail, telecopy, telegram or other electronic means. An affidavit of the mailing or other means of giving any notice of any stockholders' meeting, executed by the secretary, assistant secretary or any transfer agent of the Corporation giving the notice, shall be prima facie evidence of the giving of such notice or report.

1.5 Voting List. The officer who has charge of the stock ledger of the Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for a period of at least ten (10) days prior to the meeting, for any purpose germane to the meeting on either, at the Corporation's sole discretion, (a) a reasonably accessible electronic network (for which such information required to access the electronic network shall be provided with the notice of the meeting) or (b) during ordinary business hours at the Corporation's principal place of business. If the

meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

1.6 Quorum. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") or these By-Laws, the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation present in person, by means of remote communication, if authorized, or represented by proxy, shall constitute a quorum for the transaction of business.

1.7 Adjournments. Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these By-Laws by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, which hold a majority of the voting power so present or represented or, if no stockholder is present, by any officer entitled to preside at or to act as secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than thirty (30) days if the time and place of the adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the Corporation may transact any business that could have been transacted at the original meeting.

1.8 Voting. Each stockholder shall have one vote for each share of capital stock entitled to vote and held of record by such stockholder, unless otherwise provided by the Delaware General Corporation Law (the "DGCL"), the Certificate of Incorporation or these By-Laws. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person or by electronic means, as determined by the Board of Directors in its sole discretion.

Any stockholder entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or, except when the matter is the election of directors, may vote them against the proposal; but if the stockholder fails to specify the number of shares that the stockholder is voting affirmatively, it will be conclusively presumed that the stockholder's approving vote is with respect to all shares that the stockholder is entitled to vote.

1.9 Proxy Representation. Every stockholder may authorize another person or persons to act for him by proxy in all matters in which a stockholder is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. The delivery of a proxy on behalf of a stockholder consistent with telephonic or electronically transmitted instructions obtained pursuant to procedures of the Corporation reasonably designed to verify that such instructions have been authorized by such stockholder shall constitute execution and delivery of the proxy by or on behalf of the stockholder. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient

in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. The authorization of a proxy may but need not be limited to specified action, provided, however, that if a proxy limits its authorization to a meeting or meetings of stockholders, unless otherwise specifically provided such proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof. A proxy purporting to be authorized by or on behalf of a stockholder, if accepted by the Corporation in its discretion, shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

1.10 Action at Meeting. When a quorum is present at any meeting, a majority of the votes properly cast upon any question shall decide the question, except when a larger vote is required by law, by the Certificate of Incorporation or by these By-Laws. No written ballot shall be required for any election unless requested by a stockholder present or represented at the meeting and entitled to vote in the election.

1.11 Nomination of Directors. Only persons who are nominated in accordance with the procedures set forth in this Section 1.11 shall be eligible for election as directors. The nomination for election to the Board of Directors at a meeting of stockholders may be made by the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of directors at such meeting who complies with the notice procedures set forth in this Section 1.11. Such nominations, other than those made by the Board of Directors, shall be made by notice in writing delivered or mailed by first class United States mail, postage prepaid, to the Secretary, and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that if the annual meeting is not held within thirty (30) days before or after such anniversary date, or in the case of a special meeting, then such nomination shall be delivered or mailed and received by the Secretary not later than the close of business on the tenth day following the date on which the notice of the meeting is mailed or public disclosure is made, whichever occurs first. Such notice shall set forth: (a) as to each proposed nominee, (i) the name, age, business address and, if known, residence address of each such nominee, (ii) the principal occupation or employment of each such nominee, (iii) the class and number of shares of stock of the Corporation that are beneficially owned by each such nominee, (iv) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, and (v) any other information concerning the nominee that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "1934 Act"), including such person's written consent to be named as a nominee and to serve as a director if elected; and (b) as to the stockholder giving the notice, (i) the name and address, as they appear on the Corporation's books, of such stockholder, and (ii) the class and number of shares of the Corporation that are beneficially owned by such stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

The chair of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not properly brought before the meeting in accordance with the provisions of this Section 1.11, and if he or she should so determine, the chair shall so declare to the meeting and the defective nomination shall be disregarded.

Notwithstanding the foregoing provisions of this Section 1.11, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

Notwithstanding the foregoing provisions of this Section 1.11, a stockholder shall also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.11. Nothing in this Section 1.11 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act.

1.12 Notice of Business at Annual Meetings. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be: (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors; or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, if such business relates to the election of directors of the Corporation, the procedures in Section 1.11 must be complied with. If such business relates to any other matter, the stockholder must have given timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice must be delivered to or mailed by first class United States mail, postage prepaid, and received by the Secretary at the principal executive offices of the Corporation not less than ninety (90) calendar days nor more than one hundred twenty (120) calendar days in advance of the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that if the annual meeting is not held within thirty (30) days before or after such anniversary date, then for the notice by the stockholder to be timely it must be so received not later than the close of business on the tenth day following the date on which the notice of the meeting was mailed or public disclosure of the meeting was made, whichever occurs first. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting: (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business; (c) the class and number of shares of the Corporation that are beneficially owned by the stockholder; and (d) any material interest of the stockholder in such business. Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 1.12, except that any stockholder proposal that complies with Rule 14a-8 of the proxy rules, or any successor provision promulgated under the 1934 Act that is to be included in the Corporation's proxy statement for an annual meeting of stockholders shall be deemed to comply with the requirements of this Section 1.12.

The chair of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 1.12, and if he or she should so determine, the chair shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Notwithstanding the foregoing provisions of this Section 1.12, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.12. Nothing in this Section 1.12 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act.

ARTICLE 2 - DIRECTORS

2.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the Corporation except as otherwise provided by law, the Certificate of Incorporation or these By-Laws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board of Directors until the vacancy is filled.

2.2 Number; Election and Qualification. The number of directors that shall constitute the whole Board of Directors shall initially be seven (7). Except as otherwise provided by the Certificate of Incorporation, the number of directors that shall constitute the whole Board of Directors shall be established from time to time by resolution of the Board of Directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. The directors need not be stockholders of the Corporation.

2.3 Term of Office. Each director shall hold office for a term that will expire at the annual meeting of stockholders immediately following such director's election, and until his or her successor shall have been elected, or until his or her sooner death, resignation or removal from office.

2.4 Removal. Any director may be removed, with or without cause, by the affirmative vote of a majority in voting power of the outstanding shares of capital stock of the Corporation cast at a meeting of stockholders called for that purpose.

2.5 Resignation. Any director may resign at any time by delivering his or her written resignation to the Corporation at its principal office or to the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

2.6 Vacancies. Any vacancy in the Board, however occurring, including a vacancy resulting from an enlargement of the Board, shall be filled only by a vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

2.7 Regular Meetings. The regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided, that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.8 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Chief Executive Officer, two or more directors, or by one director in the event that there is only a single director in office.

2.9 Notice of Special Meetings. Notice of any special meeting of the Board of Directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. The notices of any special meeting shall state the place, if any, the date, and the hour of the meeting. The notice shall be duly given to each director: (a) by giving notice to such director in person or by telephone at least twenty four (24) hours in advance of the meeting; (b) by sending a telegram, telecopy, electronic mail or other means of electronic transmission, or delivering written notice by hand, to the director's last known business or home address (including any facsimile number or email address) at least twenty four (24) hours in advance of the meeting; or (c) by mailing written notice to the director's last known business or home address at least seventy two (72) hours in advance of the meeting. Notice shall be deemed to have been given at the time when delivered personally or by telephone, at the time of transmission when sent by telegram, telecopy, electronic mail or other means of electronic transmission, or when deposited in the mail when given by mail. A notice or waiver of notice of a special meeting of the Board of Directors need not specify the purposes of the meeting.

2.10 Meetings by Telephone Conference Calls. Any meeting of the Board of Directors or any committee of the Board of Directors may be held by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another. Participation by such means shall be deemed to constitute presence in person at the meeting.

2.11 Quorum. A majority of the total number of directors then in office shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified. Notwithstanding anything to the contrary in the two immediately preceding sentences, a quorum shall not in any case be less than one-third (1/3) of the total number of directors constituting the whole Board of Directors. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, other than announcement at the meeting, until a quorum shall be present.

2.12 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Certificate of Incorporation or these By-Laws.

2.13 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing and the written consents are filed with the minutes of proceedings of the Board of Directors or committee of the Board of Directors, as applicable.

2.14 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the DGCL, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may adopt a charter and make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such charter or rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the Board of Directors.

2.15 Compensation of Directors. The members of the Board of Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

ARTICLE 3 - OFFICERS

3.1 Enumeration. The officers of the Corporation shall include a Chief Executive Officer, Chief Financial Officer and Secretary. The Board may appoint other officers with such other titles as it may deem appropriate, including, without limitation, President, Treasurer, and one or more Vice Presidents, Assistant Treasurers, Assistant Secretaries, and Controllers.

3.2 Election. The Chief Executive Officer, Chief Financial Officer and Secretary shall be elected annually by the Board at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder of the Corporation. Any two or more offices may be held by the same person.

3.4 Term of Office. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-Laws, each officer shall hold office until his or her successor is

elected, unless a different term is specified in the vote choosing or appointing him or her, or until his or her sooner death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering his or her written resignation to the Corporation at its principal office or to the Chief Executive Officer or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any officer may be removed at any time, with or without cause, by vote of the Board of Directors at any regular or special meeting.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, Chief Financial Officer and Secretary. Each such successor shall hold office for the unexpired term of his or her predecessor and until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal.

3.7 Chairman of the Board. The Board of Directors may appoint a Chairman of the Board. If the Board of Directors appoints a Chairman of the Board, he or she shall perform such duties and possess such powers as the Board of Directors may from time to time prescribe. Unless the Board of Directors otherwise specifies, the Chairman of the Board, or if there is none the Chief Executive Officer, the President or any Vice President, in the order named, shall preside, or designate the person who shall preside, at all meetings of stockholders and of the Board of Directors.

3.8 Chief Executive Officer. The Chief Executive Officer shall, subject to the direction of the Board of Directors, have general charge and supervision of the business of the Corporation. The Chief Executive Officer shall perform such other duties and shall have such other powers as the Board of Directors may from time to time prescribe.

3.9 President. The President, if there is one, shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer and when so performing shall have all the powers of and be subject to all the restrictions upon the office of the Chief Executive Officer.

3.10 Chief Financial Officer. The Chief Financial Officer shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Chief Financial Officer shall have the custody of the corporate funds and securities; shall keep full and accurate all books and accounts of the Corporation as shall be necessary or desirable in accordance with applicable law or generally accepted accounting principles; shall deposit all monies and other valuable effects in the name and to the credit of the Corporation as may be ordered by the Chairman of the Board or the Board of Directors; shall cause the funds of the Corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the Board of Directors, at its regular meeting or when the Board of Directors so requires, an account of the Corporation.

3.11 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.12 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the Secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time assign. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

3.13 Treasurer and Assistant Treasurers. The Treasurer, if there is one, shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.14 Controllers. Any Controller shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or any Vice President may from time to time prescribe.

3.15 Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these By-Laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

3.16 Salaries. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors or a committee thereof.

ARTICLE 4 - CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any balance of the authorized capital stock of the Corporation held in its treasury may be issued, sold, transferred or otherwise disposed of in such manner, for such consideration and on such terms as the Board of Directors may determine.

4.2 Certificates of Stock. Every holder of stock of the Corporation shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned in the Corporation. Each such certificate shall be signed by, or in the name of the Corporation by, the Chairman of the Board of Directors, the Chief Executive Officer or the President, and the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Corporation. Any or all of the signatures on the certificate may be a facsimile.

Each certificate for shares of stock that are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the By-Laws, applicable securities laws or any agreement among any number of stockholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

4.3 Transfers. Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-Laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-Laws.

4.4 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the Corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

4.6 Dividends. Subject to limitations contained in the DGCL, the Certificate of Incorporation and these By-Laws, the Board of Directors may declare and pay dividends upon the shares of capital stock of the Corporation, which dividends may be paid either in cash, in property or in shares of the capital stock of the Corporation.

ARTICLE 5 - RECORDS AND REPORTS

5.1 Maintenance and Inspection of Records. The Corporation shall, either at its principal executive office or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these By-Laws as amended to date, accounting books and other records.

The Board of Directors shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation except as conferred by the laws of the State of Delaware, except as otherwise provided in these By-Laws or unless and until authorized to do so by resolution of the Board of Directors.

5.2 Inspection by Director. Any director shall have the right to examine the Corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court may summarily order the Corporation to permit the director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with

reference to the inspection, or award such other and further relief as the Court may deem just and proper.

5.3 Representation of Shares of Other Corporations. The Chief Executive Officer or the Secretary, or any other officer of this Corporation authorized by the Board of Directors is authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares or other ownership interests of any other corporation or entity standing in the name of this Corporation. The authority herein granted may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

ARTICLE 6 - GENERAL PROVISIONS

6.1 Fiscal Year. The fiscal year of the Corporation shall end on December 31, except as from time to time otherwise designated by the Board of Directors.

6.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

6.3 Waiver of Notice. Whenever any notice is required to be given by law, by the Certificate of Incorporation or by these By-Laws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, cable, electronic mail or any other available method, whether before, at or after the time of the meeting to which such notice relates, or the appearance of such person or persons at such meeting in person, by means of remote communications, if authorized, or by proxy, shall be deemed equivalent to such notice. Where such an appearance is made for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened, the appearance shall not be deemed equivalent to notice.

6.4 Corporate Contracts and Instruments; How Executed. The Board of Directors, except as otherwise provided in these By-Laws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

6.5 Evidence of Authority. A certificate by the Secretary, any Assistant Secretary, or any temporary secretary, as to any action taken by the stockholders, the Board of Directors, a committee of the Board of Directors, or any officer or representative of the Corporation shall, as to all persons who rely on the certificate in good faith, be conclusive evidence of such action.

6.6 Certificate of Incorporation. All references in these By-Laws to the Certificate of Incorporation shall be deemed to refer to the Amended and Restated Certificate of Incorporation of the Corporation, as amended or restated and in effect from time to time.

6.7 Transactions with Interested Parties. No contract or transaction between the Corporation and one or more of the directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of the directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors that authorizes the contract or transaction or solely because his, her or their votes are counted for such purpose, if:

(1) The material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee of the Board of Directors in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(2) The material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee of the Board of Directors, or the stockholders.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee that authorizes the contract or transaction.

6.8 Construction; Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these By-Laws. Without limiting the generality of this provision, (a) the singular number includes the plural, and the plural number includes the singular; (b) the term "person" includes a corporation, a partnership, an entity and a natural person; and (c) all pronouns include the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

6.9 Provisions Additional to Provisions of Law. All restrictions, limitations, requirements and other provisions of these By-Laws shall be construed, insofar as possible, as supplemental and additional to all provisions of law applicable to the subject matter thereof and shall be fully complied with in addition to the said provisions of law unless such compliance shall be illegal.

6.10 Provisions Contrary to Provisions of Law; Severability. Any article, section, subsection, subdivision, sentence, clause or phrase of these By-Laws that, upon being construed in the manner provided in Section 6.8 hereof, shall be contrary to or inconsistent with any applicable provisions of law, shall not apply so long as said provisions of law shall remain in effect, but such result shall not affect the validity or applicability of any other portions of these By-Laws, it being hereby declared that these By-Laws and each article, section, subsection, subdivision, sentence, clause or phrase thereof, would have been adopted irrespective of the fact

that any one or more articles, sections, subsections, subdivisions, sentences, clauses or phrases is or are illegal.

6.11 Inconsistent Provisions. In the event that any provision of these By-Laws is or becomes inconsistent with any provision of the Certificate of Incorporation, the provision of these By-Laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

6.12 Section Headings. Section headings in these By-Laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

ARTICLE 7 - AMENDMENTS

In furtherance of and not in limitation of the powers expressly conferred by statute, the Board of Directors is expressly authorized to adopt, amend and repeal the By-Laws in any manner not inconsistent with the DGCL or the Certificate of Incorporation, subject to the right of the stockholders, upon the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation, to adopt, amend and repeal the By-Laws, including to amend or repeal the By-Laws adopted or amended by the Board of Directors.

BY-LAWS

OF

HUYCK LICENSCO INC.

(a Delaware Corporation)

SECTION I. NAME AND LOCATION

1.1 Name. The name of this corporation shall be Huyck Licensco Inc.

1.2 Registered Office and Agent. Its registered office shall be located at 1209 Orange Street, Wilmington, Delaware and its registered agent shall be The Corporation Trust Company.

1.3 Changes. The name, registered office and registered agent may be changed by the Directors from time to time, subject to the provisions of the Delaware General Corporation Law (hereinafter referred to as the "Law").

1.4 Places of Business. Places for the transaction of business shall be located as the Directors may from time to time determine.

SECTION II. CORPORATE SEAL

The corporation shall have a corporate seal of the following design:

HUYCK LICENSCO INC.
DELAWARE
1988

SECTION III. FISCAL YEAR

The fiscal year of the corporation shall be from January 1 of each year; except as from time to time otherwise provided by the Board of Directors.

SECTION IV. CAPITAL STOCK

4.1 Amount. The amount of authorized capital stock of the corporation, with or without par value, shall be as is set forth in the Certificate of Incorporation, or as are hereafter set forth in amendments to the Certificate of Incorporation.

4.2 Division into Classes. If the capital stock is divided into more than one class of stock, the description of such classes, including the terms upon which they are created, and the voting rights of each shall be as are set forth in the Certificate of Incorporation, or as are hereafter set forth in amendments to the Certificate of Incorporation.

4.3 Stock Certificates. Each Stockholder shall be entitled to a certificate stating the number and the class and the designation of the series, if any, of the shares held by him, in such form as shall, in conformity to law, be prescribed from time to time by the Directors. Such certificate shall be signed by the Chairman, the Vice-Chairman of the Board, the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary.

4.4 Transfer of Shares of Stock. Transfers of stock shall be made only in the manner prescribed by the Law. Only persons registered on the books of the corporation as the owners of shares and their personal representatives shall be entitled to receive dividends and to vote as such owners; and furthermore, the corporation, for the purposes of levying calls and assessments, may treat such persons so registered on its books as the owners of the shares registered in their names. Upon delivery and surrender to the corporation of a stock certificate endorsed as by Law required to transfer title, or accompanied by a written assignment or power of attorney to sell, assign or transfer the same or the shares represented thereby, properly executed, the Secretary shall, subject to any valid restrictions on transfer, register the transferee as the owner of the shares so transferred.

4.5 Record Date. The Board of Directors may in advance fix a date not more than sixty (60) days nor less than ten (10) days preceding the date of any meeting of stockholders nor more than sixty (60) days prior to the date for the payment of any dividend or the making of any distribution to stockholders, or the last day on which the consent or dissent of stockholders may be effectively expressed for any purpose, as the record date for determining the stockholders having the right to notice of and to vote at such

meeting, and any adjournment thereof, or the right to receive such dividend or distribution or the right to give such consent or dissent. In such case, only stockholders of record on such date shall have such right, notwithstanding any transfer of stock on the books of the corporation after the record date.

4.6 Loss of Certificate. In the event of the loss, theft or destruction of any certificate of stock issued by the corporation, the owner thereof shall be entitled to have a new certificate or uncertificated shares for the same number of shares of stock issued in lieu of said certificate so lost, stolen or destroyed, upon satisfactory proof of ownership and upon the giving of such bond or security to the corporation to indemnify it against any loss, cost, damage or expense which may accrue to it by reason of the issue of said certificate in lieu of the certificate so lost, stolen or destroyed, as the Directors may deem necessary or convenient.

4.7 Transfer Agent and Registrar. The Directors may from time to time appoint one or more Transfer Agents and/or one or more Registrars for any class or classes of stock; to provide that stock certificates shall not be valid unless countersigned by any such Transfer Agent or Transfer Agents and/or registered by such Registrar or Registrars; and to give such Transfer Agent or Transfer Agents and/or such Registrar or Registrars such powers and authority as may from time to time be deemed necessary or advisable.

4.8 Restriction on Transfer of Stock. The corporation shall have the right in case any Stockholder desires to sell any stock of the corporation to purchase said stock at the lowest price and upon the most lenient terms at which such Stockholder is willing to sell the same before such stock may be sold to any other party. No sale of any stock to any party other than the corporation shall be valid unless such stock shall have first been so offered in writing to the corporation and unless such offer shall have been rejected or shall not have been acted upon by the corporation within thirty (30) days after such offer is made. The Directors shall have the power to accept or reject such offer on behalf of the corporation. Any Stockholder who shall have offered his stock for sale to the corporation in accordance with the foregoing provisions may at any time within sixty (60) days after the rejection of such offer by the corporation, or if the corporation shall neither accept nor reject such offer, then within ninety (90) days after such offer shall have been made to the corporation, sell the stock so offered to the corporation to any other party but not for a price lower nor

upon more lenient terms than that at which such stock shall have been previously offered to the corporation.

SECTION V. STOCKHOLDERS

5.1 Voting and Proxies. Stockholders entitled to vote may vote either in person or by written proxy at all meetings, provided that such proxies are valid under the Law. Unless otherwise provided in the Certificate of Incorporation, each Stockholder is entitled to one vote for each share of stock.

5.2 Annual and Special Meetings. The annual meetings of Stockholders for the election of Directors and the transaction of such other business as may come before the meeting shall be held at the registered office of the corporation, at any place of business of the corporation, at the office of BTR Inc., or at such other place within or without the State of Delaware as the Directors may hereafter determine, on the first Tuesday of the month which first commences after ninety (90) days from the end of the corporation's fiscal year, except when such day shall be a legal holiday, in which case the annual meeting shall be held on the next business day. The annual meeting may be held on a different date, earlier or later, without amendment of this provision. Special meetings of the Stockholders shall be called by the Directors or the President. The officer who has charge of the stock ledger of a corporation shall prepare and make, at least ten (10) days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting in accordance with the Law.

5.3 Notice and Waiver. Written notice of each meeting of stockholders, stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than sixty (60) days prior to each meeting, to each stockholder or record entitled to vote at such meeting by leaving such notice with him personally or by transmitting such notice with confirmed delivery (including by telex, cable or other form of recorded communication, provided that delivery of such notice in written form is confirmed in a writing) to his residence or usual place of business, or by depositing such notice in the mails in a postage prepaid envelope addressed to him at his post office address as it appears on the corporate records of the Corporation. Notice of any meeting of stockholders may be waived in writing by all stockholders entitled to vote at such meeting. Attendance at a meeting by any stockholder shall constitute a waiver of notice of such meeting, except

when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Quorum. The holders of a majority of the stock entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders except as otherwise specially provided by these By-Laws, by the Certificate of Incorporation or by statute. The affirmative vote, at a meeting of stockholders duly held and at which a quorum is present, of a majority of the voting power of the shares represented at such meeting which are entitled to vote on the subject matter shall be the act of the stockholders, except as is otherwise specially provided by a By-Law, by the Certificate of Incorporation or by statute. If less than a majority of such outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

5.5 Action Without a Meeting. Any action required or permitted to be taken at a meeting of Stockholders by these Bylaws, may be taken without a meeting if all of the Stockholders entitled to vote thereon consent thereto in writing. Any such action may be taken without a meeting upon the written consent of less than all of the Stockholders entitled to vote thereon, if the Stockholders who so consent would be entitled to cast at least the minimum number of votes which would be required to take such action at a meeting at which all Stockholders entitled to vote thereon are present and the action pursuant to this section is authorized by the Certificate of Incorporation. Whenever action is taken pursuant to this section, the written consents of the Stockholders consenting thereto shall be filed with the minutes of the meetings of the Stockholders. Prompt notice of the taking of corporate action without a meeting by less than unanimous consent shall be given to those stockholders who have not so consented.

SECTION VI. BOARD OF DIRECTORS

6.1 Number. The property, business and affairs of the corporation shall be managed by a Board of Directors, composed of such number as may from time to time be fixed by the Stockholders, except that there shall never be less than three Directors (unless all the shares of stock in the corporation are owned beneficially and of record by less than three Stockholders, in which event there may be less than three Directors but no less than the number of Stockholders). A Director need not be a Stockholder or a resident of the State of Delaware.

6.2 Election. Members of the initial Board of Directors as elected at the organization meeting shall hold office until the first annual meeting of the stockholders and until their successors have been elected and qualified. At each annual meeting of stockholders, directors shall be elected to hold office until their successors are elected and qualified or until their earlier resignation or removal.

6.3 Tenure. Each Director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified, or until his earlier death, resignation, removal, ineligibility or disqualification.

6.4 Removal. Any Director may be removed with or without cause by the Stockholders at any time, or by the Directors with cause at any time, except that any Director who is elected by any class or series of shares or holders of bonds which vote as a class may be removed only for cause and only by the applicable vote of the holders of such shares or bonds, voting as a class. In the case of the corporation having cumulative voting, if less than the entire board is to be removed, no Director may be removed without cause if the votes against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors, or, if there be a class of Directors, at an election of the class of Directors of which he is a part.

6.5 Resignations. Any Director may resign his office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the corporation, unless some other but later time be fixed in the resignation, and then from that time. The acceptance of a resignation shall not be required to make it effective.

6.6 Powers. Except as reserved to the Stockholders by the Law, by the Certificate of Incorporation or by

these Bylaws, the business of the corporation shall be managed by the Directors who shall have and may exercise all the powers of the corporation. In particular, and without limiting the generality of the foregoing, the Directors may, at any time, fix the compensation of Directors, issue all or from time to time any part of the unissued capital stock of the corporation from time to time authorized under the Certificate of Incorporation, and may determine, subject to the requirements of the Law and the Certificate of Incorporation, consideration for which stock is to be issued, the manner of allocating such consideration between capital and surplus, and, in the case of preferred or special classes of stock, the division of same into series and the relative rights and preferences of any series established by the Directors.

6.7 Committees. The Directors may, by vote of a majority of the Directors then in office, elect from their number an executive committee and other committees and may by vote delegate to any such committee or committees some or all of the powers of the Directors except those which by the Law, by the Certificate of Incorporation or by these Bylaws they are prohibited from delegating. Except as the Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Directors or such rules, its business shall be conducted as nearly as may be in the same manner as is provided by these Bylaws for the conduct of business by the Directors. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

6.8 Regular and Special Meetings. The annual meeting, regular and special meetings of the Directors for the election of officers and/or the transaction of such other business as may come before the Directors shall be held at such place, within or without the State of Delaware, as may be determined by the Directors. The annual meeting shall be held as soon as is convenient after the annual meeting of the Stockholders at which the Directors are elected and after each annual meeting of the Stockholders.

6.9 Meetings by Telephone Conference Circuit. Meetings of the Directors may be held by means of a telephone conference circuit or other similar communications and connection to such circuit or other means of communication shall constitute presence at such meetings.

6.10 Action Without a Meeting. Any action which may be taken or is required to be taken at a meeting of the Directors or a committee thereof may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed before or after such action by all of the Directors, or committee members as the case may be.

6.11 Place, Time and Notice of Meetings. Regular and special meetings of the Board of Directors shall be held at any reasonable and suitable place upon the giving of twenty-four (24) hours notice, oral, written or by telephone to each Director. Meetings shall be called by the Chairman, Vice-Chairman, President or Secretary of the corporation. Attendance at a meeting by a Director shall constitute a waiver of notice of such meeting, except when a Director attends solely to object to the transaction of business on the basis that the meeting was not lawfully called or convened. The purpose of the meeting need not be stated in any notice thereof.

6.12 Quorum. One-third of the number of Directors then holding office shall constitute a quorum for the transaction of business unless otherwise provided in the Certificate of Incorporation. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by the Certificate of Incorporation or these Bylaws.

Section VII. OFFICERS AND AGENTS

7.1 Enumeration; Qualification. The officers of the corporation shall be a President, a Treasurer, a Secretary, and such other officers, including a Chairman and Vice-Chairman of the Board of Directors, Vice-Presidents, Assistant Treasurers, Assistant Secretaries, as the Directors from time to time may, in their discretion, elect or appoint. The corporation may also have such agents, if any, as the Directors from time to time may, in their discretion, appoint. Any officer may be but need not be a Director or Stockholder. Any two or more offices may be held by the same person. Any officer may be required by the Directors to give bond for the faithful performance of his duties to the corporation in such amount and with such sureties as the Directors may determine.

7.2 Powers. Subject to the Law, the Certificate of Incorporation and the other provisions of these Bylaws, each officer shall have, in addition to the duties and powers herein set forth, such duties and powers as are commonly

incident to his office and such duties and powers as the Directors may from time to time designate. Securities of other corporations held by the Corporation may be voted by any officer designated by the Board and, in the absence of any such designation, by the President, any Vice-President, the Secretary or the Treasurer. The Board may require any officer, agent or employee to give security for the faithful performance of his duties.

7.3 Election. The President, the Vice-Presidents, the Treasurer and the Secretary shall be elected annually by the Directors at their first meeting following the annual meeting of the Stockholders, unless a vacancy occurs, in which event such vacancy may be filled at any time by the Directors. Other officers, if any, may be elected or appointed by the Directors at said meeting or at any other time.

7.4 Tenure. The President, the Vice-Presidents, the Treasurer, and the Secretary shall hold office until the first meeting of the Directors following the next annual meeting of the Stockholders and until their respective successors are chosen and qualified, and each other officer shall hold office until the first meeting of the Directors following the next annual meeting of the Stockholders, unless a shorter period shall have been specified by the terms of his election or appointment, or in each case until his earlier death, resignation, removal or disqualification. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Each agent shall retain his authority at the pleasure of the Directors.

7.5 Chairman and Vice-Chairman. The Chairman of the Board of Directors shall preside at all meetings of the Directors. The Vice-Chairman of the Board of Directors shall act as Chairman and be vested with his powers and authority in his absence or in the event of the Chairman's inability to serve or perform his duties.

7.6 President and Vice-Presidents. Except as otherwise voted by the Directors, the President shall be the chief executive officer of the corporation and, subject to the control of the Directors, shall have general charge and supervision of the business of the corporation. The President shall preside at all meetings of the Stockholders and, in the absence of a Chairman and Vice-Chairman, of the Directors at which he is present, except as otherwise voted by the Directors. Any Vice-President shall have such duties and

powers as shall be designated from time to time by the Directors.

7.7 Treasurer and Assistant Treasurers. The Treasurer shall be the chief financial and accounting officer of the corporation and shall be in charge of its funds and valuable papers, books of account and accounting records, and shall have such other duties and powers as may be designated from time to time by the Directors or by the President. Any Assistant Treasurers shall have such duties and powers as shall be designated from time to time by the Directors.

7.8 Secretary and Assistant Secretaries. The Secretary shall record all proceedings of the Stockholders and Directors in a book to be kept therefor, which book shall be kept at the principal office of the corporation, at the office of its transfer agent or of its Secretary, or at the office of its legal counsel. In the absence of the Secretary from any meeting of the Stockholders, an Assistant Secretary, or, if there be none or he is absent, a temporary Secretary chosen at the meeting, shall record the proceedings thereof in the aforesaid book. Unless a transfer agent has been appointed, the Secretary shall keep or cause to be kept the stock and transfer records of the corporation, which shall contain the names and record addresses of all Stockholders and the amount of stock held by each. The Secretary shall keep a true record of the proceedings of all meetings of the Directors and, in his absence from any such meeting, an Assistant Secretary, or, if there be none or he is absent, a temporary Secretary chosen at the meeting, shall record the proceedings thereof. Any Assistant Secretary shall have such duties and powers as shall be designated from time to time by the Directors.

7.9 Resignations. Any officer may resign at any time by delivering his resignation in writing to the President, the Treasurer or the Secretary or to a meeting of the Directors. Such resignation shall be effective upon receipt unless specified to be effective at some other later time, at which date it shall become effective. The acceptance of a resignation shall not be required to make it effective.

SECTION VIII. INDEMNIFICATION

The corporation shall indemnify its officers, directors, employees and agents to the extent permitted by the General Corporation Law of Delaware.

SECTION IX. EXECUTION OF PAPERS

Unless in a particular case the Directors may also authorize others to do so, all contracts, mortgages, leases, deeds, transfer and other conveyances of the real or personal property of the corporation, all promissory notes, acceptances, checks, drafts, orders or other obligations of the corporation for the payment of money, all bonds, licenses, returns, reports, applications, and all other instruments or writings of any nature, shall be signed, executed, acknowledged, and delivered for and on behalf of the corporation by the President, any Vice-President or the Treasurer.

X. AMENDMENTS

To the extent permitted by the Law, these Bylaws may be added to, amended or repealed at any meeting of the Stockholders or at any meeting of the Board of Directors, provided that any amendments made by the Directors may be changed by the Stockholders.

UNANIMOUS WRITTEN CONSENT OF THE SOLE STOCKHOLDER AND BOARD OF DIRECTORS OF HUYCK LICENSCO, INC.

The undersigned, Sole Stockholder and Board of Directors of Huyck Licensco, Inc., a Delaware corporation (the "Corporation"), hereby take the following action by written consent and adopt the following resolutions:

RESOLVED: That the attached grid note from the Corporation to BTR Dunlop Finance Inc., pursuant to which the Corporation has borrowed $5,388,000 as of July 30, 1991, is hereby ratified and confirmed as having been duly authorized and in the best interests of the Corporation.

RESOLVED: That the Corporation by any two, acting jointly, of the President, any Vice President or the Treasurer (the "Officers") of the Corporation is authorized and empowered to borrow money from BTR Dunlop Finance Inc. in such amounts, for such loan periods, at such interest rates and other terms and conditions and to execute and deliver all documents and do all things in connection therewith as any two of the Officers, acting jointly, may in their discretion deem advisable and in the best interests of the Corporation.

RESOLVED: That the Officers and any other person, designated in writing by any two Officers as having authority to act on behalf of the Corporation regarding these resolutions shall be deemed "Authorized Signatories" for purposes of the following resolutions.

RESOLVED: That the establishment of accounts for the deposit, retention, disbursement, and/or transfer of funds of the Corporation ("Bank Accounts") with banks and other financial institutions hereby are authorized and any two, acting jointly, of the Authorized Signatories, at least one of whom must be an Officer, are authorized and empowered to execute and deliver on behalf of the Corporation agreements, documents and instruments (which may or may not designate Authorized Signatories)

in connection with the establishment and/or continuation of such Bank Accounts, provided, however, that such agreements, documents and instruments shall not be inconsistent with the procedures and limitations on the exercise of authority over such Bank Accounts set forth in the following resolutions.

RESOLVED: That all authority over, and relating to, such Bank Accounts shall be exercised on behalf of the Corporation only by the manual signatures of any two jointly of the Authorized Signatories, at least one of whom must be an Officer, except that authority over payroll accounts may be exercised by any one Authorized Signatory.

RESOLVED: That endorsements, powers of attorney, assignments and all agreements and documents made and issued in accordance with Bank Accounts adopted pursuant to these resolutions will continue until written notice of revocation has been given to and received by the appropriate financial institution.

RESOLVED: That in order to effectuate the intent of the foregoing resolutions and without further action by the Board of Directors of the Corporation, any resolutions in the form prescribed by financial institutions are hereby deemed adopted in such form as of the date hereof, or as of some other later date as the Secretary, but not any Assistant Secretary, of the Corporation may select, with the same force and effect as if set forth herein in full, together with such modifications, renewals, confirmations, deletions, insertions and variations thereof as the Secretary, but not any Assistant Secretary, of the Corporation may, in his discretion, deem advisable, necessary or convenient and in the best interests of the Corporation, including such as shall from time to time be requested by such institutions, and the Secretary, but not any Assistant Secretary, of the Corporation, acting singly, is hereby authorized to execute and certify to the adoption of such resolutions, which will have been completed in accordance with the intent of the foregoing resolutions and which resolutions shall be thereafter inserted in the

Minutes of the proceedings of the Directors of the Corporation.

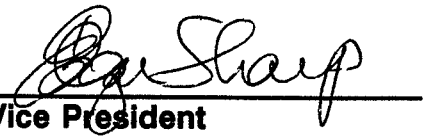
RESOLVED: That the provision, if any, in the By-Laws of the Corporation relating to indemnification of directors, officers and employees is hereby deleted and the following provision is substituted therefore, or if the By-Laws of the Corporation before the adoption of this resolution did not contain a provision for indemnification of directors, officers and employees the following provision is added to the By-Laws, effective as of the date of this resolution:

Indemnification of Directors, Officers and Employees. The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of the Corporation or serves or served at the request of the Corporation in any other enterprise as a director, officer or employee. Expenses incurred by any such person in defending any such action, suit or proceeding shall be paid or reimbursed by the Corporation promptly upon receipt by it of an undertaking of such person to repay such expenses if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation. The rights provided to any person by this by-law shall be enforceable against the Corporation by such person who shall be presumed to have relied upon it in serving or continuing to serve as a director, officer or employee as provided above. No amendment of this by-law shall impair the rights of any person arising at any time with respect to events occurring prior to such amendment. For purposes of this by-law, the term "Corporation" shall include any predecessor of the Corporation and any constituent corporation (including any constituent of a constituent) absorbed by the Corporation in a consolidation or merger; the term "other enterprise" shall include any corporation, partnership, joint venture, trust or employee benefit plan; and service "at the request of the Corporation" shall include, without

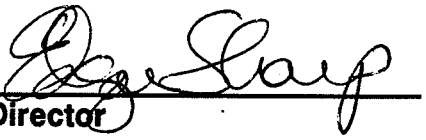
limitation, service as a director, officer or employee of the Corporation which imposes duties on, or involves services by, such director, officer or employee with respect to an employee benefit plan, its participants or beneficiaries.

This consent is effective as of August 21, 1991.

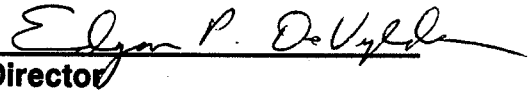
HUYCK CORPORATION
Sole Stockholder



Vice President



Director



Director

HUYCK LICENSCO INC.
a Delaware corporation

WRITTEN CONSENT OF THE SOLE STOCKHOLDER
IN LIEU OF A SPECIAL MEETING

The undersigned, being the sole stockholder of HUYCK LICENSCO INC., a Delaware corporation (the "Corporation"), in lieu of holding a special meeting of stockholders, does hereby take the following actions and adopts the following resolutions by written consent without a meeting pursuant to Section 228(a) of the General Corporation Law of the State of Delaware:

1. Election of Board of Directors

RESOLVED, that pursuant to Section 141(k) of the Delaware General Corporation Law, the sole stockholder hereby removes the entire Board of Directors of the Corporation, effective immediately;

FURTHER RESOLVED, that the first sentence of Article 6.1 of the By-laws of the Corporation be, and it hereby is, amended to read as follows: "The number of directors which shall constitute the whole board shall be fixed from time to time by resolution of the Board of Directors or the stockholders, but shall not be less than two nor more than five."

FURTHER RESOLVED, that the number of directors that shall constitute the whole board be, and it hereby is, fixed at two; and

FURTHER RESOLVED, that Mr. Michael D. Collins and Mr. Manuel Tarano be, and they each hereby are, elected as members of the Board of Directors effective immediately, and shall serve for the remainder of the term as provided in the By-laws of the Corporation and until their successors shall have been duly elected and qualified, or until their earlier resignation or removal.

The actions taken by this Sole Stockholder Consent shall have the same force and effect as if taken at a special meeting of the stockholder of the Corporation, duly called and constituted, pursuant to the By-laws of the Corporation and the laws of the State of Delaware.

IN WITNESS WHEREOF, the undersigned has executed this Sole Stockholder's Consent as of December 3, 1999.

WEAVEXX CORPORATION

By: _____
Name:
Title:

STOWE WOODWARD LICENSCO LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

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STOWE WOODWARD LICENSCO LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Stowe Woodward Licensco LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Stowe Woodward Licensco LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The undersigned hereby declares as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement, the following terms have the meanings indicated (unless otherwise expressly provided herein):

"Certificate of Conversion" means the Certificate converting the Company from a corporation to a limited liability company as filed with the Delaware Secretary of State.

"Certificate of Formation" means the Certificate of Formation of the Company as filed with the Delaware Secretary of State, as the same may be amended from time to time.

"Conversion" means the conversion of Stowe Woodward Licensco Inc. into a limited liability company pursuant to Section 18-214 of the Delaware Act and Section 266 of the Delaware General Corporation Law and the Certificate of Conversion.

"Delaware Act" means the Delaware Limited Liability Company Act at Title 6 of the Delaware Code, §§ 18-101 *et seq*.

"Director" means a member of the Board of Directors of the Company.

"Member" means the undersigned and any other person who becomes a member of the Company in accordance with this Agreement.

"Unit" means a measure of ownership interest in the Company.

ARTICLE 2

FORMATION OF THE COMPANY

2.1 CONVERSION AND FORMATION

The Company has been converted from a Delaware corporation to a Delaware limited liability company by executing and delivering the Certificate of Conversion, together with the Certificate of Formation, to the Delaware Secretary of State in accordance with and pursuant to the Delaware Act.

2.2 PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Company will be One Technology Drive, Westborough Technology Park, Westborough, Massachusetts 01581. The Company may locate its places of business and registered office at any other place or places as the Member may deem advisable.

2.3 REGISTERED OFFICE AND REGISTERED AGENT

The Company's initial registered office will be at the office of its registered agent at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, County of New Castle, and the name of its initial registered agent is The Corporation Trust Company.

2.4 TERM

The term of the Company will be perpetual.

ARTICLE 3

BUSINESS OF COMPANY

The Company will continue the business conducted by Stowe Woodward Licensco Inc. prior to the Conversion and will carry on any other lawful business or activity in connection with the foregoing or otherwise, and will have and exercise all of the powers, rights and privileges which a limited liability company organized pursuant to the Delaware Act may have and exercise.

ARTICLE 4

UNITS AND CONTRIBUTIONS TO CAPITAL

4.1 UNITS; CERTIFICATES

The capital of the Company will be represented by Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Directors may make such rules and regulations as it may deem appropriate concerning the issuance and registration of Units, including the issuance of certificates representing Units. The Board of Directors may authorize the issuance of any Units without certificates. The Units are expressly deemed to be securities governed by Article 8 of the Uniform Commercial Code of the State of Delaware.

4.2 CAPITAL CONTRIBUTIONS

In connection with the Conversion, each of the 100 shares of capital stock the Member owned in Stowe Woodward Licensco Inc. has been automatically converted into a Unit. The amount designated as the capital contribution of the Member for the Units issued in the Conversion will be the same amount as was designated as capital on the books and records of Stowe Woodward Licensco Inc. immediately prior to the Conversion. The Member will not be required to make additional capital contributions.

ARTICLE 5

RIGHTS AND OBLIGATIONS OF MEMBER

5.1 MANNER OF ACTING

The Member may act to appoint the Board of Directors or otherwise through written or unwritten resolutions or certifications of any nature.

5.2 LIMITATION OF LIABILITY

The Member will not be personally liable to creditors of the Company for any debts, obligations, liabilities or losses of the Company, whether arising in contract, tort or otherwise, beyond the Member's capital contribution set forth in Section 4.2 and any additional capital contribution.

5.3 COMPANY BOOKS

The Company will maintain and preserve, during the term of the Company, all accounts, books and other relevant Company documents.

ARTICLE 6

MANAGEMENT - BOARD OF DIRECTORS AND OFFICERS

6.1 MANAGEMENT BY DIRECTORS

The business and affairs of the Company will be managed by its Board of Directors. The Board of Directors will have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, including the powers set forth in Schedule 6.1, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business and objectives. No one Director may take or effect any action on behalf of the Company or otherwise bind the Company in the absence of a formal delegation of authority by the Board of Directors to such Director.

6.2 NUMBER, ELECTION, TENURE AND QUALIFICATIONS

The number of directors constituting the first Board of Directors will be three. Thereafter, the number of Directors of the Company may be fixed from time to time by the Member. Directors will be appointed by the Member. Each Director will hold office until his successor has been duly appointed and qualified or until his earlier death, resignation or removal. Directors need not be Members of the Company.

6.3 MANNER OF ACTING

The Board of Directors may designate any place, either within or outside the State of Delaware, as the place of meeting of the Board of Directors. A majority of the Board of Directors will constitute a quorum at meetings of the Board of Directors. If a quorum is present, the affirmative vote of a majority of all Directors will constitute the act of the Board of Directors. Any Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting by means of such equipment will constitute presence in a person at such meeting. Action may be taken without a meeting if the action is evidenced by one or more written consents signed by a majority of the directors.

6.4 DIRECTORS HAVE NO EXCLUSIVE DUTY TO COMPANY

A Director will not be required to manage the Company as his sole and exclusive function, and he may have other business interests and engage in activities in addition to those relating to the Company. Neither the Company, the Member, nor any other Director will have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Director or in the income or proceeds derived therefrom.

6.5 RESIGNATION

Any Director of the Company may resign at any time by giving written notice to the Member and the other Directors of the Company. The resignation of any Director will take effect upon receipt of notice thereof or at such later date specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

6.6 REMOVAL

All or any lesser number of Directors may be removed at any time, with or without cause, by the Member.

6.7 OFFICERS OF COMPANY

The officers of the Company will consist of the officers listed in Schedule 6.7 and such other officers or agents as may be elected and appointed by the Board of Directors. Any two or more offices may be held by the same person. The officers will act in the name of the Company and will supervise its operation under the direction and management of the Board of Directors, as further described below.

6.8 ELECTION AND TERM OF OFFICE

The officers of the Company will be elected by the Board of Directors. Each officer will hold office until his successor is duly elected and has qualified, or until his earlier death, resignation, or removal. Election or appointment of an officer will not of itself create contract rights.

6.9 REMOVAL

Any officer may be removed by the Board of Directors at any time.

6.10 DUTIES OF OFFICERS

The officers will have such duties and powers as described in Schedule 6.7.

ARTICLE 7

STANDARD OF CARE AND INDEMNIFICATION

7.1 STANDARD OF CARE

No Member, Director or officer of the Company will be liable to the Company by reason of the actions of such person in the conduct of the business of the Company except for fraud, gross negligence or willful misconduct.

7.2 INDEMNIFICATION OF MEMBER, OFFICERS AND ORGANIZER

The Company will, to the fullest extent to which it is empowered to do so by the Delaware Act or any other applicable law, indemnify and make advances for expenses to any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Member, Director, officer or employee of the Company, against losses, damages, expenses (including attorney's fees), judgments, fines and amounts reasonably incurred by him in connection with such action, suit or proceeding.

ARTICLE 8

ALLOCATIONS AND DISTRIBUTIONS

8.1 ALLOCATIONS OF NET PROFITS AND NET LOSSES

The profits, losses, and other items of the Company will be allocated to the Member. There will be no "special allocations."

8.2 DISTRIBUTIONS

Distributions will be made as follows:

(a) Subject to Section 18-607 of the Delaware Act, the Company will make interim distributions as the Member will determine.

(b) Upon liquidation of the Company, liquidating distributions will be made in accordance with Section 9.2.

ARTICLE 9

DISSOLUTION AND TERMINATION

9.1 DISSOLUTION

(a) The Company will be dissolved only upon the occurrence of any of the following events:

(i) by written decision of the Member; or

(ii) upon the entry of a decree of judicial dissolution under Section 18-802 of the Delaware Act.

(b) Dissolution of the Company will be effective on the day on which an event described in Section 9.1(a) occurs, but the Company will not terminate until a certificate of cancellation is filed with the Secretary of State of the State of Delaware and the assets of the Company are distributed as provided in Section 9.2. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business of the Company and the affairs of the Member will continue to be governed by this Agreement.

9.2 WINDING UP, LIQUIDATION AND DISTRIBUTION OF ASSETS

Upon dissolution, an accounting will be made of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Member will:

(a) sell or otherwise liquidate all of the Company's assets as promptly as practicable;

(b) discharge all liabilities of the Company, including liabilities to the Member as a creditor of the Company to the extent permitted by law, excluding liabilities for distributions to Members; and

(c) distribute all remaining assets to the Member.

9.3 CERTIFICATE OF CANCELLATION

When all debts, liabilities and obligations of the Company have been paid and discharged, or adequate provisions have been made for their payment and discharge, and all of the remaining property and assets of the Company have been distributed, a certificate of

cancellation setting forth the information required by the Delaware Act will be executed by one or more authorized persons and filed with the Delaware Secretary of State.

Upon such filing, the existence of the Company will cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Delaware Act. The Member will have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

ARTICLE 10

MISCELLANEOUS PROVISIONS

10.1 NOTICES

All notices, demands, waivers and other communications required or permitted by this Agreement will be in writing and will be deemed given to a party or the Company when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested. Any such communication will be addressed to a Member as shown on the records of the Company, to the Company at its principal office, or in either case to such other address as the Member or the Company may from time to time designate by written notice to all parties.

10.2 AMENDMENTS

This Agreement may be amended at any time by a writing executed by the Member.

10.3 SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

10.4 CREDITORS

None of the provisions of this Agreement are for the benefit of or enforceable by any creditors of the Company.

10.5 CONSTRUCTION

All references in this Agreement to “Articles” and “Sections” refer to the corresponding Articles and Sections of this Agreement unless the context indicates otherwise. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. The terms “include” or “including” indicate

examples of a foregoing general statement and not a limitation on that general statement. Any reference to a statute refers to the statute, any amendments or successor legislation, and all regulations promulgated under or implementing the statute, as in effect at the relevant time.

10.6 GOVERNING LAW

This Agreement will be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles that would require the application of any other law, and the Certificate of Formation.

The Member has caused its duly authorized representative to execute this Agreement as of the date indicated in the first sentence of this Agreement.

MEMBER:

Xerium Inc.

By: _____

Its: _____

SCHEDULE 6.1

POWERS AND AUTHORITY OF BOARD OF DIRECTORS

Powers

The Board of Directors will have the following powers and authority:

(a) to acquire property from any person as the Board of Directors may determine, whether or not such person is directly or indirectly affiliated or connected with any Director or Member;

(b) to open bank accounts in the name and on behalf of the Company, and to determine who will have the signatory power over such accounts;

(c) to borrow money for the Company on such terms as the Board of Directors deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

(d) to purchase liability and other insurance to protect the Company's property and business;

(e) to hold and own Company real and personal property in the name of the Company;

(f) to invest Company funds;

(g) to authorize the execution of all instruments and documents, including checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments, bills of sale; leases; and any other instruments or documents necessary to the business of the Company;

(h) to employ accountants, legal counsel, agents or other experts to perform services for the Company;

(i) to appoint such agents, officers and delegees as may be necessary or appropriate to the conduct of the business;

(j) to take actions by or on behalf of the Company in respect of any equity interests held by the Company in another entity;

(k) to authorize any and all other agreements on behalf of the Company, in such forms as the Board of Directors may approve; and

(1) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Limitations

The Board of Directors will not have the power or authority to take any of the following actions without the advance approval of the Member:

Amend the limited liability company agreement Amend the certificate of formation

Admit members

Sell, transfer or dispose of (or contract to sell, transfer or dispose of) all or substantially all of the assets of the Company

Dissolve the Company

Merge or consolidate the Company or convert the Company to a different type of entity Initiating a bankruptcy or similar proceeding.

SCHEDULE 6.7

DUTIES OF OFFICERS

President.

The president will be the chief executive officer of the Company in charge of the entire business and all the affairs of the Company and will have the powers and perform the duties incident to that position, including the power to bind the Company in accordance with this Schedule. The president will, when present, preside at all meetings of the Board of Directors. He will have such other powers and perform such duties as are specified in this Agreement and as may from time to time be assigned to him by the Board of Directors.

The president will have general and active management of the business of the Company and will see that all orders and resolutions of the Board of Directors are carried into effect. The president may execute bonds, mortgages and other contracts (whenever requiring a seal, under the seal of the Company), except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof is expressly delegated by the Board of Directors to some other officer or agent of the Company. The president will have general powers of supervision and will be the final arbiter of all differences between officers of the Company, and such decision as to any matter affecting the Company will be final and binding as between the officers of the Company subject only to review by the Board of Directors.

Vice Presidents.

At the request of or in the absence of the president or in the event of his inability or refusal to act, a vice president (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of their election) will perform the duties of the president, and when so acting, will have all the powers of and be subject to all the restrictions upon the president. Any vice president will perform such other duties as from time to time may be assigned to him by the chairman, the president or the Board of Directors of the Company. Vice presidents may be assigned primary responsibility for certain operations of the Company.

Chief Financial Officer.

The chief financial officer will: (i) have primary responsibility for the financial affairs of the Company and be responsible for its financial books and records; (ii) render to the president or the board of directors, upon request, an account of the financial condition of the corporation and assist with financial projections for the Company's operations; (iii) plan for adequate financing and liquidity for the Company's operations; and (iv) in general perform all the duties incident to the office of chief financial officer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Treasurer.

The treasurer will: (i) be responsible for all funds and securities of the Company; (ii) disburse the funds of the Company as ordered by the board of directors, the president or the chief financial officer or as otherwise required in the conduct of the business of the corporation; (iii) receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositaries as will be selected by the Board of Directors of the Company; and (iv) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president, the chief financial officer or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Secretary.

The secretary will: (a) keep the minutes of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of this Agreement or as required by law; (c) be custodian of Company records; (d) sign with the president, any certificates representing Units; (e) certify the resolutions of the Board of Directors and other documents of the Company as true and correct; and (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or the Board of Directors.

Assistant Treasurers and Assistant Secretaries.

The assistant treasurers and assistant secretaries, if any, shall perform all functions and duties which the secretary or treasurer, as the case may be, may assign or delegate; but such assignment or delegation shall not relieve the principal officer from the responsibilities of his or her office.

STOWE WOODWARD LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

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STOWE WOODWARD LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Stowe Woodward LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Stowe Woodward LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The undersigned hereby declares as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement, the following terms have the meanings indicated (unless otherwise expressly provided herein):

"Certificate of Conversion" means the Certificate converting the Company from a corporation to a limited liability company as filed with the Delaware Secretary of State.

"Certificate of Formation" means the Certificate of Formation of the Company as filed with the Delaware Secretary of State, as the same may be amended from time to time.

"Conversion" means the conversion of Stowe Woodward Inc. into a limited liability company pursuant to Section 18-214 of the Delaware Act and Section 266 of the Delaware General Corporation Law and the Certificate of Conversion.

"Delaware Act" means the Delaware Limited Liability Company Act at Title 6 of the Delaware Code, §§ 18-101 *et seq*.

"Director" means a member of the Board of Directors of the Company.

"Member" means the undersigned and any other person who becomes a member of the Company in accordance with this Agreement.

"Unit" means a measure of ownership interest in the Company.

ARTICLE 2

FORMATION OF THE COMPANY

2.1 CONVERSION AND FORMATION

The Company has been converted from a Delaware corporation to a Delaware limited liability company by executing and delivering the Certificate of Conversion, together with the Certificate of Formation, to the Delaware Secretary of State in accordance with and pursuant to the Delaware Act.

2.2 PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Company will be One Technology Drive, Westborough Technology Park, Westborough, Massachusetts 01581. The Company may locate its places of business and registered office at any other place or places as the Member may deem advisable.

2.3 REGISTERED OFFICE AND REGISTERED AGENT

The Company's initial registered office will be at the office of its registered agent at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, County of New Castle, and the name of its initial registered agent is The Corporation Trust Company.

2.4 TERM

The term of the Company will be perpetual.

ARTICLE 3

BUSINESS OF COMPANY

The Company will continue the business conducted by Stowe Woodward Inc. prior to the Conversion and will carry on any other lawful business or activity in connection with the foregoing or otherwise, and will have and exercise all of the powers, rights and privileges which a limited liability company organized pursuant to the Delaware Act may have and exercise.

ARTICLE 4

UNITS AND CONTRIBUTIONS TO CAPITAL

4.1 UNITS; CERTIFICATES

The capital of the Company will be represented by Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Directors may make such rules and regulations as it may deem

appropriate concerning the issuance and registration of Units, including the issuance of certificates representing Units. The Board of Directors may authorize the issuance of any Units without certificates. The Units are expressly deemed to be securities governed by Article 8 of the Uniform Commercial Code of the State of Delaware.

4.2 CAPITAL CONTRIBUTIONS

In connection with the Conversion, each of the 100 shares of capital stock the former Member, Stowe Woodward Licensco Inc., owned in Stowe Woodward Inc. has been automatically converted into a Unit. The amount designated as the capital contribution of the Member for the Units issued in the Conversion will be the same amount as was designated as capital on the books and records of Stowe Woodward Inc. immediately prior to the Conversion. The Member will not be required to make additional capital contributions.

ARTICLE 5

RIGHTS AND OBLIGATIONS OF MEMBER

5.1 MANNER OF ACTING

The Member may act to appoint the Board of Directors or otherwise through written or unwritten resolutions or certifications of any nature.

5.2 LIMITATION OF LIABILITY

The Member will not be personally liable to creditors of the Company for any debts, obligations, liabilities or losses of the Company, whether arising in contract, tort or otherwise, beyond the Member's capital contribution set forth in Section 4.2 and any additional capital contribution.

5.3 COMPANY BOOKS

The Company will maintain and preserve, during the term of the Company, all accounts, books and other relevant Company documents.

ARTICLE 6

MANAGEMENT - BOARD OF DIRECTORS AND OFFICERS

6.1 MANAGEMENT BY DIRECTORS

The business and affairs of the Company will be managed by its Board of Directors. The Board of Directors will have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, including the powers set forth in Schedule 6.1, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business and objectives. No one Director may take or effect any action on behalf of the Company or otherwise bind the

Company in the absence of a formal delegation of authority by the Board of Directors to such Director.

6.2 NUMBER, ELECTION, TENURE AND QUALIFICATIONS

The number of directors constituting the first Board of Directors will be three. Thereafter, the number of Directors of the Company may be fixed from time to time by the Member. Directors will be appointed by the Member. Each Director will hold office until his successor has been duly appointed and qualified or until his earlier death, resignation or removal. Directors need not be Members of the Company.

6.3 MANNER OF ACTING

The Board of Directors may designate any place, either within or outside the State of Delaware, as the place of meeting of the Board of Directors. A majority of the Board of Directors will constitute a quorum at meetings of the Board of Directors. If a quorum is present, the affirmative vote of a majority of all Directors will constitute the act of the Board of Directors. Any Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting by means of such equipment will constitute presence in a person at such meeting. Action may be taken without a meeting if the action is evidenced by one or more written consents signed by a majority of the directors.

6.4 DIRECTORS HAVE NO EXCLUSIVE DUTY TO COMPANY

A Director will not be required to manage the Company as his sole and exclusive function, and he may have other business interests and engage in activities in addition to those relating to the Company. Neither the Company, the Member, nor any other Director will have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Director or in the income or proceeds derived therefrom.

6.5 RESIGNATION

Any Director of the Company may resign at any time by giving written notice to the Member and the other Directors of the Company. The resignation of any Director will take effect upon receipt of notice thereof or at such later date specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

6.6 REMOVAL

All or any lesser number of Directors may be removed at any time, with or without cause, by the Member.

6.7 OFFICERS OF COMPANY

The officers of the Company will consist of the officers listed in Schedule 6.7 and such other officers or agents as may be elected and appointed by the Board of Directors. Any two or more offices may be held by the same person. The officers will act in the name of the Company

and will supervise its operation under the direction and management of the Board of Directors, as further described below.

6.8 ELECTION AND TERM OF OFFICE

The officers of the Company will be elected by the Board of Directors. Each officer will hold office until his successor is duly elected and has qualified, or until his earlier death, resignation, or removal. Election or appointment of an officer will not of itself create contract rights.

6.9 REMOVAL

Any officer may be removed by the Board of Directors at any time.

6.10 DUTIES OF OFFICERS

The officers will have such duties and powers as described in Schedule 6.7.

ARTICLE 7

STANDARD OF CARE AND INDEMNIFICATION

7.1 STANDARD OF CARE

No Member, Director or officer of the Company will be liable to the Company by reason of the actions of such person in the conduct of the business of the Company except for fraud, gross negligence or willful misconduct.

7.2 INDEMNIFICATION OF MEMBER, OFFICERS AND ORGANIZER

The Company will, to the fullest extent to which it is empowered to do so by the Delaware Act or any other applicable law, indemnify and make advances for expenses to any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Member, Director, officer or employee of the Company, against losses, damages, expenses (including attorney's fees), judgments, fines and amounts reasonably incurred by him in connection with such action, suit or proceeding.

ARTICLE 8

ALLOCATIONS AND DISTRIBUTIONS

8.1 ALLOCATIONS OF NET PROFITS AND NET LOSSES

The profits, losses, and other items of the Company will be allocated to the Member. There will be no "special allocations."

8.2 DISTRIBUTIONS

Distributions will be made as follows:

(a) Subject to Section 18-607 of the Delaware Act, the Company will make interim distributions as the Member will determine.

(b) Upon liquidation of the Company, liquidating distributions will be made in accordance with Section 9.2.

ARTICLE 9

DISSOLUTION AND TERMINATION

9.1 DISSOLUTION

(a) The Company will be dissolved only upon the occurrence of any of the following events:

(i) by written decision of the Member; or

(ii) upon the entry of a decree of judicial dissolution under Section 18-802 of the Delaware Act.

(b) Dissolution of the Company will be effective on the day on which an event described in Section 9.1(a) occurs, but the Company will not terminate until a certificate of cancellation is filed with the Secretary of State of the State of Delaware and the assets of the Company are distributed as provided in Section 9.2. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business of the Company and the affairs of the Member will continue to be governed by this Agreement.

9.2 WINDING UP, LIQUIDATION AND DISTRIBUTION OF ASSETS

Upon dissolution, an accounting will be made of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Member will:

(a) sell or otherwise liquidate all of the Company's assets as promptly as practicable;

(b) discharge all liabilities of the Company, including liabilities to the Member as a creditor of the Company to the extent permitted by law, excluding liabilities for distributions to Members; and

(c) distribute all remaining assets to the Member.

9.3 CERTIFICATE OF CANCELLATION

When all debts, liabilities and obligations of the Company have been paid and discharged, or adequate provisions have been made for their payment and discharge, and all of the remaining property and assets of the Company have been distributed, a certificate of cancellation setting forth the information required by the Delaware Act will be executed by one or more authorized persons and filed with the Delaware Secretary of State.

Upon such filing, the existence of the Company will cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Delaware Act. The Member will have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

ARTICLE 10

MISCELLANEOUS PROVISIONS

10.1 NOTICES

All notices, demands, waivers and other communications required or permitted by this Agreement will be in writing and will be deemed given to a party or the Company when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested. Any such communication will be addressed to a Member as shown on the records of the Company, to the Company at its principal office, or in either case to such other address as the Member or the Company may from time to time designate by written notice to all parties.

10.2 AMENDMENTS

This Agreement may be amended at any time by a writing executed by the Member.

10.3 SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

10.4 CREDITORS

None of the provisions of this Agreement are for the benefit of or enforceable by any creditors of the Company.

10.5 CONSTRUCTION

All references in this Agreement to "Articles" and "Sections" refer to the corresponding Articles and Sections of this Agreement unless the context indicates otherwise. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. The terms "include" or "including" indicate examples of a foregoing general statement and not a limitation on that general statement. Any reference to a statute refers to the statute, any amendments or successor legislation, and all regulations promulgated under or implementing the statute, as in effect at the relevant time.

10.6 GOVERNING LAW

This Agreement will be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles that would require the application of any other law, and the Certificate of Formation.

The Member has caused its duly authorized representative to execute this Agreement as of the date indicated in the first sentence of this Agreement.

MEMBER:

Xerium Inc.

By: _____

Its: _____

SCHEDULE 6.1

POWERS AND AUTHORITY OF BOARD OF DIRECTORS

Powers

The Board of Directors will have the following powers and authority:

(a) to acquire property from any person as the Board of Directors may determine, whether or not such person is directly or indirectly affiliated or connected with any Director or Member;

(b) to open bank accounts in the name and on behalf of the Company, and to determine who will have the signatory power over such accounts;

(c) to borrow money for the Company on such terms as the Board of Directors deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

(d) to purchase liability and other insurance to protect the Company's property and business;

(e) to hold and own Company real and personal property in the name of the Company;

(f) to invest Company funds;

(g) to authorize the execution of all instruments and documents, including checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments, bills of sale; leases; and any other instruments or documents necessary to the business of the Company;

(h) to employ accountants, legal counsel, agents or other experts to perform services for the Company;

(i) to appoint such agents, officers and delegees as may be necessary or appropriate to the conduct of the business;

(j) to take actions by or on behalf of the Company in respect of any equity interests held by the Company in another entity;

(k) to authorize any and all other agreements on behalf of the Company, in such forms as the Board of Directors may approve; and

(1) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Limitations

The Board of Directors will not have the power or authority to take any of the following actions without the advance approval of the Member:

Amend the limited liability company agreement

Amend the certificate of formation

Admit members

Sell, transfer or dispose of (or contract to sell, transfer or dispose of) all or substantially all of the assets of the Company

Dissolve the Company

Merge or consolidate the Company or convert the Company to a different type of entity Initiating a bankruptcy or similar proceeding

SCHEDULE 6.7

DUTIES OF OFFICERS

President.

The president will be the chief executive officer of the Company in charge of the entire business and all the affairs of the Company and will have the powers and perform the duties incident to that position, including the power to bind the Company in accordance with this Schedule. The president will, when present, preside at all meetings of the Board of Directors. He will have such other powers and perform such duties as are specified in this Agreement and as may from time to time be assigned to him by the Board of Directors.

The president will have general and active management of the business of the Company and will see that all orders and resolutions of the Board of Directors are carried into effect. The president may execute bonds, mortgages and other contracts (whenever requiring a seal, under the seal of the Company), except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof is expressly delegated by the Board of Directors to some other officer or agent of the Company. The president will have general powers of supervision and will be the final arbiter of all differences between officers of the Company, and such decision as to any matter affecting the Company will be final and binding as between the officers of the Company subject only to review by the Board of Directors.

Vice Presidents.

At the request of or in the absence of the president or in the event of his inability or refusal to act, a vice president (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of their election) will perform the duties of the president, and when so acting, will have all the powers of and be subject to all the restrictions upon the president. Any vice president will perform such other duties as from time to time may be assigned to him by the chairman, the president or the Board of Directors of the Company. Vice presidents may be assigned primary responsibility for certain operations of the Company.

Chief Financial Officer.

The chief financial officer will: (i) have primary responsibility for the financial affairs of the Company and be responsible for its financial books and records; (ii) render to the president or the board of directors, upon request, an account of the financial condition of the corporation and assist with financial projections for the Company's operations; (iii) plan for adequate financing and liquidity for the Company's operations; and (iv) in general perform all the duties incident to the office of chief financial officer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Treasurer.

The treasurer will: (i) be responsible for all funds and securities of the Company; (ii) disburse the funds of the Company as ordered by the board of directors, the president or the chief financial officer or as otherwise required in the conduct of the business of the corporation; (iii) receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositaries as will be selected by the Board of Directors of the Company; and (iv) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president, the chief financial officer or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Secretary.

The secretary will: (a) keep the minutes of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of this Agreement or as required by law; (c) be custodian of Company records; (d) sign with the president, any certificates representing Units; (e) certify the resolutions of the Board of Directors and other documents of the Company as true and correct; and (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or the Board of Directors.

Assistant Treasurers and Assistant Secretaries.

The assistant treasurers and assistant secretaries, if any, shall perform all functions and duties which the secretary or treasurer, as the case may be, may assign or delegate; but such assignment or delegation shall not relieve the principal officer from the responsibilities of his or her office.

WANGNER ITELPA I LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of _____, 2010

WANGNER ITELPA I LLC
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Wangner Itelpa I LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Wangner Itelpa I LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

WHEREAS, Xerium Technologies, Inc, (the "Original Member") wishes to form a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act in order to conduct the business described herein.

NOW, THEREFORE, the Original Member agrees with the Company as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement the following terms have the following meanings:

"Act" means the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.) as amended and in effect from time to time.

"Affiliate" means, with respect to any specified Person, any Person that directly or through one or more intermediaries controls or is controlled by or is under common control with the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company dated as of _____, 2010 as amended from time to time.

"Capital Contribution" means the amount of cash and the fair market value of any other property contributed to the Company with respect to any Interest held by a Member.

"Certificate" means the Certificate of Formation of the Company filed on December 1, 2004 and any and all amendments thereto and restatements thereof filed on behalf of the Company as permitted hereunder with the office of the Secretary of State of the State of Delaware.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any future federal tax law.

"Company" means the limited liability company formed by virtue of this Agreement and the filing of the Certificate in accordance with the Act.

"Distribution" means the amount of cash and the fair market value of any other property distributed in respect of a Member's Interest in the Company.

"Fiscal Year" means the fiscal year of the Company which shall end on December 31 in each year or on such other date in each year as determined by the Board of Managers.

"Indemnified Party" is defined in Section 10.1.

"Interest" means the interest of a Member in the capital and profits of the Company, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"Member" means the Original Member and any other Person that both acquires an Interest in the Company and is admitted to the Company as a Member pursuant to this Agreement, from time to time.

"Original Member" is defined in Section 3.1.

"Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, or any other legal entity.

"Unit Certificate" is defined in Section 3.6.

"Units" are a measure of a Member's Interest in the Company.

ARTICLE 2
FORMATION AND PURPOSE

2.1 Formation, etc. The Company was formed as a limited liability company in accordance with the Act by the filing of the Certificate with the Secretary of State of Delaware on December 1, 2004. The rights, duties and liabilities of each Member and the Board of Managers shall be determined pursuant to the Act and this Agreement. To the extent that such rights, duties or obligations are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company is WANGNER ITELPA I LLC. The business of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Board of Managers deems appropriate or advisable. The Board of Managers shall file, or shall cause to be filed, any fictitious name certificates and similar filings, and any amendments thereto, that the Board of Managers considers appropriate or advisable.

2.3 Registered Office/Agent. The registered office required to be maintained by the Company in the State of Delaware pursuant to the Act shall initially be c/o Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The name and address of the registered agent of the Company pursuant to the Act shall initially be Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The Company may, upon compliance with the applicable provisions of the Act, change its registered office or registered agent from time to time in the discretion of the Board of Managers.

2.4 Term. The term of the Company shall continue indefinitely unless sooner terminated as provided herein. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Act.

2.5 Purpose. The Company is formed for the purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any activities necessary, advisable, convenient or incidental thereto.

2.6 Specific Powers. Without limiting the generality of Section 2.5, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose set forth in Section 2.5, including, but not limited to, the power:

2.6.1 to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Act in any country, state, territory, district or other jurisdiction, whether domestic or foreign;

2.6.2 to acquire by purchase, lease, contribution of property or otherwise, own, hold, operate, maintain, finance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of any real or personal property;

2.6.3 to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, perform and carry out and take any other action with respect to contracts or agreements of any kind, including without limitation leases, licenses, guarantees and other contracts for the benefit of or with any Member or any Affiliate of any Member, without regard to whether such contracts may be deemed necessary, convenient to, or incidental to the accomplishment of the purposes of the Company;

2.6.4 to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships, trusts, limited liability companies, or individuals or other persons or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

2.6.5 to lend money, to invest and reinvest its funds, and to accept real and personal property for the payment of funds so loaned or invested;

2.6.6 to borrow money and issue evidence of indebtedness, and to secure the same by a mortgage, pledge, security interest or other lien on the assets of the Company;

2.6.7 to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities;

2.6.8 to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

2.6.9 to appoint employees, officers, agents and representatives of the Company, and define their duties and fix their compensation;

2.6.10 to indemnify any Person in accordance with the Act and this Agreement;

2.6.11 to cease its activities and cancel its Certificate; and

2.6.12 to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

2.7 Certificate. The filing of the Certificate by Michael J. Stick is hereby ratified and confirmed and said Person is hereby designated as an "authorized person" within the meaning of the Act to execute, deliver and file the Certificate and Stephen R. Light, David Maffucci, Ted Orban and Elizabeth Leete and such other Persons as may be designated from time to time by the Board of Managers are designated as authorized persons, within the meaning of the Act, to execute, deliver and file any amendments or restatements of the Certificate or any certificate of cancellation of the Certificate and any other certificates necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.8. Principal Office. The principal executive office of the Company shall be located at such place within or without the State of Delaware as the Board of Managers shall establish, and the Board of Managers may from time to time change the location of the principal executive office of the Company to any place within or without the State of Delaware. The Board of Managers may establish and maintain such additional offices and places of business of the Company, either within or without the State of Delaware, as it deems appropriate.

ARTICLE 3
ORIGINAL MEMBER; CAPITAL CONTRIBUTIONS; AND UNITS

3.1 Initial Capital Contribution. Upon the making of the initial Capital Contribution to the Company, which shall be in the amount of $100 and the Person making such Capital Contribution agreeing in writing to be bound by this Agreement as a Member, such Person shall

be admitted as the first Member (the "Original Member") and acquire a limited liability company interest in the Company. The initial Capital Contribution shall be allocated to a stated capital account of the Company.

3.2 Additional Capital Contributions. The Members shall make additional Capital Contributions to the Company for such purposes, at such times and in such amounts as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4.

3.3 Return of Capital Contributions. No Member shall have the right to demand a return of all or any part of its Capital Contributions, and any return of the Capital Contributions of a Member shall be made solely from the assets of the Company and only in accordance with the terms of this Agreement. No interest shall be paid to any Member with respect to its Capital Contributions.

3.4 Registration of Interests. Each Interest constitutes a "security," as such term is defined in 6 Del. C. § 8-102(15), governed by Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del. C. 8-101, et seq.). The Company shall maintain a record of the ownership of the Interests which shall be in the form set forth on Schedule A and which shall be amended from time to time to reflect transfers of the ownership of the Interests. An Interest shall be transferred by delivery to the Company of an instruction by the registered owner of the Interest requesting registration of transfer of such Interest (accompanied by a duly indorsed security certificate representing such Interest or affidavit of loss therefore) and the recording of such transfer in the records of the Company.

3.5 Units. Upon the admission of the Original Member as a Member, the Interest of the Original Member shall be divided into 100 Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Managers may issue additional Units to any Member in respect of additional Capital Contributions.

3.6 Unit Certificate. Each Member shall be entitled to a certificate stating the number of Units held by the Member in such form as shall, in conformity with law and this Agreement, be prescribed from time to time by the Board of Managers (a "Unit Certificate"). Such Unit Certificate shall be signed by the Chair of the Board of Managers or the President or any Vice President and by the Treasurer or an Assistant Treasurer or by the Secretary or an Assistant Secretary.

3.7 Loss of Certificate. In the case of the alleged theft, loss, destruction or mutilation of a Unit Certificate, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the Company against any claim on account thereof, as the Board of Managers may prescribe.

ARTICLE 4
STATUS AND RIGHTS OF MEMBERS

4.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, no member of the Board of Managers and no other Indemnified Party shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, a member of the

Board of Managers or an Indemnified Party. All Persons dealing with the Company shall look solely to the assets of the Company for the payment of the debts, obligations or liabilities of the Company.

4.2 Return of Distributions of Capital. Except as otherwise expressly required by law, no Member, in its capacity as such, shall have any liability either to the Company or any of its creditors in excess of (a) any assets and undistributed profits of the Company and (b) to the extent required by law, the amount of any Distributions wrongfully distributed to it. Except as required by law or a court of competent jurisdiction, no Member or investor in or partner of a Member shall be obligated by this Agreement to return any Distribution to the Company or pay the amount of any Distribution for the account of the Company or to any creditor of the Company. The amount of any Distribution returned to the Company by or on behalf of a Member or paid by or on behalf of a Member for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to such Member.

4.3 No Management or Control. No Member shall take any part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.4 Meetings of Members. Meetings of Members shall be held and conducted, and the voting rights of Members shall be, as set forth on Exhibit 4.4 hereto.

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions. Subject to the requirements of the Act, the amount and timing of all Distributions shall be determined by the Member or Members at a meeting called for such purpose. All Distributions shall be made ratably to each Member in accordance with the number of Units then held by such Member. Distributions may be made in cash, securities or other property.

5.2 Withholding. The Company is hereby authorized to withhold and pay over any withholding or other taxes payable by the Company as a result of a Member's status as a Member hereunder.

ARTICLE 6
MANAGEMENT

6.1 Management. The business of the Company shall be managed by a Board of Managers, and the Persons constituting the Board of Managers shall be the "managers" of the Company for all purposes under the Act. The Board of Managers as of the date hereof shall be the Persons set forth in Exhibit 6.1. Thereafter, the Persons constituting the Board of Managers shall be elected by the Members in accordance with Exhibit 4.4 hereto. Decisions of the Board of Managers shall be embodied in a vote or resolution adopted in accordance with the procedures set forth in Exhibit 6.1. Such decisions shall be decisions of the "manager" for all purposes of the Act and shall be carried out by any member of the Board of Managers or by officers or agents of the Company designated by the Board of Managers in the vote or resolution in question or in one or more standing votes or resolutions or with the power and authority to do so under Section 6.3. A decision of the Board of Managers may be amended, modified or repealed in the same manner in which it was adopted or in accordance with the procedures set forth in Exhibit 6.1 as then in effect, but no such amendment, modification or repeal shall affect any Person who has been furnished a copy of the original vote or resolution, certified by a duly authorized agent of the Company, until such Person has been notified in writing of such amendment, modification or repeal.

6.2 Authority of Board of Managers. The Board of Managers shall have the exclusive power and authority to manage the business and affairs of the Company and to make all decisions with respect thereto. Except as otherwise expressly provided in this Agreement, the Board of Managers or Persons designated by the Board of Managers, including officers and agents appointed by the Board of Managers, shall be the only Persons authorized to execute documents which shall be binding on the Company. To the fullest extent permitted by Delaware law, the Board of Managers shall have the power to do any and all acts, statutory or otherwise, with respect to the Company of this Agreement, which would otherwise be possessed by the Member or Members under the laws of the State of Delaware, and the Member or Members shall have no power whatsoever with respect to the management of the business and affairs of the Company. The owner and authority granted to the Board of Managers hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make all decisions with regard to the management, operations, assets, financing and capitalization of the Company, including without limitation, the power and authority to undertake and make decisions concerning: (a) hiring and firing of employees, attorneys, accountants, brokers, investment bankers and other advisors and consultants, (b) entering into of leases for real or personal property, (c) opening of bank and other deposit accounts and operations thereunder, (d) purchasing, constructing, improving, developing and maintaining of real property, (e) purchasing of insurance, goods, supplies, equipment, materials and other personal property, (f) borrowing of money, obtaining of credit, issuance of notes, debentures, securities, equity or other interests of or in the Company and securing of the obligations undertaken in connection therewith with mortgages on and security interests in all or any portion of the real or personal property of the Company, (g) making of investments in or the acquisition of securities of any Person, (h) giving of guarantees and indemnities, (i) entering into of contracts or agreements whether in the ordinary course of business or otherwise, (j) mergers with or acquisitions of other Persons, (k) the sale or lease of all or any portion of the assets of the

Company, (1) forming subsidiaries or joint ventures, (m) compromising, arbitrating, adjusting and litigating claims in favor of or against the Company and (n) all other acts or activities necessary or desirable for the carrying out of the purposes of the Company including those referred to in Section 2.6.

6.3 Officers; Agents. The Board of Managers by vote or resolution shall have the power to appoint officers and agents to act for the Company with such titles, if any, as the Board of Managers deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Board of Managers hereunder, including the power to execute documents on behalf of the Company, as the Board of Managers may in its sole discretion determine; provided, however, that no such delegation by the Board of Managers shall cause the Persons constituting the Board of Managers to cease to be the "managers" of the Company within the meaning of the Act. The officers or agents so appointed may include persons holding titles such as Chairman, Chief Executive Officer, Chief Operating Officer, President, Chief Financial Officer, Executive Vice President, Vice President, Treasurer, Controller, Secretary or Assistant Secretary. An officer may be removed at any time with or without cause. The officers of the Company as of the date hereof are set forth on Exhibit 6.3. Unless the authority of the agent designated as the officer in question is limited in the document appointing such officer or is otherwise specified by the Board of Managers, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a corporation in the absence of a specific delegation of authority and all deeds, leases, transfers, contracts, bonds, notes, checks, drafts or other obligations made, accepted or endorsed by the corporation may be signed by the Chairman, if any, the President, a Vice President or the Treasurer, Controller, Secretary or Assistant Secretary at the time in office. The Board of Managers, in its sole discretion, may by vote or resolution of the Board of Managers ratify any act previously taken by an officer or agent acting on behalf of the Company.

6.4 Reliance by Third Parties. Any person or entity dealing with the Company or any Member may rely upon a certificate signed by a member of the Board of Managers as to: (a) the identity of the Member or the members of the Board of Managers, (b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Member or the Board of Managers or are in any other manner germane to the affairs of the Company, (c) the Persons which are authorized to execute and deliver any instrument or document of or on behalf of the Company, (d) the authorization of any action taken by or on behalf of the Company, the Board of Managers or any officer or agent acting on behalf of the Company or (e) any act or failure to act by the Company or as to any other matter whatsoever involving the Company or the Member.

ARTICLE 7
TRANSFER OF INTERESTS

Any Member may sell, assign, pledge, encumber, dispose of or otherwise transfer all or any part of the economic or other rights that comprise its Interest. If so determined by such Member, the transferee shall have the right to be substituted for the Member under this Agreement for the transferor or as an additional Member if the Member transfers less than all of its Interest. No Member may withdraw or resign as Member except as a result of a transfer pursuant to this Article 7 in which the transferee is substituted for the Member. None of the

events described in Section 18-304 of the Act shall cause a Member to cease to be a Member of the Company.

ARTICLE 8
AMENDMENTS TO AGREEMENT

This Agreement may be amended or modified as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4. The Board of Managers shall cause to be prepared and filed any amendment to the Certificate that may be required to be filed under the Act as a consequence of any such amendment or modification.

ARTICLE 9
DISSOLUTION OF COMPANY

9.1 Events of Dissolution or Liquidation. The Company shall be dissolved and its affairs wound up upon the happening of either of the following events: (a) the written determination of each of the Members or (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

9.2 Liquidation. After termination of the business of the Company, the assets of the Company shall be distributed in the following order of priority:

(a) to creditors of the Company, including any Member if a creditor to the extent permitted by law, in satisfaction of liabilities of the Company (whether by payment thereof or the making of reasonable provision for payment thereof) other than liabilities for Distributions to the Member; and then

(b) ratably to each Member in accordance with the number of Units then held by such Member.

ARTICLE 10
INDEMNIFICATION

10.1 General. The Company shall indemnify, defend, and hold harmless any Member, any director, officer, partner, stockholder, controlling Person or employee of any Member, each member of the Board of Managers, any officer, employee or agent of the Company and any Person serving at the request of the Company as a director, officer, employee, partner, trustee or independent contractor of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (all of the foregoing Persons being referred to collectively as "Indemnified Parties" and individually as an "Indemnified Party") from any liability, loss or damage incurred by the Indemnified Party by reason of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company and from liabilities or obligations of the Company imposed on such Indemnified Party by virtue of such Indemnified Party's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss or damage, except for liabilities, losses, damages or obligations resulting from the Indemnified Party's gross negligence or willful misconduct; provided, however, that the indemnification under this Section 10.1 shall be recoverable only from the assets of the Company and not from any assets of any Member. Unless the Board of Managers determines in good faith that the Indemnified Party is unlikely to be entitled to indemnification under this Article 10, the Company shall pay or reimburse reasonable attorneys' fees of an Indemnified Party as incurred, provided that such Indemnified Party executes an undertaking, with appropriate security if requested by the Board of Managers, to repay the amount so paid or reimbursed in the event that a final non-appealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to indemnification under this Article 10. The Company may pay for insurance covering liability of the Indemnified Party for negligence in operation of the Company's affairs.

10.2 Exculpation. No Indemnified Party shall be liable, in damages or otherwise, to the Company or to any Member for any liability, loss or damage that arises out of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company. except for liabilities, losses or damages resulting from the Indemnified Party's gross negligence or willful misconduct.

10.3 Persons Entitled to Indemnity. Any Person who is within the definition of "Indemnified Party" at the time of any action or inaction in connection with the business of the Company shall be entitled to the benefits of this Article 10 as an "Indemnified Party" with respect thereto, regardless whether such Person continues to be within the definition of "Indemnified Party" at the time of such Indemnified Party's claim for indemnification or exculpation hereunder.

10.4 Procedure Agreements. The Company may enter into an agreement with any of its officers, employees, consultants, counsel and agents, any member of the Board of Managers or any Member, setting forth procedures consistent with applicable law for implementing the indemnities provided in this Article 10.

ARTICLE 11
MISCELLANEOUS

11.1 General. This Agreement: (a) shall be binding upon the legal successors of any Member; (b) shall be governed by and construed in accordance with the laws of the State of Delaware; and (c) contains the entire agreement as to the subject matter hereof. The waiver of any of the provisions, terms, or conditions contained in this Agreement shall not be considered as a waiver of any of the other provisions, terms, or conditions hereof.

11.2 Notices, Etc. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery or receipt (which may be evidenced by a return receipt if sent by registered mail or by signature if delivered by courier or delivery service), addressed to any Member at its address in the records of the Company or otherwise specified by the Member.

11.3 Gender and Number. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include the masculine, feminine and neuter genders.

11.4 Severability. If any provision of this Agreement is determined by a court to be invalid or unenforceable, that determination shall not affect the other provisions hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each said provision shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

11.5 Headings. The headings used in this Agreement are used for administrative convenience only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

11.6 No Third Party Rights. Except for the provisions of Section 6.4, the provisions of this Agreement are for the benefit of the Company, each Member and permitted assignees and no other Person, including creditors of the Company, shall have any right or claim against the Company or any Member by reason of this Agreement or any provision hereof or be entitled to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year first set forth above.

WANGNER ITELPA I LLC

By:_____

Name:
Title:

Schedule A

REGISTER OF INTEREST

Holder of Interest	Unit Certificate Number	Units

Exhibit 4.4

MEETINGS OF MEMBERS, ETC.

1. Annual Meeting. There shall be an annual meeting of the Members which shall be (a) held at Westborough, Massachusetts on the second Thursday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or (b) at such other place, date and time as shall be designated from time to time by the Board of Managers and stated in the notice of the meeting, at which meeting they shall elect a Board of Managers, determine Distributions, if any, and transact such other business as may be required by law or this Agreement or as may properly come before the meeting.

2. Special Meetings. A special meeting of the Members may be called at any time by the Chairman of the Board, if any, the President, the Board of Managers, or by the Members holding at least 50.0% of the Units then outstanding. A special meeting of the Members shall be called by the Secretary, or in the case of the death, absence, incapacity or refusal of the Secretary, by an Assistant Secretary or some other officer, upon application of a majority of the Board of Managers. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour and purposes of the meeting.

3. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of the Members stating the place, day and hour thereof and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less then ten nor more than sixty days before the meeting, to each Member entitled to vote thereat, and to each Member who, by law or by this Agreement, is entitled to notice, by leaving such notice with such Member or at such Member's residence or usual place of business, or by depositing it in the United States mail, postage prepaid, and addressed to such Member at such Member's address as it appears in the records of the Company. Such notice shall be given by the Secretary, or by an officer or person designated by the Board of Managers, or in the case of a special meeting by the officer calling the meeting. As to any adjourned session of any meeting of the Members, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken, except that if the adjournment is for more than thirty days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of the Members or any adjourned session thereof need be given to a Member if a written waiver of notice, executed before or after the meeting or such adjourned session by such Member, is filed with the records of the meeting or if such Member attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Members or any adjourned session thereof need be specified in any written waiver of notice.

4. Quorum of Members. At any meeting of the Members a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except where a larger quorum is required by law or by this Agreement. Any meeting may be adjourned from time to time by a

majority of the votes properly cast upon the question, whether or not a quorum is present. If a quorum is present at an original meeting, a quorum need not be present at an adjourned session of that meeting.

5. Action by Vote. Each Member shall be entitled to one vote for each Unit held by such Member on all matters on which Members are entitled to vote at a meeting of Members or otherwise when a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law or by this Agreement. No ballot shall be required for any election unless requested by a Member present or represented at the meeting and entitled to vote in the election.

6. Action without Meetings. Any action required or permitted to be taken by Members for or in connection with any action of the Company may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units entitled to vote thereon were present and voted and shall be delivered to the Company by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the Company having custody of the book in which proceedings of meetings of Members are recorded. Each such written consent shall bear the date of signature of each Member who signs the consent. No written consent shall be effective to take the action referred to therein unless written consents signed by a number of Members sufficient to take such action are delivered to the Company in the manner specified in this paragraph within sixty days of the earliest dated consent so delivered.

If action is taken by consent of Members and in accordance with the foregoing, there shall be filed with the records of the meetings of Members the writing or writings comprising such consent.

If action is taken by less than unanimous consent of Members, prompt notice of the taking of such action without a meeting shall be given to those who have not consented in writing and a certificate signed and attested to by the Secretary that such notice was given shall be filed with the records of the meetings of Members.

7. Proxy Representation. Every Member may authorize another person or persons to act for such Member by proxy in all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the Member or by such Member's attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable where the interest with which it is coupled is an interest in the Interest of such Member. The authorization of a proxy may but need not be limited to specified action; provided, however, that if a proxy limits its authorization to a meeting or meetings of Members, unless otherwise specifically provided such

proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

8. Resolution of Issues. To the extent that any dispute shall arise with respect thereto, the Board of Managers shall be entitled to decide all issues such as the existence of a quorum, the validity of proxies, the number of votes, the Members entitled to vote or consent and other similar procedural questions that are raised at any meeting of Members.

Exhibit 6.1

BOARD OF MANAGERS

1. Number: Appointment. The Board of Managers initially shall consist of three members (each such member, along with any other members appointed from time to time, the "Board Members"). Thereafter, the Board of Managers shall be elected either at the Annual Meeting of Members or at a special meeting called for such purposes. The Board of Managers may increase or decrease the number of Board Members from time to time upon a vote of the Board of Managers.

2. Initial Board of Managers. The following individuals will be the initial Board Members:

Stephen R. Light

David Maffucci

Ted Orban

3. Tenure. Each Board Member shall, unless otherwise provided by law, hold office until the next Annual Meeting of Members and until such Board Member's successor is elected and qualified, or until such Board Member sooner dies, resigns, is removed or becomes disqualified. Any Board Member may be removed by the Members, at any time without giving any reason for such removal. A Board Member may resign by written notice to the Company which resignation shall not require acceptance and, unless otherwise specified in the resignation notice, shall be effective upon receipt by the Company. Vacancies and any newly created positions on the Board of Managers resulting from any increase in the number of the Board of Managers may be filled by vote of the Members or by a majority of the Board Members then in office, although less than a quorum, or by a sole remaining Board member.

4. Meetings. Meetings of the Board of Managers may be held at any time at such places within or without the State of Delaware designated in the notice of the meeting, when called by the Chair of the Board of Managers, if any, the President or any two Board Members acting together, reasonable notice thereof being given to each Board Member.

5. Notice. It shall be reasonable and sufficient notice to a Board Member to send notice by overnight delivery at least forty-eight hours or by facsimile at least twenty-four hours before the meeting addressed to such Board Member at such Board Member's usual or last known business or residence address or to give notice to such Board Member in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any Board Member if a written waiver of notice, executed by such Board Member before or after the meeting, is filed with the records of the meeting, or to any Board Member who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such Board Member. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

6. Quorum. Except as may be otherwise provided by law, at any meeting of the Board of Managers a majority of the Board Members then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

7. Action by Vote. Except as may be otherwise provided by law, when a quorum is present at any meeting the vote of a majority of the Board Members present shall be the act of the Board of Managers.

8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if all the Board Members consent thereto in writing, and such writing or writings are filed with the records of the meetings of the Board of Managers. Such consent shall be treated for all purposes as the act of the Board of Managers.

9. Participation in Meetings by Conference Telephone. Board Members may participate in a meeting of the Board of Managers by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law. Such participation shall constitute presence in person at such meeting.

10. Interested Transactions.

(a) No contract or transaction between the Company and one or more of the Board Members or officers, or between the Company and any other company, partnership, association, or other organization in which one or more of the Board Members or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Board Member or officer is present at or participates in the meeting of the Board of Managers which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(i) The material facts as to such Board Member's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Managers, and the Board of Managers in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Board Members, even though the disinterested Board Members be less than a quorum; or

(ii) The contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Managers.

(b) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board of Managers which authorizes the contract or transaction.

Exhibit 6.3

OFFICERS

Stephen R. Light -- President and Assistant Secretary
David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban -- Secretary
Elizabeth Leete -- Assistant Secretary

WANGNER ITELPA II LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of _____, 2010

WANGNER ITELPA II LLC
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Wangner Itelpa II LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Wangner Itelpa II LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

WHEREAS, Xerium Technologies, Inc, (the "Original Member") wishes to form a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act in order to conduct the business described herein.

NOW, THEREFORE, the Original Member agrees with the Company as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement the following terms have the following meanings:

"Act" means the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.) as amended and in effect from time to time.

"Affiliate" means, with respect to any specified Person, any Person that directly or through one or more intermediaries controls or is controlled by or is under common control with the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company dated as of _____, 2010 as amended from time to time.

"Capital Contribution" means the amount of cash and the fair market value of any other property contributed to the Company with respect to any Interest held by a Member.

"Certificate" means the Certificate of Formation of the Company filed on December 1, 2004 and any and all amendments thereto and restatements thereof filed on behalf of the Company as permitted hereunder with the office of the Secretary of State of the State of Delaware.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any future federal tax law.

"Company" means the limited liability company formed by virtue of this Agreement and the filing of the Certificate in accordance with the Act.

"Distribution" means the amount of cash and the fair market value of any other property distributed in respect of a Member's Interest in the Company.

"Fiscal Year" means the fiscal year of the Company which shall end on December 31 in each year or on such other date in each year as determined by the Board of Managers.

"Indemnified Party" is defined in Section 10.1.

"Interest" means the interest of a Member in the capital and profits of the Company, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"Member" means the Original Member and any other Person that both acquires an Interest in the Company and is admitted to the Company as a Member pursuant to this Agreement, from time to time.

"Original Member" is defined in Section 3.1.

"Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, or any other legal entity.

"Unit Certificate" is defined in Section 3.6.

"Units" are a measure of a Member's Interest in the Company.

ARTICLE 2
FORMATION AND PURPOSE

2.1 Formation, etc. The Company was formed as a limited liability company in accordance with the Act by the filing of the Certificate with the Secretary of State of Delaware on December 1, 2004. The rights, duties and liabilities of each Member and the Board of Managers shall be determined pursuant to the Act and this Agreement. To the extent that such rights, duties or obligations are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company is WANGNER ITELPA II LLC. The business of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Board of Managers deems appropriate or advisable. The Board of Managers shall file, or shall cause to be filed, any fictitious name certificates and similar filings, and any amendments thereto, that the Board of Managers considers appropriate or advisable.

2.3 Registered Office/Agent. The registered office required to be maintained by the Company in the State of Delaware pursuant to the Act shall initially be c/o Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The name and address of the registered agent of the Company pursuant to the Act shall initially be Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The Company may, upon compliance with the applicable provisions of the Act, change its registered office or registered agent from time to time in the discretion of the Board of Managers.

2.4 Term. The term of the Company shall continue indefinitely unless sooner terminated as provided herein. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Act.

2.5 Purpose. The Company is formed for the purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any activities necessary, advisable, convenient or incidental thereto.

2.6 Specific Powers. Without limiting the generality of Section 2.5, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose set forth in Section 2.5, including, but not limited to, the power:

2.6.1 to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Act in any country, state, territory, district or other jurisdiction, whether domestic or foreign;

2.6.2 to acquire by purchase, lease, contribution of property or otherwise, own, hold, operate, maintain, finance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of any real or personal property;

2.6.3 to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, perform and carry out and take any other action with respect to contracts or agreements of any kind, including without limitation leases, licenses, guarantees and other contracts for the benefit of or with any Member or any Affiliate of any Member, without regard to whether such contracts may be deemed necessary, convenient to, or incidental to the accomplishment of the purposes of the Company;

2.6.4 to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships, trusts, limited liability companies, or individuals or other persons or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

2.6.5 to lend money, to invest and reinvest its funds, and to accept real and personal property for the payment of funds so loaned or invested;

2.6.6 to borrow money and issue evidence of indebtedness, and to secure the same by a mortgage, pledge, security interest or other lien on the assets of the Company;

2.6.7 to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities;

2.6.8 to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

2.6.9 to appoint employees, officers, agents and representatives of the Company, and define their duties and fix their compensation;

2.6.10 to indemnify any Person in accordance with the Act and this Agreement;

2.6.11 to cease its activities and cancel its Certificate; and

2.6.12 to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

2.7 Certificate. The filing of the Certificate by Michael J. Stick is hereby ratified and confirmed and said Person is hereby designated as an "authorized person" within the meaning of the Act to execute, deliver and file the Certificate and Stephen R. Light, David Maffucci, Ted Orban and Elizabeth Leete and such other Persons as may be designated from time to time by the Board of Managers are designated as authorized persons, within the meaning of the Act, to execute, deliver and file any amendments or restatements of the Certificate or any certificate of cancellation of the Certificate and any other certificates necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.8. Principal Office. The principal executive office of the Company shall be located at such place within or without the State of Delaware as the Board of Managers shall establish, and the Board of Managers may from time to time change the location of the principal executive office of the Company to any place within or without the State of Delaware. The Board of Managers may establish and maintain such additional offices and places of business of the Company, either within or without the State of Delaware, as it deems appropriate.

ARTICLE 3
ORIGINAL MEMBER; CAPITAL CONTRIBUTIONS; AND UNITS

3.1 Initial Capital Contribution. Upon the making of the initial Capital Contribution to the Company, which shall be in the amount of $100 and the Person making such Capital Contribution agreeing in writing to be bound by this Agreement as a Member, such Person shall

be admitted as the first Member (the "Original Member") and acquire a limited liability company interest in the Company. The initial Capital Contribution shall be allocated to a stated capital account of the Company.

3.2 Additional Capital Contributions. The Members shall make additional Capital Contributions to the Company for such purposes, at such times and in such amounts as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4.

3.3 Return of Capital Contributions. No Member shall have the right to demand a return of all or any part of its Capital Contributions, and any return of the Capital Contributions of a Member shall be made solely from the assets of the Company and only in accordance with the terms of this Agreement. No interest shall be paid to any Member with respect to its Capital Contributions.

3.4 Registration of Interests. Each Interest constitutes a "security," as such term is defined in 6 Del. C. § 8-102(15), governed by Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del. C. 8-101, et seq.). The Company shall maintain a record of the ownership of the Interests which shall be in the form set forth on Schedule A and which shall be amended from time to time to reflect transfers of the ownership of the Interests. An Interest shall be transferred by delivery to the Company of an instruction by the registered owner of the Interest requesting registration of transfer of such Interest (accompanied by a duly indorsed security certificate representing such Interest or affidavit of loss therefore) and the recording of such transfer in the records of the Company.

3.5 Units. Upon the admission of the Original Member as a Member, the Interest of the Original Member shall be divided into 100 Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Managers may issue additional Units to any Member in respect of additional Capital Contributions.

3.6 Unit Certificate. Each Member shall be entitled to a certificate stating the number of Units held by the Member in such form as shall, in conformity with law and this Agreement, be prescribed from time to time by the Board of Managers (a "Unit Certificate"). Such Unit Certificate shall be signed by the Chair of the Board of Managers or the President or any Vice President and by the Treasurer or an Assistant Treasurer or by the Secretary or an Assistant Secretary.

3.7 Loss of Certificate. In the case of the alleged theft, loss, destruction or mutilation of a Unit Certificate, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the Company against any claim on account thereof, as the Board of Managers may prescribe.

ARTICLE 4
STATUS AND RIGHTS OF MEMBERS

4.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, no member of the Board of Managers and no other Indemnified Party shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, a member of the Board of Managers or an Indemnified Party. All Persons dealing with the Company shall look solely to the assets of the Company for the payment of the debts, obligations or liabilities of the Company.

4.2 Return of Distributions of Capital. Except as otherwise expressly required by law, no Member, in its capacity as such, shall have any liability either to the Company or any of its creditors in excess of (a) any assets and undistributed profits of the Company and (b) to the extent required by law, the amount of any Distributions wrongfully distributed to it. Except as required by law or a court of competent jurisdiction, no Member or investor in or partner of a Member shall be obligated by this Agreement to return any Distribution to the Company or pay the amount of any Distribution for the account of the Company or to any creditor of the Company. The amount of any Distribution returned to the Company by or on behalf of a Member or paid by or on behalf of a Member for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to such Member.

4.3 No Management or Control. No Member shall take any part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.4 Meetings of Members. Meetings of Members shall be held and conducted, and the voting rights of Members shall be, as set forth on Exhibit 4.4 hereto.

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions. Subject to the requirements of the Act, the amount and timing of all Distributions shall be determined by the Member or Members at a meeting called for such purpose. All Distributions shall be made ratably to each Member in accordance with the number of Units then held by such Member. Distributions may be made in cash, securities or other property.

5.2 Withholding. The Company is hereby authorized to withhold and pay over any withholding or other taxes payable by the Company as a result of a Member's status as a Member hereunder.

ARTICLE 6
MANAGEMENT

6.1 Management. The business of the Company shall be managed by a Board of Managers, and the Persons constituting the Board of Managers shall be the "managers" of the Company for all purposes under the Act. The Board of Managers as of the date hereof shall be the Persons set forth in Exhibit 6.1. Thereafter, the Persons constituting the Board of Managers shall be elected by the Members in accordance with Exhibit 4.4 hereto. Decisions of the Board of Managers shall be embodied in a vote or resolution adopted in accordance with the procedures set forth in Exhibit 6.1. Such decisions shall be decisions of the "manager" for all purposes of the Act and shall be carried out by any member of the Board of Managers or by officers or agents of the Company designated by the Board of Managers in the vote or resolution in question or in one or more standing votes or resolutions or with the power and authority to do so under Section 6.3. A decision of the Board of Managers may be amended, modified or repealed in the same manner in which it was adopted or in accordance with the procedures set forth in Exhibit 6.1 as then in effect, but no such amendment, modification or repeal shall affect any Person who has been furnished a copy of the original vote or resolution, certified by a duly authorized agent of the Company, until such Person has been notified in writing of such amendment, modification or repeal.

6.2 Authority of Board of Managers. The Board of Managers shall have the exclusive power and authority to manage the business and affairs of the Company and to make all decisions with respect thereto. Except as otherwise expressly provided in this Agreement, the Board of Managers or Persons designated by the Board of Managers, including officers and agents appointed by the Board of Managers, shall be the only Persons authorized to execute documents which shall be binding on the Company. To the fullest extent permitted by Delaware law, the Board of Managers shall have the power to do any and all acts, statutory or otherwise, with respect to the Company of this Agreement, which would otherwise be possessed by the Member or Members under the laws of the State of Delaware, and the Member or Members shall have no power whatsoever with respect to the management of the business and affairs of the Company. The owner and authority granted to the Board of Managers hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make all decisions with regard to the management, operations, assets, financing and capitalization of the Company, including without limitation, the power and authority to undertake and make decisions concerning: (a) hiring and firing of employees, attorneys, accountants, brokers, investment bankers and other advisors and consultants, (b) entering into of leases for real or personal property, (c) opening of bank and other deposit accounts and operations thereunder, (d) purchasing, constructing, improving, developing and maintaining of real property, (e) purchasing of insurance, goods, supplies, equipment, materials and other personal property, (f) borrowing of money, obtaining of credit, issuance of notes, debentures, securities, equity or other interests of or in the Company and securing of the obligations undertaken in connection therewith with mortgages on and security interests in all or any portion of the real or personal property of the Company, (g) making of investments in or the acquisition of securities of any Person, (h) giving of guarantees and indemnities, (i) entering into of contracts or agreements whether in the ordinary course of business or otherwise, (j) mergers with or acquisitions of other Persons, (k) the sale or lease of all or any portion of the assets of the Company, (1) forming subsidiaries or joint ventures, (m) compromising, arbitrating, adjusting and litigating claims in favor of or against the Company and (n) all other acts or activities necessary or desirable for the carrying out of the purposes of the Company including those referred to in Section 2.6.

6.3 Officers; Agents. The Board of Managers by vote or resolution shall have the power to appoint officers and agents to act for the Company with such titles, if any, as the Board of Managers deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Board of Managers hereunder, including the power to execute documents on behalf of the Company, as the Board of Managers may in its sole discretion determine; provided, however, that no such delegation by the Board of Managers shall cause the Persons constituting the Board of Managers to cease to be the "managers" of the Company within the meaning of the Act. The officers or agents so appointed may include persons holding titles such as Chairman, Chief Executive Officer, Chief Operating Officer, President, Chief Financial Officer, Executive Vice President, Vice President, Treasurer, Controller, Secretary or Assistant Secretary. An officer may be removed at any time with or without cause. The officers of the Company as of the date hereof are set forth on Exhibit 6.3. Unless the authority of the agent designated as the officer in question is limited in the document appointing such officer or is otherwise specified by the Board of Managers, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a corporation in the absence of a specific delegation of authority and all deeds, leases, transfers, contracts, bonds, notes, checks, drafts or other obligations made, accepted or endorsed by the corporation may be signed by the Chairman, if any, the President, a Vice President or the Treasurer, Controller, Secretary or Assistant Secretary at the time in office. The Board of Managers, in its sole discretion, may by vote or resolution of the Board of Managers ratify any act previously taken by an officer or agent acting on behalf of the Company.

6.4 Reliance by Third Parties. Any person or entity dealing with the Company or any Member may rely upon a certificate signed by a member of the Board of Managers as to: (a) the identity of the Member or the members of the Board of Managers, (b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Member or the Board of Managers or are in any other manner germane to the affairs of the Company, (c) the Persons which are authorized to execute and deliver any instrument or document of or on behalf of the Company, (d) the authorization of any action taken by or on behalf of the Company, the Board of Managers or any officer or agent acting on behalf of the Company or (e) any act or failure to act by the Company or as to any other matter whatsoever involving the Company or the Member.

ARTICLE 7
TRANSFER OF INTERESTS

Any Member may sell, assign, pledge, encumber, dispose of or otherwise transfer all or any part of the economic or other rights that comprise its Interest. If so determined by such Member, the transferee shall have the right to be substituted for the Member under this Agreement for the transferor or as an additional Member if the Member transfers less than all of its Interest. No Member may withdraw or resign as Member except as a result of a transfer pursuant to this Article 7 in which the transferee is substituted for the Member. None of the events described in Section 18-304 of the Act shall cause a Member to cease to be a Member of the Company.

ARTICLE 8
AMENDMENTS TO AGREEMENT

This Agreement may be amended or modified as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4. The Board of Managers shall cause to be prepared and filed any amendment to the Certificate that may be required to be filed under the Act as a consequence of any such amendment or modification.

ARTICLE 9
DISSOLUTION OF COMPANY

9.1 Events of Dissolution or Liquidation. The Company shall be dissolved and its affairs wound up upon the happening of either of the following events: (a) the written determination of each of the Members or (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

9.2 Liquidation. After termination of the business of the Company, the assets of the Company shall be distributed in the following order of priority:

(a) to creditors of the Company, including any Member if a creditor to the extent permitted by law, in satisfaction of liabilities of the Company (whether by payment thereof or the making of reasonable provision for payment thereof) other than liabilities for Distributions to the Member; and then

(b) ratably to each Member in accordance with the number of Units then held by such Member.

ARTICLE 10
INDEMNIFICATION

10.1 General. The Company shall indemnify, defend, and hold harmless any Member, any director, officer, partner, stockholder, controlling Person or employee of any Member, each member of the Board of Managers, any officer, employee or agent of the Company and any Person serving at the request of the Company as a director, officer, employee, partner, trustee or independent contractor of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (all of the foregoing Persons being referred to collectively as

"Indemnified Parties" and individually as an "Indemnified Party") from any liability, loss or damage incurred by the Indemnified Party by reason of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company and from liabilities or obligations of the Company imposed on such Indemnified Party by virtue of such Indemnified Party's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss or damage, except for liabilities, losses, damages or obligations resulting from the Indemnified Party's gross negligence or willful misconduct; provided, however, that the indemnification under this Section 10.1 shall be recoverable only from the assets of the Company and not from any assets of any Member. Unless the Board of Managers determines in good faith that the Indemnified Party is unlikely to be entitled to indemnification under this Article 10, the Company shall pay or reimburse reasonable attorneys' fees of an Indemnified Party as incurred, provided that such Indemnified Party executes an undertaking, with appropriate security if requested by the Board of Managers, to repay the amount so paid or reimbursed in the event that a final non-appealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to indemnification under this Article 10. The Company may pay for insurance covering liability of the Indemnified Party for negligence in operation of the Company's affairs.

10.2 Exculpation. No Indemnified Party shall be liable, in damages or otherwise, to the Company or to any Member for any liability, loss or damage that arises out of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company. except for liabilities, losses or damages resulting from the Indemnified Party's gross negligence or willful misconduct.

10.3 Persons Entitled to Indemnity. Any Person who is within the definition of "Indemnified Party" at the time of any action or inaction in connection with the business of the Company shall be entitled to the benefits of this Article 10 as an "Indemnified Party" with respect thereto, regardless whether such Person continues to be within the definition of "Indemnified Party" at the time of such Indemnified Party's claim for indemnification or exculpation hereunder.

10.4 Procedure Agreements. The Company may enter into an agreement with any of its officers, employees, consultants, counsel and agents, any member of the Board of Managers or any Member, setting forth procedures consistent with applicable law for implementing the indemnities provided in this Article 10.

ARTICLE 11
MISCELLANEOUS

11.1 General. This Agreement: (a) shall be binding upon the legal successors of any Member; (b) shall be governed by and construed in accordance with the laws of the State of Delaware; and (c) contains the entire agreement as to the subject matter hereof. The waiver of any of the provisions, terms, or conditions contained in this Agreement shall not be considered as a waiver of any of the other provisions, terms, or conditions hereof.

11.2 Notices, Etc. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery or receipt (which may be evidenced by a return receipt if sent by registered mail or by signature if delivered by courier or delivery service), addressed to any Member at its address in the records of the Company or otherwise specified by the Member.

11.3 Gender and Number. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include the masculine, feminine and neuter genders.

11.4 Severability. If any provision of this Agreement is determined by a court to be invalid or unenforceable, that determination shall not affect the other provisions hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each said provision shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

11.5 Headings. The headings used in this Agreement are used for administrative convenience only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

11.6 No Third Party Rights. Except for the provisions of Section 6.4, the provisions of this Agreement are for the benefit of the Company, each Member and permitted assignees and no other Person, including creditors of the Company, shall have any right or claim against the Company or any Member by reason of this Agreement or any provision hereof or be entitled to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year first set forth above.

WANGNER ITELPA II LLC

By:_____

Name:
Title:

Schedule A

REGISTER OF INTEREST

Holder of Interest	Unit Certificate Number	Units

Exhibit 4.4

MEETINGS OF MEMBERS, ETC.

1. Annual Meeting. There shall be an annual meeting of the Members which shall be (a) held at Westborough, Massachusetts on the second Thursday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or (b) at such other place, date and time as shall be designated from time to time by the Board of Managers and stated in the notice of the meeting, at which meeting they shall elect a Board of Managers, determine Distributions, if any, and transact such other business as may be required by law or this Agreement or as may properly come before the meeting.

2. Special Meetings. A special meeting of the Members may be called at any time by the Chairman of the Board, if any, the President, the Board of Managers, or by the Members holding at least 50.0% of the Units then outstanding. A special meeting of the Members shall be called by the Secretary, or in the case of the death, absence, incapacity or refusal of the Secretary, by an Assistant Secretary or some other officer, upon application of a majority of the Board of Managers. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour and purposes of the meeting.

3. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of the Members stating the place, day and hour thereof and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less then ten nor more than sixty days before the meeting, to each Member entitled to vote thereat, and to each Member who, by law or by this Agreement, is entitled to notice, by leaving such notice with such Member or at such Member's residence or usual place of business, or by depositing it in the United States mail, postage prepaid, and addressed to such Member at such Member's address as it appears in the records of the Company. Such notice shall be given by the Secretary, or by an officer or person designated by the Board of Managers, or in the case of a special meeting by the officer calling the meeting. As to any adjourned session of any meeting of the Members, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken, except that if the adjournment is for more than thirty days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of the Members or any adjourned session thereof need be given to a Member if a written waiver of notice, executed before or after the meeting or such adjourned session by such Member, is filed with the records of the meeting or if such Member attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Members or any adjourned session thereof need be specified in any written waiver of notice.

4. Quorum of Members. At any meeting of the Members a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except where a larger quorum is required by law or by this Agreement. Any meeting may be adjourned from time to time by a

majority of the votes properly cast upon the question, whether or not a quorum is present. If a quorum is present at an original meeting, a quorum need not be present at an adjourned session of that meeting.

5. Action by Vote. Each Member shall be entitled to one vote for each Unit held by such Member on all matters on which Members are entitled to vote at a meeting of Members or otherwise when a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law or by this Agreement. No ballot shall be required for any election unless requested by a Member present or represented at the meeting and entitled to vote in the election.

6. Action without Meetings. Any action required or permitted to be taken by Members for or in connection with any action of the Company may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units entitled to vote thereon were present and voted and shall be delivered to the Company by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the Company having custody of the book in which proceedings of meetings of Members are recorded. Each such written consent shall bear the date of signature of each Member who signs the consent. No written consent shall be effective to take the action referred to therein unless written consents signed by a number of Members sufficient to take such action are delivered to the Company in the manner specified in this paragraph within sixty days of the earliest dated consent so delivered.

If action is taken by consent of Members and in accordance with the foregoing, there shall be filed with the records of the meetings of Members the writing or writings comprising such consent.

If action is taken by less than unanimous consent of Members, prompt notice of the taking of such action without a meeting shall be given to those who have not consented in writing and a certificate signed and attested to by the Secretary that such notice was given shall be filed with the records of the meetings of Members.

7. Proxy Representation. Every Member may authorize another person or persons to act for such Member by proxy in all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the Member or by such Member's attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable where the interest with which it is coupled is an interest in the Interest of such Member. The authorization of a proxy may but need not be limited to specified action; provided, however, that if a proxy limits its authorization to a meeting or meetings of Members, unless otherwise specifically provided such

proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

8. Resolution of Issues. To the extent that any dispute shall arise with respect thereto, the Board of Managers shall be entitled to decide all issues such as the existence of a quorum, the validity of proxies, the number of votes, the Members entitled to vote or consent and other similar procedural questions that are raised at any meeting of Members.

Exhibit 6.1

BOARD OF MANAGERS

1. Number: Appointment. The Board of Managers initially shall consist of three members (each such member, along with any other members appointed from time to time, the "Board Members"). Thereafter, the Board of Managers shall be elected either at the Annual Meeting of Members or at a special meeting called for such purposes. The Board of Managers may increase or decrease the number of Board Members from time to time upon a vote of the Board of Managers.

2. Initial Board of Managers. The following individuals will be the initial Board Members:

Stephen R. Light

David Maffucci

Ted Orban

3. Tenure. Each Board Member shall, unless otherwise provided by law, hold office until the next Annual Meeting of Members and until such Board Member's successor is elected and qualified, or until such Board Member sooner dies, resigns, is removed or becomes disqualified. Any Board Member may be removed by the Members, at any time without giving any reason for such removal. A Board Member may resign by written notice to the Company which resignation shall not require acceptance and, unless otherwise specified in the resignation notice, shall be effective upon receipt by the Company. Vacancies and any newly created positions on the Board of Managers resulting from any increase in the number of the Board of Managers may be filled by vote of the Members or by a majority of the Board Members then in office, although less than a quorum, or by a sole remaining Board member.

4. Meetings. Meetings of the Board of Managers may be held at any time at such places within or without the State of Delaware designated in the notice of the meeting, when called by the Chair of the Board of Managers, if any, the President or any two Board Members acting together, reasonable notice thereof being given to each Board Member.

5. Notice. It shall be reasonable and sufficient notice to a Board Member to send notice by overnight delivery at least forty-eight hours or by facsimile at least twenty-four hours before the meeting addressed to such Board Member at such Board Member's usual or last known business or residence address or to give notice to such Board Member in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any Board Member if a written waiver of notice, executed by such Board Member before or after the meeting, is filed with the records of the meeting, or to any Board Member who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such Board Member. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

6. Quorum. Except as may be otherwise provided by law, at any meeting of the Board of Managers a majority of the Board Members then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

7. Action by Vote. Except as may be otherwise provided by law, when a quorum is present at any meeting the vote of a majority of the Board Members present shall be the act of the Board of Managers.

8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if all the Board Members consent thereto in writing, and such writing or writings are filed with the records of the meetings of the Board of Managers. Such consent shall be treated for all purposes as the act of the Board of Managers.

9. Participation in Meetings by Conference Telephone. Board Members may participate in a meeting of the Board of Managers by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law. Such participation shall constitute presence in person at such meeting.

10. Interested Transactions.

(a) No contract or transaction between the Company and one or more of the Board Members or officers, or between the Company and any other company, partnership, association, or other organization in which one or more of the Board Members or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Board Member or officer is present at or participates in the meeting of the Board of Managers which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(i) The material facts as to such Board Member's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Managers, and the Board of Managers in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Board Members, even though the disinterested Board Members be less than a quorum; or

(ii) The contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Managers.

(b) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board of Managers which authorizes the contract or transaction.

Exhibit 6.3

OFFICERS

Stephen R. Light -- President and Assistant Secretary
David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban -- Secretary
Elizabeth Leete -- Assistant Secretary

WEAVEXX, LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Weavexx, LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Weavexx, LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

SECTION 1. Formation. The LLC was formed upon the filing of its certificate of formation (the "Certificate of Formation") with the Secretary of State of the State of Delaware. The LLC was formed upon the conversion of Weavexx Corporation, a Delaware corporation.

SECTION 2. Purpose and Powers. The purpose of the LLC is to engage in any activity for which limited liability companies may be organized in the State of Delaware. The LLC shall possess and may exercise all of the powers and privileges granted by the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101, et seq. (the "Act") or by any other law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the LLC.

SECTION 3. Registered Office. The initial registered office of the LLC in the State of Delaware shall be located at the address for such office as set forth in the certificate of formation for the LLC filed with the Office of the Secretary of State of the State of Delaware. The registered office of the LLC may changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 4. Registered Agent. The name of the initial registered agent of the LLC for service of process on the LLC in the State of Delaware shall be as set forth in the Certificate of Formation. The registered agent of the LLC may be changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 5. Admission of Member. Simultaneously with the filing of the Certificate of Formation with the Office of the Secretary of State of the State of Delaware, Xerium Technologies, Inc. is admitted as the sole member of the LLC in respect of the Interest (as hereinafter defined).

SECTION 6. Interest and LLC Unit. The LLC shall be authorized to issue a single class of limited liability company interest (as defined in the Act). The entire limited liability company interest of the LLC, together with the rights of the sole member of the LLC under this

Agreement and the Act (the "Interest"), shall be represented by a certificate in the form attached hereto as Exhibit A. The Interest shall be represented by one (1) unit of interest (the "LLC Unit"). Notwithstanding anything to the contrary contained herein, the Company may not issue LLC Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void.

SECTION 7. Capital Contributions. The Member may contribute cash or other property to the LLC as it shall decide, from time to time.

SECTION 8. Tax Characterization and Returns. So long as the LLC has only one member, it is the intention of the Member that the LLC be disregarded for federal and state income tax purposes and that the activities of the LLC be deemed to be the activities of the Member for such purposes. All provisions of the LLC's Certificate of Formation and this Agreement are to be construed so as to preserve that tax status under those circumstances. Prior to any transaction that would result in the LLC having more than one member (including, without limitation, the admission of another member by the LLC or the transfer by the Member of less than all of the Interest), appropriate amendments shall be made to this Agreement to reflect the change in the Company's classification for federal and state income tax purposes that would result from such transfer or admission.

SECTION 9. Management.

(a) Board of Managers. The management of the LLC shall be vested in a Board of Managers (the "Board of Managers") elected by the Member. The total number of members on the Board of Managers (the "Managers") shall be three unless otherwise fixed at a different number by an amendment hereto. The Member hereby elects Stephen Light, Michael O'Donnell and Marshall Woodworth as the initial Managers of the LLC, to serve until their successors are elected and qualified. A Manager shall remain in office until removed by a written instrument signed by the Member or until such Manager resigns in a written instrument delivered to the Member or such Manager dies or is unable to serve. In the event of any vacancy on the Board of Managers, the Member may fill the vacancy by written instrument. Each Manager shall have one (1) vote. Except as otherwise provided in this Agreement, the Board of Managers shall act by the affirmative vote of a majority of the total number of Managers and no single Manager shall have the right, power or authority to bind the LLC. Each Manager shall perform his or her duties as such in good faith, in a manner he reasonably believes to be in the best interests of the LLC, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person who so performs his duties shall not have any liability by reason of serving or having served as a Manager. A Manager shall not be liable under a judgment, decree or order of court, or in any other manner, for a debt, obligation or liability of the LLC.

(b) Meetings and Powers of Board of Managers. The Board of Managers shall establish meeting times, dates and places and requisite notice requirements and adopt rules or procedures consistent with the terms of this Agreement. Any action required to be taken at a meeting of the Board of Managers, or any action that may be taken at a meeting of the Board of Managers, may be taken at a meeting held by means of conference telephone or other

communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

Notwithstanding anything to the contrary in this Section 9, the Board of Managers may take any action that may be taken by the Board of Managers under this Agreement without a meeting if such action is approved by the unanimous written consent of the Managers. Except as otherwise provided in this Agreement, all powers to control and manage the business and affairs of the LLC shall be exclusively vested in the Board of Managers, and the Board of Managers may exercise all powers of the LLC and do all such lawful acts as are not by statute, the Certificate of Formation or this Agreement directed or required to be exercised or done by the Member and in so doing shall have the right and authority to take all actions which the Board of Managers deems necessary, useful or appropriate for the management and conduct of the business of the LLC; provided, however, that the Member may amend this Agreement at any time and thereby broaden or limit the Board of Managers' power and authority.

(c) Officers. The LLC shall have officers who are appointed by the Board of Managers (the "Officers" and each an "Officer"). The Officers of the LLC shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer and such other positions as the Board of Managers deems appropriate from time to time. The initial Officers of the LLC shall be:

Stephen R. Light -- Chief Executive Officer and President
David Maffucci -- Vice President, Chief Financial Officer and Assistant Secretary
David Pretty -- Vice President and Assistant Secretary
Ted Orban -- Secretary and Treasurer
Elizabeth Leete -- Assistant Secretary

The powers and duties of each Officer shall be as follows:

The President. The President shall have, subject to the supervision, direction and control of the Board of Managers, the general powers and duties of supervision, direction and management of the affairs and business of the LLC usually vested in the president of a corporation, including, without limitation, all powers necessary to direct and control the organizational and reporting relationships within the LLC and the power to execute any agreements, deeds, certificates, notes or other documents on behalf of the LLC, provided that the approval of the Board of Managers or the Member is first obtained if such approval is required under the other provisions of this Agreement or the Act.

The Chief Executive Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers.

The Chief Financial Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Chief Executive Officer.

The Vice Presidents. Each Vice President shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers or the President.

The Secretary. The Secretary shall attend meetings of the Board of Managers and meetings of the Member and record all votes and minutes of all such proceedings in a book kept for such purpose. He or she shall have all such further powers and duties as generally are incident to the position of a secretary of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

Assistant Secretary. Each Assistant Secretary shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Secretary.

The Treasurer. The Treasurer shall have custody of the LLC's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the LLC and shall deposit or cause to be deposited moneys or other valuable effects in the name and to the credit of the LLC in such depositories as may be designated by the Board of Managers. The Treasurer shall also maintain adequate records of all assets, liabilities, and transactions of the LLC and shall see that adequate audits thereof are currently and regularly made. The Treasurer shall have such other powers and perform such other duties that generally are incident to the position of a treasurer of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

The powers and duties of each Officer set forth herein shall be deemed to be delegated by the Board of Managers to such Officer pursuant to Section 18-407 of the Act.

Each of the Officers of the LLC shall be an "authorized person" within the meaning of the Act for purposes of executing certificates and other documents to be filed by the LLC.

(d) Indemnification of the Managers and Officers. Unless otherwise provided in this Section 9, the LLC shall indemnify, save harmless, and pay all judgments and claims against any Manager or Officer relating to any liability or damage incurred by reason of any act performed or omitted to be performed by any Manager or Officer in connection with the business of the LLC, including reasonable attorneys' fees incurred by the Manager or Officer in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred. Unless otherwise provided in this Section 9, in the event of any action by the Member against any Manager or Officer, including a derivative suit, the LLC shall indemnify, save harmless, and pay all expenses of such Manager or Officer, including reasonable attorneys' fees incurred in the defense of such action. Notwithstanding the provisions of this Section 9, this Section shall be enforced only to the maximum extent permitted by law, and no Manager or Officer shall be indemnified from any liability for the fraud, intentional misconduct, gross negligence or a knowing violation of the law which was material to the cause of action.

(e) Rights and Powers of the Member. The Member shall not have any right or power to take part in the management or control of the LLC or its business and affairs or to act for or bind the LLC in any way. Notwithstanding the foregoing, the Member has all the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act. The Member has no voting rights except with respect to those matters specifically set forth in this Agreement and, to the extent not inconsistent herewith, as required in the Act. Notwithstanding any other provision of this Agreement, no action may be taken by the LLC (whether by the Board of Managers or otherwise) in connection with any of the following matters without the prior written consent of the Member:

i. the dissolution or liquidation, in whole or in part, of the LLC, or the institution of proceedings to have the LLC adjudicated bankrupt or insolvent;

ii. the filing of a petition seeking or consenting to reorganization or relief under any applicable federal or state bankruptcy law;

iii. consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the LLC or a substantial part of its property;

iv. the merger of the LLC with any other entity or the conversion of the LLC into another type of legal entity;

v. the sale of all or substantially all of the LLC's assets;

vi. any change in the classification of the LLC for federal or state income tax purposes; or

vii. the amendment of this Agreement.

SECTION 10. Distributions. Subject to section 18-607 and 19-804 of the Delaware Limited Liability Company Act, the Board of Managers may cause the LLC to distribute any cash held by it which is not reasonably necessary for the operation of the LLC.

SECTION 11. Assignments. The Member may assign all or any part of the Interest, subject to Section 8.

SECTION 12. Dissolution. The LLC shall dissolve, and its affairs shall be wound up, upon the earlier to occur of (a) the decision of the Member to dissolve the LLC, or (b) an event of dissolution of the LLC under the Act; provided, however, that ninety (90) days following any event terminating the continued membership of the Member, if the Personal Representative (as defined in the Act) of the Member agrees in writing to continue the LLC and to admit itself or some other Person as a member of the LLC effective as of the date of the occurrence of the event that terminated the continued membership the Member, then the LLC shall not be dissolved and its affairs shall not be wound up.

SECTION 13. Distributions Upon Dissolution. Upon the occurrence of an event set forth in Section 12 hereof, the Member shall be entitled to receive, after paying or making

reasonable provision for all of the LLC's creditors to the extent required by Section 18-804 of the Act, the remaining funds of the LLC.

SECTION 14. Limited Liability. No Member or Manager shall have any liability for the obligations of the LLC except to the extent required by the Act.

SECTION 15. Amendment. This Agreement may be amended only in a writing signed by the Member.

SECTION 16. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

SECTION 17. Severability. Every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

[*signature page follows*]

[*signature page to Limited Liability Company Agreement of Weavexx, LLC*]

IN WITNESS WHEREOF, the undersigned has caused this Agreement of Limited Liability Company to be executed as of the ___day of _____, 2010.

XERIUM TECHNOLOGIES, INC.

By:_____

Name:
Title:

EXHIBIT A
Form of Certificate

See attached [Certificate of Membership Interest.]

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW. ACCORDINGLY, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE ACT OR APPLICABLE STATE SECURITIES LAW OR ANY OPINION OF COUNSEL SATISFACTORY TO THE LIMITED LIABILITY COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT OR ANY APPLICABLE STATE SECURITIES LAW.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE, AND THE TRANSFER THEREOF, ARE SUBJECT TO THE PROVISIONS OF THE OPERATING AGREEMENT OF THE COMPANY, A COPY OF WHICH IS ON FILE AND MAY BE EXAMINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

FOR VALUE RECEIVED, _____ HEREBY SELLS, ASSIGNS, AND TRANSFERS

PLEASE INSERT SOCIAL SECURITY OR OTHER INDENTIFYING NUMBER OF ASSIGNEE

_____

UNTO _____ THE LIMITED LIABILITY COMPANY MEMBERSHIP INTEREST REPRESENTED BY THE CERTIFICATE of MEMBERSHIP INTEREST, AND DOES HEREBY IRREVOCABLY CONSTITUTE AND APPOINT _____ ATTORNEY TO TRANSFER THE SAID CERTIFICATE OF MEMBERSHIP INTEREST REPRESENTING LIMITED LIABILITY COMPANY MEMBERSHIP INTERESTS ON THE BOOKS OF THE WITHIN-NAMED LIMITED LIABILITY COMPANY WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

DATED,

MEMBER

IN THE PRESENCE OF

XERIUM ASIA, LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Xerium, Asia, LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Xerium Asia, LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

SECTION 1. Formation. The LLC was formed upon the filing of its certificate of formation (the "Certificate of Formation") with the Secretary of State of the State of Delaware. The LLC was formed upon the conversion of Xerium Asia, Inc., a Delaware corporation.

SECTION 2. Purpose and Powers. The purpose of the LLC is to engage in any activity for which limited liability companies may be organized in the State of Delaware. The LLC shall possess and may exercise all of the powers and privileges granted by the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101, et seq. (the "Act") or by any other law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the LLC.

SECTION 3. Registered Office. The initial registered office of the LLC in the State of Delaware shall be located at the address for such office as set forth in the certificate of formation for the LLC filed with the Office of the Secretary of State of the State of Delaware. The registered office of the LLC may changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 4. Registered Agent. The name of the initial registered agent of the LLC for service of process on the LLC in the State of Delaware shall be as set forth in the Certificate of Formation. The registered agent of the LLC may be changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 5. Admission of Member. Simultaneously with the filing of the Certificate of Formation with the Office of the Secretary of State of the State of Delaware, Xerium Technologies, Inc. is admitted as the sole member of the LLC in respect of the Interest (as hereinafter defined).

SECTION 6. Interest and LLC Unit. efined in the Act). The entire limited liability company interest of the LLC, together with the rights of the sole member of the LLC under this Agreement and the Act (the "Interest"), shall be represented by a certificate in the form attached hereto as Exhibit A. The Interest shall be represented by one (1) unit of interest (the "LLC

Unit"). Notwithstanding anything to the contrary contained herein, the Company may not issue LLC Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void.

SECTION 7. Capital Contributions. The Member may contribute cash or other property to the LLC as it shall decide, from time to time.

SECTION 8. Tax Characterization and Returns. So long as the LLC has only one member, it is the intention of the Member that the LLC be disregarded for federal and state income tax purposes and that the activities of the LLC be deemed to be the activities of the Member for such purposes. All provisions of the LLC's Certificate of Formation and this Agreement are to be construed so as to preserve that tax status under those circumstances. Prior to any transaction that would result in the LLC having more than one member (including, without limitation, the admission of another member by the LLC or the transfer by the Member of less than all of the Interest), appropriate amendments shall be made to this Agreement to reflect the change in the Company's classification for federal and state income tax purposes that would result from such transfer or admission.

SECTION 9. Management.

(a) Board of Managers. The management of the LLC shall be vested in a Board of Managers (the "Board of Managers") elected by the Member. The total number of members on the Board of Managers (the "Managers") shall be three unless otherwise fixed at a different number by an amendment hereto. The Member hereby elects Stephen Light, Michael O'Donnell and Marshall Woodworth as the initial Managers of the LLC, to serve until their successors are elected and qualified. A Manager shall remain in office until removed by a written instrument signed by the Member or until such Manager resigns in a written instrument delivered to the Member or such Manager dies or is unable to serve. In the event of any vacancy on the Board of Managers, the Member may fill the vacancy by written instrument. Each Manager shall have one (1) vote. Except as otherwise provided in this Agreement, the Board of Managers shall act by the affirmative vote of a majority of the total number of Managers and no single Manager shall have the right, power or authority to bind the LLC. Each Manager shall perform his or her duties as such in good faith, in a manner he reasonably believes to be in the best interests of the LLC, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person who so performs his duties shall not have any liability by reason of serving or having served as a Manager. A Manager shall not be liable under a judgment, decree or order of court, or in any other manner, for a debt, obligation or liability of the LLC.

(b) Meetings and Powers of Board of Managers. The Board of Managers shall establish meeting times, dates and places and requisite notice requirements and adopt rules or procedures consistent with the terms of this Agreement. Any action required to be taken at a meeting of the Board of Managers, or any action that may be taken at a meeting of the Board of Managers, may be taken at a meeting held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

Notwithstanding anything to the contrary in this Section 9, the Board of Managers may take any action that may be taken by the Board of Managers under this Agreement without a meeting if such action is approved by the unanimous written consent of the Managers. Except as otherwise provided in this Agreement, all powers to control and manage the business and affairs of the LLC shall be exclusively vested in the Board of Managers, and the Board of Managers may exercise all powers of the LLC and do all such lawful acts as are not by statute, the Certificate of Formation or this Agreement directed or required to be exercised or done by the Member and in so doing shall have the right and authority to take all actions which the Board of Managers deems necessary, useful or appropriate for the management and conduct of the business of the LLC; provided, however, that the Member may amend this Agreement at any time and thereby broaden or limit the Board of Managers' power and authority.

(c) Officers. The LLC shall have officers who are appointed by the Board of Managers (the "Officers" and each an "Officer"). The Officers of the LLC shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer and such other positions as the Board of Managers deems appropriate from time to time. The initial Officers of the LLC shall be:

Stephen R. Light -- Chief Executive Officer and President
David Maffucci -- Vice President, Chief Financial Officer and Assistant Secretary
David Pretty -- Vice President and Assistant Secretary
Ted Orban -- Secretary and Treasurer
Elizabeth Leete -- Assistant Secretary

The powers and duties of each Officer shall be as follows:

The President. The President shall have, subject to the supervision, direction and control of the Board of Managers, the general powers and duties of supervision, direction and management of the affairs and business of the LLC usually vested in the president of a corporation, including, without limitation, all powers necessary to direct and control the organizational and reporting relationships within the LLC and the power to execute any agreements, deeds, certificates, notes or other documents on behalf of the LLC, provided that the approval of the Board of Managers or the Member is first obtained if such approval is required under the other provisions of this Agreement or the Act.

The Chief Executive Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers.

The Chief Financial Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Chief Executive Officer.

The Vice Presidents. Each Vice President shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers or the President.

The Secretary. The Secretary shall attend meetings of the Board of Managers and meetings of the Member and record all votes and minutes of all such proceedings in a book kept for such purpose. He or she shall have all such further powers and duties as generally are incident to the position of a secretary of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

Assistant Secretary. Each Assistant Secretary shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Secretary.

The Treasurer. The Treasurer shall have custody of the LLC's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the LLC and shall deposit or cause to be deposited moneys or other valuable effects in the name and to the credit of the LLC in such depositories as may be designated by the Board of Managers. The Treasurer shall also maintain adequate records of all assets, liabilities, and transactions of the LLC and shall see that adequate audits thereof are currently and regularly made. The Treasurer shall have such other powers and perform such other duties that generally are incident to the position of a treasurer of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

The powers and duties of each Officer set forth herein shall be deemed to be delegated by the Board of Managers to such Officer pursuant to Section 18-407 of the Act.

Each of the Officers of the LLC shall be an "authorized person" within the meaning of the Act for purposes of executing certificates and other documents to be filed by the LLC.

(d) Indemnification of the Managers and Officers. Unless otherwise provided in this Section 9, the LLC shall indemnify, save harmless, and pay all judgments and claims against any Manager or Officer relating to any liability or damage incurred by reason of any act performed or omitted to be performed by any Manager or Officer in connection with the business of the LLC, including reasonable attorneys' fees incurred by the Manager or Officer in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred. Unless otherwise provided in this Section 9, in the event of any action by the Member against any Manager or Officer, including a derivative suit, the LLC shall indemnify, save harmless, and pay all expenses of such Manager or Officer, including reasonable attorneys' fees incurred in the defense of such action. Notwithstanding the provisions of this Section 9, this Section shall be enforced only to the maximum extent permitted by law, and no Manager or Officer shall be indemnified from any liability for the fraud, intentional misconduct, gross negligence or a knowing violation of the law which was material to the cause of action.

(e) Rights and Powers of the Member. The Member shall not have any right or power to take part in the management or control of the LLC or its business and affairs or to act for or bind the LLC in any way. Notwithstanding the foregoing, the Member has all the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act. The Member has no voting rights except with respect to those matters specifically set forth in this Agreement and, to the extent not inconsistent herewith, as required in the Act. Notwithstanding any other provision of this Agreement, no action may be taken by the

LLC (whether by the Board of Managers or otherwise) in connection with any of the following matters without the prior written consent of the Member:

i. the dissolution or liquidation, in whole or in part, of the LLC, or the institution of proceedings to have the LLC adjudicated bankrupt or insolvent;

ii. the filing of a petition seeking or consenting to reorganization or relief under any applicable federal or state bankruptcy law;

iii. consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the LLC or a substantial part of its property;

iv. the merger of the LLC with any other entity or the conversion of the LLC into another type of legal entity;

v. the sale of all or substantially all of the LLC's assets;

vi. any change in the classification of the LLC for federal or state income tax purposes; or

vii. the amendment of this Agreement.

SECTION 10. Distributions. Subject to section 18-607 and 19-804 of the Delaware Limited Liability Company Act, the Board of Managers may cause the LLC to distribute any cash held by it which is not reasonably necessary for the operation of the LLC.

SECTION 11. Assignments. The Member may assign all or any part of the Interest, subject to Section 8.

SECTION 12. Dissolution. The LLC shall dissolve, and its affairs shall be wound up, upon the earlier to occur of (a) the decision of the Member to dissolve the LLC, or (b) an event of dissolution of the LLC under the Act; provided, however, that ninety (90) days following any event terminating the continued membership of the Member, if the Personal Representative (as defined in the Act) of the Member agrees in writing to continue the LLC and to admit itself or some other Person as a member of the LLC effective as of the date of the occurrence of the event that terminated the continued membership the Member, then the LLC shall not be dissolved and its affairs shall not be wound up.

SECTION 13. Distributions Upon Dissolution. Upon the occurrence of an event set forth in Section 12 hereof, the Member shall be entitled to receive, after paying or making reasonable provision for all of the LLC's creditors to the extent required by Section 18-804 of the Act, the remaining funds of the LLC.

SECTION 14. Limited Liability. No Member or Manager shall have any liability for the obligations of the LLC except to the extent required by the Act.

SECTION 15. Amendment. This Agreement may be amended only in a writing signed by the Member.

SECTION 16. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

SECTION 17. Severability. Every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

[*signature page follows*]

[*signature page to Limited Liability Company Agreement of Xerium Asia, LLC*]

IN WITNESS WHEREOF, the undersigned has caused this Agreement of Limited Liability Company to be executed as of the ___day of _____, 2010.

XERIUM TECHNOLOGIES, INC.

By:_____

Name:
Title:

BY-LAWS

OF

XERIUM III (US) LIMITED

a Delaware corporation

ARTICLE I

OFFICES

SECTION 1.1. Registered Office. The registered office of the corporation in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware. The name of the corporation's registered agent at such address shall be The Corporation Trust Company. The registered office and registered agent of the corporation may be changed from time to time by action of the registered agent or the board of directors in accordance with the laws of the State of Delaware.

SECTION 1.2. Other Offices. The corporation may also have offices at such other places both within or without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.1. Annual Meeting. The annual meeting of the stockholders shall be held each year on such day or days as may be determined by the board of directors or the president of the corporation. The annual meeting may be held at the corporation's principal place of business or at such other place as may be determined by the board of directors or the president, for the purposes of electing directors and for the transaction of such other business as may come before the meeting. If such day should fall on a legal holiday, the meeting shall be held on the next succeeding business day that is not a legal holiday.

If the election of directors shall not be held on the day hereinbefore designated for the annual meeting, or at any adjournment thereof, the board of directors shall cause such election to be held at a special meeting of stockholders as soon thereafter as convenient.

SECTION 2.2. Special Meetings. Except as otherwise prescribed by statute, special meetings of the stockholders for any purpose or purposes may be called and the location thereof designated by the board of directors or the president. Special meetings shall be called and the location thereof designated by the secretary at the request in writing of the stockholders owning capital stock of the corporation having not less than a majority of the total voting power. Such request shall state the purposes of the proposed meeting.

SECTION 2.3. Place of Meetings. Each meeting of the stockholders shall be held at the principal executive office of the corporation, unless the board of directors by resolution, or the president, designate any other place, within or without the State of Delaware, as the place of such meeting.

SECTION 2.4. Notice. Written or printed notice stating the place, date and time of each annual or special meeting of the stockholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote thereat not less than 10 days nor more than 60 days, unless otherwise provided by statute, before the date of the meeting. Whenever under the provisions of the statute, the certificate of incorporation or these by-laws notice is required to be given to any stockholder, director or member of any committee designated by the board of directors, it shall not be construed to require personal delivery and such notice may be given in writing by depositing it in the United States mails, air mail or first class, postage prepaid, by telefax, or by express overnight courier addressed to such stockholder, director or member either at the address of such stockholder, director or member as it appears on the books of the corporation or, in the case of such a director or member, at his or her business address; and such notice shall be deemed to be given at the time when it is thus deposited in the United States mails delivered by telefax over the telephone lines, or delivered to the overnight courier service, as the case may be. Such requirement for notice shall be deemed satisfied, except in the case of a stockholder meeting with respect to which written notice is mandatorily required by law, if actual notice is received orally or in writing by the person entitled thereto as far in advance of the event with respect to which notice is given as the minimum notice period required by law or these by-laws.

SECTION 2.5. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statute, the certificate of incorporation, or these by-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be deemed equivalent thereto. Attendance by a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or committee of directors need be specified in any written waiver of notice unless so required by statute, the certificate of incorporation or these by-laws.

SECTION 2.6. Stockholders List. At least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order, and showing the address of each such stockholder and the number of shares registered in the name of each such stockholder, shall be prepared by the officer having charge of the stock ledger. Such list shall be open to examination of any stockholder of the corporation during ordinary business hours, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the

stock ledger, the list required by this section or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 2.7. Quorum. The holders of a majority of the outstanding shares of capital stock entitled to vote, present in person or represented by proxy, shall be requisite for, and shall constitute, a quorum at all meetings of the stockholders of the corporation for the transaction of business, except as otherwise provided by statute, the certificate of incorporation or these by-laws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat present in person or represented by proxy shall have power to adjourn the meeting from time to time until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 2.8. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 2.9. Vote Required. When a quorum is present, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

SECTION 2.10. Voting Rights. Except as otherwise provided by these by-laws, or by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 7.7 of ARTICLE VII hereof, every stockholder shall be entitled to one vote for each share of common stock held by such stockholder.

SECTION 2.11. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. At each meeting of the stockholders, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the secretary or a person designated by the secretary, and no shares may be represented or voted under a proxy that has been found to be invalid or irregular.

SECTION 2.12. Voting of Certain Shares. Shares standing in the name of another corporation, domestic or foreign, and entitled to vote may be voted by such officer, agent, or proxy as the by-laws of such corporation may prescribe or, in the absence of such provision, as

the board of directors of such corporation may determine. Shares standing in the name of a deceased person, a minor or an incompetent and entitled to vote may be voted by his or her administrator, executor, guardian or conservator, as the case may be, either in person or by proxy. Shares standing in the name of a trustee, receiver or pledgee and entitled to vote may be voted by such trustee, receiver or pledgee either in person or by proxy as provided by Delaware law.

SECTION 2.13. Action by Written Consent. Any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding capital stock of the corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, the principal place of business of the corporation, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the registered office of the corporation shall be by hand or by certified or registered mail, return receipt requested; provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders or members to take the action were delivered to the corporation as provided in the General Corporation Law of the State of Delaware. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

SECTION 2.14. Treasury Stock. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by such corporation, shall not be entitled to vote nor counted for quorum purposes. Nothing in this section shall be construed to limit the right of this corporation to vote shares of its own stock held by it in a fiduciary capacity.

ARTICLE III

DIRECTORS

SECTION 3.1. Number, Election and Term of Office. The board of directors of the corporation shall consist of not less than one nor more than five members, which number

shall be fixed from time to time by resolution adopted by either the stockholders or a majority of the board of directors; however, the initial board shall consist of two members. The number of directors may be changed from time to time by amendment to these by-laws. A decrease in the number of directors does not shorten an incumbent director's term.

The initial directors shall have been elected by the incorporators. Thereafter, unless otherwise provided herein, directors shall be elected by the stockholders at each annual meeting. Each director shall hold office until a successor is duly elected and qualified, or until his or her earlier death, resignation or removal as hereinafter provided.

SECTION 3.2. Management of Affairs of Corporation. The property and business of the corporation shall be managed by or under the direction of its board of directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by stockholders. In case the corporation shall transact any business or enter into any contract with a director, or with any firm of which one or more of its directors are members, or with any trust, firm, corporation or association in which any director is a stockholder, director or officer or otherwise interested, the officers of the corporation and directors in question shall be severally under the duty of disclosing all material facts as to their interest to the remaining directors promptly if and when such interested officers or such interested directors in question shall become advised of the circumstances. In the case of continuing relationships in the normal course of business such disclosure shall be deemed effective, when once given, as to all transactions and contracts subsequently entered into.

SECTION 3.3. Resignations and Vacancies. Any director may resign at any time by giving written notice to the board of directors or to the president. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If, at any other time than the annual meeting of the stockholders, any vacancy occurs in the board of directors caused by resignation, death, retirement, disqualification or removal from office of any director or otherwise, or any new directorship is created by an increase in the authorized number of directors, a majority of the directors then in office, may choose a successor, or fill the newly created directorship, and the director so chosen shall hold office until the next annual election of directors by the stockholders and until his or her successor shall be duly elected and qualified, unless sooner displaced.

SECTION 3.4. Removal. A director or the entire board of directors may be removed, with or without cause, by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors.

SECTION 3.5. Annual Meetings. The annual meeting of the board of directors shall be held, without other notice than this by-law, immediately after, and at the same place as, the annual meeting of the stockholders.

SECTION 3.6. Special Meetings. Special meetings of the board of directors may be called by the president and shall be called by the secretary or any other officer at the request of any two directors, to be held at such time and place, either within or without the State of

Delaware, as shall be designated by the call and specified in the notice of such meeting. Notice thereof shall be given as provided in Section 3.7 of these by-laws.

SECTION 3.7. Notice of Meetings. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called on notice to each director, either orally, personally, by telephone, by mail or by telefax not less than forty-eight (48) hours' before the date of the meeting. Any director may waive notice of any meeting. Except as otherwise provided by law or by these by-laws, a director's attendance at a regular or special meeting shall constitute a waiver of notice of such meeting.

SECTION 3.8. Quorum Required, Vote and Adjournment. At each meeting of the board of directors, the presence of not less than a majority of the whole board shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or these by-laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 3.9. Communications Equipment. Unless otherwise restricted by the certificate of incorporation, any member of the board of directors or of any committee designated by the board may participate in a meeting of the directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by means of such equipment shall constitute presence in person at such meeting.

SECTION 3.10. Presumption of Assent. Unless otherwise provided by statute, a director of the corporation who is present at a meeting of the board of directors at which action is taken on any corporate matter shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 3.11. Action By Written Consent. Any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting, if a written consent thereto is signed by all members of the board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

SECTION 3.12. Presiding Officer. The presiding officer at any meeting of the board of directors shall be the chairman of the board or, in his or her absence, the president or any director elected chairman by vote of a majority of the directors present at the meeting.

SECTION 3.13. Executive Committee. The board of directors may, by resolution passed by a majority of the whole board, designate two or more directors of the corporation to constitute an executive committee, which, to the extent provided in the resolution and by Delaware law, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it.

SECTION 3.14. Other Committees. The board of directors may designate one or more other committees, each committee to consist of one or more of the directors of the corporation. Each member of such committee shall serve for such term and the committee shall have and may exercise, during intervals between meetings of the board of directors, such duties, functions and powers as the board of directors may from time to time prescribe, subject to the limitations of Delaware law.

SECTION 3.15. Alternates. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3.16. Quorum and Manner of Acting - Committees. The presence of a majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting of such committee, and the act of a majority of those present shall be necessary for the taking of any action thereat.

SECTION 3.17. Committee Chairman, Books and Records, Etc. The chairman of each committee shall be selected from among the members of the committee by the board of directors.

Each committee shall keep a record of its acts and proceedings, and all actions of each committee shall be reported to the board of directors at its next meeting.

Each committee shall fix its own rules of procedure not inconsistent with these by-laws or the resolution of the board of directors designating such committee and shall meet at such times and places and upon such call or notice as shall be provided by such rules.

SECTION 3.18. Fees and Compensation of Directors. Directors shall not receive any stated salary or other fees for their services as such; but, by resolution of the board of directors, a fixed fee, with or without expenses of attendance, may be allowed for attendance at each regular or special meeting of the board. Members of the board shall be allowed their reasonable traveling expenses when actually engaged in the business of the corporation. Members of any committee may be allowed like fees and expenses for attending committee meetings. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SECTION 3.19. Reliance Upon Records. Every director of the corporation, or member of any committee designated by the board of directors, shall, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

SECTION 3.20. Dividends and Reserves. Dividends upon stock of the corporation may be declared by the board of directors at any regular or special meeting. Dividends may be paid in cash, in property, in shares of stock or otherwise in the form, and to the extent, permitted by law. The board of directors may set apart, out of any funds of the corporation available for dividends, a reserve or reserves for working capital or for any other lawful purpose, and also may abolish any such reserve in the manner in which it was created.

ARTICLE IV

OFFICERS

SECTION 4.1. Offices and Official Positions. The officers of the corporation shall consist of a president and a secretary. The president shall be the chief executive officer. In addition to the foregoing, the officers may consist of a chairman of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other officers as the board of directors shall determine. Any two or more offices may be held by the same person. The board of directors may choose not to fill any office for any period as it may deem advisable, except that the offices of president and secretary shall be filled as expeditiously as possible. None of the officers need be a director, a stockholder of the corporation or a resident of the State of Delaware. The board of directors may from time to time establish, and abolish, official positions within the divisions into which the business and operations of the corporation are divided, pursuant to ARTICLE V of these by-laws, and assign titles and duties to such positions. Those appointed to official positions within divisions may, but need not, be officers of the corporation. The board of directors shall appoint individuals to official positions within a division and may with or without cause remove from such a position any person appointed to it. In any event, the authority incident to an official position within a division shall be limited to acts and transactions within the scope of the business and operations of such division.

SECTION 4.2. Election and Term of Office. The officers of the corporation shall be elected at the organizational meeting of the board of directors, and thereafter, annually by the board of directors at their first meeting held after each regular annual meeting of the stockholders. If the election of officers shall not be held at such meeting of the board, such election shall be held at a regular or special meeting of the board of directors as soon thereafter as may be convenient. Each officer shall hold office until his or her successor is elected and qualified or until his or her death, resignation or removal as hereinafter provided.

SECTION 4.3. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors then in office at any regular or special

meeting of the board; but such removal shall be without prejudice to the contract rights, if any, of such person so removed. Any officer may resign at any time by giving written notice to the board of directors, to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4.4. Vacancies. A vacancy in any office because of death, resignation, removal, or any other cause may be filled for the unexpired portion of the term by the board of directors.

SECTION 4.5. Chairman of the Board. The chairman of the board, if there shall be such chairman, shall preside, in lieu of the president, at all meetings of the stockholders and board of directors of the corporation. The chairman of the board shall have such other duties as may be prescribed by the board of directors from time to time.

SECTION 4.6. President. The president shall be the chief executive officer of the corporation, and may be referred to as president, chief executive officer, or both. He or she shall have the overall supervision of the business of the corporation and shall direct the affairs and policies of the corporation, subject to such policies and directions as may be provided by the board of directors. He or she shall have authority to designate the duties and powers of other officers and delegate special powers and duties to specified officers, so long as such designation shall not be inconsistent with the statutes, these by-laws or action of the board of directors. He or she shall also have power to execute, and shall execute, deeds, mortgages, bonds, contracts or other instruments of the corporation except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The president in general shall have all other powers and shall perform all other duties which are incident to the chief executive office of a corporation or as may be prescribed by the board of directors from time to time.

SECTION 4.7. Vice Presidents. In the absence of the president, at his or her request or in the event of his or her inability or refusal to act, the vice presidents in order of their rank as fixed by the board of directors or, if not ranked, the vice president designated by the board of directors or the president, shall perform all duties of the president and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties, not inconsistent with the statutes, these by-laws, or action of the board of directors, as from time to time may be prescribed for them, respectively, by the board of directors or the president. Any vice president may sign, with the secretary or an assistant secretary, or the treasurer or an assistant treasurer, certificates for shares of stock of the corporation the issuance of which shall have been duly authorized by the board of directors.

SECTION 4.8. Secretary. The secretary shall: (a) keep the minutes of the meetings of the stockholders, the board of directors and committees of directors, in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) have charge of the corporate records and of

the seal of the corporation; (d) affix the seal of the corporation, if any, or a facsimile thereof, or cause it to be affixed, to all certificates for shares prior to the issue thereof and to all documents the execution of which on behalf of the corporation under its seal is duly authorized by the board of directors or otherwise in accordance with the provisions of these by-laws; (e) keep a register of the post office address of each stockholder, director and committee member which shall from time to time be furnished to the secretary by such stockholder, director or member; (f) sign with the president or any vice president, certificates for shares of stock of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors; (g) have general charge of the stock transfer books of the corporation; and (h) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors. He or she may delegate such details of the performance of duties of his or her office as may be appropriate in the exercise of reasonable care to one or more persons in his or her stead, but shall not thereby be relieved of responsibility for the performance of such duties.

SECTION 4.9. Treasurer. The treasurer shall: (a) be responsible to the board of directors for the receipt, custody and disbursement of all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall from time to time be selected in accordance with the provisions of Section 6.4. of these by-laws; (c) disburse the funds of the corporation as ordered by the board of directors or the president or as otherwise required in the conduct of the business of the corporation; (d) render to the president or the board of directors, upon request, an account of all his or her transactions as treasurer and on the financial condition of the corporation; and (e) in general, perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president, the board of directors or these by-laws. He or she may sign, with the president, or a vice president, certificates for shares of stock of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors. He or she may delegate such details of the performance of duties of his or her office as may be appropriate in the exercise of reasonable care to one or more persons in his or her stead, but shall not thereby be relieved of responsibility for the performance of such duties. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum, and with such surety or sureties, as the board of directors shall determine.

SECTION 4.10. Assistant Treasurers and Assistant Secretaries. The assistant treasurers and assistant secretaries shall perform all functions and duties which the secretary or treasurer, as the case may be, may assign or delegate; but such assignment or delegation shall not relieve the principal officer from the responsibilities and liabilities of his or her office. In addition, an assistant secretary or an assistant treasurer, as thereto authorized by the board of directors, may sign with the president, or a vice president, certificates for shares of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors; and the assistant secretaries and assistant treasurers shall, in general, perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or by the board of directors. The assistant treasurers shall, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums, and with such surety or sureties, as the board of directors shall determine.

SECTION 4.11. Salaries. The salaries of the officers may be fixed from time to time by the board of directors or by such officer as it shall designate for such purpose or as it shall otherwise direct. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he or she is also a director of the corporation.

ARTICLE V

DIVISIONS

SECTION 5.1. Divisions of the Corporation. The board of directors shall have the power to create and establish such operating divisions of the corporation as it may from time to time deem advisable.

SECTION 5.2. Official Positions Within a Division. If the board of directors does not appoint individuals to official positions within a division, then the president may so appoint such individuals, whether or not they are officers of the corporation, to, and may, with or without cause, remove them from, official positions established within a division. The president may not remove any individual appointed by the board of directors. (See also Section 4.1 of these by-laws.)

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 6.1. Contracts and Other Instruments. The board of directors may authorize any officer(s), agent(s) or employee(s) to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, or of any division thereof, and such authority may be general or confined to specific instances.

SECTION 6.2. Loans. No loans shall be contracted on behalf of the corporation, or any division thereof, and no evidence of indebtedness shall be issued in the name of the corporation, or any division thereof, unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

SECTION 6.3. Checks, Drafts, etc. All checks, demands, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, or any division thereof, shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall from time to time be authorized by the board of directors.

SECTION 6.4. Deposits. All funds of the corporation, or any division thereof, not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

ARTICLE VII

CERTIFICATES OF STOCK AND THEIR TRANSFER

SECTION 7.1. Certificates of Stock. The certificates of stock of the corporation shall be in such form as may be determined by the board of directors, shall be numbered and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the president or vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary. If any stock certificate is signed (a) by a transfer agent or an assistant transfer agent or (b) by a transfer clerk acting on behalf of the corporation and a registrar, the signature of any officer of the corporation may be facsimile. In case any such officer whose facsimile signature has thus been used on any such certificate shall cease to be such officer, whether because of death, resignation or otherwise, before such certificate has been issued, such certificate may nevertheless be issued with the same effect as if he or she were such officer at the date of issue. All certificates properly surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued to evidence transferred shares until the former certificate for at least a like number of shares shall have been surrendered and cancelled and the corporation reimbursed for any applicable taxes on the transfer, except that in the case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms, and with such indemnity (if any) to the corporation, as the board of directors may prescribe specifically or in general terms or by delegation to a transfer agent for the corporation. (See Section 7.2.)

SECTION 7.2. Lost, Stolen or Destroyed Certificates. The board of directors in individual cases, or by general resolution or by delegation to the transfer agent, may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond sufficient to indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of a new certificate or uncertificated shares.

SECTION 7.3. No Fractional Share Certificates. Certificates shall not be issued representing fractional shares of stock.

SECTION 7.4. Transfers of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and upon payment of applicable taxes with respect to such transfer, and in compliance with any restrictions on transfer applicable to the certificate or shares represented thereby of which the corporation shall have notice and subject to such rules and regulations as the board of directors may from time to time deem advisable concerning the transfer and registration of certificates for shares of capital stock of the corporation, the corporation shall issue a new certificate to the person entitled thereto,

cancel the old certificate and record the transaction upon its books. Transfers of shares shall be made only on the books of the corporation by the registered holder thereof or by his or her attorney or successor duly authorized as evidenced by documents filed with the secretary or transfer agent of the corporation.

SECTION 7.5. Restrictions on Transfer. Any stockholder may enter into an agreement with other stockholders or with the corporation providing for reasonable limitation or restriction on the right of such stockholder to transfer shares of capital stock of the corporation held by him, including, without limiting the generality of the foregoing, agreements granting to such other stockholders or to the corporation the right to purchase for a given period of time any of such shares on terms equal to terms offered such stockholders by any third party. Any such limitation or restriction on the transfer of shares of this corporation must be set forth conspicuously on certificates representing shares of capital stock or, in the case of uncertificated shares, contained in a notice sent pursuant to Section 151(f) of the General Corporation Law of Delaware, in which case the corporation or the transfer agent shall not be required to transfer such shares upon the books of the corporation without receipt of satisfactory evidence of compliance with the terms of such limitation or restriction.

SECTION 7.6. Fixing Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall

not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

SECTION 7.7. Stockholders of Record. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

INDEMNIFICATION

SECTION 8.1. In General. Each person who at any time is or shall have been a director, officer, employee or agent of the corporation, or is or shall have been serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, and his or her heirs, executors and administrators, shall be indemnified by this corporation in accordance with and to the full extent permitted by the Delaware General Corporation Law as in effect at the time of adoption of this by-law or as amended from time to time. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise.

The corporation shall, in its discretion, pay the expenses (including attorneys' fees) incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

SECTION 8.2. Insurance. If authorized by the board of directors, the corporation may purchase and maintain insurance on behalf of any person to the full extent permitted by the General Corporation Law of Delaware as in effect at the time of the adoption of this by-law or as amended from time to time.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SECTION 9.2 . Corporate Seal. The board of directors may adopt a corporate seal which shall have inscribed thereon the name of the corporation, and the words "CORPORATE

SEAL" and "DELAWARE;" and it shall otherwise be in the form approved by the board of directors. Such seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or otherwise reproduced.

ARTICLE X

AMENDMENTS

SECTION 10.1. In General. Any provision of these by-laws (except as provided in Section 10.2 hereof) may be altered, amended or repealed from time to time by the affirmative vote of a majority of the stock having voting power present in person or by proxy at any annual meeting of stockholders at which a quorum is present, or at any special meeting of stockholders at which a quorum is present, if notice of the proposed alteration, amendment or repeal be contained in the notice of such special meeting, or by the affirmative vote of a majority of the directors then qualified and acting at any regular or special meeting of the board; provided, however, that the stockholders may provide specifically for limitations on the power of directors to amend particular by-laws and, in such event, the directors' power of amendment shall be so limited; and further provided that no reduction in the number of directors shall have the effect of removing any director prior to the expiration of his or her term of office.

SECTION 10.2. Required Vote. Notwithstanding anything contained in Section 10.1 of this ARTICLE X, the affirmative vote of a majority of shares entitled to vote therefor at a stockholder's meeting, or, subject to such limitations as the stockholders may from time to time prescribe, shall be required to alter, amend or repeal, or adopt any provisions inconsistent with Section 3.1 of ARTICLE III of these by-laws, to fix or change (including by increase or decrease) the number of directors of the corporation.

* * *

BY-LAWS

OF

XERIUM IV (US) LIMITED

a Delaware corporation

ARTICLE I

OFFICES

SECTION 1.1. Registered Office. The registered office of the corporation in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware. The name of the corporation's registered agent at such address shall be The Corporation Trust Company. The registered office and registered agent of the corporation may be changed from time to time by action of the registered agent or the board of directors in accordance with the laws of the State of Delaware.

SECTION 1.2. Other Offices. The corporation may also have offices at such other places both within or without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.1. Annual Meeting. The annual meeting of the stockholders shall be held each year on such day or days as may be determined by the board of directors or the president of the corporation. The annual meeting may be held at the corporation's principal place of business or at such other place as may be determined by the board of directors or the president, for the purposes of electing directors and for the transaction of such other business as may come before the meeting. If such day should fall on a legal holiday, the meeting shall be held on the next succeeding business day that is not a legal holiday.

If the election of directors shall not be held on the day hereinbefore designated for the annual meeting, or at any adjournment thereof, the board of directors shall cause such election to be held at a special meeting of stockholders as soon thereafter as convenient.

SECTION 2.2. Special Meetings. Except as otherwise prescribed by statute, special meetings of the stockholders for any purpose or purposes may be called and the location thereof designated by the board of directors or the president. Special meetings shall be called and the location thereof designated by the secretary at the request in writing of the stockholders owning capital stock of the corporation having not less than a majority of the total voting power. Such request shall state the purposes of the proposed meeting.

SECTION 2.3. Place of Meetings. Each meeting of the stockholders shall be held at the principal executive office of the corporation, unless the board of directors by resolution, or the president, designate any other place, within or without the State of Delaware, as the place of such meeting.

SECTION 2.4. Notice. Written or printed notice stating the place, date and time of each annual or special meeting of the stockholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote thereat not less than 10 days nor more than 60 days, unless otherwise provided by statute, before the date of the meeting. Whenever under the provisions of the statute, the certificate of incorporation or these by-laws notice is required to be given to any stockholder, director or member of any committee designated by the board of directors, it shall not be construed to require personal delivery and such notice may be given in writing by depositing it in the United States mails, air mail or first class, postage prepaid, by telefax, or by express overnight courier addressed to such stockholder, director or member either at the address of such stockholder, director or member as it appears on the books of the corporation or, in the case of such a director or member, at his or her business address; and such notice shall be deemed to be given at the time when it is thus deposited in the United States mails delivered by telefax over the telephone lines, or delivered to the overnight courier service, as the case may be. Such requirement for notice shall be deemed satisfied, except in the case of a stockholder meeting with respect to which written notice is mandatorily required by law, if actual notice is received orally or in writing by the person entitled thereto as far in advance of the event with respect to which notice is given as the minimum notice period required by law or these by-laws.

SECTION 2.5. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statute, the certificate of incorporation, or these by-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be deemed equivalent thereto. Attendance by a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or committee of directors need be specified in any written waiver of notice unless so required by statute, the certificate of incorporation or these by-laws.

SECTION 2.6. Stockholders List. At least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order, and showing the address of each such stockholder and the number of shares registered in the name of each such stockholder, shall be prepared by the officer having charge of the stock ledger. Such list shall be open to examination of any stockholder of the corporation during ordinary business hours, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the

stock ledger, the list required by this section or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 2.7. Quorum. The holders of a majority of the outstanding shares of capital stock entitled to vote, present in person or represented by proxy, shall be requisite for, and shall constitute, a quorum at all meetings of the stockholders of the corporation for the transaction of business, except as otherwise provided by statute, the certificate of incorporation or these by-laws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat present in person or represented by proxy shall have power to adjourn the meeting from time to time until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 2.8. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 2.9. Vote Required. When a quorum is present, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

SECTION 2.10. Voting Rights. Except as otherwise provided by these by-laws, or by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 7.7 of ARTICLE VII hereof, every stockholder shall be entitled to one vote for each share of common stock held by such stockholder.

SECTION 2.11. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. At each meeting of the stockholders, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the secretary or a person designated by the secretary, and no shares may be represented or voted under a proxy that has been found to be invalid or irregular.

SECTION 2.12. Voting of Certain Shares. Shares standing in the name of another corporation, domestic or foreign, and entitled to vote may be voted by such officer, agent, or proxy as the by-laws of such corporation may prescribe or, in the absence of such provision, as

the board of directors of such corporation may determine. Shares standing in the name of a deceased person, a minor or an incompetent and entitled to vote may be voted by his or her administrator, executor, guardian or conservator, as the case may be, either in person or by proxy. Shares standing in the name of a trustee, receiver or pledgee and entitled to vote may be voted by such trustee, receiver or pledgee either in person or by proxy as provided by Delaware law.

SECTION 2.13. Action by Written Consent. Any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding capital stock of the corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, the principal place of business of the corporation, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the registered office of the corporation shall be by hand or by certified or registered mail, return receipt requested; provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders or members to take the action were delivered to the corporation as provided in the General Corporation Law of the State of Delaware. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

SECTION 2.14. Treasury Stock. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by such corporation, shall not be entitled to vote nor counted for quorum purposes. Nothing in this section shall be construed to limit the right of this corporation to vote shares of its own stock held by it in a fiduciary capacity.

ARTICLE III

DIRECTORS

SECTION 3.1. Number, Election and Term of Office. The board of directors of the corporation shall consist of not less than one nor more than five members, which number

shall be fixed from time to time by resolution adopted by either the stockholders or a majority of the board of directors; however, the initial board shall consist of two members. The number of directors may be changed from time to time by amendment to these by-laws. A decrease in the number of directors does not shorten an incumbent director's term.

The initial directors shall have been elected by the incorporators. Thereafter, unless otherwise provided herein, directors shall be elected by the stockholders at each annual meeting. Each director shall hold office until a successor is duly elected and qualified, or until his or her earlier death, resignation or removal as hereinafter provided.

SECTION 3.2. Management of Affairs of Corporation. The property and business of the corporation shall be managed by or under the direction of its board of directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by stockholders. In case the corporation shall transact any business or enter into any contract with a director, or with any firm of which one or more of its directors are members, or with any trust, firm, corporation or association in which any director is a stockholder, director or officer or otherwise interested, the officers of the corporation and directors in question shall be severally under the duty of disclosing all material facts as to their interest to the remaining directors promptly if and when such interested officers or such interested directors in question shall become advised of the circumstances. In the case of continuing relationships in the normal course of business such disclosure shall be deemed effective, when once given, as to all transactions and contracts subsequently entered into.

SECTION 3.3. Resignations and Vacancies. Any director may resign at any time by giving written notice to the board of directors or to the president. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If, at any other time than the annual meeting of the stockholders, any vacancy occurs in the board of directors caused by resignation, death, retirement, disqualification or removal from office of any director or otherwise, or any new directorship is created by an increase in the authorized number of directors, a majority of the directors then in office, may choose a successor, or fill the newly created directorship, and the director so chosen shall hold office until the next annual election of directors by the stockholders and until his or her successor shall be duly elected and qualified, unless sooner displaced.

SECTION 3.4. Removal. A director or the entire board of directors may be removed, with or without cause, by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors.

SECTION 3.5. Annual Meetings. The annual meeting of the board of directors shall be held, without other notice than this by-law, immediately after, and at the same place as, the annual meeting of the stockholders.

SECTION 3.6. Special Meetings. Special meetings of the board of directors may be called by the president and shall be called by the secretary or any other officer at the request of any two directors, to be held at such time and place, either within or without the State of

Delaware, as shall be designated by the call and specified in the notice of such meeting. Notice thereof shall be given as provided in Section 3.7 of these by-laws.

SECTION 3.7. Notice of Meetings. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called on notice to each director, either orally, personally, by telephone, by mail or by telefax not less than forty-eight (48) hours' before the date of the meeting. Any director may waive notice of any meeting. Except as otherwise provided by law or by these by-laws, a director's attendance at a regular or special meeting shall constitute a waiver of notice of such meeting.

SECTION 3.8. Quorum Required, Vote and Adjournment. At each meeting of the board of directors, the presence of not less than a majority of the whole board shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or these by-laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 3.9. Communications Equipment. Unless otherwise restricted by the certificate of incorporation, any member of the board of directors or of any committee designated by the board may participate in a meeting of the directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by means of such equipment shall constitute presence in person at such meeting.

SECTION 3.10. Presumption of Assent. Unless otherwise provided by statute, a director of the corporation who is present at a meeting of the board of directors at which action is taken on any corporate matter shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 3.11. Action By Written Consent. Any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting, if a written consent thereto is signed by all members of the board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

SECTION 3.12. Presiding Officer. The presiding officer at any meeting of the board of directors shall be the chairman of the board or, in his or her absence, the president or any director elected chairman by vote of a majority of the directors present at the meeting.

SECTION 3.13. Executive Committee. The board of directors may, by resolution passed by a majority of the whole board, designate two or more directors of the corporation to constitute an executive committee, which, to the extent provided in the resolution and by Delaware law, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it.

SECTION 3.14. Other Committees. The board of directors may designate one or more other committees, each committee to consist of one or more of the directors of the corporation. Each member of such committee shall serve for such term and the committee shall have and may exercise, during intervals between meetings of the board of directors, such duties, functions and powers as the board of directors may from time to time prescribe, subject to the limitations of Delaware law.

SECTION 3.15. Alternates. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3.16. Quorum and Manner of Acting - Committees. The presence of a majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting of such committee, and the act of a majority of those present shall be necessary for the taking of any action thereat.

SECTION 3.17. Committee Chairman, Books and Records, Etc. The chairman of each committee shall be selected from among the members of the committee by the board of directors.

Each committee shall keep a record of its acts and proceedings, and all actions of each committee shall be reported to the board of directors at its next meeting.

Each committee shall fix its own rules of procedure not inconsistent with these by-laws or the resolution of the board of directors designating such committee and shall meet at such times and places and upon such call or notice as shall be provided by such rules.

SECTION 3.18. Fees and Compensation of Directors. Directors shall not receive any stated salary or other fees for their services as such; but, by resolution of the board of directors, a fixed fee, with or without expenses of attendance, may be allowed for attendance at each regular or special meeting of the board. Members of the board shall be allowed their reasonable traveling expenses when actually engaged in the business of the corporation. Members of any committee may be allowed like fees and expenses for attending committee meetings. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SECTION 3.19. Reliance Upon Records. Every director of the corporation, or member of any committee designated by the board of directors, shall, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

SECTION 3.20. Dividends and Reserves. Dividends upon stock of the corporation may be declared by the board of directors at any regular or special meeting. Dividends may be paid in cash, in property, in shares of stock or otherwise in the form, and to the extent, permitted by law. The board of directors may set apart, out of any funds of the corporation available for dividends, a reserve or reserves for working capital or for any other lawful purpose, and also may abolish any such reserve in the manner in which it was created.

ARTICLE IV

OFFICERS

SECTION 4.1. Offices and Official Positions. The officers of the corporation shall consist of a president and a secretary. The president shall be the chief executive officer. In addition to the foregoing, the officers may consist of a chairman of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other officers as the board of directors shall determine. Any two or more offices may be held by the same person. The board of directors may choose not to fill any office for any period as it may deem advisable, except that the offices of president and secretary shall be filled as expeditiously as possible. None of the officers need be a director, a stockholder of the corporation or a resident of the State of Delaware. The board of directors may from time to time establish, and abolish, official positions within the divisions into which the business and operations of the corporation are divided, pursuant to ARTICLE V of these by-laws, and assign titles and duties to such positions. Those appointed to official positions within divisions may, but need not, be officers of the corporation. The board of directors shall appoint individuals to official positions within a division and may with or without cause remove from such a position any person appointed to it. In any event, the authority incident to an official position within a division shall be limited to acts and transactions within the scope of the business and operations of such division.

SECTION 4.2. Election and Term of Office. The officers of the corporation shall be elected at the organizational meeting of the board of directors, and thereafter, annually by the board of directors at their first meeting held after each regular annual meeting of the stockholders. If the election of officers shall not be held at such meeting of the board, such election shall be held at a regular or special meeting of the board of directors as soon thereafter as may be convenient. Each officer shall hold office until his or her successor is elected and qualified or until his or her death, resignation or removal as hereinafter provided.

SECTION 4.3. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors then in office at any regular or special

meeting of the board; but such removal shall be without prejudice to the contract rights, if any, of such person so removed. Any officer may resign at any time by giving written notice to the board of directors, to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4.4. Vacancies. A vacancy in any office because of death, resignation, removal, or any other cause may be filled for the unexpired portion of the term by the board of directors.

SECTION 4.5. Chairman of the Board. The chairman of the board, if there shall be such chairman, shall preside, in lieu of the president, at all meetings of the stockholders and board of directors of the corporation. The chairman of the board shall have such other duties as may be prescribed by the board of directors from time to time.

SECTION 4.6. President. The president shall be the chief executive officer of the corporation, and may be referred to as president, chief executive officer, or both. He or she shall have the overall supervision of the business of the corporation and shall direct the affairs and policies of the corporation, subject to such policies and directions as may be provided by the board of directors. He or she shall have authority to designate the duties and powers of other officers and delegate special powers and duties to specified officers, so long as such designation shall not be inconsistent with the statutes, these by-laws or action of the board of directors. He or she shall also have power to execute, and shall execute, deeds, mortgages, bonds, contracts or other instruments of the corporation except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The president in general shall have all other powers and shall perform all other duties which are incident to the chief executive office of a corporation or as may be prescribed by the board of directors from time to time.

SECTION 4.7. Vice Presidents. In the absence of the president, at his or her request or in the event of his or her inability or refusal to act, the vice presidents in order of their rank as fixed by the board of directors or, if not ranked, the vice president designated by the board of directors or the president, shall perform all duties of the president and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties, not inconsistent with the statutes, these by-laws, or action of the board of directors, as from time to time may be prescribed for them, respectively, by the board of directors or the president. Any vice president may sign, with the secretary or an assistant secretary, or the treasurer or an assistant treasurer, certificates for shares of stock of the corporation the issuance of which shall have been duly authorized by the board of directors.

SECTION 4.8. Secretary. The secretary shall: (a) keep the minutes of the meetings of the stockholders, the board of directors and committees of directors, in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) have charge of the corporate records and of

the seal of the corporation; (d) affix the seal of the corporation, if any, or a facsimile thereof, or cause it to be affixed, to all certificates for shares prior to the issue thereof and to all documents the execution of which on behalf of the corporation under its seal is duly authorized by the board of directors or otherwise in accordance with the provisions of these by-laws; (e) keep a register of the post office address of each stockholder, director and committee member which shall from time to time be furnished to the secretary by such stockholder, director or member; (f) sign with the president or any vice president, certificates for shares of stock of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors; (g) have general charge of the stock transfer books of the corporation; and (h) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors. He or she may delegate such details of the performance of duties of his or her office as may be appropriate in the exercise of reasonable care to one or more persons in his or her stead, but shall not thereby be relieved of responsibility for the performance of such duties.

SECTION 4.9. Treasurer. The treasurer shall: (a) be responsible to the board of directors for the receipt, custody and disbursement of all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall from time to time be selected in accordance with the provisions of Section 6.4. of these by-laws; (c) disburse the funds of the corporation as ordered by the board of directors or the president or as otherwise required in the conduct of the business of the corporation; (d) render to the president or the board of directors, upon request, an account of all his or her transactions as treasurer and on the financial condition of the corporation; and (e) in general, perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president, the board of directors or these by-laws. He or she may sign, with the president, or a vice president, certificates for shares of stock of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors. He or she may delegate such details of the performance of duties of his or her office as may be appropriate in the exercise of reasonable care to one or more persons in his or her stead, but shall not thereby be relieved of responsibility for the performance of such duties. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum, and with such surety or sureties, as the board of directors shall determine.

SECTION 4.10. Assistant Treasurers and Assistant Secretaries. The assistant treasurers and assistant secretaries shall perform all functions and duties which the secretary or treasurer, as the case may be, may assign or delegate; but such assignment or delegation shall not relieve the principal officer from the responsibilities and liabilities of his or her office. In addition, an assistant secretary or an assistant treasurer, as thereto authorized by the board of directors, may sign with the president, or a vice president, certificates for shares of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors; and the assistant secretaries and assistant treasurers shall, in general, perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or by the board of directors. The assistant treasurers shall, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums, and with such surety or sureties, as the board of directors shall determine.

SECTION 4.11. Salaries. The salaries of the officers may be fixed from time to time by the board of directors or by such officer as it shall designate for such purpose or as it shall otherwise direct. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he or she is also a director of the corporation.

ARTICLE V

DIVISIONS

SECTION 5.1. Divisions of the Corporation. The board of directors shall have the power to create and establish such operating divisions of the corporation as it may from time to time deem advisable.

SECTION 5.2. Official Positions Within a Division. If the board of directors does not appoint individuals to official positions within a division, then the president may so appoint such individuals, whether or not they are officers of the corporation, to, and may, with or without cause, remove them from, official positions established within a division. The president may not remove any individual appointed by the board of directors. (See also Section 4.1 of these by-laws.)

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 6.1. Contracts and Other Instruments. The board of directors may authorize any officer(s), agent(s) or employee(s) to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, or of any division thereof, and such authority may be general or confined to specific instances.

SECTION 6.2. Loans. No loans shall be contracted on behalf of the corporation, or any division thereof, and no evidence of indebtedness shall be issued in the name of the corporation, or any division thereof, unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

SECTION 6.3. Checks, Drafts, etc. All checks, demands, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, or any division thereof, shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall from time to time be authorized by the board of directors.

SECTION 6.4. Deposits. All funds of the corporation, or any division thereof, not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

ARTICLE VII

CERTIFICATES OF STOCK AND THEIR TRANSFER

SECTION 7.1. Certificates of Stock. The certificates of stock of the corporation shall be in such form as may be determined by the board of directors, shall be numbered and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the president or vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary. If any stock certificate is signed (a) by a transfer agent or an assistant transfer agent or (b) by a transfer clerk acting on behalf of the corporation and a registrar, the signature of any officer of the corporation may be facsimile. In case any such officer whose facsimile signature has thus been used on any such certificate shall cease to be such officer, whether because of death, resignation or otherwise, before such certificate has been issued, such certificate may nevertheless be issued with the same effect as if he or she were such officer at the date of issue. All certificates properly surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued to evidence transferred shares until the former certificate for at least a like number of shares shall have been surrendered and cancelled and the corporation reimbursed for any applicable taxes on the transfer, except that in the case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms, and with such indemnity (if any) to the corporation, as the board of directors may prescribe specifically or in general terms or by delegation to a transfer agent for the corporation. (See Section 7.2.)

SECTION 7.2. Lost, Stolen or Destroyed Certificates. The board of directors in individual cases, or by general resolution or by delegation to the transfer agent, may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond sufficient to indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of a new certificate or uncertificated shares.

SECTION 7.3. No Fractional Share Certificates. Certificates shall not be issued representing fractional shares of stock.

SECTION 7.4. Transfers of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and upon payment of applicable taxes with respect to such transfer, and in compliance with any restrictions on transfer applicable to the certificate or shares represented thereby of which the corporation shall have notice and subject to such rules and regulations as the board of directors may from time to time deem advisable concerning the transfer and registration of certificates for shares of capital stock of the corporation, the corporation shall issue a new certificate to the person entitled thereto,

cancel the old certificate and record the transaction upon its books. Transfers of shares shall be made only on the books of the corporation by the registered holder thereof or by his or her attorney or successor duly authorized as evidenced by documents filed with the secretary or transfer agent of the corporation.

SECTION 7.5. Restrictions on Transfer. Any stockholder may enter into an agreement with other stockholders or with the corporation providing for reasonable limitation or restriction on the right of such stockholder to transfer shares of capital stock of the corporation held by him, including, without limiting the generality of the foregoing, agreements granting to such other stockholders or to the corporation the right to purchase for a given period of time any of such shares on terms equal to terms offered such stockholders by any third party. Any such limitation or restriction on the transfer of shares of this corporation must be set forth conspicuously on certificates representing shares of capital stock or, in the case of uncertificated shares, contained in a notice sent pursuant to Section 151(f) of the General Corporation Law of Delaware, in which case the corporation or the transfer agent shall not be required to transfer such shares upon the books of the corporation without receipt of satisfactory evidence of compliance with the terms of such limitation or restriction.

SECTION 7.6. Fixing Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall

not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

SECTION 7.7. Stockholders of Record. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

INDEMNIFICATION

SECTION 8.1. In General. Each person who at any time is or shall have been a director, officer, employee or agent of the corporation, or is or shall have been serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, and his or her heirs, executors and administrators, shall be indemnified by this corporation in accordance with and to the full extent permitted by the Delaware General Corporation Law as in effect at the time of adoption of this by-law or as amended from time to time. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise.

The corporation shall, in its discretion, pay the expenses (including attorneys' fees) incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

SECTION 8.2. Insurance. If authorized by the board of directors, the corporation may purchase and maintain insurance on behalf of any person to the full extent permitted by the General Corporation Law of Delaware as in effect at the time of the adoption of this by-law or as amended from time to time.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SECTION 9.2 . Corporate Seal. The board of directors may adopt a corporate seal which shall have inscribed thereon the name of the corporation, and the words "CORPORATE

SEAL" and "DELAWARE;" and it shall otherwise be in the form approved by the board of directors. Such seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or otherwise reproduced.

ARTICLE X

AMENDMENTS

SECTION 10.1. In General. Any provision of these by-laws (except as provided in Section 10.2 hereof) may be altered, amended or repealed from time to time by the affirmative vote of a majority of the stock having voting power present in person or by proxy at any annual meeting of stockholders at which a quorum is present, or at any special meeting of stockholders at which a quorum is present, if notice of the proposed alteration, amendment or repeal be contained in the notice of such special meeting, or by the affirmative vote of a majority of the directors then qualified and acting at any regular or special meeting of the board; provided, however, that the stockholders may provide specifically for limitations on the power of directors to amend particular by-laws and, in such event, the directors' power of amendment shall be so limited; and further provided that no reduction in the number of directors shall have the effect of removing any director prior to the expiration of his or her term of office.

SECTION 10.2. Required Vote. Notwithstanding anything contained in Section 10.1 of this ARTICLE X, the affirmative vote of a majority of shares entitled to vote therefor at a stockholder's meeting, or, subject to such limitations as the stockholders may from time to time prescribe, shall be required to alter, amend or repeal, or adopt any provisions inconsistent with Section 3.1 of ARTICLE III of these by-laws, to fix or change (including by increase or decrease) the number of directors of the corporation.

* * *

BY-LAWS

OF

XERIUM V (US) LIMITED

a Delaware corporation

ARTICLE I

OFFICES

SECTION 1.1. Registered Office. The registered office of the corporation in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware. The name of the corporation's registered agent at such address shall be The Corporation Trust Company. The registered office and registered agent of the corporation may be changed from time to time by action of the registered agent or the board of directors in accordance with the laws of the State of Delaware.

SECTION 1.2. Other Offices. The corporation may also have offices at such other places both within or without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.1. Annual Meeting. The annual meeting of the stockholders shall be held each year on such day or days as may be determined by the board of directors or the president of the corporation. The annual meeting may be held at the corporation's principal place of business or at such other place as may be determined by the board of directors or the president, for the purposes of electing directors and for the transaction of such other business as may come before the meeting. If such day should fall on a legal holiday, the meeting shall be held on the next succeeding business day that is not a legal holiday.

If the election of directors shall not be held on the day hereinbefore designated for the annual meeting, or at any adjournment thereof, the board of directors shall cause such election to be held at a special meeting of stockholders as soon thereafter as convenient.

SECTION 2.2. Special Meetings. Except as otherwise prescribed by statute, special meetings of the stockholders for any purpose or purposes may be called and the location thereof designated by the board of directors or the president. Special meetings shall be called and the location thereof designated by the secretary at the request in writing of the stockholders owning capital stock of the corporation having not less than a majority of the total voting power. Such request shall state the purposes of the proposed meeting.

SECTION 2.3. Place of Meetings. Each meeting of the stockholders shall be held at the principal executive office of the corporation, unless the board of directors by resolution, or the president, designate any other place, within or without the State of Delaware, as the place of such meeting.

SECTION 2.4. Notice. Written or printed notice stating the place, date and time of each annual or special meeting of the stockholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote thereat not less than 10 days nor more than 60 days, unless otherwise provided by statute, before the date of the meeting. Whenever under the provisions of the statute, the certificate of incorporation or these by-laws notice is required to be given to any stockholder, director or member of any committee designated by the board of directors, it shall not be construed to require personal delivery and such notice may be given in writing by depositing it in the United States mails, air mail or first class, postage prepaid, by telefax, or by express overnight courier addressed to such stockholder, director or member either at the address of such stockholder, director or member as it appears on the books of the corporation or, in the case of such a director or member, at his or her business address; and such notice shall be deemed to be given at the time when it is thus deposited in the United States mails delivered by telefax over the telephone lines, or delivered to the overnight courier service, as the case may be. Such requirement for notice shall be deemed satisfied, except in the case of a stockholder meeting with respect to which written notice is mandatorily required by law, if actual notice is received orally or in writing by the person entitled thereto as far in advance of the event with respect to which notice is given as the minimum notice period required by law or these by-laws.

SECTION 2.5. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statute, the certificate of incorporation, or these by-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be deemed equivalent thereto. Attendance by a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or committee of directors need be specified in any written waiver of notice unless so required by statute, the certificate of incorporation or these by-laws.

SECTION 2.6. Stockholders List. At least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order, and showing the address of each such stockholder and the number of shares registered in the name of each such stockholder, shall be prepared by the officer having charge of the stock ledger. Such list shall be open to examination of any stockholder of the corporation during ordinary business hours, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the

stock ledger, the list required by this section or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 2.7. Quorum. The holders of a majority of the outstanding shares of capital stock entitled to vote, present in person or represented by proxy, shall be requisite for, and shall constitute, a quorum at all meetings of the stockholders of the corporation for the transaction of business, except as otherwise provided by statute, the certificate of incorporation or these by-laws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat present in person or represented by proxy shall have power to adjourn the meeting from time to time until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 2.8. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 2.9. Vote Required. When a quorum is present, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

SECTION 2.10. Voting Rights. Except as otherwise provided by these by-laws, or by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 7.7 of ARTICLE VII hereof, every stockholder shall be entitled to one vote for each share of common stock held by such stockholder.

SECTION 2.11. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. At each meeting of the stockholders, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the secretary or a person designated by the secretary, and no shares may be represented or voted under a proxy that has been found to be invalid or irregular.

SECTION 2.12. Voting of Certain Shares. Shares standing in the name of another corporation, domestic or foreign, and entitled to vote may be voted by such officer, agent, or proxy as the by-laws of such corporation may prescribe or, in the absence of such provision, as

the board of directors of such corporation may determine. Shares standing in the name of a deceased person, a minor or an incompetent and entitled to vote may be voted by his or her administrator, executor, guardian or conservator, as the case may be, either in person or by proxy. Shares standing in the name of a trustee, receiver or pledgee and entitled to vote may be voted by such trustee, receiver or pledgee either in person or by proxy as provided by Delaware law.

SECTION 2.13. Action by Written Consent. Any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding capital stock of the corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, the principal place of business of the corporation, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the registered office of the corporation shall be by hand or by certified or registered mail, return receipt requested; provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders or members to take the action were delivered to the corporation as provided in the General Corporation Law of the State of Delaware. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

SECTION 2.14. Treasury Stock. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by such corporation, shall not be entitled to vote nor counted for quorum purposes. Nothing in this section shall be construed to limit the right of this corporation to vote shares of its own stock held by it in a fiduciary capacity.

ARTICLE III

DIRECTORS

SECTION 3.1. Number, Election and Term of Office. The board of directors of the corporation shall consist of not less than one nor more than five members, which number

shall be fixed from time to time by resolution adopted by either the stockholders or a majority of the board of directors; however, the initial board shall consist of two members. The number of directors may be changed from time to time by amendment to these by-laws. A decrease in the number of directors does not shorten an incumbent director's term.

The initial directors shall have been elected by the incorporators. Thereafter, unless otherwise provided herein, directors shall be elected by the stockholders at each annual meeting. Each director shall hold office until a successor is duly elected and qualified, or until his or her earlier death, resignation or removal as hereinafter provided.

SECTION 3.2. Management of Affairs of Corporation. The property and business of the corporation shall be managed by or under the direction of its board of directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by stockholders. In case the corporation shall transact any business or enter into any contract with a director, or with any firm of which one or more of its directors are members, or with any trust, firm, corporation or association in which any director is a stockholder, director or officer or otherwise interested, the officers of the corporation and directors in question shall be severally under the duty of disclosing all material facts as to their interest to the remaining directors promptly if and when such interested officers or such interested directors in question shall become advised of the circumstances. In the case of continuing relationships in the normal course of business such disclosure shall be deemed effective, when once given, as to all transactions and contracts subsequently entered into.

SECTION 3.3. Resignations and Vacancies. Any director may resign at any time by giving written notice to the board of directors or to the president. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If, at any other time than the annual meeting of the stockholders, any vacancy occurs in the board of directors caused by resignation, death, retirement, disqualification or removal from office of any director or otherwise, or any new directorship is created by an increase in the authorized number of directors, a majority of the directors then in office, may choose a successor, or fill the newly created directorship, and the director so chosen shall hold office until the next annual election of directors by the stockholders and until his or her successor shall be duly elected and qualified, unless sooner displaced.

SECTION 3.4. Removal. A director or the entire board of directors may be removed, with or without cause, by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors.

SECTION 3.5. Annual Meetings. The annual meeting of the board of directors shall be held, without other notice than this by-law, immediately after, and at the same place as, the annual meeting of the stockholders.

SECTION 3.6. Special Meetings. Special meetings of the board of directors may be called by the president and shall be called by the secretary or any other officer at the request of any two directors, to be held at such time and place, either within or without the State of

Delaware, as shall be designated by the call and specified in the notice of such meeting. Notice thereof shall be given as provided in Section 3.7 of these by-laws.

SECTION 3.7. Notice of Meetings. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called on notice to each director, either orally, personally, by telephone, by mail or by telefax not less than forty-eight (48) hours' before the date of the meeting. Any director may waive notice of any meeting. Except as otherwise provided by law or by these by-laws, a director's attendance at a regular or special meeting shall constitute a waiver of notice of such meeting.

SECTION 3.8. Quorum Required, Vote and Adjournment. At each meeting of the board of directors, the presence of not less than a majority of the whole board shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or these by-laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 3.9. Communications Equipment. Unless otherwise restricted by the certificate of incorporation, any member of the board of directors or of any committee designated by the board may participate in a meeting of the directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by means of such equipment shall constitute presence in person at such meeting.

SECTION 3.10. Presumption of Assent. Unless otherwise provided by statute, a director of the corporation who is present at a meeting of the board of directors at which action is taken on any corporate matter shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 3.11. Action By Written Consent. Any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting, if a written consent thereto is signed by all members of the board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

SECTION 3.12. Presiding Officer. The presiding officer at any meeting of the board of directors shall be the chairman of the board or, in his or her absence, the president or any director elected chairman by vote of a majority of the directors present at the meeting.

SECTION 3.13. Executive Committee. The board of directors may, by resolution passed by a majority of the whole board, designate two or more directors of the corporation to constitute an executive committee, which, to the extent provided in the resolution and by Delaware law, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it.

SECTION 3.14. Other Committees. The board of directors may designate one or more other committees, each committee to consist of one or more of the directors of the corporation. Each member of such committee shall serve for such term and the committee shall have and may exercise, during intervals between meetings of the board of directors, such duties, functions and powers as the board of directors may from time to time prescribe, subject to the limitations of Delaware law.

SECTION 3.15. Alternates. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3.16. Quorum and Manner of Acting - Committees. The presence of a majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting of such committee, and the act of a majority of those present shall be necessary for the taking of any action thereat.

SECTION 3.17. Committee Chairman, Books and Records, Etc. The chairman of each committee shall be selected from among the members of the committee by the board of directors.

Each committee shall keep a record of its acts and proceedings, and all actions of each committee shall be reported to the board of directors at its next meeting.

Each committee shall fix its own rules of procedure not inconsistent with these by-laws or the resolution of the board of directors designating such committee and shall meet at such times and places and upon such call or notice as shall be provided by such rules.

SECTION 3.18. Fees and Compensation of Directors. Directors shall not receive any stated salary or other fees for their services as such; but, by resolution of the board of directors, a fixed fee, with or without expenses of attendance, may be allowed for attendance at each regular or special meeting of the board. Members of the board shall be allowed their reasonable traveling expenses when actually engaged in the business of the corporation. Members of any committee may be allowed like fees and expenses for attending committee meetings. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SECTION 3.19. Reliance Upon Records. Every director of the corporation, or member of any committee designated by the board of directors, shall, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

SECTION 3.20. Dividends and Reserves. Dividends upon stock of the corporation may be declared by the board of directors at any regular or special meeting. Dividends may be paid in cash, in property, in shares of stock or otherwise in the form, and to the extent, permitted by law. The board of directors may set apart, out of any funds of the corporation available for dividends, a reserve or reserves for working capital or for any other lawful purpose, and also may abolish any such reserve in the manner in which it was created.

ARTICLE IV

OFFICERS

SECTION 4.1. Offices and Official Positions. The officers of the corporation shall consist of a president and a secretary. The president shall be the chief executive officer. In addition to the foregoing, the officers may consist of a chairman of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other officers as the board of directors shall determine. Any two or more offices may be held by the same person. The board of directors may choose not to fill any office for any period as it may deem advisable, except that the offices of president and secretary shall be filled as expeditiously as possible. None of the officers need be a director, a stockholder of the corporation or a resident of the State of Delaware. The board of directors may from time to time establish, and abolish, official positions within the divisions into which the business and operations of the corporation are divided, pursuant to ARTICLE V of these by-laws, and assign titles and duties to such positions. Those appointed to official positions within divisions may, but need not, be officers of the corporation. The board of directors shall appoint individuals to official positions within a division and may with or without cause remove from such a position any person appointed to it. In any event, the authority incident to an official position within a division shall be limited to acts and transactions within the scope of the business and operations of such division.

SECTION 4.2. Election and Term of Office. The officers of the corporation shall be elected at the organizational meeting of the board of directors, and thereafter, annually by the board of directors at their first meeting held after each regular annual meeting of the stockholders. If the election of officers shall not be held at such meeting of the board, such election shall be held at a regular or special meeting of the board of directors as soon thereafter as may be convenient. Each officer shall hold office until his or her successor is elected and qualified or until his or her death, resignation or removal as hereinafter provided.

SECTION 4.3. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors then in office at any regular or special

meeting of the board; but such removal shall be without prejudice to the contract rights, if any, of such person so removed. Any officer may resign at any time by giving written notice to the board of directors, to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4.4. Vacancies. A vacancy in any office because of death, resignation, removal, or any other cause may be filled for the unexpired portion of the term by the board of directors.

SECTION 4.5. Chairman of the Board. The chairman of the board, if there shall be such chairman, shall preside, in lieu of the president, at all meetings of the stockholders and board of directors of the corporation. The chairman of the board shall have such other duties as may be prescribed by the board of directors from time to time.

SECTION 4.6. President. The president shall be the chief executive officer of the corporation, and may be referred to as president, chief executive officer, or both. He or she shall have the overall supervision of the business of the corporation and shall direct the affairs and policies of the corporation, subject to such policies and directions as may be provided by the board of directors. He or she shall have authority to designate the duties and powers of other officers and delegate special powers and duties to specified officers, so long as such designation shall not be inconsistent with the statutes, these by-laws or action of the board of directors. He or she shall also have power to execute, and shall execute, deeds, mortgages, bonds, contracts or other instruments of the corporation except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The president in general shall have all other powers and shall perform all other duties which are incident to the chief executive office of a corporation or as may be prescribed by the board of directors from time to time.

SECTION 4.7. Vice Presidents. In the absence of the president, at his or her request or in the event of his or her inability or refusal to act, the vice presidents in order of their rank as fixed by the board of directors or, if not ranked, the vice president designated by the board of directors or the president, shall perform all duties of the president and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties, not inconsistent with the statutes, these by-laws, or action of the board of directors, as from time to time may be prescribed for them, respectively, by the board of directors or the president. Any vice president may sign, with the secretary or an assistant secretary, or the treasurer or an assistant treasurer, certificates for shares of stock of the corporation the issuance of which shall have been duly authorized by the board of directors.

SECTION 4.8. Secretary. The secretary shall: (a) keep the minutes of the meetings of the stockholders, the board of directors and committees of directors, in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) have charge of the corporate records and of

the seal of the corporation; (d) affix the seal of the corporation, if any, or a facsimile thereof, or cause it to be affixed, to all certificates for shares prior to the issue thereof and to all documents the execution of which on behalf of the corporation under its seal is duly authorized by the board of directors or otherwise in accordance with the provisions of these by-laws; (e) keep a register of the post office address of each stockholder, director and committee member which shall from time to time be furnished to the secretary by such stockholder, director or member; (f) sign with the president or any vice president, certificates for shares of stock of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors; (g) have general charge of the stock transfer books of the corporation; and (h) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors. He or she may delegate such details of the performance of duties of his or her office as may be appropriate in the exercise of reasonable care to one or more persons in his or her stead, but shall not thereby be relieved of responsibility for the performance of such duties.

SECTION 4.9. Treasurer. The treasurer shall: (a) be responsible to the board of directors for the receipt, custody and disbursement of all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall from time to time be selected in accordance with the provisions of Section 6.4. of these by-laws; (c) disburse the funds of the corporation as ordered by the board of directors or the president or as otherwise required in the conduct of the business of the corporation; (d) render to the president or the board of directors, upon request, an account of all his or her transactions as treasurer and on the financial condition of the corporation; and (e) in general, perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president, the board of directors or these by-laws. He or she may sign, with the president, or a vice president, certificates for shares of stock of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors. He or she may delegate such details of the performance of duties of his or her office as may be appropriate in the exercise of reasonable care to one or more persons in his or her stead, but shall not thereby be relieved of responsibility for the performance of such duties. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum, and with such surety or sureties, as the board of directors shall determine.

SECTION 4.10. Assistant Treasurers and Assistant Secretaries. The assistant treasurers and assistant secretaries shall perform all functions and duties which the secretary or treasurer, as the case may be, may assign or delegate; but such assignment or delegation shall not relieve the principal officer from the responsibilities and liabilities of his or her office. In addition, an assistant secretary or an assistant treasurer, as thereto authorized by the board of directors, may sign with the president, or a vice president, certificates for shares of the corporation, the issuance of which shall have been duly authorized by resolution of the board of directors; and the assistant secretaries and assistant treasurers shall, in general, perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or by the board of directors. The assistant treasurers shall, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums, and with such surety or sureties, as the board of directors shall determine.

SECTION 4.11. Salaries. The salaries of the officers may be fixed from time to time by the board of directors or by such officer as it shall designate for such purpose or as it shall otherwise direct. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he or she is also a director of the corporation.

ARTICLE V

DIVISIONS

SECTION 5.1. Divisions of the Corporation. The board of directors shall have the power to create and establish such operating divisions of the corporation as it may from time to time deem advisable.

SECTION 5.2. Official Positions Within a Division. If the board of directors does not appoint individuals to official positions within a division, then the president may so appoint such individuals, whether or not they are officers of the corporation, to, and may, with or without cause, remove them from, official positions established within a division. The president may not remove any individual appointed by the board of directors. (See also Section 4.1 of these by-laws.)

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 6.1. Contracts and Other Instruments. The board of directors may authorize any officer(s), agent(s) or employee(s) to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, or of any division thereof, and such authority may be general or confined to specific instances.

SECTION 6.2. Loans. No loans shall be contracted on behalf of the corporation, or any division thereof, and no evidence of indebtedness shall be issued in the name of the corporation, or any division thereof, unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

SECTION 6.3. Checks, Drafts, etc. All checks, demands, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, or any division thereof, shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall from time to time be authorized by the board of directors.

SECTION 6.4. Deposits. All funds of the corporation, or any division thereof, not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

ARTICLE VII

CERTIFICATES OF STOCK AND THEIR TRANSFER

SECTION 7.1. Certificates of Stock. The certificates of stock of the corporation shall be in such form as may be determined by the board of directors, shall be numbered and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the president or vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary. If any stock certificate is signed (a) by a transfer agent or an assistant transfer agent or (b) by a transfer clerk acting on behalf of the corporation and a registrar, the signature of any officer of the corporation may be facsimile. In case any such officer whose facsimile signature has thus been used on any such certificate shall cease to be such officer, whether because of death, resignation or otherwise, before such certificate has been issued, such certificate may nevertheless be issued with the same effect as if he or she were such officer at the date of issue. All certificates properly surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued to evidence transferred shares until the former certificate for at least a like number of shares shall have been surrendered and cancelled and the corporation reimbursed for any applicable taxes on the transfer, except that in the case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms, and with such indemnity (if any) to the corporation, as the board of directors may prescribe specifically or in general terms or by delegation to a transfer agent for the corporation. (See Section 7.2.)

SECTION 7.2. Lost, Stolen or Destroyed Certificates. The board of directors in individual cases, or by general resolution or by delegation to the transfer agent, may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond sufficient to indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of a new certificate or uncertificated shares.

SECTION 7.3. No Fractional Share Certificates. Certificates shall not be issued representing fractional shares of stock.

SECTION 7.4. Transfers of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and upon payment of applicable taxes with respect to such transfer, and in compliance with any restrictions on transfer applicable to the certificate or shares represented thereby of which the corporation shall have notice and subject to such rules and regulations as the board of directors may from time to time deem advisable concerning the transfer and registration of certificates for shares of capital stock of the corporation, the corporation shall issue a new certificate to the person entitled thereto,

cancel the old certificate and record the transaction upon its books. Transfers of shares shall be made only on the books of the corporation by the registered holder thereof or by his or her attorney or successor duly authorized as evidenced by documents filed with the secretary or transfer agent of the corporation.

SECTION 7.5. Restrictions on Transfer. Any stockholder may enter into an agreement with other stockholders or with the corporation providing for reasonable limitation or restriction on the right of such stockholder to transfer shares of capital stock of the corporation held by him, including, without limiting the generality of the foregoing, agreements granting to such other stockholders or to the corporation the right to purchase for a given period of time any of such shares on terms equal to terms offered such stockholders by any third party. Any such limitation or restriction on the transfer of shares of this corporation must be set forth conspicuously on certificates representing shares of capital stock or, in the case of uncertificated shares, contained in a notice sent pursuant to Section 151(f) of the General Corporation Law of Delaware, in which case the corporation or the transfer agent shall not be required to transfer such shares upon the books of the corporation without receipt of satisfactory evidence of compliance with the terms of such limitation or restriction.

SECTION 7.6. Fixing Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall

not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

SECTION 7.7. Stockholders of Record. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

INDEMNIFICATION

SECTION 8.1. In General. Each person who at any time is or shall have been a director, officer, employee or agent of the corporation, or is or shall have been serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, and his or her heirs, executors and administrators, shall be indemnified by this corporation in accordance with and to the full extent permitted by the Delaware General Corporation Law as in effect at the time of adoption of this by-law or as amended from time to time. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise.

The corporation shall, in its discretion, pay the expenses (including attorneys' fees) incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

SECTION 8.2. Insurance. If authorized by the board of directors, the corporation may purchase and maintain insurance on behalf of any person to the full extent permitted by the General Corporation Law of Delaware as in effect at the time of the adoption of this by-law or as amended from time to time.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SECTION 9.2 . Corporate Seal. The board of directors may adopt a corporate seal which shall have inscribed thereon the name of the corporation, and the words "CORPORATE

SEAL" and "DELAWARE;" and it shall otherwise be in the form approved by the board of directors. Such seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or otherwise reproduced.

ARTICLE X

AMENDMENTS

SECTION 10.1. In General. Any provision of these by-laws (except as provided in Section 10.2 hereof) may be altered, amended or repealed from time to time by the affirmative vote of a majority of the stock having voting power present in person or by proxy at any annual meeting of stockholders at which a quorum is present, or at any special meeting of stockholders at which a quorum is present, if notice of the proposed alteration, amendment or repeal be contained in the notice of such special meeting, or by the affirmative vote of a majority of the directors then qualified and acting at any regular or special meeting of the board; provided, however, that the stockholders may provide specifically for limitations on the power of directors to amend particular by-laws and, in such event, the directors' power of amendment shall be so limited; and further provided that no reduction in the number of directors shall have the effect of removing any director prior to the expiration of his or her term of office.

SECTION 10.2. Required Vote. Notwithstanding anything contained in Section 10.1 of this ARTICLE X, the affirmative vote of a majority of shares entitled to vote therefor at a stockholder's meeting, or, subject to such limitations as the stockholders may from time to time prescribe, shall be required to alter, amend or repeal, or adopt any provisions inconsistent with Section 3.1 of ARTICLE III of these by-laws, to fix or change (including by increase or decrease) the number of directors of the corporation.

* * *

XTI LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of _____, 2010

XTI LLC

AMENDED AND RESTATAED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of XTI LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of XTI LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

WHEREAS, Xerium Technologies, Inc, (the "Original Member") wishes to form a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act in order to conduct the business described herein.

NOW, THEREFORE, the Original Member agrees with the Company as follows

ARTICLE 1
DEFINITIONS

For purposes of this Agreement the following terms have the following meanings:

"Act" means the Delaware Limited Liability Company Act (6 Del. C. § 18401, et seq.) as amended and in effect from time to time.

"Affiliate" means, with respect to any specified Person, any Person that directly or through one or more intermediaries controls or is controlled by or is under common control with the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Limited Liability Company Agreement of the Company dated as of _____, 2010, as amended from time to time.

"Capital Contribution" means the amount of cash and the fair market value of any other property contributed to the Company with respect to any Interest held by a Member.

"Certificate" means the Certificate of Formation of the Company filed on June 23, 2004 and any and all amendments thereto and restatements thereof filed on behalf of the Company as permitted hereunder with the office of the Secretary of State of the State of Delaware.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any future federal tax law.

"Company" means the limited liability company formed by virtue of this Agreement and the filing of the Certificate in accordance with the Act.

"Distribution" means the amount of cash and the fair market value of any other property distributed in respect of a Member's Interest in the Company.

"Fiscal Year" means the fiscal year of the Company which shall end on June 30 in each year or on such other date in each year as determined by the Board of Managers.

"Indemnified Party" is defined in Section 10.1.

"Interest" means the interest of a Member in the capital and profits of the Company, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"Member" means the Original Member and any other Person that both acquires an Interest in the Company and is admitted to the Company as a Member pursuant to this Agreement, from time to time.

"Original Member" means Xerium 3 S.A.

"Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, or any other legal entity.

"Unit Certificate" is defined in Section 3.7.

"Units" are a measure of a Member's Interest in the Company.

ARTICLE 2
FORMATION AND PURPOSE

2.1 Formation, etc. The Company was formed as a limited liability company in accordance with the Act by the filing of the Certificate with the Secretary of State of Delaware on June 24, 2004. The rights, duties and liabilities of each Member and the Board of Managers shall be determined pursuant to the Act and this Agreement. To the extent that such rights, duties or obligations are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control. By execution hereof, the Original Member is admitted as a Member of the Company and shall acquire a limited liability interest in the Company.

2.2 Name. The name of the Company is XTI LLC. The business of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Board of Managers deems appropriate or advisable. The Board of Managers shall file, or shall

cause to be filed, any fictitious name certificates and similar filings, and any amendments thereto, that the Board of Managers considers appropriate or advisable.

2.3 Registered Office/Agent. The registered office required to be maintained by the Company in the State of Delaware pursuant to the Act shall initially be do The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. The name and address of the registered agent of the Company pursuant to the Act shall initially be Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. The Company may, upon compliance with the applicable provisions of the Act, change its registered office or registered agent from time to time in the discretion of the Board of Managers.

2.4 Term. The term of the Company shall continue indefinitely unless sooner terminated as provided herein. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Act.

2.5 Purpose. The Company is formed for the purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any activities necessary, advisable, convenient or incidental thereto.

2.6 Specific Powers. Without limiting the generality of Section 2.5, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose set forth in Section 2.5, including, but not limited to, the power:

2.6.1 to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Act in any country, state, territory, district or other jurisdiction, whether domestic or foreign;

2.6.2 to acquire by purchase, lease, contribution of property or otherwise, own, hold, operate, maintain, finance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of any real or personal property;

2.6.3 to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, perform and carry out and take any other action with respect to contracts or agreements of any kind, including without limitation leases, licenses, guarantees and other contracts for the benefit of or with any Member or any Affiliate of any Member, without regard to whether such contracts may be deemed necessary, convenient to, or incidental to the accomplishment of the purposes of the Company;

2.6.4 to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships, trusts, limited liability companies, or individuals or other persons or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

2.6.5 to lend money, to invest and reinvest its funds, and to accept real and personal property for the payment of funds so loaned or invested;

2.6.6 to borrow money and issue evidence of indebtedness, and to secure the same by a mortgage, pledge, security interest or other lien on the assets of the Company;

2.6.7 to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities;

2.6.8 to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

2.6.9 to appoint employees, officers, agents and representatives of the Company, and define their duties and fix their compensation;

2.6.10 to indemnify any Person in accordance with the Act and this Agreement;

2.6.11 to cease its activities and cancel its Certificate; and

2.6.12 to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

2.7 Certificate. The filing of the Certificate by Joshua M. Aronson is hereby ratified and confirmed and said Person is hereby designated as an "authorized person" within the meaning of the Act to execute, deliver and file the Certificate and Stephen R. Light, David Maffucci, Ted Orban and Elizabeth Leete and such other Persons as may be designated from time to time by the Board of Managers are designated as authorized persons, within the meaning of the Act, to execute, deliver and file any amendments or restatements of the Certificate or any certificate of cancellation of the Certificate and any other certificates necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.8. Principal Office. The principal executive office of the Company shall be located at such place within or without the State of Delaware as the Board of Managers shall establish, and the Board of Managers may from time to time change the location of the principal executive office of the Company to any place within or without the State of Delaware. The Board of Managers may establish and maintain such additional offices and places of business of the Company, either within or without the State of Delaware, as it deems appropriate.

ARTICLE 3
ORIGINAL MEMBER; CAPITAL CONTRIBUTIONS; AND UNITS

3.1 Member. The name and the business address of the Original Member of the Company is as follows:

Name Address

Xerium Technologies, Inc.

3.2 Initial Capital Contribution. Contemporaneously with the execution hereof the Original Member is making an Initial Capital Contribution to the Company of $100. The Initial Capital Contribution shall be allocated to a stated capital account of the Company.

3.3 Additional Capital Contributions. The Members shall make additional Capital Contributions to the Company for such purposes, at such times and in such amounts as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4.

3.4 Return of Capital Contributions. No Member shall have the right to demand a return of all or any part of its Capital Contributions, and any return of the Capital Contributions of a Member shall be made solely from the assets of the Company and only in accordance with the terms of this Agreement. No interest shall be paid to any Member with respect to its Capital Contributions.

3.5 Registration of Interests. Each Interest constitutes a "security," as such term is defined in 6 Del. C. § 8-102(15), governed by Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del. C. § 8-101, et seq.). The Company shall maintain a record of the ownership of the Interests which shall, initially, be as set forth on Schedule A and which shall be amended from time to time to reflect transfers of the ownership of the Interests. An Interest shall be transferred by delivery to the Company of an instruction by the registered owner of the Interest requesting registration of transfer of such Interest (accompanied by a duly indorsed security certificate representing such Interest or affidavit of loss therefore) and the recording of such transfer in the records of the Company.

3.6 Units. Upon the admission of the Original Member as a Member, the Interest of the Original Member shall be divided into 100 Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Managers may issue additional Units to any Member in respect of additional Capital Contributions.

3.7 Unit Certificate. Each Member shall be entitled to a certificate stating the number of Units held by the Member in such form as shall, in conformity with law and this Agreement, be prescribed from time to time by the Board of Managers (a "Unit Certificate"). Such Unit Certificate shall be signed by the Chair of the Board of Managers or the President or any Vice President and by the Treasurer or an Assistant Treasurer or by the Secretary or an Assistant Secretary.

3.8 Loss of Certificate. In the case of the alleged theft, loss, destruction or mutilation of a Unit Certificate, a duplicate certificate may be issued in place thereof, upon such terms,

including receipt of a bond sufficient to indemnify the Company against any claim on account thereof, as the Board of Managers may prescribe.

ARTICLE 4
STATUS AND RIGHTS OF MEMBERS

4.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, no member of the Board of Managers and no other Indemnified Party shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, a member of the Board of Managers or an Indemnified Party. All Persons dealing with the Company shall look solely to the assets of the Company for the payment of the debts, obligations or liabilities of the Company.

4.2 Return of Distributions of Capital. Except as otherwise expressly required by law, no Member, in its capacity as such, shall have any liability either to the Company or any of its creditors in excess of (a) in the case of the Original Member, its obligation to make a capital contribution pursuant to Section 3.2, if not previously made, (b) any assets and undistributed profits of the Company and (c) to the extent required by law, the amount of any Distributions wrongfully distributed to it. Except as required by law or a court of competent jurisdiction, no Member or investor in or partner of a Member shall be obligated by this Agreement to return any Distribution to the Company or pay the amount of any Distribution for the account of the Company or to any creditor of the Company. The amount of any Distribution returned to the Company by or on behalf of a Member or paid by or on behalf of a Member for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to such Member.

4.3 No Management or Control. No Member shall take any part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.4 Meetings of Members. Meetings of Members shall be held and conducted, and the voting rights of Members shall be, as set forth on Exhibit 4.4 hereto. .

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions. Subject to the requirements of the Act, the amount and timing of all Distributions shall be determined by the Member or Members at a meeting called for such purpose. All Distributions shall be made ratably to each Member in accordance with the number of Units then held by such Member. Distributions may be made in cash, securities or other property. .

5.2 Withholding. The Company is hereby authorized to withhold and pay over any withholding or other taxes payable by the Company as a result of a Member's status as a Member hereunder.

ARTICLE 6
MANAGEMENT

6.1 Management. The business of the Company shall be managed by a Board of Managers, and the Persons constituting the Board of Managers shall be the "managers" of the Company for all purposes under the Act. The Board of Managers as of the date hereof shall be the Persons set forth in Exhibit 6.1. Thereafter, the Persons constituting the Board of Managers shall be elected by the Members in accordance with Exhibit 4.4 hereto. Decisions of the Board of Managers shall be embodied in a vote or resolution adopted in accordance with the procedures set forth in Exhibit 6.1. Such decisions shall be decisions of the "manager" for all purposes of the Act and shall be carried out by any member of the Board of Managers or by officers or agents of the Company designated by the Board of Managers in the vote or resolution in question or in one or more standing votes or resolutions or with the power and authority to do so under Section 6.3. A decision of the Board of Managers may be amended, modified or repealed in the same manner in which it was adopted or in accordance with the procedures set forth in Exhibit 6.1 as then in effect, but no such amendment, modification or repeal shall affect any Person who has been furnished a copy of the original vote or resolution, certified by a duly authorized agent of the Company, until such Person has been notified in writing of such amendment, modification or repeal.

6.2 Authority of Board of Managers. The Board of Managers shall have the exclusive power and authority to manage the business and affairs of the Company and to make all decisions with respect thereto. Except as otherwise expressly provided in this Agreement, the Board of Managers or Persons designated by the Board of Managers, including officers and agents appointed by the Board of Managers, shall be the only Persons authorized to execute documents which shall be binding on the Company. To the fullest extent permitted by Delaware law, the Board of Managers shall have the power to do any and all acts, statutory or otherwise, with respect to the Company of this Agreement, which would otherwise be possessed by the Member or Members under the laws of the State of Delaware, and the Member or Members shall have no power whatsoever with respect to the management of the business and affairs of the Company. The owner and authority granted to the Board of Managers hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make all decisions with regard to the management, operations, assets, financing and capitalization of the Company, including without limitation, the power and authority to undertake and make decisions concerning: (a) hiring and firing of employees,

attorneys, accountants, brokers, investment bankers and other advisors and consultants, (b) entering into of leases for real or personal property, (c) opening of bank and other deposit accounts and operations thereunder, (d) purchasing, constructing, improving, developing and maintaining of real property, (e) purchasing of insurance, goods, supplies, equipment, materials and other personal property, (f) borrowing of money, obtaining of credit, issuance of notes, debentures, securities, equity or other interests of or in the Company and securing of the obligations undertaken in connection therewith with mortgages on and security interests in all or any portion of the real or personal property of the Company, (g) making of investments in or the acquisition of securities of any Person, (h) giving of guarantees and indemnities, (i) entering into of contracts or agreements whether in the ordinary course of business or otherwise, (j) mergers with or acquisitions of other Persons, (k) the sale or lease of all or any portion of the assets of the Company, (1) forming subsidiaries or joint ventures, (m) compromising, arbitrating, adjusting and litigating claims in favor of or against the Company and (n) all other acts or activities necessary or desirable for the carrying out of the purposes of the Company including those referred to in Section 2.6.

6.3 Officers; Agents. The Board of Managers by vote or resolution shall have the power to appoint officers and agents to act for the Company with such titles, if any, as the Board of Managers deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Board of Managers hereunder, including the power to execute documents on behalf of the Company, as the Board of Managers may in its sole discretion determine; provided, however, that no such delegation by the Board of Managers shall cause the Persons constituting the Board of Managers to cease to be the "managers" of the Company within the meaning of the Act. The officers or agents so appointed may include persons holding titles such as Chairman, Chief Executive Officer, Chief Operating Officer, President, Chief Financial Officer, Executive Vice President, Vice President, Treasurer, Controller, Secretary or Assistant Secretary. An officer may be removed at any time with or without cause. The officers of the Company as of the date hereof are set forth on Exhibit 6.3. Unless the authority of the agent designated as the officer in question is limited in the document appointing such officer or is otherwise specified by the Board of Managers, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a corporation in the absence of a specific delegation of authority and all deeds, leases, transfers, contracts, bonds, notes, checks, drafts or other obligations made, accepted or endorsed by the corporation may be signed by the Chairman, if any, the President, a Vice President or the Treasurer, Controller, Secretary or Assistant Secretary at the time in office. The Board of Managers, in its sole discretion, may by vote or resolution of the Board of Managers ratify any act previously taken by an officer or agent acting on behalf of the Company.

6.4 Reliance by Third Parties. Any person or entity dealing with the Company or any Member may rely upon a certificate signed by a member of the Board of Managers as to: (a) the identity of the Member or the members of the Board of Managers, (b) the existence or non-existence of any fact or facts which constitute a condition precedent to acts by the Member or the Board of Managers or are in any other manner germane to the affairs of the Company, (c) the Persons which are authorized to execute and deliver any instrument or document of or on behalf of the Company, (d) the authorization of any action taken by or on behalf of the Company, the Board of Managers or any officer or agent acting on behalf of the Company or (e) any act or

failure to act by the Company or as to any other matter whatsoever involving the Company or the Member.

ARTICLE 7
TRANSFER OF INTERESTS

Any Member may sell, assign, pledge, encumber, dispose of or otherwise transfer all or any part of the economic or other rights that comprise its Interest. If so determined by such Member, the transferee shall have the right to be substituted for the Member under this Agreement for the transferor or as an additional Member if the Member transfers less than all of its Interest. No Member may withdraw or resign as Member except as a result of a transfer pursuant to this Article 7 in which the transferee is substituted for the Member. None of the events described in Section 18-304 of the Act shall cause a Member to cease to be a Member of the Company.

ARTICLE 8
AMENDMENTS TO AGREEMENT

This Agreement may be amended or modified as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4. The Board of Managers shall cause to be prepared and filed any amendment to the Certificate that may be required to be filed under the Act as a consequence of any such amendment or modification.

ARTICLE 9
DISSOLUTION OF COMPANY

9.1 Events of Dissolution or Liquidation. The Company shall be dissolved and its affairs wound up upon the happening of either of the following events: (a) the written determination of each of the Members or (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

9.2 Liquidation. After termination of the business of the Company, the assets of the Company shall be distributed in the following order of priority:

(a) to creditors of the Company, including any Member if a creditor to the extent permitted by law, in satisfaction of liabilities of the Company (whether by payment thereof or the making of reasonable provision for payment thereof) other than liabilities for Distributions to the Member; and then

(b) ratably to each Member in accordance with the number of Units then held by such Member.

ARTICLE 10
INDEMNIFICATION

10.1 General. The Company shall indemnify, defend, and hold harmless any Member, any director, officer, partner, stockholder, controlling Person or employee of any Member, each member of the Board of Managers, any officer, employee or agent of the Company and any Person serving at the request of the Company as a director, officer, employee, partner, trustee or independent contractor of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (all of the foregoing Persons being referred to collectively as "Indemnified Parties" and individually as an "Indemnified Party") from any liability, loss or damage incurred by the Indemnified Party by reason of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company and from liabilities or obligations of the Company imposed on such Indemnified Party by virtue of such Indemnified Party's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss or damage, except for liabilities, losses, damages or obligations resulting from the Indemnified Party's gross negligence or willful misconduct; provided, however, that the indemnification under this Section 10.1 shall be recoverable only from the assets of the Company and not from any assets of any Member. Unless the Board of Managers determines in good faith that the Indemnified Party is unlikely to be entitled to indemnification under this Article 10, the Company shall pay or reimburse reasonable attorneys' fees of an Indemnified Party as incurred, provided that such Indemnified Party executes an undertaking, with appropriate security if requested by the Board of Managers, to repay the amount so paid or reimbursed in the event that a final non-appealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to indemnification under this Article 10. The Company may pay for insurance covering liability of the Indemnified Party for negligence in operation of the Company's affairs.

10.2 Exculpation. No Indemnified Party shall be liable, in damages or otherwise, to the Company or to any Member for any liability, loss or damage that arises out of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company. except for liabilities, losses or damages resulting from the Indemnified Party's gross negligence or willful misconduct.

10.3 Persons Entitled to Indemnity. Any Person who is within the definition of "Indemnified Party" at the time of any action or inaction in connection with the business of the Company shall be entitled to the benefits of this Article 10 as an "Indemnified Party" with respect thereto, regardless whether such Person continues to be within the definition of "Indemnified Party" at the time of such Indemnified Party's claim for indemnification or exculpation hereunder.

10.4 Procedure Agreements. The Company may enter into an agreement with any of its officers, employees, consultants, counsel and agents, any member of the Board of Managers or any Member, setting forth procedures consistent with applicable law for implementing the indemnities provided in this Article 10.

ARTICLE 11
MISCELLANEOUS

11.1 General. This Agreement: (a) shall be binding upon the legal successors of any Member; (b) shall be governed by and construed in accordance with the laws of the State of Delaware; and (c) contains the entire agreement as to the subject matter hereof. The waiver of any of the provisions, terms, or conditions contained in this Agreement shall not be considered as a waiver of any of the other provisions, terms, or conditions hereof.

11.2 Notices, Etc. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery or receipt (which may be evidenced by a return receipt if sent by registered mail or by signature if delivered by courier or delivery service), addressed to any Member at its address in the records of the Company or otherwise specified by the Member.

11.3 Gender and Number. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include the masculine, feminine and neuter genders.

11.4 Severability. If any provision of this Agreement is determined by a court to be invalid or unenforceable, that determination shall not affect the other provisions hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each said provision shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

11.5 Headings. The headings used in this Agreement are used for administrative convenience only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

11.6 No Third Party Rights. Except for the provisions of Section 6.4, the provisions of this Agreement are for the benefit of the Company, each Member and permitted assignees and no other Person, including creditors of the Company, shall have any right or claim against the Company or any Member by reason of this Agreement or any provision hereof or be entitled to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year first set forth above.

XTI, LLC

By:_____

Name:
Title:

Schedule A

REGISTER OF INTEREST

Holder of Interest	Unit Certificate Number	Units
Xerium Technologies, Inc.	1	100

Exhibit 4.4

MEETINGS OF MEMBERS, ETC.

1. Annual Meeting. There shall be an annual meeting of the Members which shall be (a) held at Westborough, Massachusetts on the second Thursday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or (b) at such other place, date and time as shall be designated from time to time by the Board of Managers and stated in the notice of the meeting, at which meeting they shall elect a Board of Managers, determine Distributions, Zany, and transact such other business as may be required by law or this Agreement or as may properly come before the meeting.

2. Special Meetings. A special meeting of the Members may be called at any time by the Chairman of the Board, if any, the President, the Board of Managers, or by the Members holding at least 50.0% of the Units then outstanding. A special meeting of the Members shall be called by the Secretary, or in the case of the death, absence, incapacity or refusal of the Secretary, by an Assistant Secretary or some other officer, upon application of a majority of the Board of Managers. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour and purposes of the meeting.

3. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of the Members stating the place, day and hour thereof and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less then ten nor more than sixty days before the meeting, to each Member entitled to vote thereat, and to each Member who, by law or by this Agreement, is entitled to notice, by leaving such notice with such Member or at such Member's residence or usual place of business, or by depositing it in the United States mail, postage prepaid, and addressed to such Member at such Member's address as it appears in the records of the Company. Such notice shall be given by the Secretary, or by an officer or person designated by the Board of Managers, or in the case of a special meeting by the officer calling the meeting. As to any adjourned session of any meeting of the Members, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken, except that if the adjournment is for more than thirty days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of the Members or any adjourned session thereof need be given to a Member if a written waiver of notice, executed before or after the meeting or such adjourned session by such Member, is filed with the records of the meeting or if such Member attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Members or any adjourned session thereof need be specified in any written waiver of notice.

4. Quorum of Members. At any meeting of the Members a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except where a larger quorum is required by law or by this Agreement. Any meeting may be adjourned from time to time by a

majority of the votes properly cast upon the question, whether or not a quorum is present. If a quorum is present at an original meeting, a quorum need not be present at an adjourned session of that meeting.

5. Action by Vote. Each Member shall be entitled to one vote for each Unit held by such Member on all matters on which Members are entitled to vote at a meeting of Members or otherwise when a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law or by this Agreement. No ballot shall be required for any election unless requested by a Member present or represented at the meeting and entitled to vote in the election.

6. Action without Meetings. Any action required or permitted to be taken by Members for or in connection with any action of the Company may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units entitled to vote thereon were present and voted and shall be delivered to the Company by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the Company having custody of the book in which proceedings of meetings of Members are recorded. Each such written consent shall bear the date of signature of each Member who signs the consent. No written consent shall be effective to take the action referred to therein unless written consents signed by a number of Members sufficient to take such action are delivered to the Company in the manner specified in this paragraph within sixty days of the earliest dated consent so delivered.

If action is taken by consent of Members and in accordance with the foregoing, there shall be filed with the records of the meetings of Members the writing or writings comprising such consent.

If action is taken by less than unanimous consent of Members, prompt notice of the taking of such action without a meeting shall be given to those who have not consented in writing and a certificate signed and attested to by the Secretary that such notice was given shall be filed with the records of the meetings of Members.

7. Proxy Representation. Every Member may authorize another person or persons to act for such Member by proxy in all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the Member or by such Member's attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable where the interest with which it is coupled is an interest in the Interest of such Member. The authorization of a proxy may but need not be limited to specified action; provided, however, that if a proxy limits its authorization to a meeting or meetings of Members, unless otherwise specifically provided such

proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

8. Resolution of Issues. To the extent that any dispute shall arise with respect thereto, the Board of Managers shall be entitled to decide all issues such as the existence of a quorum, the validity of proxies, the number of votes, the Members entitled to vote or consent and other similar procedural questions that are raised at any meeting of Members.

Exhibit 6.1

BOARD OF MANAGERS

1. Number: Appointment. The Board of Managers initially shall consist of three members (each such member, along with any other members appointed from time to time, the "Board Members"). Thereafter, the Board of Managers shall be elected either at the Annual Meeting of Members or at a special meeting called for such purposes. The Board of Managers may increase or decrease the number of Board Members from time to time upon a vote of the Board of Managers.

2. Initial Board of Managers. The following individuals will be the initial Board Members:

Stephen R. Light

David Maffucci

Ted Orban

3. Tenure. Each Board Member shall, unless otherwise provided by law, hold office until the next Annual Meeting of Members and until such Board Member's successor is elected and qualified, or until such Board Member sooner dies, resigns, is removed or becomes disqualified. Any Board Member may be removed by the Members, at any time without giving any reason for such removal. A Board Member may resign by written notice to the Company which resignation shall not require acceptance and, unless otherwise specified in the resignation notice, shall be effective upon receipt by the Company. Vacancies and any newly created positions on the Board of Managers resulting from any increase in the number of the Board of Managers may be filled by vote of the Members or by a majority of the Board Members then in office, although less than a quorum, or by a sole remaining Board member.

4. Meetings. Meetings of the Board of Managers may be held at any time at such places within or without the State of Delaware designated in the notice of the meeting, when called by the Chair of the Board of Managers, if any, the President or any two Board Members acting together, reasonable notice thereof being given to each Board Member.

5. Notice. It shall be reasonable and sufficient notice to a Board Member to send notice by overnight delivery at least forty-eight hours or by facsimile at least twenty-four hours before the meeting addressed to such Board Member at such Board Member's usual or last known business or residence address or to give notice to such Board Member in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any Board Member if a written waiver of notice, executed by such Board Member before or after the meeting, is filed with the records of the meeting, or to any Board Member who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such Board Member. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

6. Quorum. Except as may be otherwise provided by law, at any meeting of the Board of Managers a majority of the Board Members then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

7. Action by Vote. Except as may be otherwise provided by law, when a quorum is present at any meeting the vote of a majority of the Board Members present shall be the act of the Board of Managers.

8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if all the Board Members consent thereto in writing, and such writing or writings are filed with the records of the meetings of the Board of Managers. Such consent shall be treated for all purposes as the act of the Board of Managers.

9. Participation in Meetings by Conference Telephone. Board Members may participate in a meeting of the Board of Managers by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law. Such participation shall constitute presence in person at such meeting.

10. Interested Transactions.

(a) No contract or transaction between the Company and one or more of the Board Members or officers, or between the Company and any other company, partnership, association, or other organization in which one or more of the Board Members or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Board Member or officer is present at or participates in the meeting of the Board of Managers which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(i) The material facts as to such Board Member's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Managers, and the Board of Managers in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Board Members, even though the disinterested Board Members be less than a quorum; or

(ii) The contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Managers.

(b) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board of Managers which authorizes the contract or transaction.

Exhibit 6.3

OFFICERS

Stephen R. Light -- President and Assistant Secretary
David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban -- Secretary
Elizabeth Leete -- Assistant Secretary

New Nouveau Brunswick

CANADA
PROVINCE OF NEW BRUNSWICK
BUSINESS CORPORATIONS ACT

CERTIFICATE OF AMALGAMATION
(SECTION 124)

CANADA
PROVINCE DU NOUVEAU-BRUNSWICK
LOI SUR LES CORPORATIONS COMMERCIALES

CERTIFICAT DE FUSION
(ARTICLE 124)

XERIUM CANADA INC.

Name of Corporation / Raison sociale de la corporation

635756

Corporation Number / Numéro de la corporation

I HEREBY CERTIFY that the above-mentioned corporation resulted from the amalgamation of the following corporations under the Business Corporations Act, as set out in the attached Articles of Amalgamation.

JE CERTIFIE que la corporation mentionnée ci-dessus provient de la fusion des corporations suivantes, en vertu de la Loi sur les corporations commerciales, de la façon indiquée dans les statuts de fusion ci-joints.

Director – Directeur

January 1, 2008 – le 1 janvier 2008

Date of Amalgamation – Date de fusion

New Nouveau Brunswick

BUSINESS CORPORATIONS ACT
FORM 6
ARTICLES OF AMALGAMATION
(SECTION 124)

LOI SUR LES CORPORATIONS COMMERCIALES
FORMULE 6
STATUTS DE FUSION
(ARTICLE 124)

1 - Name of Corporation:
XERIUM CANADA INC.

Raison sociale de la corporation:

2 - The classes and any maximum number of shares that the corporation is authorized to issue and any maximum aggregate amount for which shares may be issued including shares without par value and/or with par value and the amount of the par value:

Les catégories et le nombre maximal d'actions que la corporation peut émettre ainsi que le montant maximal global pour lequel les actions peuvent être émises y compris les actions sans valeur au pair ou avec valeur au pair ou les deux et le montant de la valeur au pair:

The Corporation is authorized to issue an unlimited number of common shares without nominal or par value.

3 - Restrictions, if any, on share transfers:

Restrictions, s'il y en a, au transfert d'actions:

See Schedule "A" attached hereto.

4 - Number (or minimum and maximum number) of directors:

Nombre (ou nombre minimum et maximum) des administrateurs:

A minimum of one (1) and a maximum of ten (10) as determined by resolution of the board of directors.

5 - Restrictions, if any, on business the corporation may carry on:

Restrictions, s'il y en a, à l'activité que peut exercer la corporation:

None.

6 - Other provisions, if any:

Autres dispositions, s'il y en a:

See Schedule "B" attached hereto.

7 (a) - The amalgamation has been approved by special resolutions of shareholders of each of the amalgamating corporations listed in item 9 below in accordance with Section 122 of the *Business Corporations Act*.

a) - La fusion a été approuvée par les résolutions spéciales des actionnaires de chacune des corporations fusionnantes mentionnées à l'article 9 ci-dessous, conformément à l'article 122 de la *Loi sur les corporations commerciales*.

(b) - The amalgamation has been approved by a resolution of the directors of each of the amalgamating corporations listed in item 9 below in accordance with Section 123 of the *Business Corporations Act*. These Articles of Amalgamation are the same as the Articles of Incorporation of (name the designated amalgamating corporation):

☑

b) - La fusion a été approuvée par une résolution des administrateurs de chacune des corporations fusionnantes mentionnées à l'article 9 ci-dessous, conformément à l'article 123 de la *Loi sur les corporations commerciales*. Ces statuts de fusion sont les mêmes que les statuts constitutifs de (raison sociale de la corporation fusionnante désignée):

XERIUM CANADA INC.

8 - Name of the amalgamating corporation the by-laws of which are to be the by-laws of the amalgamated corporation:

Raison sociale de la corporation fusionnante dont les règlements administratifs sont devenus les règlements administratifs de la corporation issue de la fusion:

XERIUM CANADA INC.

9 - Name of Amalgamating Corporations / Raison sociale des corporations fusionnantes	Corporation No. / N°. de corporation	Signature	Date	Description of Office / Fonction
XERIUM CANADA INC.	510750		2008/01/01	W.G. VanderBurgh Assistant Secretary
STOWE-WOODWARD/MOUNT HOPE INC.	510749		2008/01/01	W.G. VanderBurgh Assistant Secretary

FOR DEPARTMENT USE ONLY / RÉSERVÉ À L'USAGE DU MINISTÈRE

Corporation No. - N°. de corporation: 635756

Filed - Déposé: FILED/DÉPOSÉ 2008 -01- 01

SN0252 / 45-4107 (5/01)
SN0307

XERIUM CANADA INC.

(hereinafter referred to as the "Corporation")

THIS IS SCHEDULE "A" TO THE FOREGOING FORM 6 UNDER THE *NEW BRUNSWICK BUSINESS CORPORATIONS ACT*

3. **Restrictions, if any, on share transfers:**

No shares shall be transferred without the consent of the directors or shareholders of the Corporation expressed by a resolution passed at a meeting of the board of directors or shareholders or by an instrument or instruments in writing signed by all such directors or shareholders.

FILED/DÉPOSÉ 2008 -01- 0 1

XERIUM CANADA INC.

(hereinafter referred to as the "Corporation")

THIS IS SCHEDULE "B" TO THE FOREGOING FORM 6 UNDER THE *NEW BRUNSWICK BUSINESS CORPORATIONS ACT*

1. **PLACE OF SHAREHOLDER MEETINGS**

Notwithstanding subsections (1) and (2) of Section 84 of the Business Corporations Act, as from time to time in force, meetings of shareholders of the Corporation may be held outside New Brunswick at such place or places as the shareholders may resolve to meet.

2. **NOTICE OF SHAREHOLDER MEETINGS**

Notwithstanding subsection (1) of Section 87 of the Business Corporations Act, as from time to time in force, notice of time and place of a meeting of shareholders of the Corporation shall be deemed to be properly given if sent not less than three (3) days nor more than fifty (50) days before such meeting:

(a) to each shareholder entitled to vote at the meeting;

(b) to each director; and

(c) to the auditor, if any.

3. **PRE-EMPTIVE RIGHTS**

(A) Notwithstanding subsection (2) of Section 27 of the Business Corporations Act, as from time to time in force, but subject however to any rights arising under any unanimous shareholders agreements, the holders of equity shares of any class, in the case of the proposed issuance by the Corporation of, or the proposed granting by the Corporation of rights or options to purchase, its equity shares of any class of any shares or other securities convertible into or carrying rights or options to purchase its equity shares of any class, shall not as such, even if the issuance of the equity shares proposed to be issued or issuable upon exercise of such rights or options or upon conversion of such other securities would adversely affect the unlimited dividend rights of such holders, have the pre-emptive right as provided by Section 27 of the Business Corporations Act to purchase such shares or other securities.

(B) Notwithstanding subsection (3) of Section 27 of the Business Corporations Act, as from time to time in force, but subject however to any rights arising under any unanimous

shareholders agreements, the holders of voting shares of any class, in case of the proposed issuance by the Corporation of, or the proposed granting by the Corporation of rights or options to purchase, its voting shares of any class or any shares or options to purchase its voting shares of any class, shall not as such, even if the issuance of the voting shares proposed to be issued or issuable upon exercise of such rights or options or upon conversion of such other securities would adversely affect the voting rights of such holders, have the pre-emptive right as provided by Section 27 of the Business Corporations Act to purchase such shares or other securities.

4. PRIVATE CORPORATION RESTRICTIONS

(A) The number of shareholders, exclusive of persons who are in the employment of the Corporation and are shareholders of the Corporation and persons who, having been formerly in the employment of the Corporation, have continued to be shareholders of the Corporation after termination of that employment, is limited to not more than Fifty (50) persons, two or more persons who are joint registered holders of one or more shares being counted as one shareholder.

(B) Any invitation to the public to subscribe for any shares, debentures or other securities of the Corporation shall be prohibited.

5. FINANCIAL ASSISTANCE

The Corporation may, directly or indirectly, give financial assistance by means of a loan, guarantee or otherwise:

(a) to any shareholder, director, officer or employee of the Corporation or of an affiliated corporation, or

(b) to any associate of a shareholder, director, officer or employee of the Corporation or of an affiliated corporation;

whether or not:

(c) the Corporation is, or after giving the financial assistance would be, unable to pay its liabilities as they become due; or

(d) the realizable value of the Corporation's assets, excluding the amount of any financial assistance in the form of a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would be less than the aggregate of the Corporation's liabilities and stated capital of all classes.

FILED/DÉPOSÉ 2008 -01- 0 1

STATEMENT

IN THE MATTER OF the Business Corporations Act (New Brunswick) and the Articles of Amalgamation of Weavex Corporation Corporation Weavex (to be renamed Xerium Canada Inc. immediately prior to the amalgamation becoming effective) and Stowe-Woodward Atlantic Hope Inc.

I, Marshall Woodworth, of the City of Youngsville, in the State of North Carolina, make the following statement pursuant to section 124(2) of the Business Corporations Act:

1. I am the Assistant Treasurer of Weavex Corporation Corporation Weavex, one of the amalgamating corporations (hereinafter called the "Corporation") and as such have personal knowledge of the matters herein declared;

2. It is proposed that the Corporation amalgamate under the provisions of the Business Corporations Act (New Brunswick) with Stowe-Woodward Atlantic Hope Inc. to form an amalgamated corporation (hereinafter referred to as the "Amalgamated Corporation") under the name "Xerium Canada Inc.";

3. I have conducted such examinations and have made such inquiries and investigations as are necessary to enable me to make this statement; and

4. I have satisfied myself that there are reasonable grounds for believing that:

   (a) the Corporation is, and the Amalgamated Corporation will be, able to pay its liabilities as they become due;

   (b) the realizable value of the Amalgamated Corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and

   (c) no creditor of the Corporation will be prejudiced by the amalgamation.

DATED this 21st day of December, 2007.

Name: Marshall Woodworth
Title: Assistant Treasurer

STATEMENT

IN THE MATTER OF the Business Corporations Act (New Brunswick) and the Articles of Amalgamation of Weavex Corporation Corporation Weavex (to be renamed Xerium Canada Inc. immediately prior to the amalgamation becoming effective) and Stowe-Woodward/Mount Hope Inc.

I, Marshall Woodworth, of the City of Youngsville, in the State of North Carolina, make the following statement pursuant to section 124(2) of the Business Corporations Act:

1. I am the Assistant Treasurer of Stowe-Woodward/Mount Hope Inc., one of the amalgamating corporations (hereinafter called the "Corporation") and as such, have personal knowledge of the matters herein declared.

2. It is proposed that the Corporation amalgamate under the provision of the Business Corporations Act (New Brunswick) with Weavex Corporation Corporation Weavex to form an amalgamated corporation (hereinafter referred to as the "Amalgamated Corporation") under the name "Xerium Canada Inc.";

3. I have conducted such examinations and have made such inquiries and investigations as are necessary to enable me to make this statement; and

4. I have satisfied myself that there are reasonable grounds for believing that:

   (a) the Corporation is, and the Amalgamated Corporation will be, able to pay its liabilities as they become due;

   (b) the realizable value of the Amalgamated Corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and

   (c) no creditor of the Corporation will be prejudiced by the amalgamation.

DATED this 31st day of December, 2007.

Name: Marshall Woodworth
Title: Assistant Treasurer

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FILED/DÉPOSÉ 2008 -01- 0 1

XERIUM CANADA INC.

BY-LAW NUMBER 2008-1

A by-law relating generally to the regulation of the affairs of Xerium Canada Inc.

BE IT ENACTED AND IT IS HEREBY ENACTED as By-Law Number 2008-1 of Xerium Canada Inc. (hereinafter called the "Corporation") as follows:

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

(a) "Act" means the Business Corporations Act, Statutes of New Brunswick, 1981, c. B-9.1, as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any reference in the by- laws of the Corporation shall be read as referring to the amended or substituted provisions therefor;

(b) "articles" means the articles, as from time to time amended, of the Corporation;

(c) "by-law" means any by-law of the Corporation from time to time in force and effect;

(d) "director" means an individual occupying the position of director of the Corporation and "directors", "board of directors" and "board" includes a single director;

(e) "unanimous shareholder agreement" means an agreement as described in subsection 99(2) of the Act or a declaration of a shareholder described in subsection 99(3) of the Act;

(f) words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa; words importing persons shall include bodies corporate, corporations, companies, partnerships, syndicates, trusts and any number or aggregate of individuals;

(g) the headings used in any by-law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions; and

(h) any term contained in any by-law which is defined in the Act shall have the meaning given to such term in the Act.

REGISTERED OFFICE

2. The Corporation may from time to time by resolution of the board of directors change the location of the address of the registered office of the Corporation to another place within New Brunswick.

CORPORATE SEAL

3. The Corporation may have one or more corporate seals which shall be such as the board of directors may adopt by resolution from time to time.

DIRECTORS

4. Number and Powers. There shall be a board of directors consisting of such fixed number, or minimum and maximum number, of directors as may be set out in the articles or as may be determined as prescribed by the articles, or failing that, as specified by by-law. Subject to any unanimous shareholder agreement, the directors shall manage the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the articles, the by-laws, any special resolution of the Corporation, any unanimous shareholder agreement or by statute expressly directed or required to be done in some other manner.

5. Vacancies. If the number of directors is increased, the resulting vacancies shall be filled at a meeting of shareholders duly called for that purpose. Notwithstanding the provisions of paragraph 10 of this by-law and subject to the provisions of the Act, if a vacancy should otherwise occur in the board, the remaining directors, if constituting a quorum, may appoint a qualified person to fill the vacancy for the remainder of the term. In the absence of a quorum the remaining directors shall forthwith call a meeting of shareholders to fill the vacancy pursuant to subsection 69(2) of the Act. Where a vacancy or vacancies exist in the board, the remaining directors may exercise all of the powers of the board so long as a quorum remains in office.

6. Duties. Every director and officer of the Corporation in exercising his powers and discharging his duties shall

(a) act honestly and in good faith; and

(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances,

in the best interests of the Corporation.

7. Qualification. Every director shall be an individual nineteen (19) or more years of age and no one who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt or who has been convicted of an offence under the Criminal Code, chapter C-34 of the Revised Statutes of Canada, 1970, as amended from time to time, or the criminal law of any jurisdiction outside of Canada, in connection with the promotion, formation or management of a corporation or involving fraud (unless three (3) years have elapsed since the expiration of the period fixed for suspension of the passing of sentence without

sentencing or since a fine was imposed, or unless the term of imprisonment and probation imposed, if any, was concluded, whichever is the latest, but the disability imposed hereby ceases upon a pardon being granted) shall be a director.

8. Term of Office. A director's term of office shall be from the meeting at which he is elected or appointed until the annual meeting next following or until his successor is elected or appointed, or until, if earlier, he dies or resigns, or is removed or disqualified pursuant to the provisions of the Act.

9. Vacation of Office. The office of a director shall ipso facto be vacated if

(a) he dies;

(b) by notice in writing to the Corporation he resigns his office and such resignation, if not effective immediately, becomes effective in accordance with its terms;

(c) he is removed from office in accordance with section 67 of the Act; or

(d) he ceases to be qualified to be a director.

10. Election and Removal. (1) Directors shall be elected by the shareholders by ordinary resolution in general meeting on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot. All the directors then in office shall cease to hold office at the close of the meeting of shareholders at which directors are to be elected. A director if qualified, is eligible for re-election.

(2) Subject to sections 65 and 67 of the Act, the shareholders of the Corporation may by ordinary resolution at a special meeting remove any director before the expiration of his term of office and may, by a majority of the votes cast at the meeting, elect any person in his stead for the remainder of his term.

(3) Each shareholder entitled to vote at an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by him multiplied by the number of directors to be elected, and he may cast all such votes in favour of one candidate or distribute them among the candidates in any manner.

(4) A separate vote of shareholders shall be taken with respect to each candidate nominated for director unless a resolution is passed unanimously permitting two (2) or more persons to be elected by a single resolution.

(5) If a shareholder has voted for more than one candidate without specifying the distribution of his votes among the candidates, he shall be deemed to have distributed his votes equally among the candidates for whom he voted.

(6) If the number of candidates nominated for director exceeds the number of positions to be filled, the candidates who receive the least number of votes shall be eliminated until the number of candidates remaining equals the number of positions to be filled.

(7) A retiring director shall retain office until the adjournment or termination of the meeting at which his successor is elected unless such meeting was called for the purpose of removing him from office as a director in which case the director so removed shall vacate office forthwith upon the passing of the resolution for his removal.

11. Validity of Acts. An act by a director or officer is valid notwithstanding an irregularity in his election or appointment or a defect in his qualification.

MEETINGS OF DIRECTORS

12. Place of Meeting. Subject to the articles, meetings of directors may be held at any place within or outside New Brunswick as the directors may from time to time determine or as the person convening the meeting may give notice. A meeting of the directors may be convened by the chairman of the board (if any), the president or any director at any time. The secretary shall upon direction of any of the foregoing officers or director convene a meeting of the directors.

13. Notice. (1) Notice of the time and place for the holding of any such meeting shall be delivered, mailed, telegraphed, cabled, telexed or transmitted by facsimile to each director at his latest address as shown on the records of the Corporation not less than two (2) days (exclusive of the day on which the notice is delivered, mailed, telegraphed, cabled, telexed or transmitted by facsimile but inclusive of the day for which notice is given) before the date of the meeting, provided that meetings of the directors may be held at any time without notice if all the directors have waived notice.

(2) For the first meeting of the board of directors to be held immediately following the election of directors at an annual or special meeting of the shareholders, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

(3) A notice of a meeting of directors shall specify any matter referred to in subsection 73(2) of the Act that is to be dealt with at the meeting but, unless a by-law otherwise provides, need not otherwise specify the purpose of or the business to be transacted at the meeting.

14. Waiver of Notice. Notice of any meeting of the directors or any irregularity in any meeting or in the notice thereof may be waived by any director in writing or by telegram, cable, telex or facsimile transmission addressed to the Corporation or in any other manner, and such waiver may be validly given either before or after the meeting to which such waiver relates. The attendance of a director at a meeting of directors is a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

15. Telephone Participation. A director may participate in a meeting of directors or of a committee of directors by means of such telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means shall be deemed to be present at that meeting.

16. Adjournment. Any meeting of the directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place and no notice of the time and place for the continuance of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

17. Quorum and Voting. Subject to the articles, a majority of directors shall constitute a quorum for the transaction of business at any meeting of directors. No business shall be transacted by the directors except at a meeting of directors at which a quorum of the board is present. Questions arising at any meeting of the directors shall be decided by a majority of votes cast. In case of an equality of votes, the chairman of the meeting shall not have a second or casting vote. Where the Corporation has only one director, that director may constitute a meeting.

18. Resolution in lieu of meeting. A resolution in writing, signed by all the directors or signed counterparts of such resolution by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors duly called, constituted and held. A copy of every such resolution or counterpart thereof shall be kept with the minutes of the proceedings of the directors or such committee of directors.

REMUNERATION OF DIRECTORS

19. Subject to the articles or any unanimous shareholder agreement, the remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer of the Corporation who is also a member of the board of directors. The directors may also by resolution award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

20. The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the articles or any other by-law) shall be as valid and as binding upon the Corporation

and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

21. No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee of the Corporation or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board of directors for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects of the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen to the Corporation in the execution of the duties of his respective office of trust or in relation thereto, unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or regulations made thereunder or relieve him from liability for a breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OTHERS

22. Subject to section 81 of the Act, except in respect of an action by or on behalf of the Corporation or Another Body Corporate (as hereinafter defined) to procure a judgement in its favour, the Corporation shall indemnify each director and officer of the Corporation and each former director and officer of the Corporation and each person who acts or acted at the Corporation's request as a director or officer of Another Body Corporate, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or Another Body Corporate, as the case may be, if

(a) he acted honestly and in good faith with a view to the best interests of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

"Another Body Corporate" as used herein means a body corporate of which the Corporation is or was a shareholder or creditor.

OFFICERS

23. Appointment of Officers. Subject to the articles or any unanimous shareholder agreement, the directors may appoint a chairman of the board, a president and a secretary and, if deemed advisable, may also appoint one or more vice-presidents, a treasurer and one or more assistant secretaries and/or one or more assistant treasurers. None of such officers, except the chairman of the board, need be a director of the Corporation. Any two or more of such offices may be held by the same person. In case and whenever the same person holds the offices of secretary and treasurer he may, but need not, be known as the secretary-treasurer. The directors may from time to time designate such other offices and appoint such other officers, employees and agents as it shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors.

24. Remuneration and Removal of Officers. Subject to the articles or any unanimous shareholder agreement, the remuneration of all officers, employees and agents appointed by the directors may be determined from time to time by resolution of the directors. The fact that any officer, employee or agent is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be so determined. The directors may by resolution remove any officer, employee or agent at any time, with or without cause.

25. Duties of Officers may be Delegated. In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

26. Chairman of the Board. The chairman of the board (if any) shall, if present, preside at all meetings of the directors. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors.

27. President. The president shall be the chief executive officer of the Corporation and shall exercise general supervision over the business and affairs of the Corporation. The president, in the absence of the chairman of the board, or if a chairman of the board be not appointed, shall preside at all meetings of the directors, and he shall act as chairman at all meetings of the shareholders of the Corporation; he shall sign such contracts, documents or instruments in writing as require his signature and he shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

28. Vice-President. The vice-president (if any) or, if more than one, the vice-presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the president in the absence or inability or refusal to act of the president.

The vice-president or, if more than one, the vice-presidents in order of seniority, shall sign such contracts, documents or instruments in writing as require his or their signatures and shall also have such other powers and duties as may from time to time be assigned to him or them by resolution of the directors.

29. Secretary. The secretary shall give or cause to be given notices for all meetings of the directors or committees thereof (if any) and of shareholders when directed to do so, and shall have charge, subject to the provisions of paragraphs 30 and 50 hereof, of the records referred to in section 18 of the Act and of the corporate seal or seals (if any). He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

30. Treasurer. Subject to the provisions of any resolution of the directors, the treasurer (if any) shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depositary or depositaries as the directors may by resolution direct. He shall prepare, maintain and keep or cause to be kept adequate books of accounts and accounting records. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office. He may be required to give such bond for the faithful performance of his duties as the directors in their uncontrolled discretion may require, but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The assistant secretary or, if more than one, the assistant secretaries in order of seniority, and the assistant treasurer or, if more than one, the assistant treasurers in order of seniority (if any), shall respectively perform all the duties of the secretary and treasurer, respectively, in the absence or inability to act of the secretary or treasurer as the case may be. The assistant secretary or assistant secretaries, if more than one, and the assistant treasurer or assistant treasurers, if more than one, shall sign such contracts, documents or instruments in writing as require his or their signatures respectively and shall have such other powers and duties as may from time to time be assigned to them by resolution of the directors.

32. Managing Director. The directors may from time to time appoint from their number a managing director and may delegate to him any of the powers of the directors except as provided in subsection 73(2) of the Act. The managing director shall conform to all lawful orders given to him by the directors and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by the managing director shall be subject to discharge by the directors.

33. Vacancies. If the office of chairman of the board, president, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, or any other office created by the directors pursuant to paragraph 23 hereof, shall be or become vacant by reason of death, resignation, removal or in any other manner whatsoever, the directors may, subject to paragraph 23 hereof, appoint another person to fill such vacancy.

COMMITTEES OF DIRECTORS

34. The directors may from time to time appoint from their number one or more committees of directors consisting of one or more individuals and delegate to such committee or committees any of the powers of the directors except as provided in subsection 73(2) of the Act. Unless otherwise ordered by the directors, a committee of directors shall have power to fix its quorum, elect its chairman and regulate its proceedings. All such committees shall report to the directors as required by them.

SHAREHOLDERS' MEETING

35. Annual Meeting. Subject to compliance with section 85 of the Act, the annual meeting of the shareholders shall be convened on such day in each year and at such time as the directors may by resolution determine.

36. Special Meetings. (1) Special meetings of the shareholders may be convened by order of the chairman of the board, the president or a vice-president or by the directors, to be held at such time and place as may be specified in such order.

(2) Shareholders holding between them not less than ten percent (10%) of the issued shares of the Corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders. Such requisition shall state the business to be transacted at the meeting and shall be sent to each director and the registered office of the Corporation.

(3) Except as otherwise provided in subsection 96(3) of the Act, it shall be the duty of the directors on receipt of such requisition, to cause such meeting to be called by the secretary of the Corporation.

(4) If the directors do not, within twenty-one (21) days after receiving such requisition call such meeting, any shareholder who signed the requisition may call the meeting.

37. Place of Meetings. Meetings of shareholders of the Corporation shall be held at the registered office of the Corporation or at such other place within New Brunswick as the directors by resolution may determine. Notwithstanding the foregoing, a meeting of shareholders of the Corporation may be held outside New Brunswick if all the shareholders entitled to vote at that meeting so agree, and a shareholder who attends a meeting of shareholders held outside New Brunswick is deemed to have so agreed except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held. Notwithstanding either of the foregoing sentences, meetings of shareholders may be held outside New Brunswick at one or more places specified in the articles.

38. Notice. (1) Subject to the articles or a unanimous shareholder agreement, a printed, written or typewritten notice stating the day, hour, place of meeting, the general nature of the business to be transacted and, if special business is to be transacted thereat, stating

(a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and

(b) the text of any special resolution to be submitted to the meeting,

shall be sent to each person who is entitled to notice of such meeting and who on the record date for notice appears on the records of the Corporation or its transfer agent as a shareholder and to each director of the Corporation and the auditor of the Corporation, if any, personally, by sending such notice by prepaid mail or in such other manner as provided by by-law for the giving of notice, not less than twenty-one (21) days nor more than fifty (50) days before the meeting. If such notice is sent by mail it shall be addressed to the latest address of each such person as shown in the records of the Corporation or its transfer agent, or if no address is shown therein, then to the last address of each such person known to the secretary.

(2) The auditor of the Corporation, if any, is entitled to attend any meeting of shareholders of the Corporation and to receive all notices and other communications relating to any such meeting that a shareholder is entitled to receive.

39. Waiver of Notice. A meeting of shareholders may be held for any purpose at any time and, subject to section 84 of the Act, at any place without notice if all the shareholders entitled to notice of such meeting are present in person or represented by proxy at the meeting (except where the shareholder attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the shareholders entitled to notice of such meeting and not present in person nor represented by proxy thereat waive notice of the meeting. Notice of any meeting of shareholders or any irregularity in any such meeting or in the notice thereof may be waived by any shareholder, the duly appointed proxy of any shareholder, any directors or the auditor of the Corporation in writing, by telegram, cable, telex or facsimile addressed to the Corporation or by any other manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates.

40. Omission of Notice. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.

41. Record Date. (1) The directors may by resolution fix in advance a date as the record date for the determination of shareholders

(a) entitled to receive payment of a dividend;

(b) entitled to participate in a liquidation distribution; or

(c) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders,

but such record date shall not precede by more than fifty (50) days the particular action to be taken.

(2) The directors may by resolution also fix in advance the date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than fifty (50) days or by less than twenty-one (21) days the date on which the meeting is to be held.

(3) If no record date is fixed,

(a) the record date for the determination of share- holders entitled to receive notice of a meeting of shareholders shall be

(i) at the close of business on the day immediately preceding the day on which the notice is given; or

(ii) if no notice is given, the day on which the meeting is held; and

(b) the record date for the determination of shareholders for any purpose, other than that specified in subparagraph (a) above or to vote, shall be at the close of business on the day on which the directors pass the resolution relating thereto.

42. Voting. (1) Votes at meetings of the shareholders may be given either personally or by proxy. At every meeting at which he is entitled to vote, every shareholder present in person and every proxyholder shall have one (1) vote on a show of hands. Upon a poll at which he is entitled to vote, every shareholder present in person or by proxy shall (subject to the provisions, if any, of the articles) have one (1) vote for every share registered in his name.

(2) Voting at a meeting of shareholders shall be by show of hands except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting. A shareholder or proxyholder may demand a ballot either before or after any vote by show of hands. In case of an equality of votes the chairman of the meeting shall not have a second or casting vote in addition to the vote or votes to which he may be entitled as a shareholder or proxyholder.

(3) At any meeting, unless a ballot is demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

(4) In the absence of the chairman of the board, the president and every vice-president, the shareholders present entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the shareholders or proxyholders present shall choose one of their number to be chairman.

(5) If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment or termination it shall be taken forthwith without adjournment. If a ballot is demanded on any other question or as to the election of directors it shall be taken in

such manner and either at once or later at the meeting or at an adjourned meeting as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

(6) Where a person holds shares as a personal representative, such person or his proxy is the person entitled to vote at all meetings of shareholders in respect of the shares so held by him.

(7) Where a person mortgages or hypothecates his shares, such person or his proxy is the person entitled to vote at all meetings of shareholders in respect of such shares unless, in the instrument creating the mortgage or hypothec, he has expressly empowered the person holding the mortgage or hypothec to vote in respect of such shares, in which case, and subject to the articles, such holder or his proxy is the person entitled to vote in respect of the shares.

(8) Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote in respect of such share or shares, but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

43. Proxies. (1) A shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, none of whom are required to be a shareholder of the Corporation, which proxyholders shall have all the rights of the shareholder to attend and act at the meeting in the place and stead of the shareholder except to the extent limited by the proxy.

(2) An instrument appointing a proxy shall be in writing and shall be executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a body corporate, either under its seal or by an officer or attorney thereof, duly authorized. A proxy is valid only at the meeting in respect of which it is given or any adjournment thereof.

(3) Unless the Act requires another form, an instrument appointing a proxyholder may be in the following form:

"The undersigned shareholder of hereby appoints of or failing him, of as the proxy of the undersigned to attend and act for and on behalf of the undersigned at the meeting of the shareholders of the said corporation to be held on the day of , 20 , and at any adjournment thereof to the same extent and with the same power and authority as if the undersigned were personally present at the said meeting or such adjournment thereof.

Dated the day of , 20 .

_____

Signature of Shareholder

NOTE:

This form of proxy must be signed by a shareholder or his attorney authorized in writing or, if the shareholder is a body corporate, either under its seal or by an officer or attorney thereof duly authorized."

44. Adjournment. (1) The chairman of the meeting may with the consent of the meeting adjourn any meeting of shareholders from time to time to a fixed time and place. If a meeting of shareholders is adjourned for less than sixty (60) days, it is not necessary to give notice of the adjourned meeting other than by announcement at the earlier meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of sixty (60) days or more, notice of the adjourned meeting shall be given as for an original meeting.

(2) Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at the opening thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the opening of the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

45. Quorum. (1) Except as hereinafter provided, a quorum for any meeting of shareholders shall be one (1) or more shareholders or proxyholders holding or representing not less than a majority of the shares entitled to be voted at such meeting.

(2) If a quorum is present at the opening of a meeting of shareholders, the shareholders present in person or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting.

(3) If a quorum is not present at the opening of a meeting of shareholders, the shareholders present in person or represented by proxy may adjourn the meeting to a fixed time and place but not transact any other business.

(4) Where the Corporation has only one shareholder or only one holder of any class or series of shares, or if only one person is present at a meeting holding or representing sufficient shares to constitute a quorum, the shareholder present in person or by proxy constitutes a meeting.

46. Resolution in Lieu of meeting. A resolution in writing signed by all the shareholders or signed counterparts of such resolution by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders duly called, constituted and held. A copy of every such resolution or counterpart thereof shall be kept with the minutes of the meetings of shareholders.

47. Telephone Participation. A shareholder may participate in a meeting of shareholders or of a committee of shareholders by means of such telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a shareholder participating in such a meeting by such means shall be deemed to be present at that meeting.

SHARES AND TRANSFERS

48. Issuance. Subject to the articles, any unanimous shareholder agreement and to section 27 of the Act, shares in the Corporation may be issued at such times and to such persons or classes of persons and, subject to sections 23 and 24 of the Act, for such consideration as the directors may determine.

49. Certificates. Share certificates (and the form of stock transfer power on the reverse side thereof) shall (subject to compliance with section 47 of the Act) be in such form and be signed by such director(s) or officer(s) as the directors may from time to time by resolution determine. Such certificates shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, and any additional signatures required on a share certificate may be printed or otherwise mechanically reproduced thereon. If a share certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the share certificate notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the share certificate is as valid as if he were a director or an officer at the date of its issue.

50. Registrar and Transfer Agent. The directors may from time to time by resolution appoint or remove one or more registrars and/or branch registrars (which may but need not be the same person) to keep the share register and/or one or more transfer agents and/or branch transfer agents (which may but need not be the same person) to keep the register of transfers, and (subject to section 48 of the Act) may provide for the registration of issues and the registration of transfers of the shares of the Corporation in one or more places and such registrars and/or branch registrars and/or transfer agents and/or branch transfer agents shall keep all necessary books and registers of the Corporation for the registration of the issuance and the registration of transfers of the shares of the Corporation for which they are so appointed. All certificates issued after any such appointment representing shares issued by the Corporation shall be countersigned by or on behalf of one of the said registrars and/or branch registrars and/or transfer agents and/or branch transfer agents, as the case may be.

51. Surrender of Share Certificates. No transfer of a share issued by the Corporation shall be recorded or registered unless or until the certificate representing the share to be transferred has been surrendered and cancelled or, if no certificate has been issued by the Corporation in respect of such share, unless or until a duly executed share transfer power in respect thereof has been presented for registration.

52. Defaced, Destroyed, Stolen or Lost Certificates. If the defacement, destruction or apparent destruction, theft, or other wrongful taking or loss of a share certificate is reported by the owner thereof to the Corporation or to a registrar, branch registrar, transfer agent or branch transfer agent of the Corporation (hereinafter, in this paragraph, called the "Corporation's transfer agent") and such owner gives to the Corporation or the Corporation's transfer agent a written statement verified by oath or statutory declaration as to the defacement, destruction or apparent destruction, theft, or other wrongful taking or loss and the circumstances concerning the same, a request for the issuance of a new certificate to replace the one so defaced, destroyed, wrongfully taken or lost and a bond of a surety company (or other security approved by the directors) in such form as is approved by the directors or by the chairman of the board, the president, a

vice-president, the secretary or the treasurer of the Corporation, indemnifying the Corporation (and the Corporation's transfer agent, if any), against all loss, damage or expense, which the Corporation and/or the Corporation's transfer agent may suffer or be liable for by reason of the issuance of a new certificate to such shareholder, a new certificate may be issued in replacement of the one defaced, destroyed or apparently destroyed, stolen or otherwise wrongfully taken or lost, if such issuance is ordered and authorized by any one of the chairman of the board, the president, a vice-president, the secretary or the treasurer of the Corporation or by resolution of the directors.

DIVIDENDS

53. Declaration and Payment of Dividends. (1) Subject to the following subparagraph (2), the directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares, subject to the provisions (if any) of the articles.

(2) The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that;

(a) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

(3) Subject to section 41 of the Act, the Corporation may pay a dividend in money or property or by issuing fully paid shares of the Corporation.

54. Receipt of Dividends by Joint Holders. In case two or more persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments on redemption of securities (if any) subject to redemption in respect of such securities.

VOTING SECURITIES IN OTHER BODIES CORPORATE

55. All securities of any other body corporate carrying voting rights held from time to time by the Corporation may be voted at all meetings of shareholders, bondholders, debenture holders or holders of such securities, as the case may be, of such other body corporate in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the directors.

NOTICE

56. Service. (1) Any notice or other document required to be given or sent by the Corporation to any shareholder, director or auditor of the Corporation shall be delivered personally or sent by prepaid mail or by telegram, telex, cablegram or facsimile addressed to:

(a) the shareholder at his latest address as shown on the records of the Corporation or its transfer agent; and

(b) the director at his latest address as shown in the records of the Corporation or in the last notice filed under section 64 or 71 of the Act.

With respect to every notice or other document sent by prepaid mail it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed and put into a post office letter box.

(2) If the Corporation sends a notice or document to a shareholder in accordance with the provisions of the foregoing subparagraph (2) and the notice or document is returned on three (3) consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

57. Shares registered in more than one name. All notices or other documents required to be sent to a shareholder by the Act, the regulations under the Act, the articles or the by-laws of the Corporation shall, with respect to any shares in the capital of the Corporation registered in more than one name, be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficient notice or delivery of such document to all the holders of such shares.

58. Persons becoming entitled by operation of law. Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or other document in respect of such shares which prior to his name and address being entered on the records of the Corporation shall have been duly given to the person or persons from whom he derives his title to such shares.

59. Deceased Shareholder. Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with other persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or other document on his heirs, executors or administrators and all persons (if any) interested with him in such shares.

60. Signatures to Notices. The signature of any director or officer of the Corporation to any notice may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

61. Computation of Time. Where a given number of days' notice or notice extending over any period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice shall, unless it is otherwise provided, be counted in such number of days or other period and such notice shall be deemed to have been given or sent on the day of service or posting.

62. Proof of Service. A certificate of any officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the mailing or delivery or service of any notice or other documents to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS, NOTES, ETC.

63. All cheques, drafts or orders for the payment of money and all notes, acceptances and bills of exchange shall be signed by such officer or officers or other person or persons, whether or not officers of the Corporation, and in such manner as the directors may from time to time designate by resolution.

CUSTODY OF SECURITIES

64. (1) All securities (including warrants) owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the directors, with such other depositaries or in such other manner as may be determined from time to time by the directors.

(2) All securities (including warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

EXECUTION OF CONTRACTS, ETC.

65. (1) Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any one of the directors and officers. All contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing. Where the Corporation has only one director and officer, being the same person, that person may sign all such contracts, documents or other written instruments.

(2) The corporate seal (if any) may, when required, be affixed to contracts, documents or instruments in writing signed as aforesaid by an officer or officers, person or persons appointed as aforesaid by resolution of the directors.

(3) The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immoveable or moveable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, warrants, bonds, debentures or other securities and all paper writings.

(4) In particular, without limiting the generality of the foregoing, any one of the directors or officers of the Corporation are hereby authorized to sell, assign, transfer, exchange, convert or convey all shares, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying or enforcing or exercising any voting rights in respect of any such shares, bonds, debentures, rights, warrants or other securities. Where the Corporation has only one director and officer, being the same person, that person may perform the functions and exercise the powers herein contemplated.

AUDITOR

66. At each annual meeting of the shareholders of the Corporation an auditor may be appointed for the purpose of auditing and verifying the accounts of the Corporation for the then current year and his report shall be submitted at the next annual meeting of the shareholders. The auditor shall not be a director or an officer of the Corporation. Unless fixed by the meeting of shareholders at which he is appointed, the remuneration of the auditor shall be determined from time to time by the directors.

FISCAL YEAR

67. The fiscal period of the Corporation shall terminate on such day in each year as the directors may from time to time by resolution determine.

BORROWING

68. General Borrowing. The directors may from time to time:

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation;

(c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The directors may from time to time authorize any director or directors, or officer or officers, of the Corporation, to make arrangements with reference to the money borrowed or to be borrowed

as aforesaid, and as to the terms and conditions of the loan thereof, and as to the securities to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the Corporation as the directors of the Corporation may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

* *

ENACTED by the sole shareholder of the Corporation on the 1st day of January, 2008.

Donald R. Walker
Secretary

* *

APPROVED, RATIFIED AND CONFIRMED by the sole shareholder of the Corporation on 1st day of January, 2008.

XERIUM V (US) LIMITED

By: _____
Donald R. Walker
Vice President and Assistant Secretary

Erklärung über die Errichtung der Gesellschaft

(Gesellschaftsvertrag)

der

HUYCK.WANGNER Austria GmbH

§ 1
Firma der Gesellschaft

Die Firma der Gesellschaft lautet:

HUYCK.WANGNER Austria GmbH

§ 2
Sitz der Gesellschaft

Der Sitz der Gesellschaft ist Gloggnitz, Niederösterreich.

§ 3
Dauer der Gesellschaft

Die Gesellschaft ist auf unbestimmte Zeit errichtet.

§ 4
Gegenstand des Unternehmens

1. Gegenstand des Unternehmens ist die fabriksmäßige Erzeugung und Verarbeitung von Filztuchen, Wollwaren, Garnen, Gespinsten, Geweben, Gewirken und Geflechten aus Material jeder Art sowie der Handel mit diesen Waren.

2. Die Gesellschaft ist zu allen Geschäften und Maßnahmen berechtigt, die zur Erreichung des Gesellschaftszweckes notwendig oder nützlich erscheinen, insbesondere zum Erwerb von Liegenschaften, zur Errichtung von Zweigniederlassungen und Tochtergesellschaften im In- und Ausland sowie zur Beteiligung an anderen Unternehmen.

§ 5
Stammkapital und Stammeinlagen

1. Das Stammkapital der Gesellschaft beträgt € 6.178.000,00 (Euro sechs Millionen einhundertachtundsiebzigtausend).

2. Die Stammeinlagen sind zur Gänze bar eingezahlt.

§ 6
Geschäftsanteile

1. Die Teilung, Übertragung und Verpfändung von Geschäftsanteilen bedarf der Zustimmung der Gesellschafter.

2. Die Ausgabe von nicht stimmberechtigten Geschäftsanteilen ist untersagt.

§ 7
Geschäftsjahr

Die Geschäftsjahre sind die Kalenderjahre.

§ 8
Organe der Gesellschaft

Die Organe der Gesellschaft sind die Geschäftsführer, der Aufsichtsrat und die Generalversammlung.

§ 9
Geschäftsführer

1. Die Gesellschafter bestellen durch Beschluss einen oder mehrere Geschäftsführer.

2. Ist nur ein Geschäftsführer bestellt, so vertritt dieser die Gesellschaft allein. Sind mehrere Geschäftsführer bestellt, so wird die Gesellschaft durch zwei Geschäftsführer oder durch einen Geschäftsführer und einen Prokuristen gemeinsam vertreten. Die Gesellschaft kann mit den gesetzlichen Einschränkungen auch durch zwei Prokuristen vertreten werden.

Die Generalversammlung kann bestimmen, dass einzelne Geschäftsführer allein zur Vertretung der Gesellschaft befugt sein sollen.

3. Die Gesellschafter haben, wenn mehrere Geschäftsführer bestellt sind, die Verteilung der Geschäfte zwischen den Geschäftsführern zu bestimmen, sowie die Geschäfte festzulegen, die ihrer Zustimmung bedürfen.

§ 10
Aufsichtsrat

Die Generalversammlung kann einen Aufsichtsrat bestellen; geschieht dies, dann gelten folgende Bestimmungen:

1. Zusammensetzung des Aufsichtsrates:

   a) Der Aufsichtsrat besteht aus mindestens drei bis zwölf von der Generalversammlung gewählten Mitgliedern.

   b) Die Funktionsperiode des Aufsichtsrates währt jeweils längstens bis zur Beschlussfassung über den vierten Jahresabschluss nach der Wahl.

   c) Scheidet ein Aufsichtsratsmitglied während der Dauer seiner Funktionsperiode aus dem Aufsichtsrat aus, dann ist eine Ersatzwahl nur erforderlich, wenn durch das Ausscheiden die Zahl der Aufsichtsratsmitglieder unter drei sinkt.

   d) Die Funktionsperiode eines auf diese Weise gewählten Aufsichtsratsmitgliedes endet gleichzeitig mit der Funktionsperiode der übrigen Mitglieder, soweit die Gesellschafter nicht etwas anderes beschließen.

   e) Jedes Mitglied des Aufsichtsrates kann sein Amt unter Einhaltung einer vierwöchigen Frist auch ohne wichtigen Grund mit schriftlicher Anzeige niederlegen.

   f) Der Aufsichtsrat wählt in einer im Anschluss an die ordentliche Generalversammlung abzuhaltenden Sitzung in der ein oder mehrere Mitglieder in den Aufsichtsrat gewählt wurden und zu der es keiner besonderen Einladung bedarf,

aus seiner Mitte einen Vorsitzenden und einen oder zwei Stellvertreter.

g) Erhält bei einer Wahl keiner die absolute Mehrheit, so erfolgt eine Stichwahl zwischen denjenigen, welche die meisten Stimmen erhalten haben.

h) Willenserklärungen des Aufsichtsrates und seiner Ausschüsse sind vom Vorsitzenden des Aufsichtsrates, im alle seiner Verhinderung von einem seiner Stellvertreter, abzugeben.

2. Sitzungen und Beschlussfassungen des Aufsichtsrates:

a) Der Aufsichtsrat hat sich seine Geschäftsordnung selbst zu geben.

b) Zu den Sitzungen des Aufsichtsrates beruft der Vorsitzende, im Falle seiner Verhinderung einen Stellvertreter, die Mitglieder unter der zuletzt bekannt gegebenen Anschrift brieflich, mittels Telefax oder E-Mail ein.

c) Der Aufsichtsrat ist beschlussfähig, wenn mindestens drei Mitglieder, darunter der Vorsitzende oder ein Stellvertreter, anwesend sind. Der Vorsitzende, im Fall seiner Verhinderung ein Stellvertreter, leitet die Sitzung. Die Art der Abstimmung bestimmt der Leiter der Sitzung.

d) Beschlüsse werden mit einfacher Mehrheit der abgegebenen Stimmen gefasst. Im Falle der Stimmengleichheit entscheidet — auch bei Wahlen — die Stimme des Leiters die Sitzung.

e) An den Sitzungen des Aufsichtsrates können mit Zustimmung des Aufsichtsrates auch nicht dem Aufsichtsrat angehörige Personen anstelle der Aufsichtsratmitglieder teilnehmen, wenn sie von diesen hiezu schriftlich ermächtigt sind. Ein von der Sitzung abwesendes Aufsichtsratsmitglied kann mit schriftlicher Vollmacht ein anderes Mitglied, das an der Sitzung teilnimmt, zur Ausübung seines Stimmrechts bei allen der Sitzung unterbreiteten Angelegenheiten oder zur Überreichung seiner Stimmabgabe ermächtigen.

f) Über die Verhandlungen und Beschlüsse des Aufsichtsrates ist eine Niederschrift anzufertigen, die vom Leiter der Sitzung zu unterzeichnen ist.

g) Beschlüsse können auch auf schriftlichem Wege gefasst werden, wenn der Vorsitzende oder im Falle seiner Verhinderung ein Stellvertreter eine solche Beschlussfassung anordnet und kein Mitglied des Aufsichtsrates diesem Verfahren widerspricht.

Für die schriftliche Stimmabgabe gelten die Bestimmungen von lit. d) entsprechend.

3. Ausschüsse des Aufsichtsrates:

a) Der Aufsichtsrat kann aus seiner Mitte Ausschüsse bilden. Ihre Aufgaben, Befugnisse und deren Geschäftsordnungen werden vom Aufsichtsrat festgesetzt; den Ausschüssen kann auch die Befugnis zu Entscheidungen übertragen werden.

b) Die Bestimmungen des Absatzes 2 (zwei) lit. b) bis g) gelten sinngemäß auch für die Ausschüsse des Aufsichtsrates. Besteht ein Ausschuss nur aus zwei Mitgliedern, so ist der Ausschuss nur beschlussfähig, wenn beide Mitglieder anwesend sind.

4. Zustimmungspflichtige Geschäfte:

Folgende in § 30j Absatz (5) des Gesetzes über Gesellschaften mit beschränkter Haftung bezeichneten Geschäfte sollen unabhängig von der Betragshöhe nur mit Zustimmung des Aufsichtsrates vorgenommen werden:

a) der Erwerb und die Veräußerung von Beteiligungen (§ 228 UGB) sowie Erwerb, Veräußerung und Stilllegung von Unternehmen und Betrieben;

b) die Gewährung von Darlehen und Krediten an Unternehmen, die nicht der Xerium Gruppe angehören;

c) die Aufnahme von Anleihen, folgende Geschäfte nur, sofern die nachfolgend festgelegten Betragsgrenzen überschritten werden;

d) € 7 Millionen (Euro sieben Millionen) für Investitionen im einzelnen und € 18 Millionen (Euro achtzehn Millionen) insgesamt in einem Geschäftsjahr;

e) € 7 Millionen (Euro sieben Millionen) im einzelnen und € 18 Millionen (Euro

achtzehn Millionen) insgesamt in einem Geschäftsjahr für die Aufnahme von Darlehen und Krediten;

f) € 18 Millionen (Euro achtzehn Millionen) für die Gewährung von Darlehen und Krediten an Unternehmen, die der Xerium Gruppe, angehören.

§ 11
Generalversammlung

1 Die Generalversammlung wird durch die Geschäftsführer oder den Aufsichtsrat einberufen und am Sitze der Gesellschaft oder in einer österreichischen Landeshauptstadt abgehalten.

2. Den Vorsitz in der Generalversammlung führt der von den Gesellschaftern dazu Bestimmte; haben sie keinen Vorsitzenden bestellt oder ist der Bestellte nicht erschienen oder nicht zur Leitung der Versammlung bereit, so leitet die Generalversammlung der an Jahren älteste Teilnehmer. Der Vorsitzende der Generalversammlung leitet die Verhandlungen und bestimmt die Reihenfolge die Art der Gegenstände der Tagesordnungen sowie die Art der Abstimmung.

3. Sofern das Gesetz nicht zwingend eine andere Mehrheit vorschreibt, beschließt die Generalversammlung mit einfacher Mehrheit der abgegebenen Stimmen. Wenn sämtliche Gesellschafter damit einverstanden sind, kann eine Beschlussfassung auch auf schriftlichem Weg erfolgen, wobei die erforderliche Mehrheit nicht nach der Zahl der abgegebenen, sondern nach der Gesamtzahl der allen Gesellschaftern zustehenden Stimmen berechnet wird.

4. Die Ausübung des Stimmrechtes durch Bevollmächtigte ist nur mit schriftlicher Vollmacht möglich.

5. Die gesetzlichen Minderheitsrechte stehen, soweit gesetzlich zulässig, Gesellschaftern zu, deren Stammeinlagen den zwanzigsten Teil des Stammkapitals erreichen.

§ 12
Jahresabschluss

1. Innerhalb der ersten fünf Monate eines jeden Geschäftsjahres haben die Geschäftsführer für das vergangene Geschäftsjahr den Jahresabschluss samt Anhang und Lagebericht aufzustellen.

2. Die Generalversammlung beschließt alljährlich die Genehmigung des Jahresabschlusses, Verteilung des Reingewinnes und die Entlastung der Geschäftsführer sowie der Mitglieder des Aufsichtsrates, falls ein Aufsichtsrat bestellt wurde (ordentliche Generalversammlung).

§ 13
Gewinnverteilung

1. Der Reingewinn, der sich nach Vornahme der Vorschreibungen, Wertberichtigungen, sowie nach Bildung von Rückstellungen und Rücklagen ergibt, unterliegt der Verteilung durch Gesellschafterbeschluss.

2. Die Gewinnanteile der Gesellschafter werden im Verhältnis der eingezahlten Stammeinlagen verteilt.

3. Die Gewinnanteile sind, falls die Generalversammlung nichts anderes beschlossen hat, dreißig Tage nach Abhaltung der Generalversammlung zur Zahlung fällig. Binnen drei Jahren nach Fälligkeit nicht behobene Gewinnanteile der Gesellschafter verfallen zugunsten der Gesellschaft.

§ 14
Bekanntmachungen

Die Bekanntmachungen der Gesellschaft und unter den Gesellschaftern erfolgen durch eingeschriebene Briefe an die Gesellschafter, und zwar an deren der Gesellschaft zuletzt bekannt gegebenen Adresse.

§ 15
Ergänzungsbestimmungen

Soweit in diesem Vertrag keine besonderen Bestimmungen getroffen wurden, gelten ergänzend die Bestimmungen des Gesetzes über die Gesellschaft mit beschränkter Haftung (GmbH-Gesetz) in seiner jeweils aktuellen Fassung.

Gesellschaftsvertrag

der

Xerium Germany Holding GmbH

Artikel 1
Firma und Sitz der Gesellschaft

(1) Die Firma der Gesellschaft lautet

Xerium Germany Holding GmbH.

(2) Die Gesellschaft hat ihren Sitz in Reutlingen.

Artikel 2
Gegenstand der Gesellschaft

(1) Gegenstand des Unternehmens der Gesellschaft ist die unternehmerische Führung von Tochterunternehmen sowie die Erbringung von Dienstleistungen im Zusammenhang mit dem Betrieb elektronischer Datenverarbeitungssysteme, die Beteiligung an anderen Gesellschaften und das Halten und Verwalten von Geschäftsanteilen.

(2) Innerhalb dieses Gegenstands der Gesellschaft ist die Gesellschaft berechtigt, weitere Unternehmen innerhalb Deutschlands oder im Ausland zu errichten, bestehende zu erwerben oder sich an ihnen zu beteiligen, Unternehmen zu leiten und/oder Zweigstellen oder Tochtergesellschaften in Deutschland oder im Ausland zu errichten.

(3) Die Gesellschaft ist weiterhin zur Vornahme aller Handlungen berechtigt, die für die Gesellschaft vorteilhaft sind oder sein könnten und nicht gesetzlich verboten sind, insbesondere Patente, Warenzeichen, Lizenzen, Franchise Verträge und alle anderen

gegenständlichen und immateriellen Eigentumsrechte zu erwerben, zu benutzen, zu übertragen oder zu verkaufen sowie Grundstücke und Rechte an Grundstücken zu erwerben, zu verkaufen, zu mieten oder mit Hypotheken zu belasten.

Artikel 3
Dauer

Die Gesellschaft wird auf unbestimmte Zeit errichtet.

Artikel 4
Geschäftsjahr

Das Geschäftsjahr ist das Kalenderjahr.

Die Zeit vom 1. Juli 2004 bis zum 31. Dezember 2004 ist ein Rumpfgeschäftsjahr.

Artikel 5
Stammkapital; Geschäftsanteile

(1) Das Stammkapital der Gesellschaft beträgt Euro 25.100,00 (in Worten: Euro fünfundzwanzigtausendeinhundert).

(2) Die Ausgabe von stimmrechtslosen Geschäftsanteilen ist ausgeschlossen.

Artikel 6
Geschäftsführung und Vertretung der Gesellschaft

(1) Die Gesellschaft wird durch einen oder mehrere Geschäftsführer vertreten, die durch einen Gesellschafterbeschluss mit einfacher Mehrheit ernannt oder abberufen werden.

(2) Falls mehrere Geschäftsführer ernannt sind, wird die Gesellschaft durch zwei Geschäftsführer gemeinsam oder durch einen Geschäftsführer zusammen mit einem Prokuristen vertreten. Die Gesellschafter können jedoch bestimmen, dass einer oder mehrere oder alle Geschäftsführer die Gesellschaft einzeln vertreten können. Falls nur ein Geschäftsführer bestellt ist, vertritt er die Gesellschaft allein.

(3) Die Gesellschafter können einen oder mehrere Geschäftsführer von den Beschränkungen des § 181 BGB befreien.

Artikel 7
Veröffentlichungen

Veröffentlichungen der Gesellschaft erfolgen nur im Bundesanzeiger.

Artikel 8
Gründungskosten

Die durch die Gründung der Gesellschaft verursachten Notar-, Gerichts- und Veröffentlichungskosten und Steuern trägt die Gesellschaft bis zu einem Betrag von Euro 1.500,00.

S T A T U T O

DENOMINAZIONE - OGGETTO - SEDE - DURATA

1. E' costituita una società per azioni con la denominazione

" XERIUM ITALIA S.p.A."

2. La Società ha per oggetto, in via prevalente, lo svolgimento di attività di natura finanziaria, incluso l'assunzione, sia direttamente che indirettamente, di interessenze e partecipazioni in altre società e/o imprese e/o enti costituiti o costituendi, non nei confronti del pubblico ma unicamente nei confronti di società controllate o collegate ai sensi dell'art. 2359 c.c.

   La Società ha altresì per oggetto, sempre non nei confronti del pubblico e comunque riguardo alle società controllanti, controllate o collegate, di una o più delle seguenti attività:

- concessione di finanziamenti sotto qualsiasi forma;
- servizi di incasso, pagamento e trasferimento fondi, con conseguente addebito ed accredito dei relativi oneri ed interessi;
- coordinamento tecnico, amministrativo e finanziario delle società controllanti, controllate o collegate;
- raccolta di fondi presso i propri soci, sotto forma di mutui con o senza interessi, in ottemperanza alle disposizioni di legge e nel rispetto della deliberazione C.I.C.R. del 3 marzo 1994 e delle altre norme di legge e regolamenti di volta in volta applicabili;
- prestazione di avalli, fideiussioni ed ogni altra garanzia, anche reale.

Sono in ogni caso tassativamente escluse:

- l'attività di locazione finanziaria;
- le attività professionali riservate;
- la sollecitazione del pubblico risparmio ai sensi delle vigenti norme;
- l'esercizio nei confronti del pubblico delle attività di cui all'articolo 106 del Decreto legislativo 1 settembre 1993 n. 385; l'erogazione del credito al consumo, e ciò anche nell'ambito dei propri soci, secondo quanto disposto dal Ministero del Tesoro con decreto del 27 settembre 1991, pubblicato sulla Gazzetta Ufficiale n. 227;
- le attività di cui alla legge 2 gennaio 1991 n. 1;
- le attività di cui al D. L. 20 novembre 1990 n. 356;
- l'attività di factoring di qualsiasi tipo, rientrante o meno nel disposto della legge 21 febbraio 1991 n. 52.

Al fine di realizzare l'oggetto sociale, la Società potrà inoltre, in via non prevalente, compiere tutte le operazioni commerciali, industriali, mobiliari ed immobiliari, nel rispetto della corrente normativa legale e regolamentare, ritenute dall'Organo Amministrativo necessarie od utili ed in particolare, la produzione, l'acquisto, la vendita, l'importazione, l'esportazione, l'immagazzinaggio, l'assemblaggio e, in genere, il commercio, sia in proprio che quale rappresentante, agente o commissionaria di altre ditte o imprese, anche estere, di qualsiasi genere di prodotto comunque collegato con la produzione della carta. La Società potrà inoltre, acquistare o cedere, concedere od accettare licenze d'uso di brevetti industriali, know how e diritti di proprietà industriale e commerciale in genere.

3. La Società ha la sede legale in Milano.

   La Società potrà istituire, in Italia ed all'estero, sedi secondarie, filiali, succursali, agenzie e rappresentanze.

4. Il domicilio dei soci, per quel che concerne i loro rapporti con la Società, è quello che risulta dal libro dei soci.

5. La durata della Società è stabilita sino al 31 dicembre 2100 e può essere prorogata.

CAPITALE

6. Il capitale sociale è di Euro 6.759.320 ed è suddiviso in 6.759.320 azioni ordinarie del valore nominale di Euro 1 cadauna. La Società non potrà emettere azioni prive di diritto di voto.

7. I versamenti sulle azioni non liberate sono richiesti dall'Organo Amministrativo nei termini e nei modi da esso ritenuti convenienti, fermo il disposto dell'art. 2344 del Codice Civile.

8. In caso di esuberanza del capitale, l'Assemblea Straordinaria può deliberarne la riduzione, oltre che nei modi stabiliti dall'art. 2482 C.C., anche mediante assegnazione a singoli soci o gruppi di soci di determinate attività sociali.

ASSEMBLEA

9. La convocazione dell'Assemblea è fatta a cura dell'Organo Amministrativo mediante avviso comunicato agli azionisti con qualsiasi mezzo che garantisca la prova dell'avvenuto ricevimento tra cui lettera raccomandata, fax o messaggio di posta elettronica, almeno 15 giorni prima dell'assemblea. L'avviso deve contenere l'indicazione del giorno, dell'ora e del luogo dell'adunanza, nonché dell'elenco delle materie da trattare. Nello stesso avviso potrà essere fissata per altro giorno la seconda adunanza o successiva adunanza, qualora la prima andasse deserta.

   L'avviso di convocazione dell'Assemblea può essere sottoscritto da persona delegata dall'Organo Amministrativo.

   E', tuttavia, valida l'Assemblea non convocata a norma delle procedure sopra indicate qualora venga rappresentato l'intero capitale sociale e partecipi all'Assemblea stessa,

anche mediante mezzi di telecomunicazione, anche la maggioranza dei componenti dell'organo amministrativo e dei componenti del collegio sindacale.

10. L'Assemblea è ordinaria o straordinaria ai sensi di legge e di Statuto.

Essa può essere convocata anche in luogo diverso dalla sede sociale purché in Italia, in qualunque paese dell'Unione Europea e negli U.S.A.

Quando particolari esigenze relative alla struttura ed all'oggetto della società lo richiedano, l'Assemblea Ordinaria per l'approvazione del bilancio può essere convocata entro 180 giorni dalla chiusura dell'esercizio sociale.

L'Assemblea potrà svolgersi anche in più luoghi, contigui o distanti, e sarà possibile intervenire in Assemblea mediante mezzi di telecomunicazione tra cui mezzi di audio/video collegamento. L'Assemblea dovrà, in ogni caso, svolgersi con modalità tali che tutti coloro che hanno il diritto di parteciparvi possano rendersi conto in tempo reale degli eventi, formare liberamente il proprio convincimento ed esprimere liberamente e tempestivamente il proprio voto. Il verbale dovrà dare atto delle modalità in cui si è svolta l'Assemblea.
Verificandosi questi requisiti l'Assemblea si considererà tenuta nel luogo in cui si trova il Presidente e dove pure deve trovarsi il segretario onde consentire la stesura e la sottoscrizione dei verbali sul relativo libro.

11. Il Presidente dell'Assemblea e il segretario che lo assiste, anche non soci, sono designati a maggioranza dei soci intervenuti all'Assemblea.

Il Presidente dell'Assemblea verifica il diritto di intervento all'Assemblea e la regolarità delle deleghe.

12. Le deliberazioni dell'Assemblea ordinaria e straordinaria dei soci saranno validamente prese con le maggioranze stabilite dall'art. 2368 C.C. e, in caso di seconda o successiva convocazione, dall'art. 2369 C.C..

Quando per la validità delle deliberazioni la legge ritiene sufficiente la maggioranza assoluta dei voti, essa viene calcolata senza che si tenga conto delle astensioni dal voto.

13. Le nomine alle cariche sociali così come tutte le altre delibere si fanno per votazione palese.

AMMINISTRAZIONE

14. La Società è amministrata da un Amministratore Unico o da un Consiglio composto da due (2) ad undici (11) membri anche non soci, eletti dall'Assemblea Ordinaria dei soci, che determina anche il numero dei componenti del Consiglio e la durata della carica sia degli stessi che, a seconda dei casi, dell'Amministratore Unico.

L'Amministratore Unico o i consiglieri restano in carica per tre (3) esercizi, salvo diversa disposizione della delibera di nomina che può anche stabilire scadenze diverse

del mandato di singoli consiglieri e comunque per un periodo non superiore a tre (3) esercizi; decadono e si sostituiscono a norma di legge, e possono essere rieletti.

In caso di scadenza per qualunque causa del mandato, l'Organo Amministrativo resterà peraltro in carica fino a che l'Assemblea Ordinaria avrà deliberato in merito al suo rinnovo e sarà intervenuta l'accettazione da parte di almeno metà dei nuovi consiglieri.

15. Qualora per dimissioni o per altra causa venga a mancare, prima della scadenza del mandato, più della metà dei consiglieri in carica, o, nel caso in cui il Consiglio di Amministrazione sia composto da due membri e per dimissioni o per altra causa venga a mancare uno dei due membri, l'intero Consiglio s'intende scaduto e deve convocarsi senza ritardo l'Assemblea ordinaria per l'elezione di un nuovo Organo Amministrativo.

    Nel Consiglio di Amministrazione composto di due membri il dissenso sulla revoca del Consigliere Delegato determina la decadenza dell'intero Consiglio.

16. Ove non sia già stato eletto dall'Assemblea ordinaria il Consiglio elegge per votazione palese fra i suoi membri il Presidente. Può eleggere anche uno o più Vice-Presidenti.

    Il segretario, anche non consigliere o non socio, viene designato dai consiglieri intervenuti a ciascuna riunione del Consiglio.

17. Il Consiglio si raduna sia presso la sede sociale, sia altrove, in Italia o in qualunque altro luogo designato dagli amministratori, anche mediante mezzi di telecomunicazione.

    Le riunioni del Consiglio di Amministrazione sono convocate dal Presidente o da un Vice-Presidente allorché sia necessario o qualora ne sia fatta richiesta scritta da almeno un consigliere. Le formalità di convocazione del Consiglio possono essere delegate ad un terzo, anche non consigliere o non socio, per conto del Presidente o di un Vice-Presidente.

18. Il Consiglio viene convocato con lettera raccomandata da spedirsi almeno sette (7) giorni prima della adunanza a ciascun consigliere e sindaco effettivo e, nei casi di urgenza, con telegramma, e-mail o telefax da spedirsi ai medesimi almeno ventiquattro (24) ore prima dell'adunanza.

    Tuttavia, anche in mancanza di dette formalità, il Consiglio potrà validamente deliberare qualora siano presenti, anche mediante mezzi di telecomunicazione, tutti i consiglieri e sindaci effettivi in carica.

19. Per la validità delle deliberazioni del Consiglio è necessaria la presenza, effettiva o mediante mezzi di telecomunicazione, della maggioranza dei consiglieri in carica. Il Consiglio di Amministrazione può riunirsi e validamente deliberare anche mediante mezzi di telecomunicazione, tra cui mezzi di audio/video collegamento, purché la riunione si svolga con modalità tali che tutti coloro che hanno il diritto di parteciparvi possano rendersi conto in tempo reale degli eventi, formare liberamente il proprio convincimento ed esprimere liberamente e tempestivamente il proprio voto.

Verificandosi questi requisiti il consiglio di amministrazione si considererà tenuto nel luogo in cui si trova il Presidente e dove pure deve trovarsi il segretario onde consentire la stesura e la sottoscrizione dei verbali sul relativo libro. In caso di parità di voti prevale il voto di chi presiede.

In assenza del Presidente e di Vice-Presidenti la riunione è presieduta dal consigliere designato a maggioranza dagli intervenuti. Le deliberazioni sono prese a maggioranza assoluta di voti dei presenti.

Le deliberazioni del Consiglio devono essere verbalizzate nel libro dei verbali delle riunioni del Consiglio, o, qualora ciò non sia immediatamente possibile, in un documento firmato da chi presiede la riunione e dal segretario designato per la medesima. In questo ultimo caso il verbale deve essere trascritto nel libro dei verbali delle riunioni del Consiglio e, qualora fosse redatto in lingua straniera, deve essere previamente tradotto in lingua italiana sotto la responsabilità di chi presiede la riunione. Il verbale trascritto nel libro dei verbali delle riunioni del Consiglio deve in ogni caso essere sottoscritto da chi presiede la riunione e dal segretario designato per la medesima.

20. L'Organo Amministrativo ha i più ampi poteri per la gestione ordinaria e straordinaria della Società, ed ha facoltà di compiere tutti gli atti che ritenga opportuni per l'attuazione dell'oggetto sociale, esclusi soltanto quelli che la legge riserva inderogabilmente alla competenza dell'Assemblea.

21. Il Consiglio di Amministrazione può delegare parte delle proprie attribuzioni, congiuntamente o disgiuntamente, a norma dell'art. 2381 del Cod. Civ.

22. L'Organo Amministrativo può nominare direttori, institori e procuratori negoziali delegando ai medesimi, congiuntamente o disgiuntamente, il potere di compiere determinati atti o categorie di atti in nome e per conto della Società, con eventuale facoltà di subdelega.

23. Le eventuali obbligazioni dei legali rappresentanti, dei consiglieri di amministrazione e dei procuratori della società derivanti da sanzioni tributarie non penali e connesse spese ed onorari legali, che siano state applicate nei loro confronti in relazioni a violazioni di norme tributarie compiute nell'esercizio di funzioni loro delegate, sono assunte dalla società entro i limiti di legge, ed in particolare entro i limiti fissati dall'art. 11 comma 6° del D.L.G.S. 18.12.97 n. 472, come modificato dal DLV n. 203/1998, salvo che tali violazioni risultino commesse con dolo o colpa grave, così come attualmente definiti all'art. 5, comma 3°, del D.L.G.S. 18.12.1997 n. 472, come modificato dal DLV n. 203/1998. In caso di ulteriori modifiche legislative il richiamo si intenderà effettuato alla norma di legge in vigore al momento della commissione della violazione. L'assunzione da parte della società, e la relativa manleva a favore dell'obbligato, saranno efficaci a condizione che i suddetti legali rappresentanti, amministratori e procuratori (a) abbiano prontamente dato comunicazione alla società del provvedimento di irrogazione delle sanzioni; (b) si siano conformati alle legittime istruzioni della società concernenti tali sanzioni, con riguardo in particolare all'eventuale opposizione o alla quiescenza rispetto alle stesse; (c) abbiano collaborato pienamente con la società nella difesa dei relativi procedimenti dinanzi a qualsiasi competente autorità amministrativa o giurisdizionale.

RAPPRESENTANZA DELLA SOCIETA'

24. La rappresentanza della Società, nei confronti di terzi ed anche in giudizio, spetta, a seconda dei casi, all'Amministratore Unico o al Presidente del Consiglio di Amministrazione. Essa spetta anche ai Vice Presidenti e all'Amministratore Delegato, ove nominati, a ciascuno dei Consiglieri nei limiti dei poteri ad essi conferiti, nonché a coloro cui venga, di volta in volta, conferita dall'Organo Amministrativo.

CONTROLLO CONTABILE

25. Il Collegio Sindacale è composto da tre Sindaci effettivi e due supplenti, nominati ai sensi di legge, i quali durano in carica tre esercizi, sono rieleggibili e scadono alla data dell'assemblea convocata per l'approvazione del bilancio relativo al terzo esercizio della carica.
Le funzione del Collegio Sindacale sono determinate dalla legge.
L'Assemblea che procede alla nomina designerà il Presidente del Collegio Sindacale e fisserà la retribuzione dei Sindaci.

L'Assemblea ordinaria può stabilire altresì che il controllo contabile venga affidato al Collegio Sindacale oppure ad un revisore contabile o ad una Società di revisione.
Nel caso in cui il controllo contabile venga affidato al Collegio Sindacale, tutti i sindaci dovranno essere revisori contabili iscritti nel Registro istituito presso il Ministero di Giustizia.
Qualora la società sia tenuta alla redazione del bilancio consolidato, il controllo contabile deve essere attribuito ad un revisore contabile o da una Società di revisione; nel caso in cui la Società faccia ricorso al mercato del capitale di rischio, il controllo contabile verrà affidato ad una Società di Revisione. L'Assemblea fisserà la retribuzione e la durata dell'incarico del revisore contabile o della Società di Revisione che comunque non potrà essere superiore a tre esercizi e scadrà alla data dell'assemblea convocata per l'approvazione del bilancio relativo al terzo esercizio dell'incarico.
Le funzioni della Società di Revisione o del Revisore Contabile sono determinati dalla legge.

ESERCIZI SOCIALI ED UTILI

26. Gli esercizi sociali si chiudono al 31 dicembre di ogni anno.

27. Gli utili netti di ciascun esercizio, dopo prelevata una somma non inferiore al 5% per la Riserva Legale, fino a che questa non abbia raggiunto il 20% del capitale sociale, possono essere accantonati o distribuiti agli azionisti o destinati ad altri scopi nell'interesse della Società con deliberazione dell'Assemblea Ordinaria dei soci.

28. Il pagamento dei dividendi è effettuato nei termini e modi stabiliti dall'Assemblea Ordinaria che ne delibera la distribuzione o, in mancanza, dall'Organo Amministrativo.

Il diritto al pagamento dei dividendi la cui distribuzione sia stata deliberata ai sensi del comma precedente si prescrive nel termine di cinque (5) anni.

SCIOGLIMENTO E LIQUIDAZIONE

29. Addivenendosi in qualsiasi tempo e per qualsiasi causa allo scioglimento della Società, l'Assemblea stabilisce le modalità della liquidazione e nomina uno o più Liquidatori determinandone i poteri.

Il bilancio finale di liquidazione approvato con voto unanime dall'Assemblea Ordinaria, costituita con la presenza di tutti i soci, non è soggetto a reclamo e si intende approvato ai fini dell'art. 2454 del Cod. Civ. anche se non sia compiuto il termine ivi previsto.

RINVIO

30. Tutto quanto non è specificatamente previsto dal presente Statuto è regolato dalle disposizioni di legge vigenti.

SCHEDULE 1.83

Restated Charters of each Reorganized Debtor

STATE OF DELAWARE

RESTATED CERTIFICATE OF AMENDMENT

OF

XERIUM TECHNOLOGIES, INC.

The name of the corporation is XERIUM TECHNOLOGIES, INC (the "Corporation"). XERIUM TECHNOLOGIES, INC., a corporation organized and existing under the laws of the State of Delaware, hereby certifies that this Second Amended and Restated Certificate of Incorporation, which has been duly adopted in accordance with Sections 242, 245 and 303 of the General Corporation Law of the State of Delaware, as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Xerium Technologies, Inc. and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 29, 2002, under the name Xerium Holdings Inc. Pursuant to a Certificate of Amendment dated April 2, 2004, as corrected pursuant to a Certificate of Correction dated July 28, 2004, each filed with the Secretary of the State of Delaware, the name of the Corporation was changed to Xerium Technologies, Inc. An Amended and Restated Certificate of Incorporation was filed with the Secretary of the State of Delaware on May 13, 2005.

Xerium Technologies, Inc. hereby amends and restates its certificate of incorporation as follows:

ARTICLE I

The name of the Corporation is Xerium Technologies, Inc.

ARTICLE II

The registered office of the Corporation in the State of Delaware is located at 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

The total number of shares of all classes of stock that this Corporation shall have authority to issue is 21,000,000 shares, consisting of (i) 20,000,000 shares of Common Stock, $0.001 par value per share (the "Common Stock") and (ii) 1,000,000 shares of Preferred Stock, $0.001 par value per share (the "Preferred Stock").

The Corporation shall not issue any non-voting equity securities as contemplated by section 1123(a)(6) of Title 11 of the United States Code.

The whole or any part of any unissued balance of the authorized capital stock of the Corporation, including the whole or any part of any unissued balance of the authorized capital stock of the Corporation held in its treasury, may be issued, sold, transferred or otherwise disposed of in such manner, for such consideration and on such terms as the Board of Directors may determine.

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of this Corporation.

1. Common Stock.

A. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon issuance of any such Preferred Stock. The holders of the Common Stock have no preemptive rights to subscribe for any shares of any class of stock of the Corporation whether now or hereafter authorized.

B. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders.

C. Number. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the then outstanding shares of capital stock of the Corporation.

D. Dividends. Except as otherwise provided in the By-Laws of the Corporation, dividends may be declared and paid on the Common Stock from funds lawfully available therefore as and when determined by the Board of Directors.

E. Liquidation. Upon the dissolution or liquidation of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive and will share ratably in all assets of the Corporation available for distribution to its stockholders, subject to any preferential rights of any then outstanding Preferred Stock.

2. Preferred Stock.

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors as hereinafter provided. Any shares of Preferred Stock which may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law or this Certificate of Incorporation. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors as hereinafter provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law and this Certificate of Incorporation. Except as otherwise provided in this Certificate of Incorporation, no vote of the holders of the Preferred Stock or Common Stock shall be a prerequisite to the designation or issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of the Corporation.

Notwithstanding anything to the contrary contained herein, no shares of Preferred Stock may be issued by the Corporation that would be deemed to be non-voting equity securities as contemplated by section 1123(a)(6) of Title 11 of the United States Code.

ARTICLE V

The Corporation shall have a perpetual existence.

ARTICLE VI

In furtherance of and not in limitation of the powers expressly conferred by statute, the Board of Directors is expressly authorized to adopt, amend and repeal the By-Laws of the Corporation in any manner not inconsistent with the DGCL or this Certificate of Incorporation, subject to the right of the stockholders, upon the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation, to adopt, amend and repeal the By-Laws, including to amend or repeal the By-Laws adopted or amended by the Board of Directors. Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then

outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Article VI.

ARTICLE VII

The directors of the Corporation shall be entitled to the benefits of all limitations on the liability of directors generally that are now or hereafter become available under the DGCL. Without limiting the generality of the foregoing, to the fullest extent from time to time permitted by law, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. No amendment or repeal of this Article VII, or adoption of any provision to this Certificate of Incorporation which is inconsistent with this Article VII, shall eliminate or reduce or otherwise adversely affect any right or protection of a director of the Corporation existing hereunder in respect of any act or omission occurring prior to such amendment, repeal or adoption. Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Article VII.

ARTICLE VIII

1. Indemnification. The Corporation shall, to the maximum extent permitted under the DGCL and except as set forth below, indemnify, hold harmless, and, upon request, advance expenses to each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was, or has agreed to become, a director or officer of the Corporation, or, while a director or officer of this Corporation, is or was serving, or has agreed to serve, at the request of the Corporation, as a director, manager, officer, partner, employee, agent or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, including any employee benefit plan (all such persons being referred to hereafter as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred (and not otherwise recovered) by such person or on behalf of such person, in connection with such action, suit or proceeding and any appeal therefrom, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Notwithstanding anything to the contrary in this Article VIII, the Corporation shall not indemnify an Indemnitee seeking indemnification in connection with any action, suit, proceeding, claim or counterclaim, or part thereof, initiated by the Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation.

Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Section 1 of this Article VIII.

2. Advance of Expenses. Notwithstanding any other provisions of this Certificate of Incorporation, the By-Laws, or any agreement, vote of stockholders or disinterested directors, or arrangement to the contrary, the Corporation shall advance payment of expenses incurred by an Indemnitee in advance of the final disposition of any matter, but only to the extent such advance is not prohibited by applicable law and, then, only upon receipt of an undertaking by or on behalf of the Indemnitee to repay amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article VIII. Such undertaking may be accepted without reference to the financial ability of the Indemnitee to make such repayment. Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Section 2 of this Article VIII.

3. Subsequent Amendment. No amendment, termination or repeal of this Article VIII or of the relevant provisions of the DGCL or any other applicable laws shall affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, omissions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

4. Other Rights. The Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article VIII.

5. Merger or Consolidation. If the Corporation is merged into or consolidated with another corporation and this Corporation is not the surviving corporation, the surviving corporation shall assume the obligations of this Corporation under this Article VIII with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, omissions, transactions or facts occurring prior to the date of such merger or consolidation.

6. Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article VIII that shall not have been invalidated and to the fullest extent permitted by applicable law.

7. Scope of Article. Indemnification and advancement of expenses, as authorized by the preceding provisions of this Article VIII, shall not be deemed exclusive of any other rights to

which those seeking indemnification or advancement of expenses may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. The indemnification and advancement of expenses provided by or granted pursuant to this Article VIII shall continue as to a person who has ceased to serve in the capacity which causes such person to be an Indemnitee and shall inure to the benefit of the heirs, executors and administrators of such a person.

8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or is or was otherwise serving the Corporation against all expenses (including attorney's fees), judgments, fines or amounts paid in settlement incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article.

9. Reliance. Persons who after the date of the adoption of this provision become or remain Indemnitees shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article VIII in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article VIII shall apply to claims made against an Indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption of this Certificate of Incorporation.

ARTICLE IX

The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute and this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE X

This Article is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. Number of Directors. The number of directors of the Corporation shall not be less than three. The exact number of directors, subject to the limitation specified in the preceding sentence, shall be fixed from time to time by, or in the manner provided in, the By-Laws of the Corporation, and may not be divided into classes. Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Section 1 of this Article X.

2. Election of Directors. Elections of directors need not be by written ballot, unless and except to the extent that the By-Laws shall so require.

3. Terms of Office. Each director shall hold office for a term that will expire at the annual meeting of stockholders immediately following such director's election, and until his or her successor shall have been elected, or until his or her sooner death, resignation or removal from office.

4. Vacancies. Any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, shall be filled only by a vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall hold office until the next annual meeting of stockholders, and until his or her successor shall have been elected, or until his or her sooner death, resignation or removal from office.

5. Stockholder Nominations and Introduction of Business, Etc. Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before either an annual or special meeting of stockholders shall be given in the manner provided by the By-Laws of this Corporation.

6. Quorum. Except as otherwise provided by law or this Certificate of Incorporation, the holders of a majority in voting power of the then outstanding shares of capital stock of the Corporation present in person, by means of remote communication, if authorized, or represented by proxy, shall constitute a quorum for the transaction of business at any meeting of the stockholders. Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Section 6 of this Article X.

7. Stockholder Action by Written Consent. At any time during which a class of capital stock of this Corporation is registered under Section 12 of the Securities Exchange Act of 1934 or any similar successor statute, stockholders of the Corporation may not take any action by written consent in lieu of a meeting. Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Section 7 of this Article X.

ARTICLE XI

Except as otherwise provided in the By-Laws, the stockholders of the Corporation and the Board of Directors may hold their meetings and have an office or offices outside of the State of Delaware and, subject to the provisions of the laws of said State, may keep the books of the Corporation outside of said State at such places as may, from time to time, be designated by the Board of Directors or by the By-Laws of this Corporation.

ARTICLE XII

The Board of Directors of the Corporation, when evaluating any offer of another party to make a tender or exchange offer for any equity security of the Corporation, shall, in connection with the exercise of its judgment in determining what is in the best interests of the Corporation as

a whole, be authorized to give due consideration to any such factors as the Board of Directors determines to be relevant, including without limitation: (i) the interests of the stockholders of the Corporation; (ii) whether the proposed transaction might violate federal or state laws; (iii) the consideration being offered in the proposed transaction, in relation to any of (a) the then current market price for the outstanding capital stock of the Corporation, (b) the market price for the capital stock of the Corporation over a period of years, (c) the estimated price that might be achieved in a negotiated sale of the Corporation as a whole or in part or through orderly liquidation, (d) the premiums over market price for the securities of other corporations in similar transactions, (e) current political, economic and other factors bearing on securities prices and (f) the Corporation's financial condition and future prospects; and (iv) the social, legal and economic effects upon employees, suppliers, customers and others having similar relationships with the Corporation, and the communities in which the Corporation conducts its business.

In connection with any such evaluation, the Board of Directors is authorized to conduct such investigations and to engage in such legal proceedings as the Board of Directors may determine.

ARTICLE XIII

Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, any provision of this Certificate of Incorporation requiring the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation. Notwithstanding any provision of law, this Certificate of Incorporation or the By-Laws, each as amended, the affirmative vote of at least two-thirds in voting power of the then outstanding shares of capital stock of the Corporation shall be required to amend or repeal, or to adopt any provisions inconsistent with the purposes or intent of, this Article XIII.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf by _____ its duly elected _____, this ____ day of _____, _____.

XERIUM TECHNOLOGIES, INC.

By:_____

Name:
Title:

STATE OF DELAWARE

RESTATED CERTIFICATE OF AMENDMENT

OF

HUYCK LICENSCO INC.

The name of the corporation is HUYCK LICENSCO INC (the "Corporation"). HUYCK LICENSCO INC., a corporation organized and existing under the laws of the State of Delaware, hereby certifies that this Amended and Restated Certificate of Incorporation, which has been duly adopted in accordance with Sections 242, 245 and 303 of the General Corporation Law of the State of Delaware, as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Huyck Licensco Inc. and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on December 5, 1988.

Huyck Licensco Inc. hereby amends and restates its certificate of incorporation as follows:

ARTICLE 1

The name of the corporation is Huyck Licensco Inc. (the "Corporation").

ARTICLE 2

The address of its registered office in the State of Delaware is 1209 Orange Street, in the County of New Castle, Wilmington, Delaware, and the name of its registered agent at such address is The Corporation Trust Company.

ARTICLE 3

The nature of the business or purposes to be conducted or promoted are:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware; and

In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of The State of Delaware or by any other law of Delaware or by this certificate of incorporation, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the Corporation.

ARTICLE 4

The total number of shares of stock which the Corporation shall have authority to issue is one thousand (1,000) shares of Common Stock, par value $.10 per share, amounting in the aggregate to one hundred dollars ($100).

The Corporation shall not issue any non-voting equity securities as contemplated by section 1123(a)(6) of Title 11 of the United States Code.

ARTICLE 5

The name and mailing address of the incorporator is Mary Jo Cisternino, c/o Cummings & Lockwood, Ten Stamford Forum, P.O. Box 120, Stamford, Connecticut 06904.

ARTICLE 6

The Board of Directors is expressly authorized to exercise all powers granted to the directors by law except insofar as such powers are limited or denied herein or in the By-Laws of the Corporation. In furtherance of such powers, the Board of Directors shall have the right to make, alter or repeal the By-Laws of the Corporation.

ARTICLE 7

Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation. Elections of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

ARTICLE 8

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such a manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application is made, be binding upon all of the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ARTICLE 9

No director shall have any personal liability to the Corporation or its stockholders for any monetary damages for breach of fiduciary duty as a director, except that this Article shall not eliminate or limit the liability of each director (i) for any breach of such director's duty of loyalty to the Corporation or its stockholder, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which such director derived an improper personal benefit.

ARTICLE 10

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by statute.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf by _____ its duly elected _____, this ____ day of _____, _____.

HUYCK LICENSCO INC.

By:_____

Name:
Title:

STOWE WOODWARD LICENSCO LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

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STOWE WOODWARD LICENSCO LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Stowe Woodward Licensco LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Stowe Woodward Licensco LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The undersigned hereby declares as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement, the following terms have the meanings indicated (unless otherwise expressly provided herein):

"Certificate of Conversion" means the Certificate converting the Company from a corporation to a limited liability company as filed with the Delaware Secretary of State.

"Certificate of Formation" means the Certificate of Formation of the Company as filed with the Delaware Secretary of State, as the same may be amended from time to time.

"Conversion" means the conversion of Stowe Woodward Licensco Inc. into a limited liability company pursuant to Section 18-214 of the Delaware Act and Section 266 of the Delaware General Corporation Law and the Certificate of Conversion.

"Delaware Act" means the Delaware Limited Liability Company Act at Title 6 of the Delaware Code, §§ 18-101 *et seq*.

"Director" means a member of the Board of Directors of the Company.

"Member" means the undersigned and any other person who becomes a member of the Company in accordance with this Agreement.

"Unit" means a measure of ownership interest in the Company.

ARTICLE 2

FORMATION OF THE COMPANY

2.1 CONVERSION AND FORMATION

The Company has been converted from a Delaware corporation to a Delaware limited liability company by executing and delivering the Certificate of Conversion, together with the Certificate of Formation, to the Delaware Secretary of State in accordance with and pursuant to the Delaware Act.

2.2 PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Company will be One Technology Drive, Westborough Technology Park, Westborough, Massachusetts 01581. The Company may locate its places of business and registered office at any other place or places as the Member may deem advisable.

2.3 REGISTERED OFFICE AND REGISTERED AGENT

The Company's initial registered office will be at the office of its registered agent at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, County of New Castle, and the name of its initial registered agent is The Corporation Trust Company.

2.4 TERM

The term of the Company will be perpetual.

ARTICLE 3

BUSINESS OF COMPANY

The Company will continue the business conducted by Stowe Woodward Licensco Inc. prior to the Conversion and will carry on any other lawful business or activity in connection with the foregoing or otherwise, and will have and exercise all of the powers, rights and privileges which a limited liability company organized pursuant to the Delaware Act may have and exercise.

ARTICLE 4

UNITS AND CONTRIBUTIONS TO CAPITAL

4.1 UNITS; CERTIFICATES

The capital of the Company will be represented by Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Directors may make such rules and regulations as it may deem appropriate concerning the issuance and registration of Units, including the issuance of certificates representing Units. The Board of Directors may authorize the issuance of any Units without certificates. The Units are expressly deemed to be securities governed by Article 8 of the Uniform Commercial Code of the State of Delaware.

4.2 CAPITAL CONTRIBUTIONS

In connection with the Conversion, each of the 100 shares of capital stock the Member owned in Stowe Woodward Licensco Inc. has been automatically converted into a Unit. The amount designated as the capital contribution of the Member for the Units issued in the Conversion will be the same amount as was designated as capital on the books and records of Stowe Woodward Licensco Inc. immediately prior to the Conversion. The Member will not be required to make additional capital contributions.

ARTICLE 5

RIGHTS AND OBLIGATIONS OF MEMBER

5.1 MANNER OF ACTING

The Member may act to appoint the Board of Directors or otherwise through written or unwritten resolutions or certifications of any nature.

5.2 LIMITATION OF LIABILITY

The Member will not be personally liable to creditors of the Company for any debts, obligations, liabilities or losses of the Company, whether arising in contract, tort or otherwise, beyond the Member's capital contribution set forth in Section 4.2 and any additional capital contribution.

5.3 COMPANY BOOKS

The Company will maintain and preserve, during the term of the Company, all accounts, books and other relevant Company documents.

ARTICLE 6

MANAGEMENT - BOARD OF DIRECTORS AND OFFICERS

6.1 MANAGEMENT BY DIRECTORS

The business and affairs of the Company will be managed by its Board of Directors. The Board of Directors will have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, including the powers set forth in Schedule 6.1, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business and objectives. No one Director may take or effect any action on behalf of the Company or otherwise bind the Company in the absence of a formal delegation of authority by the Board of Directors to such Director.

6.2 NUMBER, ELECTION, TENURE AND QUALIFICATIONS

The number of directors constituting the first Board of Directors will be three. Thereafter, the number of Directors of the Company may be fixed from time to time by the Member. Directors will be appointed by the Member. Each Director will hold office until his successor has been duly appointed and qualified or until his earlier death, resignation or removal. Directors need not be Members of the Company.

6.3 MANNER OF ACTING

The Board of Directors may designate any place, either within or outside the State of Delaware, as the place of meeting of the Board of Directors. A majority of the Board of Directors will constitute a quorum at meetings of the Board of Directors. If a quorum is present, the affirmative vote of a majority of all Directors will constitute the act of the Board of Directors. Any Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting by means of such equipment will constitute presence in a person at such meeting. Action may be taken without a meeting if the action is evidenced by one or more written consents signed by a majority of the directors.

6.4 DIRECTORS HAVE NO EXCLUSIVE DUTY TO COMPANY

A Director will not be required to manage the Company as his sole and exclusive function, and he may have other business interests and engage in activities in addition to those relating to the Company. Neither the Company, the Member, nor any other Director will have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Director or in the income or proceeds derived therefrom.

6.5 RESIGNATION

Any Director of the Company may resign at any time by giving written notice to the Member and the other Directors of the Company. The resignation of any Director will take effect upon receipt of notice thereof or at such later date specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

6.6 REMOVAL

All or any lesser number of Directors may be removed at any time, with or without cause, by the Member.

6.7 OFFICERS OF COMPANY

The officers of the Company will consist of the officers listed in Schedule 6.7 and such other officers or agents as may be elected and appointed by the Board of Directors. Any two or more offices may be held by the same person. The officers will act in the name of the Company and will supervise its operation under the direction and management of the Board of Directors, as further described below.

6.8 ELECTION AND TERM OF OFFICE

The officers of the Company will be elected by the Board of Directors. Each officer will hold office until his successor is duly elected and has qualified, or until his earlier death, resignation, or removal. Election or appointment of an officer will not of itself create contract rights.

6.9 REMOVAL

Any officer may be removed by the Board of Directors at any time.

6.10 DUTIES OF OFFICERS

The officers will have such duties and powers as described in Schedule 6.7.

ARTICLE 7

STANDARD OF CARE AND INDEMNIFICATION

7.1 STANDARD OF CARE

No Member, Director or officer of the Company will be liable to the Company by reason of the actions of such person in the conduct of the business of the Company except for fraud, gross negligence or willful misconduct.

7.2 INDEMNIFICATION OF MEMBER, OFFICERS AND ORGANIZER

The Company will, to the fullest extent to which it is empowered to do so by the Delaware Act or any other applicable law, indemnify and make advances for expenses to any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Member, Director, officer or employee of the Company, against losses, damages, expenses (including attorney's fees), judgments, fines and amounts reasonably incurred by him in connection with such action, suit or proceeding.

ARTICLE 8

ALLOCATIONS AND DISTRIBUTIONS

8.1 ALLOCATIONS OF NET PROFITS AND NET LOSSES

The profits, losses, and other items of the Company will be allocated to the Member. There will be no "special allocations."

8.2 DISTRIBUTIONS

Distributions will be made as follows:

(a) Subject to Section 18-607 of the Delaware Act, the Company will make interim distributions as the Member will determine.

(b) Upon liquidation of the Company, liquidating distributions will be made in accordance with Section 9.2.

ARTICLE 9

DISSOLUTION AND TERMINATION

9.1 DISSOLUTION

(a) The Company will be dissolved only upon the occurrence of any of the following events:

(i) by written decision of the Member; or

(ii) upon the entry of a decree of judicial dissolution under Section 18-802 of the Delaware Act.

(b) Dissolution of the Company will be effective on the day on which an event described in Section 9.1(a) occurs, but the Company will not terminate until a certificate of cancellation is filed with the Secretary of State of the State of Delaware and the assets of the Company are distributed as provided in Section 9.2. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business of the Company and the affairs of the Member will continue to be governed by this Agreement.

9.2 WINDING UP, LIQUIDATION AND DISTRIBUTION OF ASSETS

Upon dissolution, an accounting will be made of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Member will:

(a) sell or otherwise liquidate all of the Company's assets as promptly as practicable;

(b) discharge all liabilities of the Company, including liabilities to the Member as a creditor of the Company to the extent permitted by law, excluding liabilities for distributions to Members; and

(c) distribute all remaining assets to the Member.

9.3 CERTIFICATE OF CANCELLATION

When all debts, liabilities and obligations of the Company have been paid and discharged, or adequate provisions have been made for their payment and discharge, and all of the remaining property and assets of the Company have been distributed, a certificate of

cancellation setting forth the information required by the Delaware Act will be executed by one or more authorized persons and filed with the Delaware Secretary of State.

Upon such filing, the existence of the Company will cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Delaware Act. The Member will have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

ARTICLE 10

MISCELLANEOUS PROVISIONS

10.1 NOTICES

All notices, demands, waivers and other communications required or permitted by this Agreement will be in writing and will be deemed given to a party or the Company when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested. Any such communication will be addressed to a Member as shown on the records of the Company, to the Company at its principal office, or in either case to such other address as the Member or the Company may from time to time designate by written notice to all parties.

10.2 AMENDMENTS

This Agreement may be amended at any time by a writing executed by the Member.

10.3 SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

10.4 CREDITORS

None of the provisions of this Agreement are for the benefit of or enforceable by any creditors of the Company.

10.5 CONSTRUCTION

All references in this Agreement to “Articles” and “Sections” refer to the corresponding Articles and Sections of this Agreement unless the context indicates otherwise. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. The terms “include” or “including” indicate

examples of a foregoing general statement and not a limitation on that general statement. Any reference to a statute refers to the statute, any amendments or successor legislation, and all regulations promulgated under or implementing the statute, as in effect at the relevant time.

10.6 GOVERNING LAW

This Agreement will be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles that would require the application of any other law, and the Certificate of Formation.

The Member has caused its duly authorized representative to execute this Agreement as of the date indicated in the first sentence of this Agreement.

MEMBER:

Xerium Inc.

By: _____

Its: _____

SCHEDULE 6.1

POWERS AND AUTHORITY OF BOARD OF DIRECTORS

Powers

The Board of Directors will have the following powers and authority:

(a) to acquire property from any person as the Board of Directors may determine, whether or not such person is directly or indirectly affiliated or connected with any Director or Member;

(b) to open bank accounts in the name and on behalf of the Company, and to determine who will have the signatory power over such accounts;

(c) to borrow money for the Company on such terms as the Board of Directors deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

(d) to purchase liability and other insurance to protect the Company's property and business;

(e) to hold and own Company real and personal property in the name of the Company;

(f) to invest Company funds;

(g) to authorize the execution of all instruments and documents, including checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments, bills of sale; leases; and any other instruments or documents necessary to the business of the Company;

(h) to employ accountants, legal counsel, agents or other experts to perform services for the Company;

(i) to appoint such agents, officers and delegees as may be necessary or appropriate to the conduct of the business;

(j) to take actions by or on behalf of the Company in respect of any equity interests held by the Company in another entity;

(k) to authorize any and all other agreements on behalf of the Company, in such forms as the Board of Directors may approve; and

(1) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Limitations

The Board of Directors will not have the power or authority to take any of the following actions without the advance approval of the Member:

Amend the limited liability company agreement Amend the certificate of formation

Admit members

Sell, transfer or dispose of (or contract to sell, transfer or dispose of) all or substantially all of the assets of the Company

Dissolve the Company

Merge or consolidate the Company or convert the Company to a different type of entity Initiating a bankruptcy or similar proceeding.

SCHEDULE 6.7

DUTIES OF OFFICERS

President.

The president will be the chief executive officer of the Company in charge of the entire business and all the affairs of the Company and will have the powers and perform the duties incident to that position, including the power to bind the Company in accordance with this Schedule. The president will, when present, preside at all meetings of the Board of Directors. He will have such other powers and perform such duties as are specified in this Agreement and as may from time to time be assigned to him by the Board of Directors.

The president will have general and active management of the business of the Company and will see that all orders and resolutions of the Board of Directors are carried into effect. The president may execute bonds, mortgages and other contracts (whenever requiring a seal, under the seal of the Company), except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof is expressly delegated by the Board of Directors to some other officer or agent of the Company. The president will have general powers of supervision and will be the final arbiter of all differences between officers of the Company, and such decision as to any matter affecting the Company will be final and binding as between the officers of the Company subject only to review by the Board of Directors.

Vice Presidents.

At the request of or in the absence of the president or in the event of his inability or refusal to act, a vice president (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of their election) will perform the duties of the president, and when so acting, will have all the powers of and be subject to all the restrictions upon the president. Any vice president will perform such other duties as from time to time may be assigned to him by the chairman, the president or the Board of Directors of the Company. Vice presidents may be assigned primary responsibility for certain operations of the Company.

Chief Financial Officer.

The chief financial officer will: (i) have primary responsibility for the financial affairs of the Company and be responsible for its financial books and records; (ii) render to the president or the board of directors, upon request, an account of the financial condition of the corporation and assist with financial projections for the Company's operations; (iii) plan for adequate financing and liquidity for the Company's operations; and (iv) in general perform all the duties incident to the office of chief financial officer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Treasurer.

The treasurer will: (i) be responsible for all funds and securities of the Company; (ii) disburse the funds of the Company as ordered by the board of directors, the president or the chief financial officer or as otherwise required in the conduct of the business of the corporation; (iii) receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositaries as will be selected by the Board of Directors of the Company; and (iv) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president, the chief financial officer or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Secretary.

The secretary will: (a) keep the minutes of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of this Agreement or as required by law; (c) be custodian of Company records; (d) sign with the president, any certificates representing Units; (e) certify the resolutions of the Board of Directors and other documents of the Company as true and correct; and (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or the Board of Directors.

Assistant Treasurers and Assistant Secretaries.

The assistant treasurers and assistant secretaries, if any, shall perform all functions and duties which the secretary or treasurer, as the case may be, may assign or delegate; but such assignment or delegation shall not relieve the principal officer from the responsibilities of his or her office.

STOWE WOODWARD LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

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STOWE WOODWARD LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Stowe Woodward LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Stowe Woodward LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The undersigned hereby declares as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement, the following terms have the meanings indicated (unless otherwise expressly provided herein):

"Certificate of Conversion" means the Certificate converting the Company from a corporation to a limited liability company as filed with the Delaware Secretary of State.

"Certificate of Formation" means the Certificate of Formation of the Company as filed with the Delaware Secretary of State, as the same may be amended from time to time.

"Conversion" means the conversion of Stowe Woodward Inc. into a limited liability company pursuant to Section 18-214 of the Delaware Act and Section 266 of the Delaware General Corporation Law and the Certificate of Conversion.

"Delaware Act" means the Delaware Limited Liability Company Act at Title 6 of the Delaware Code, §§ 18-101 *et seq*.

"Director" means a member of the Board of Directors of the Company.

"Member" means the undersigned and any other person who becomes a member of the Company in accordance with this Agreement.

"Unit" means a measure of ownership interest in the Company.

ARTICLE 2

FORMATION OF THE COMPANY

2.1 CONVERSION AND FORMATION

The Company has been converted from a Delaware corporation to a Delaware limited liability company by executing and delivering the Certificate of Conversion, together with the Certificate of Formation, to the Delaware Secretary of State in accordance with and pursuant to the Delaware Act.

2.2 PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Company will be One Technology Drive, Westborough Technology Park, Westborough, Massachusetts 01581. The Company may locate its places of business and registered office at any other place or places as the Member may deem advisable.

2.3 REGISTERED OFFICE AND REGISTERED AGENT

The Company's initial registered office will be at the office of its registered agent at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, County of New Castle, and the name of its initial registered agent is The Corporation Trust Company.

2.4 TERM

The term of the Company will be perpetual.

ARTICLE 3

BUSINESS OF COMPANY

The Company will continue the business conducted by Stowe Woodward Inc. prior to the Conversion and will carry on any other lawful business or activity in connection with the foregoing or otherwise, and will have and exercise all of the powers, rights and privileges which a limited liability company organized pursuant to the Delaware Act may have and exercise.

ARTICLE 4

UNITS AND CONTRIBUTIONS TO CAPITAL

4.1 UNITS; CERTIFICATES

The capital of the Company will be represented by Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Directors may make such rules and regulations as it may deem

appropriate concerning the issuance and registration of Units, including the issuance of certificates representing Units. The Board of Directors may authorize the issuance of any Units without certificates. The Units are expressly deemed to be securities governed by Article 8 of the Uniform Commercial Code of the State of Delaware.

4.2 CAPITAL CONTRIBUTIONS

In connection with the Conversion, each of the 100 shares of capital stock the former Member, Stowe Woodward Licensco Inc., owned in Stowe Woodward Inc. has been automatically converted into a Unit. The amount designated as the capital contribution of the Member for the Units issued in the Conversion will be the same amount as was designated as capital on the books and records of Stowe Woodward Inc. immediately prior to the Conversion. The Member will not be required to make additional capital contributions.

ARTICLE 5

RIGHTS AND OBLIGATIONS OF MEMBER

5.1 MANNER OF ACTING

The Member may act to appoint the Board of Directors or otherwise through written or unwritten resolutions or certifications of any nature.

5.2 LIMITATION OF LIABILITY

The Member will not be personally liable to creditors of the Company for any debts, obligations, liabilities or losses of the Company, whether arising in contract, tort or otherwise, beyond the Member's capital contribution set forth in Section 4.2 and any additional capital contribution.

5.3 COMPANY BOOKS

The Company will maintain and preserve, during the term of the Company, all accounts, books and other relevant Company documents.

ARTICLE 6

MANAGEMENT - BOARD OF DIRECTORS AND OFFICERS

6.1 MANAGEMENT BY DIRECTORS

The business and affairs of the Company will be managed by its Board of Directors. The Board of Directors will have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, including the powers set forth in Schedule 6.1, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business and objectives. No one Director may take or effect any action on behalf of the Company or otherwise bind the

Company in the absence of a formal delegation of authority by the Board of Directors to such Director.

6.2 NUMBER, ELECTION, TENURE AND QUALIFICATIONS

The number of directors constituting the first Board of Directors will be three. Thereafter, the number of Directors of the Company may be fixed from time to time by the Member. Directors will be appointed by the Member. Each Director will hold office until his successor has been duly appointed and qualified or until his earlier death, resignation or removal. Directors need not be Members of the Company.

6.3 MANNER OF ACTING

The Board of Directors may designate any place, either within or outside the State of Delaware, as the place of meeting of the Board of Directors. A majority of the Board of Directors will constitute a quorum at meetings of the Board of Directors. If a quorum is present, the affirmative vote of a majority of all Directors will constitute the act of the Board of Directors. Any Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting by means of such equipment will constitute presence in a person at such meeting. Action may be taken without a meeting if the action is evidenced by one or more written consents signed by a majority of the directors.

6.4 DIRECTORS HAVE NO EXCLUSIVE DUTY TO COMPANY

A Director will not be required to manage the Company as his sole and exclusive function, and he may have other business interests and engage in activities in addition to those relating to the Company. Neither the Company, the Member, nor any other Director will have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Director or in the income or proceeds derived therefrom.

6.5 RESIGNATION

Any Director of the Company may resign at any time by giving written notice to the Member and the other Directors of the Company. The resignation of any Director will take effect upon receipt of notice thereof or at such later date specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

6.6 REMOVAL

All or any lesser number of Directors may be removed at any time, with or without cause, by the Member.

6.7 OFFICERS OF COMPANY

The officers of the Company will consist of the officers listed in Schedule 6.7 and such other officers or agents as may be elected and appointed by the Board of Directors. Any two or more offices may be held by the same person. The officers will act in the name of the Company

and will supervise its operation under the direction and management of the Board of Directors, as further described below.

6.8 ELECTION AND TERM OF OFFICE

The officers of the Company will be elected by the Board of Directors. Each officer will hold office until his successor is duly elected and has qualified, or until his earlier death, resignation, or removal. Election or appointment of an officer will not of itself create contract rights.

6.9 REMOVAL

Any officer may be removed by the Board of Directors at any time.

6.10 DUTIES OF OFFICERS

The officers will have such duties and powers as described in Schedule 6.7.

ARTICLE 7

STANDARD OF CARE AND INDEMNIFICATION

7.1 STANDARD OF CARE

No Member, Director or officer of the Company will be liable to the Company by reason of the actions of such person in the conduct of the business of the Company except for fraud, gross negligence or willful misconduct.

7.2 INDEMNIFICATION OF MEMBER, OFFICERS AND ORGANIZER

The Company will, to the fullest extent to which it is empowered to do so by the Delaware Act or any other applicable law, indemnify and make advances for expenses to any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Member, Director, officer or employee of the Company, against losses, damages, expenses (including attorney's fees), judgments, fines and amounts reasonably incurred by him in connection with such action, suit or proceeding.

ARTICLE 8

ALLOCATIONS AND DISTRIBUTIONS

8.1 ALLOCATIONS OF NET PROFITS AND NET LOSSES

The profits, losses, and other items of the Company will be allocated to the Member. There will be no "special allocations."

8.2 DISTRIBUTIONS

Distributions will be made as follows:

(a) Subject to Section 18-607 of the Delaware Act, the Company will make interim distributions as the Member will determine.

(b) Upon liquidation of the Company, liquidating distributions will be made in accordance with Section 9.2.

ARTICLE 9

DISSOLUTION AND TERMINATION

9.1 DISSOLUTION

(a) The Company will be dissolved only upon the occurrence of any of the following events:

(i) by written decision of the Member; or

(ii) upon the entry of a decree of judicial dissolution under Section 18-802 of the Delaware Act.

(b) Dissolution of the Company will be effective on the day on which an event described in Section 9.1(a) occurs, but the Company will not terminate until a certificate of cancellation is filed with the Secretary of State of the State of Delaware and the assets of the Company are distributed as provided in Section 9.2. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business of the Company and the affairs of the Member will continue to be governed by this Agreement.

9.2 WINDING UP, LIQUIDATION AND DISTRIBUTION OF ASSETS

Upon dissolution, an accounting will be made of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Member will:

(a) sell or otherwise liquidate all of the Company's assets as promptly as practicable;

(b) discharge all liabilities of the Company, including liabilities to the Member as a creditor of the Company to the extent permitted by law, excluding liabilities for distributions to Members; and

(c) distribute all remaining assets to the Member.

9.3 CERTIFICATE OF CANCELLATION

When all debts, liabilities and obligations of the Company have been paid and discharged, or adequate provisions have been made for their payment and discharge, and all of the remaining property and assets of the Company have been distributed, a certificate of cancellation setting forth the information required by the Delaware Act will be executed by one or more authorized persons and filed with the Delaware Secretary of State.

Upon such filing, the existence of the Company will cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Delaware Act. The Member will have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

ARTICLE 10

MISCELLANEOUS PROVISIONS

10.1 NOTICES

All notices, demands, waivers and other communications required or permitted by this Agreement will be in writing and will be deemed given to a party or the Company when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested. Any such communication will be addressed to a Member as shown on the records of the Company, to the Company at its principal office, or in either case to such other address as the Member or the Company may from time to time designate by written notice to all parties.

10.2 AMENDMENTS

This Agreement may be amended at any time by a writing executed by the Member.

10.3 SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

10.4 CREDITORS

None of the provisions of this Agreement are for the benefit of or enforceable by any creditors of the Company.

10.5 CONSTRUCTION

All references in this Agreement to "Articles" and "Sections" refer to the corresponding Articles and Sections of this Agreement unless the context indicates otherwise. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. The terms "include" or "including" indicate examples of a foregoing general statement and not a limitation on that general statement. Any reference to a statute refers to the statute, any amendments or successor legislation, and all regulations promulgated under or implementing the statute, as in effect at the relevant time.

10.6 GOVERNING LAW

This Agreement will be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles that would require the application of any other law, and the Certificate of Formation.

The Member has caused its duly authorized representative to execute this Agreement as of the date indicated in the first sentence of this Agreement.

MEMBER:

Xerium Inc.

By: _____

Its: _____

SCHEDULE 6.1

POWERS AND AUTHORITY OF BOARD OF DIRECTORS

Powers

The Board of Directors will have the following powers and authority:

(a) to acquire property from any person as the Board of Directors may determine, whether or not such person is directly or indirectly affiliated or connected with any Director or Member;

(b) to open bank accounts in the name and on behalf of the Company, and to determine who will have the signatory power over such accounts;

(c) to borrow money for the Company on such terms as the Board of Directors deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

(d) to purchase liability and other insurance to protect the Company's property and business;

(e) to hold and own Company real and personal property in the name of the Company;

(f) to invest Company funds;

(g) to authorize the execution of all instruments and documents, including checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments, bills of sale; leases; and any other instruments or documents necessary to the business of the Company;

(h) to employ accountants, legal counsel, agents or other experts to perform services for the Company;

(i) to appoint such agents, officers and delegees as may be necessary or appropriate to the conduct of the business;

(j) to take actions by or on behalf of the Company in respect of any equity interests held by the Company in another entity;

(k) to authorize any and all other agreements on behalf of the Company, in such forms as the Board of Directors may approve; and

(1) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Limitations

The Board of Directors will not have the power or authority to take any of the following actions without the advance approval of the Member:

Amend the limited liability company agreement

Amend the certificate of formation

Admit members

Sell, transfer or dispose of (or contract to sell, transfer or dispose of) all or substantially all of the assets of the Company

Dissolve the Company

Merge or consolidate the Company or convert the Company to a different type of entity Initiating a bankruptcy or similar proceeding

SCHEDULE 6.7

DUTIES OF OFFICERS

President.

The president will be the chief executive officer of the Company in charge of the entire business and all the affairs of the Company and will have the powers and perform the duties incident to that position, including the power to bind the Company in accordance with this Schedule. The president will, when present, preside at all meetings of the Board of Directors. He will have such other powers and perform such duties as are specified in this Agreement and as may from time to time be assigned to him by the Board of Directors.

The president will have general and active management of the business of the Company and will see that all orders and resolutions of the Board of Directors are carried into effect. The president may execute bonds, mortgages and other contracts (whenever requiring a seal, under the seal of the Company), except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof is expressly delegated by the Board of Directors to some other officer or agent of the Company. The president will have general powers of supervision and will be the final arbiter of all differences between officers of the Company, and such decision as to any matter affecting the Company will be final and binding as between the officers of the Company subject only to review by the Board of Directors.

Vice Presidents.

At the request of or in the absence of the president or in the event of his inability or refusal to act, a vice president (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of their election) will perform the duties of the president, and when so acting, will have all the powers of and be subject to all the restrictions upon the president. Any vice president will perform such other duties as from time to time may be assigned to him by the chairman, the president or the Board of Directors of the Company. Vice presidents may be assigned primary responsibility for certain operations of the Company.

Chief Financial Officer.

The chief financial officer will: (i) have primary responsibility for the financial affairs of the Company and be responsible for its financial books and records; (ii) render to the president or the board of directors, upon request, an account of the financial condition of the corporation and assist with financial projections for the Company's operations; (iii) plan for adequate financing and liquidity for the Company's operations; and (iv) in general perform all the duties incident to the office of chief financial officer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Treasurer.

The treasurer will: (i) be responsible for all funds and securities of the Company; (ii) disburse the funds of the Company as ordered by the board of directors, the president or the chief financial officer or as otherwise required in the conduct of the business of the corporation; (iii) receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositaries as will be selected by the Board of Directors of the Company; and (iv) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president, the chief financial officer or by the Board of Directors of the Company. He will not be required to give a bond for the faithful discharge of his duties.

Secretary.

The secretary will: (a) keep the minutes of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of this Agreement or as required by law; (c) be custodian of Company records; (d) sign with the president, any certificates representing Units; (e) certify the resolutions of the Board of Directors and other documents of the Company as true and correct; and (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or the Board of Directors.

Assistant Treasurers and Assistant Secretaries.

The assistant treasurers and assistant secretaries, if any, shall perform all functions and duties which the secretary or treasurer, as the case may be, may assign or delegate; but such assignment or delegation shall not relieve the principal officer from the responsibilities of his or her office.

WANGNER ITELPA I LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of _____, 2010

WANGNER ITELPA I LLC
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Wangner Itelpa I LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Wangner Itelpa I LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

WHEREAS, Xerium Technologies, Inc, (the "Original Member") wishes to form a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act in order to conduct the business described herein.

NOW, THEREFORE, the Original Member agrees with the Company as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement the following terms have the following meanings:

"Act" means the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.) as amended and in effect from time to time.

"Affiliate" means, with respect to any specified Person, any Person that directly or through one or more intermediaries controls or is controlled by or is under common control with the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company dated as of _____, 2010 as amended from time to time.

"Capital Contribution" means the amount of cash and the fair market value of any other property contributed to the Company with respect to any Interest held by a Member.

"Certificate" means the Certificate of Formation of the Company filed on December 1, 2004 and any and all amendments thereto and restatements thereof filed on behalf of the Company as permitted hereunder with the office of the Secretary of State of the State of Delaware.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any future federal tax law.

"Company" means the limited liability company formed by virtue of this Agreement and the filing of the Certificate in accordance with the Act.

"Distribution" means the amount of cash and the fair market value of any other property distributed in respect of a Member's Interest in the Company.

"Fiscal Year" means the fiscal year of the Company which shall end on December 31 in each year or on such other date in each year as determined by the Board of Managers.

"Indemnified Party" is defined in Section 10.1.

"Interest" means the interest of a Member in the capital and profits of the Company, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"Member" means the Original Member and any other Person that both acquires an Interest in the Company and is admitted to the Company as a Member pursuant to this Agreement, from time to time.

"Original Member" is defined in Section 3.1.

"Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, or any other legal entity.

"Unit Certificate" is defined in Section 3.6.

"Units" are a measure of a Member's Interest in the Company.

ARTICLE 2
FORMATION AND PURPOSE

2.1 Formation, etc. The Company was formed as a limited liability company in accordance with the Act by the filing of the Certificate with the Secretary of State of Delaware on December 1, 2004. The rights, duties and liabilities of each Member and the Board of Managers shall be determined pursuant to the Act and this Agreement. To the extent that such rights, duties or obligations are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company is WANGNER ITELPA I LLC. The business of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Board of Managers deems appropriate or advisable. The Board of Managers shall file, or shall cause to be filed, any fictitious name certificates and similar filings, and any amendments thereto, that the Board of Managers considers appropriate or advisable.

2.3 Registered Office/Agent. The registered office required to be maintained by the Company in the State of Delaware pursuant to the Act shall initially be c/o Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The name and address of the registered agent of the Company pursuant to the Act shall initially be Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The Company may, upon compliance with the applicable provisions of the Act, change its registered office or registered agent from time to time in the discretion of the Board of Managers.

2.4 Term. The term of the Company shall continue indefinitely unless sooner terminated as provided herein. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Act.

2.5 Purpose. The Company is formed for the purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any activities necessary, advisable, convenient or incidental thereto.

2.6 Specific Powers. Without limiting the generality of Section 2.5, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose set forth in Section 2.5, including, but not limited to, the power:

2.6.1 to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Act in any country, state, territory, district or other jurisdiction, whether domestic or foreign;

2.6.2 to acquire by purchase, lease, contribution of property or otherwise, own, hold, operate, maintain, finance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of any real or personal property;

2.6.3 to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, perform and carry out and take any other action with respect to contracts or agreements of any kind, including without limitation leases, licenses, guarantees and other contracts for the benefit of or with any Member or any Affiliate of any Member, without regard to whether such contracts may be deemed necessary, convenient to, or incidental to the accomplishment of the purposes of the Company;

2.6.4 to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships, trusts, limited liability companies, or individuals or other persons or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

2.6.5 to lend money, to invest and reinvest its funds, and to accept real and personal property for the payment of funds so loaned or invested;

2.6.6 to borrow money and issue evidence of indebtedness, and to secure the same by a mortgage, pledge, security interest or other lien on the assets of the Company;

2.6.7 to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities;

2.6.8 to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

2.6.9 to appoint employees, officers, agents and representatives of the Company, and define their duties and fix their compensation;

2.6.10 to indemnify any Person in accordance with the Act and this Agreement;

2.6.11 to cease its activities and cancel its Certificate; and

2.6.12 to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

2.7 Certificate. The filing of the Certificate by Michael J. Stick is hereby ratified and confirmed and said Person is hereby designated as an "authorized person" within the meaning of the Act to execute, deliver and file the Certificate and Stephen R. Light, David Maffucci, Ted Orban and Elizabeth Leete and such other Persons as may be designated from time to time by the Board of Managers are designated as authorized persons, within the meaning of the Act, to execute, deliver and file any amendments or restatements of the Certificate or any certificate of cancellation of the Certificate and any other certificates necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.8. Principal Office. The principal executive office of the Company shall be located at such place within or without the State of Delaware as the Board of Managers shall establish, and the Board of Managers may from time to time change the location of the principal executive office of the Company to any place within or without the State of Delaware. The Board of Managers may establish and maintain such additional offices and places of business of the Company, either within or without the State of Delaware, as it deems appropriate.

ARTICLE 3
ORIGINAL MEMBER; CAPITAL CONTRIBUTIONS; AND UNITS

3.1 Initial Capital Contribution. Upon the making of the initial Capital Contribution to the Company, which shall be in the amount of $100 and the Person making such Capital Contribution agreeing in writing to be bound by this Agreement as a Member, such Person shall

be admitted as the first Member (the "Original Member") and acquire a limited liability company interest in the Company. The initial Capital Contribution shall be allocated to a stated capital account of the Company.

3.2 Additional Capital Contributions. The Members shall make additional Capital Contributions to the Company for such purposes, at such times and in such amounts as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4.

3.3 Return of Capital Contributions. No Member shall have the right to demand a return of all or any part of its Capital Contributions, and any return of the Capital Contributions of a Member shall be made solely from the assets of the Company and only in accordance with the terms of this Agreement. No interest shall be paid to any Member with respect to its Capital Contributions.

3.4 Registration of Interests. Each Interest constitutes a "security," as such term is defined in 6 Del. C. § 8-102(15), governed by Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del. C. 8-101, et seq.). The Company shall maintain a record of the ownership of the Interests which shall be in the form set forth on Schedule A and which shall be amended from time to time to reflect transfers of the ownership of the Interests. An Interest shall be transferred by delivery to the Company of an instruction by the registered owner of the Interest requesting registration of transfer of such Interest (accompanied by a duly indorsed security certificate representing such Interest or affidavit of loss therefore) and the recording of such transfer in the records of the Company.

3.5 Units. Upon the admission of the Original Member as a Member, the Interest of the Original Member shall be divided into 100 Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Managers may issue additional Units to any Member in respect of additional Capital Contributions.

3.6 Unit Certificate. Each Member shall be entitled to a certificate stating the number of Units held by the Member in such form as shall, in conformity with law and this Agreement, be prescribed from time to time by the Board of Managers (a "Unit Certificate"). Such Unit Certificate shall be signed by the Chair of the Board of Managers or the President or any Vice President and by the Treasurer or an Assistant Treasurer or by the Secretary or an Assistant Secretary.

3.7 Loss of Certificate. In the case of the alleged theft, loss, destruction or mutilation of a Unit Certificate, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the Company against any claim on account thereof, as the Board of Managers may prescribe.

ARTICLE 4
STATUS AND RIGHTS OF MEMBERS

4.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, no member of the Board of Managers and no other Indemnified Party shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, a member of the

Board of Managers or an Indemnified Party. All Persons dealing with the Company shall look solely to the assets of the Company for the payment of the debts, obligations or liabilities of the Company.

4.2 Return of Distributions of Capital. Except as otherwise expressly required by law, no Member, in its capacity as such, shall have any liability either to the Company or any of its creditors in excess of (a) any assets and undistributed profits of the Company and (b) to the extent required by law, the amount of any Distributions wrongfully distributed to it. Except as required by law or a court of competent jurisdiction, no Member or investor in or partner of a Member shall be obligated by this Agreement to return any Distribution to the Company or pay the amount of any Distribution for the account of the Company or to any creditor of the Company. The amount of any Distribution returned to the Company by or on behalf of a Member or paid by or on behalf of a Member for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to such Member.

4.3 No Management or Control. No Member shall take any part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.4 Meetings of Members. Meetings of Members shall be held and conducted, and the voting rights of Members shall be, as set forth on Exhibit 4.4 hereto.

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions. Subject to the requirements of the Act, the amount and timing of all Distributions shall be determined by the Member or Members at a meeting called for such purpose. All Distributions shall be made ratably to each Member in accordance with the number of Units then held by such Member. Distributions may be made in cash, securities or other property.

5.2 Withholding. The Company is hereby authorized to withhold and pay over any withholding or other taxes payable by the Company as a result of a Member's status as a Member hereunder.

ARTICLE 6
MANAGEMENT

6.1 Management. The business of the Company shall be managed by a Board of Managers, and the Persons constituting the Board of Managers shall be the "managers" of the Company for all purposes under the Act. The Board of Managers as of the date hereof shall be the Persons set forth in Exhibit 6.1. Thereafter, the Persons constituting the Board of Managers shall be elected by the Members in accordance with Exhibit 4.4 hereto. Decisions of the Board of Managers shall be embodied in a vote or resolution adopted in accordance with the procedures set forth in Exhibit 6.1. Such decisions shall be decisions of the "manager" for all purposes of the Act and shall be carried out by any member of the Board of Managers or by officers or agents of the Company designated by the Board of Managers in the vote or resolution in question or in one or more standing votes or resolutions or with the power and authority to do so under Section 6.3. A decision of the Board of Managers may be amended, modified or repealed in the same manner in which it was adopted or in accordance with the procedures set forth in Exhibit 6.1 as then in effect, but no such amendment, modification or repeal shall affect any Person who has been furnished a copy of the original vote or resolution, certified by a duly authorized agent of the Company, until such Person has been notified in writing of such amendment, modification or repeal.

6.2 Authority of Board of Managers. The Board of Managers shall have the exclusive power and authority to manage the business and affairs of the Company and to make all decisions with respect thereto. Except as otherwise expressly provided in this Agreement, the Board of Managers or Persons designated by the Board of Managers, including officers and agents appointed by the Board of Managers, shall be the only Persons authorized to execute documents which shall be binding on the Company. To the fullest extent permitted by Delaware law, the Board of Managers shall have the power to do any and all acts, statutory or otherwise, with respect to the Company of this Agreement, which would otherwise be possessed by the Member or Members under the laws of the State of Delaware, and the Member or Members shall have no power whatsoever with respect to the management of the business and affairs of the Company. The owner and authority granted to the Board of Managers hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make all decisions with regard to the management, operations, assets, financing and capitalization of the Company, including without limitation, the power and authority to undertake and make decisions concerning: (a) hiring and firing of employees, attorneys, accountants, brokers, investment bankers and other advisors and consultants, (b) entering into of leases for real or personal property, (c) opening of bank and other deposit accounts and operations thereunder, (d) purchasing, constructing, improving, developing and maintaining of real property, (e) purchasing of insurance, goods, supplies, equipment, materials and other personal property, (f) borrowing of money, obtaining of credit, issuance of notes, debentures, securities, equity or other interests of or in the Company and securing of the obligations undertaken in connection therewith with mortgages on and security interests in all or any portion of the real or personal property of the Company, (g) making of investments in or the acquisition of securities of any Person, (h) giving of guarantees and indemnities, (i) entering into of contracts or agreements whether in the ordinary course of business or otherwise, (j) mergers with or acquisitions of other Persons, (k) the sale or lease of all or any portion of the assets of the

Company, (1) forming subsidiaries or joint ventures, (m) compromising, arbitrating, adjusting and litigating claims in favor of or against the Company and (n) all other acts or activities necessary or desirable for the carrying out of the purposes of the Company including those referred to in Section 2.6.

6.3 Officers; Agents. The Board of Managers by vote or resolution shall have the power to appoint officers and agents to act for the Company with such titles, if any, as the Board of Managers deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Board of Managers hereunder, including the power to execute documents on behalf of the Company, as the Board of Managers may in its sole discretion determine; provided, however, that no such delegation by the Board of Managers shall cause the Persons constituting the Board of Managers to cease to be the "managers" of the Company within the meaning of the Act. The officers or agents so appointed may include persons holding titles such as Chairman, Chief Executive Officer, Chief Operating Officer, President, Chief Financial Officer, Executive Vice President, Vice President, Treasurer, Controller, Secretary or Assistant Secretary. An officer may be removed at any time with or without cause. The officers of the Company as of the date hereof are set forth on Exhibit 6.3. Unless the authority of the agent designated as the officer in question is limited in the document appointing such officer or is otherwise specified by the Board of Managers, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a corporation in the absence of a specific delegation of authority and all deeds, leases, transfers, contracts, bonds, notes, checks, drafts or other obligations made, accepted or endorsed by the corporation may be signed by the Chairman, if any, the President, a Vice President or the Treasurer, Controller, Secretary or Assistant Secretary at the time in office. The Board of Managers, in its sole discretion, may by vote or resolution of the Board of Managers ratify any act previously taken by an officer or agent acting on behalf of the Company.

6.4 Reliance by Third Parties. Any person or entity dealing with the Company or any Member may rely upon a certificate signed by a member of the Board of Managers as to: (a) the identity of the Member or the members of the Board of Managers, (b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Member or the Board of Managers or are in any other manner germane to the affairs of the Company, (c) the Persons which are authorized to execute and deliver any instrument or document of or on behalf of the Company, (d) the authorization of any action taken by or on behalf of the Company, the Board of Managers or any officer or agent acting on behalf of the Company or (e) any act or failure to act by the Company or as to any other matter whatsoever involving the Company or the Member.

ARTICLE 7
TRANSFER OF INTERESTS

Any Member may sell, assign, pledge, encumber, dispose of or otherwise transfer all or any part of the economic or other rights that comprise its Interest. If so determined by such Member, the transferee shall have the right to be substituted for the Member under this Agreement for the transferor or as an additional Member if the Member transfers less than all of its Interest. No Member may withdraw or resign as Member except as a result of a transfer pursuant to this Article 7 in which the transferee is substituted for the Member. None of the

events described in Section 18-304 of the Act shall cause a Member to cease to be a Member of the Company.

ARTICLE 8
AMENDMENTS TO AGREEMENT

This Agreement may be amended or modified as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4. The Board of Managers shall cause to be prepared and filed any amendment to the Certificate that may be required to be filed under the Act as a consequence of any such amendment or modification.

ARTICLE 9
DISSOLUTION OF COMPANY

9.1 Events of Dissolution or Liquidation. The Company shall be dissolved and its affairs wound up upon the happening of either of the following events: (a) the written determination of each of the Members or (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

9.2 Liquidation. After termination of the business of the Company, the assets of the Company shall be distributed in the following order of priority:

(a) to creditors of the Company, including any Member if a creditor to the extent permitted by law, in satisfaction of liabilities of the Company (whether by payment thereof or the making of reasonable provision for payment thereof) other than liabilities for Distributions to the Member; and then

(b) ratably to each Member in accordance with the number of Units then held by such Member.

ARTICLE 10
INDEMNIFICATION

10.1 General. The Company shall indemnify, defend, and hold harmless any Member, any director, officer, partner, stockholder, controlling Person or employee of any Member, each member of the Board of Managers, any officer, employee or agent of the Company and any Person serving at the request of the Company as a director, officer, employee, partner, trustee or independent contractor of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (all of the foregoing Persons being referred to collectively as "Indemnified Parties" and individually as an "Indemnified Party") from any liability, loss or damage incurred by the Indemnified Party by reason of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company and from liabilities or obligations of the Company imposed on such Indemnified Party by virtue of such Indemnified Party's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss or damage, except for liabilities, losses, damages or obligations resulting from the Indemnified Party's gross negligence or willful misconduct; provided, however, that the indemnification under this Section 10.1 shall be recoverable only from the assets of the Company and not from any assets of any Member. Unless the Board of Managers determines in good faith that the Indemnified Party is unlikely to be entitled to indemnification under this Article 10, the Company shall pay or reimburse reasonable attorneys' fees of an Indemnified Party as incurred, provided that such Indemnified Party executes an undertaking, with appropriate security if requested by the Board of Managers, to repay the amount so paid or reimbursed in the event that a final non-appealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to indemnification under this Article 10. The Company may pay for insurance covering liability of the Indemnified Party for negligence in operation of the Company's affairs.

10.2 Exculpation. No Indemnified Party shall be liable, in damages or otherwise, to the Company or to any Member for any liability, loss or damage that arises out of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company. except for liabilities, losses or damages resulting from the Indemnified Party's gross negligence or willful misconduct.

10.3 Persons Entitled to Indemnity. Any Person who is within the definition of "Indemnified Party" at the time of any action or inaction in connection with the business of the Company shall be entitled to the benefits of this Article 10 as an "Indemnified Party" with respect thereto, regardless whether such Person continues to be within the definition of "Indemnified Party" at the time of such Indemnified Party's claim for indemnification or exculpation hereunder.

10.4 Procedure Agreements. The Company may enter into an agreement with any of its officers, employees, consultants, counsel and agents, any member of the Board of Managers or any Member, setting forth procedures consistent with applicable law for implementing the indemnities provided in this Article 10.

ARTICLE 11
MISCELLANEOUS

11.1 General. This Agreement: (a) shall be binding upon the legal successors of any Member; (b) shall be governed by and construed in accordance with the laws of the State of Delaware; and (c) contains the entire agreement as to the subject matter hereof. The waiver of any of the provisions, terms, or conditions contained in this Agreement shall not be considered as a waiver of any of the other provisions, terms, or conditions hereof.

11.2 Notices, Etc. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery or receipt (which may be evidenced by a return receipt if sent by registered mail or by signature if delivered by courier or delivery service), addressed to any Member at its address in the records of the Company or otherwise specified by the Member.

11.3 Gender and Number. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include the masculine, feminine and neuter genders.

11.4 Severability. If any provision of this Agreement is determined by a court to be invalid or unenforceable, that determination shall not affect the other provisions hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each said provision shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

11.5 Headings. The headings used in this Agreement are used for administrative convenience only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

11.6 No Third Party Rights. Except for the provisions of Section 6.4, the provisions of this Agreement are for the benefit of the Company, each Member and permitted assignees and no other Person, including creditors of the Company, shall have any right or claim against the Company or any Member by reason of this Agreement or any provision hereof or be entitled to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year first set forth above.

WANGNER ITELPA I LLC

By:_____

Name:
Title:

Schedule A

REGISTER OF INTEREST

Holder of Interest	Unit Certificate Number	Units

Exhibit 4.4

MEETINGS OF MEMBERS, ETC.

1. Annual Meeting. There shall be an annual meeting of the Members which shall be (a) held at Westborough, Massachusetts on the second Thursday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or (b) at such other place, date and time as shall be designated from time to time by the Board of Managers and stated in the notice of the meeting, at which meeting they shall elect a Board of Managers, determine Distributions, if any, and transact such other business as may be required by law or this Agreement or as may properly come before the meeting.

2. Special Meetings. A special meeting of the Members may be called at any time by the Chairman of the Board, if any, the President, the Board of Managers, or by the Members holding at least 50.0% of the Units then outstanding. A special meeting of the Members shall be called by the Secretary, or in the case of the death, absence, incapacity or refusal of the Secretary, by an Assistant Secretary or some other officer, upon application of a majority of the Board of Managers. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour and purposes of the meeting.

3. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of the Members stating the place, day and hour thereof and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less then ten nor more than sixty days before the meeting, to each Member entitled to vote thereat, and to each Member who, by law or by this Agreement, is entitled to notice, by leaving such notice with such Member or at such Member's residence or usual place of business, or by depositing it in the United States mail, postage prepaid, and addressed to such Member at such Member's address as it appears in the records of the Company. Such notice shall be given by the Secretary, or by an officer or person designated by the Board of Managers, or in the case of a special meeting by the officer calling the meeting. As to any adjourned session of any meeting of the Members, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken, except that if the adjournment is for more than thirty days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of the Members or any adjourned session thereof need be given to a Member if a written waiver of notice, executed before or after the meeting or such adjourned session by such Member, is filed with the records of the meeting or if such Member attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Members or any adjourned session thereof need be specified in any written waiver of notice.

4. Quorum of Members. At any meeting of the Members a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except where a larger quorum is required by law or by this Agreement. Any meeting may be adjourned from time to time by a

majority of the votes properly cast upon the question, whether or not a quorum is present. If a quorum is present at an original meeting, a quorum need not be present at an adjourned session of that meeting.

5. Action by Vote. Each Member shall be entitled to one vote for each Unit held by such Member on all matters on which Members are entitled to vote at a meeting of Members or otherwise when a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law or by this Agreement. No ballot shall be required for any election unless requested by a Member present or represented at the meeting and entitled to vote in the election.

6. Action without Meetings. Any action required or permitted to be taken by Members for or in connection with any action of the Company may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units entitled to vote thereon were present and voted and shall be delivered to the Company by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the Company having custody of the book in which proceedings of meetings of Members are recorded. Each such written consent shall bear the date of signature of each Member who signs the consent. No written consent shall be effective to take the action referred to therein unless written consents signed by a number of Members sufficient to take such action are delivered to the Company in the manner specified in this paragraph within sixty days of the earliest dated consent so delivered.

If action is taken by consent of Members and in accordance with the foregoing, there shall be filed with the records of the meetings of Members the writing or writings comprising such consent.

If action is taken by less than unanimous consent of Members, prompt notice of the taking of such action without a meeting shall be given to those who have not consented in writing and a certificate signed and attested to by the Secretary that such notice was given shall be filed with the records of the meetings of Members.

7. Proxy Representation. Every Member may authorize another person or persons to act for such Member by proxy in all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the Member or by such Member's attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable where the interest with which it is coupled is an interest in the Interest of such Member. The authorization of a proxy may but need not be limited to specified action; provided, however, that if a proxy limits its authorization to a meeting or meetings of Members, unless otherwise specifically provided such

proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

8. Resolution of Issues. To the extent that any dispute shall arise with respect thereto, the Board of Managers shall be entitled to decide all issues such as the existence of a quorum, the validity of proxies, the number of votes, the Members entitled to vote or consent and other similar procedural questions that are raised at any meeting of Members.

Exhibit 6.1

BOARD OF MANAGERS

1. Number: Appointment. The Board of Managers initially shall consist of three members (each such member, along with any other members appointed from time to time, the "Board Members"). Thereafter, the Board of Managers shall be elected either at the Annual Meeting of Members or at a special meeting called for such purposes. The Board of Managers may increase or decrease the number of Board Members from time to time upon a vote of the Board of Managers.

2. Initial Board of Managers. The following individuals will be the initial Board Members:

Stephen R. Light

David Maffucci

Ted Orban

3. Tenure. Each Board Member shall, unless otherwise provided by law, hold office until the next Annual Meeting of Members and until such Board Member's successor is elected and qualified, or until such Board Member sooner dies, resigns, is removed or becomes disqualified. Any Board Member may be removed by the Members, at any time without giving any reason for such removal. A Board Member may resign by written notice to the Company which resignation shall not require acceptance and, unless otherwise specified in the resignation notice, shall be effective upon receipt by the Company. Vacancies and any newly created positions on the Board of Managers resulting from any increase in the number of the Board of Managers may be filled by vote of the Members or by a majority of the Board Members then in office, although less than a quorum, or by a sole remaining Board member.

4. Meetings. Meetings of the Board of Managers may be held at any time at such places within or without the State of Delaware designated in the notice of the meeting, when called by the Chair of the Board of Managers, if any, the President or any two Board Members acting together, reasonable notice thereof being given to each Board Member.

5. Notice. It shall be reasonable and sufficient notice to a Board Member to send notice by overnight delivery at least forty-eight hours or by facsimile at least twenty-four hours before the meeting addressed to such Board Member at such Board Member's usual or last known business or residence address or to give notice to such Board Member in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any Board Member if a written waiver of notice, executed by such Board Member before or after the meeting, is filed with the records of the meeting, or to any Board Member who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such Board Member. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

6. Quorum. Except as may be otherwise provided by law, at any meeting of the Board of Managers a majority of the Board Members then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

7. Action by Vote. Except as may be otherwise provided by law, when a quorum is present at any meeting the vote of a majority of the Board Members present shall be the act of the Board of Managers.

8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if all the Board Members consent thereto in writing, and such writing or writings are filed with the records of the meetings of the Board of Managers. Such consent shall be treated for all purposes as the act of the Board of Managers.

9. Participation in Meetings by Conference Telephone. Board Members may participate in a meeting of the Board of Managers by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law. Such participation shall constitute presence in person at such meeting.

10. Interested Transactions.

(a) No contract or transaction between the Company and one or more of the Board Members or officers, or between the Company and any other company, partnership, association, or other organization in which one or more of the Board Members or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Board Member or officer is present at or participates in the meeting of the Board of Managers which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(i) The material facts as to such Board Member's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Managers, and the Board of Managers in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Board Members, even though the disinterested Board Members be less than a quorum; or

(ii) The contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Managers.

(b) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board of Managers which authorizes the contract or transaction.

Exhibit 6.3

OFFICERS

Stephen R. Light -- President and Assistant Secretary
David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban -- Secretary
Elizabeth Leete -- Assistant Secretary

WANGNER ITELPA II LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of _____, 2010

WANGNER ITELPA II LLC
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Wangner Itelpa II LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Wangner Itelpa II LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

WHEREAS, Xerium Technologies, Inc, (the "Original Member") wishes to form a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act in order to conduct the business described herein.

NOW, THEREFORE, the Original Member agrees with the Company as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement the following terms have the following meanings:

"Act" means the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.) as amended and in effect from time to time.

"Affiliate" means, with respect to any specified Person, any Person that directly or through one or more intermediaries controls or is controlled by or is under common control with the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company dated as of _____, 2010 as amended from time to time.

"Capital Contribution" means the amount of cash and the fair market value of any other property contributed to the Company with respect to any Interest held by a Member.

"Certificate" means the Certificate of Formation of the Company filed on December 1, 2004 and any and all amendments thereto and restatements thereof filed on behalf of the Company as permitted hereunder with the office of the Secretary of State of the State of Delaware.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any future federal tax law.

"Company" means the limited liability company formed by virtue of this Agreement and the filing of the Certificate in accordance with the Act.

"Distribution" means the amount of cash and the fair market value of any other property distributed in respect of a Member's Interest in the Company.

"Fiscal Year" means the fiscal year of the Company which shall end on December 31 in each year or on such other date in each year as determined by the Board of Managers.

"Indemnified Party" is defined in Section 10.1.

"Interest" means the interest of a Member in the capital and profits of the Company, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"Member" means the Original Member and any other Person that both acquires an Interest in the Company and is admitted to the Company as a Member pursuant to this Agreement, from time to time.

"Original Member" is defined in Section 3.1.

"Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, or any other legal entity.

"Unit Certificate" is defined in Section 3.6.

"Units" are a measure of a Member's Interest in the Company.

ARTICLE 2
FORMATION AND PURPOSE

2.1 Formation, etc. The Company was formed as a limited liability company in accordance with the Act by the filing of the Certificate with the Secretary of State of Delaware on December 1, 2004. The rights, duties and liabilities of each Member and the Board of Managers shall be determined pursuant to the Act and this Agreement. To the extent that such rights, duties or obligations are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company is WANGNER ITELPA II LLC. The business of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Board of Managers deems appropriate or advisable. The Board of Managers shall file, or shall cause to be filed, any fictitious name certificates and similar filings, and any amendments thereto, that the Board of Managers considers appropriate or advisable.

2.3 Registered Office/Agent. The registered office required to be maintained by the Company in the State of Delaware pursuant to the Act shall initially be c/o Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The name and address of the registered agent of the Company pursuant to the Act shall initially be Corporation Service Company, 2711 Centerville Road, Suite 400, County of New Castle, Wilmington, Delaware 19808. The Company may, upon compliance with the applicable provisions of the Act, change its registered office or registered agent from time to time in the discretion of the Board of Managers.

2.4 Term. The term of the Company shall continue indefinitely unless sooner terminated as provided herein. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Act.

2.5 Purpose. The Company is formed for the purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any activities necessary, advisable, convenient or incidental thereto.

2.6 Specific Powers. Without limiting the generality of Section 2.5, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose set forth in Section 2.5, including, but not limited to, the power:

2.6.1 to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Act in any country, state, territory, district or other jurisdiction, whether domestic or foreign;

2.6.2 to acquire by purchase, lease, contribution of property or otherwise, own, hold, operate, maintain, finance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of any real or personal property;

2.6.3 to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, perform and carry out and take any other action with respect to contracts or agreements of any kind, including without limitation leases, licenses, guarantees and other contracts for the benefit of or with any Member or any Affiliate of any Member, without regard to whether such contracts may be deemed necessary, convenient to, or incidental to the accomplishment of the purposes of the Company;

2.6.4 to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships, trusts, limited liability companies, or individuals or other persons or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

2.6.5 to lend money, to invest and reinvest its funds, and to accept real and personal property for the payment of funds so loaned or invested;

2.6.6 to borrow money and issue evidence of indebtedness, and to secure the same by a mortgage, pledge, security interest or other lien on the assets of the Company;

2.6.7 to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities;

2.6.8 to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

2.6.9 to appoint employees, officers, agents and representatives of the Company, and define their duties and fix their compensation;

2.6.10 to indemnify any Person in accordance with the Act and this Agreement;

2.6.11 to cease its activities and cancel its Certificate; and

2.6.12 to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

2.7 Certificate. The filing of the Certificate by Michael J. Stick is hereby ratified and confirmed and said Person is hereby designated as an "authorized person" within the meaning of the Act to execute, deliver and file the Certificate and Stephen R. Light, David Maffucci, Ted Orban and Elizabeth Leete and such other Persons as may be designated from time to time by the Board of Managers are designated as authorized persons, within the meaning of the Act, to execute, deliver and file any amendments or restatements of the Certificate or any certificate of cancellation of the Certificate and any other certificates necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.8. Principal Office. The principal executive office of the Company shall be located at such place within or without the State of Delaware as the Board of Managers shall establish, and the Board of Managers may from time to time change the location of the principal executive office of the Company to any place within or without the State of Delaware. The Board of Managers may establish and maintain such additional offices and places of business of the Company, either within or without the State of Delaware, as it deems appropriate.

ARTICLE 3
ORIGINAL MEMBER; CAPITAL CONTRIBUTIONS; AND UNITS

3.1 Initial Capital Contribution. Upon the making of the initial Capital Contribution to the Company, which shall be in the amount of $100 and the Person making such Capital Contribution agreeing in writing to be bound by this Agreement as a Member, such Person shall

be admitted as the first Member (the "Original Member") and acquire a limited liability company interest in the Company. The initial Capital Contribution shall be allocated to a stated capital account of the Company.

3.2 Additional Capital Contributions. The Members shall make additional Capital Contributions to the Company for such purposes, at such times and in such amounts as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4.

3.3 Return of Capital Contributions. No Member shall have the right to demand a return of all or any part of its Capital Contributions, and any return of the Capital Contributions of a Member shall be made solely from the assets of the Company and only in accordance with the terms of this Agreement. No interest shall be paid to any Member with respect to its Capital Contributions.

3.4 Registration of Interests. Each Interest constitutes a "security," as such term is defined in 6 Del. C. § 8-102(15), governed by Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del. C. 8-101, et seq.). The Company shall maintain a record of the ownership of the Interests which shall be in the form set forth on Schedule A and which shall be amended from time to time to reflect transfers of the ownership of the Interests. An Interest shall be transferred by delivery to the Company of an instruction by the registered owner of the Interest requesting registration of transfer of such Interest (accompanied by a duly indorsed security certificate representing such Interest or affidavit of loss therefore) and the recording of such transfer in the records of the Company.

3.5 Units. Upon the admission of the Original Member as a Member, the Interest of the Original Member shall be divided into 100 Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Managers may issue additional Units to any Member in respect of additional Capital Contributions.

3.6 Unit Certificate. Each Member shall be entitled to a certificate stating the number of Units held by the Member in such form as shall, in conformity with law and this Agreement, be prescribed from time to time by the Board of Managers (a "Unit Certificate"). Such Unit Certificate shall be signed by the Chair of the Board of Managers or the President or any Vice President and by the Treasurer or an Assistant Treasurer or by the Secretary or an Assistant Secretary.

3.7 Loss of Certificate. In the case of the alleged theft, loss, destruction or mutilation of a Unit Certificate, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the Company against any claim on account thereof, as the Board of Managers may prescribe.

ARTICLE 4
STATUS AND RIGHTS OF MEMBERS

4.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, no member of the Board of Managers and no other Indemnified Party shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, a member of the Board of Managers or an Indemnified Party. All Persons dealing with the Company shall look solely to the assets of the Company for the payment of the debts, obligations or liabilities of the Company.

4.2 Return of Distributions of Capital. Except as otherwise expressly required by law, no Member, in its capacity as such, shall have any liability either to the Company or any of its creditors in excess of (a) any assets and undistributed profits of the Company and (b) to the extent required by law, the amount of any Distributions wrongfully distributed to it. Except as required by law or a court of competent jurisdiction, no Member or investor in or partner of a Member shall be obligated by this Agreement to return any Distribution to the Company or pay the amount of any Distribution for the account of the Company or to any creditor of the Company. The amount of any Distribution returned to the Company by or on behalf of a Member or paid by or on behalf of a Member for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to such Member.

4.3 No Management or Control. No Member shall take any part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.4 Meetings of Members. Meetings of Members shall be held and conducted, and the voting rights of Members shall be, as set forth on Exhibit 4.4 hereto.

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions. Subject to the requirements of the Act, the amount and timing of all Distributions shall be determined by the Member or Members at a meeting called for such purpose. All Distributions shall be made ratably to each Member in accordance with the number of Units then held by such Member. Distributions may be made in cash, securities or other property.

5.2 Withholding. The Company is hereby authorized to withhold and pay over any withholding or other taxes payable by the Company as a result of a Member's status as a Member hereunder.

ARTICLE 6
MANAGEMENT

6.1 Management. The business of the Company shall be managed by a Board of Managers, and the Persons constituting the Board of Managers shall be the "managers" of the Company for all purposes under the Act. The Board of Managers as of the date hereof shall be the Persons set forth in Exhibit 6.1. Thereafter, the Persons constituting the Board of Managers shall be elected by the Members in accordance with Exhibit 4.4 hereto. Decisions of the Board of Managers shall be embodied in a vote or resolution adopted in accordance with the procedures set forth in Exhibit 6.1. Such decisions shall be decisions of the "manager" for all purposes of the Act and shall be carried out by any member of the Board of Managers or by officers or agents of the Company designated by the Board of Managers in the vote or resolution in question or in one or more standing votes or resolutions or with the power and authority to do so under Section 6.3. A decision of the Board of Managers may be amended, modified or repealed in the same manner in which it was adopted or in accordance with the procedures set forth in Exhibit 6.1 as then in effect, but no such amendment, modification or repeal shall affect any Person who has been furnished a copy of the original vote or resolution, certified by a duly authorized agent of the Company, until such Person has been notified in writing of such amendment, modification or repeal.

6.2 Authority of Board of Managers. The Board of Managers shall have the exclusive power and authority to manage the business and affairs of the Company and to make all decisions with respect thereto. Except as otherwise expressly provided in this Agreement, the Board of Managers or Persons designated by the Board of Managers, including officers and agents appointed by the Board of Managers, shall be the only Persons authorized to execute documents which shall be binding on the Company. To the fullest extent permitted by Delaware law, the Board of Managers shall have the power to do any and all acts, statutory or otherwise, with respect to the Company of this Agreement, which would otherwise be possessed by the Member or Members under the laws of the State of Delaware, and the Member or Members shall have no power whatsoever with respect to the management of the business and affairs of the Company. The owner and authority granted to the Board of Managers hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make all decisions with regard to the management, operations, assets, financing and capitalization of the Company, including without limitation, the power and authority to undertake and make decisions concerning: (a) hiring and firing of employees, attorneys, accountants, brokers, investment bankers and other advisors and consultants, (b) entering into of leases for real or personal property, (c) opening of bank and other deposit accounts and operations thereunder, (d) purchasing, constructing, improving, developing and maintaining of real property, (e) purchasing of insurance, goods, supplies, equipment, materials and other personal property, (f) borrowing of money, obtaining of credit, issuance of notes, debentures, securities, equity or other interests of or in the Company and securing of the obligations undertaken in connection therewith with mortgages on and security interests in all or any portion of the real or personal property of the Company, (g) making of investments in or the acquisition of securities of any Person, (h) giving of guarantees and indemnities, (i) entering into of contracts or agreements whether in the ordinary course of business or otherwise, (j) mergers with or acquisitions of other Persons, (k) the sale or lease of all or any portion of the assets of the Company, (1) forming subsidiaries or joint ventures, (m) compromising, arbitrating, adjusting and litigating claims in favor of or against the Company and (n) all other acts or activities necessary or desirable for the carrying out of the purposes of the Company including those referred to in Section 2.6.

6.3 Officers; Agents. The Board of Managers by vote or resolution shall have the power to appoint officers and agents to act for the Company with such titles, if any, as the Board of Managers deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Board of Managers hereunder, including the power to execute documents on behalf of the Company, as the Board of Managers may in its sole discretion determine; provided, however, that no such delegation by the Board of Managers shall cause the Persons constituting the Board of Managers to cease to be the "managers" of the Company within the meaning of the Act. The officers or agents so appointed may include persons holding titles such as Chairman, Chief Executive Officer, Chief Operating Officer, President, Chief Financial Officer, Executive Vice President, Vice President, Treasurer, Controller, Secretary or Assistant Secretary. An officer may be removed at any time with or without cause. The officers of the Company as of the date hereof are set forth on Exhibit 6.3. Unless the authority of the agent designated as the officer in question is limited in the document appointing such officer or is otherwise specified by the Board of Managers, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a corporation in the absence of a specific delegation of authority and all deeds, leases, transfers, contracts, bonds, notes, checks, drafts or other obligations made, accepted or endorsed by the corporation may be signed by the Chairman, if any, the President, a Vice President or the Treasurer, Controller, Secretary or Assistant Secretary at the time in office. The Board of Managers, in its sole discretion, may by vote or resolution of the Board of Managers ratify any act previously taken by an officer or agent acting on behalf of the Company.

6.4 Reliance by Third Parties. Any person or entity dealing with the Company or any Member may rely upon a certificate signed by a member of the Board of Managers as to: (a) the identity of the Member or the members of the Board of Managers, (b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Member or the Board of Managers or are in any other manner germane to the affairs of the Company, (c) the Persons which are authorized to execute and deliver any instrument or document of or on behalf of the Company, (d) the authorization of any action taken by or on behalf of the Company, the Board of Managers or any officer or agent acting on behalf of the Company or (e) any act or failure to act by the Company or as to any other matter whatsoever involving the Company or the Member.

ARTICLE 7
TRANSFER OF INTERESTS

Any Member may sell, assign, pledge, encumber, dispose of or otherwise transfer all or any part of the economic or other rights that comprise its Interest. If so determined by such Member, the transferee shall have the right to be substituted for the Member under this Agreement for the transferor or as an additional Member if the Member transfers less than all of its Interest. No Member may withdraw or resign as Member except as a result of a transfer pursuant to this Article 7 in which the transferee is substituted for the Member. None of the events described in Section 18-304 of the Act shall cause a Member to cease to be a Member of the Company.

ARTICLE 8
AMENDMENTS TO AGREEMENT

This Agreement may be amended or modified as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4. The Board of Managers shall cause to be prepared and filed any amendment to the Certificate that may be required to be filed under the Act as a consequence of any such amendment or modification.

ARTICLE 9
DISSOLUTION OF COMPANY

9.1 Events of Dissolution or Liquidation. The Company shall be dissolved and its affairs wound up upon the happening of either of the following events: (a) the written determination of each of the Members or (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

9.2 Liquidation. After termination of the business of the Company, the assets of the Company shall be distributed in the following order of priority:

(a) to creditors of the Company, including any Member if a creditor to the extent permitted by law, in satisfaction of liabilities of the Company (whether by payment thereof or the making of reasonable provision for payment thereof) other than liabilities for Distributions to the Member; and then

(b) ratably to each Member in accordance with the number of Units then held by such Member.

ARTICLE 10
INDEMNIFICATION

10.1 General. The Company shall indemnify, defend, and hold harmless any Member, any director, officer, partner, stockholder, controlling Person or employee of any Member, each member of the Board of Managers, any officer, employee or agent of the Company and any Person serving at the request of the Company as a director, officer, employee, partner, trustee or independent contractor of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (all of the foregoing Persons being referred to collectively as

"Indemnified Parties" and individually as an "Indemnified Party") from any liability, loss or damage incurred by the Indemnified Party by reason of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company and from liabilities or obligations of the Company imposed on such Indemnified Party by virtue of such Indemnified Party's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss or damage, except for liabilities, losses, damages or obligations resulting from the Indemnified Party's gross negligence or willful misconduct; provided, however, that the indemnification under this Section 10.1 shall be recoverable only from the assets of the Company and not from any assets of any Member. Unless the Board of Managers determines in good faith that the Indemnified Party is unlikely to be entitled to indemnification under this Article 10, the Company shall pay or reimburse reasonable attorneys' fees of an Indemnified Party as incurred, provided that such Indemnified Party executes an undertaking, with appropriate security if requested by the Board of Managers, to repay the amount so paid or reimbursed in the event that a final non-appealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to indemnification under this Article 10. The Company may pay for insurance covering liability of the Indemnified Party for negligence in operation of the Company's affairs.

10.2 Exculpation. No Indemnified Party shall be liable, in damages or otherwise, to the Company or to any Member for any liability, loss or damage that arises out of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company. except for liabilities, losses or damages resulting from the Indemnified Party's gross negligence or willful misconduct.

10.3 Persons Entitled to Indemnity. Any Person who is within the definition of "Indemnified Party" at the time of any action or inaction in connection with the business of the Company shall be entitled to the benefits of this Article 10 as an "Indemnified Party" with respect thereto, regardless whether such Person continues to be within the definition of "Indemnified Party" at the time of such Indemnified Party's claim for indemnification or exculpation hereunder.

10.4 Procedure Agreements. The Company may enter into an agreement with any of its officers, employees, consultants, counsel and agents, any member of the Board of Managers or any Member, setting forth procedures consistent with applicable law for implementing the indemnities provided in this Article 10.

ARTICLE 11
MISCELLANEOUS

11.1 General. This Agreement: (a) shall be binding upon the legal successors of any Member; (b) shall be governed by and construed in accordance with the laws of the State of Delaware; and (c) contains the entire agreement as to the subject matter hereof. The waiver of any of the provisions, terms, or conditions contained in this Agreement shall not be considered as a waiver of any of the other provisions, terms, or conditions hereof.

11.2 Notices, Etc. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery or receipt (which may be evidenced by a return receipt if sent by registered mail or by signature if delivered by courier or delivery service), addressed to any Member at its address in the records of the Company or otherwise specified by the Member.

11.3 Gender and Number. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include the masculine, feminine and neuter genders.

11.4 Severability. If any provision of this Agreement is determined by a court to be invalid or unenforceable, that determination shall not affect the other provisions hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each said provision shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

11.5 Headings. The headings used in this Agreement are used for administrative convenience only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

11.6 No Third Party Rights. Except for the provisions of Section 6.4, the provisions of this Agreement are for the benefit of the Company, each Member and permitted assignees and no other Person, including creditors of the Company, shall have any right or claim against the Company or any Member by reason of this Agreement or any provision hereof or be entitled to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year first set forth above.

WANGNER ITELPA II LLC

By:_____

Name:
Title:

Schedule A

REGISTER OF INTEREST

Holder of Interest	Unit Certificate Number	Units

Exhibit 4.4

MEETINGS OF MEMBERS, ETC.

1. Annual Meeting. There shall be an annual meeting of the Members which shall be (a) held at Westborough, Massachusetts on the second Thursday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or (b) at such other place, date and time as shall be designated from time to time by the Board of Managers and stated in the notice of the meeting, at which meeting they shall elect a Board of Managers, determine Distributions, if any, and transact such other business as may be required by law or this Agreement or as may properly come before the meeting.

2. Special Meetings. A special meeting of the Members may be called at any time by the Chairman of the Board, if any, the President, the Board of Managers, or by the Members holding at least 50.0% of the Units then outstanding. A special meeting of the Members shall be called by the Secretary, or in the case of the death, absence, incapacity or refusal of the Secretary, by an Assistant Secretary or some other officer, upon application of a majority of the Board of Managers. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour and purposes of the meeting.

3. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of the Members stating the place, day and hour thereof and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less then ten nor more than sixty days before the meeting, to each Member entitled to vote thereat, and to each Member who, by law or by this Agreement, is entitled to notice, by leaving such notice with such Member or at such Member's residence or usual place of business, or by depositing it in the United States mail, postage prepaid, and addressed to such Member at such Member's address as it appears in the records of the Company. Such notice shall be given by the Secretary, or by an officer or person designated by the Board of Managers, or in the case of a special meeting by the officer calling the meeting. As to any adjourned session of any meeting of the Members, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken, except that if the adjournment is for more than thirty days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of the Members or any adjourned session thereof need be given to a Member if a written waiver of notice, executed before or after the meeting or such adjourned session by such Member, is filed with the records of the meeting or if such Member attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Members or any adjourned session thereof need be specified in any written waiver of notice.

4. Quorum of Members. At any meeting of the Members a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except where a larger quorum is required by law or by this Agreement. Any meeting may be adjourned from time to time by a

majority of the votes properly cast upon the question, whether or not a quorum is present. If a quorum is present at an original meeting, a quorum need not be present at an adjourned session of that meeting.

5. Action by Vote. Each Member shall be entitled to one vote for each Unit held by such Member on all matters on which Members are entitled to vote at a meeting of Members or otherwise when a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law or by this Agreement. No ballot shall be required for any election unless requested by a Member present or represented at the meeting and entitled to vote in the election.

6. Action without Meetings. Any action required or permitted to be taken by Members for or in connection with any action of the Company may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units entitled to vote thereon were present and voted and shall be delivered to the Company by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the Company having custody of the book in which proceedings of meetings of Members are recorded. Each such written consent shall bear the date of signature of each Member who signs the consent. No written consent shall be effective to take the action referred to therein unless written consents signed by a number of Members sufficient to take such action are delivered to the Company in the manner specified in this paragraph within sixty days of the earliest dated consent so delivered.

If action is taken by consent of Members and in accordance with the foregoing, there shall be filed with the records of the meetings of Members the writing or writings comprising such consent.

If action is taken by less than unanimous consent of Members, prompt notice of the taking of such action without a meeting shall be given to those who have not consented in writing and a certificate signed and attested to by the Secretary that such notice was given shall be filed with the records of the meetings of Members.

7. Proxy Representation. Every Member may authorize another person or persons to act for such Member by proxy in all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the Member or by such Member's attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable where the interest with which it is coupled is an interest in the Interest of such Member. The authorization of a proxy may but need not be limited to specified action; provided, however, that if a proxy limits its authorization to a meeting or meetings of Members, unless otherwise specifically provided such

proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

8. Resolution of Issues. To the extent that any dispute shall arise with respect thereto, the Board of Managers shall be entitled to decide all issues such as the existence of a quorum, the validity of proxies, the number of votes, the Members entitled to vote or consent and other similar procedural questions that are raised at any meeting of Members.

Exhibit 6.1

BOARD OF MANAGERS

1. Number: Appointment. The Board of Managers initially shall consist of three members (each such member, along with any other members appointed from time to time, the "Board Members"). Thereafter, the Board of Managers shall be elected either at the Annual Meeting of Members or at a special meeting called for such purposes. The Board of Managers may increase or decrease the number of Board Members from time to time upon a vote of the Board of Managers.

2. Initial Board of Managers. The following individuals will be the initial Board Members:

Stephen R. Light

David Maffucci

Ted Orban

3. Tenure. Each Board Member shall, unless otherwise provided by law, hold office until the next Annual Meeting of Members and until such Board Member's successor is elected and qualified, or until such Board Member sooner dies, resigns, is removed or becomes disqualified. Any Board Member may be removed by the Members, at any time without giving any reason for such removal. A Board Member may resign by written notice to the Company which resignation shall not require acceptance and, unless otherwise specified in the resignation notice, shall be effective upon receipt by the Company. Vacancies and any newly created positions on the Board of Managers resulting from any increase in the number of the Board of Managers may be filled by vote of the Members or by a majority of the Board Members then in office, although less than a quorum, or by a sole remaining Board member.

4. Meetings. Meetings of the Board of Managers may be held at any time at such places within or without the State of Delaware designated in the notice of the meeting, when called by the Chair of the Board of Managers, if any, the President or any two Board Members acting together, reasonable notice thereof being given to each Board Member.

5. Notice. It shall be reasonable and sufficient notice to a Board Member to send notice by overnight delivery at least forty-eight hours or by facsimile at least twenty-four hours before the meeting addressed to such Board Member at such Board Member's usual or last known business or residence address or to give notice to such Board Member in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any Board Member if a written waiver of notice, executed by such Board Member before or after the meeting, is filed with the records of the meeting, or to any Board Member who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such Board Member. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

6. Quorum. Except as may be otherwise provided by law, at any meeting of the Board of Managers a majority of the Board Members then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

7. Action by Vote. Except as may be otherwise provided by law, when a quorum is present at any meeting the vote of a majority of the Board Members present shall be the act of the Board of Managers.

8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if all the Board Members consent thereto in writing, and such writing or writings are filed with the records of the meetings of the Board of Managers. Such consent shall be treated for all purposes as the act of the Board of Managers.

9. Participation in Meetings by Conference Telephone. Board Members may participate in a meeting of the Board of Managers by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law. Such participation shall constitute presence in person at such meeting.

10. Interested Transactions.

(a) No contract or transaction between the Company and one or more of the Board Members or officers, or between the Company and any other company, partnership, association, or other organization in which one or more of the Board Members or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Board Member or officer is present at or participates in the meeting of the Board of Managers which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(i) The material facts as to such Board Member's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Managers, and the Board of Managers in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Board Members, even though the disinterested Board Members be less than a quorum; or

(ii) The contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Managers.

(b) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board of Managers which authorizes the contract or transaction.

Exhibit 6.3

OFFICERS

Stephen R. Light -- President and Assistant Secretary
David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban -- Secretary
Elizabeth Leete -- Assistant Secretary

WEAVEXX, LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Weavexx, LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Weavexx, LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

SECTION 1. Formation. The LLC was formed upon the filing of its certificate of formation (the "Certificate of Formation") with the Secretary of State of the State of Delaware. The LLC was formed upon the conversion of Weavexx Corporation, a Delaware corporation.

SECTION 2. Purpose and Powers. The purpose of the LLC is to engage in any activity for which limited liability companies may be organized in the State of Delaware. The LLC shall possess and may exercise all of the powers and privileges granted by the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101, et seq. (the "Act") or by any other law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the LLC.

SECTION 3. Registered Office. The initial registered office of the LLC in the State of Delaware shall be located at the address for such office as set forth in the certificate of formation for the LLC filed with the Office of the Secretary of State of the State of Delaware. The registered office of the LLC may changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 4. Registered Agent. The name of the initial registered agent of the LLC for service of process on the LLC in the State of Delaware shall be as set forth in the Certificate of Formation. The registered agent of the LLC may be changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 5. Admission of Member. Simultaneously with the filing of the Certificate of Formation with the Office of the Secretary of State of the State of Delaware, Xerium Technologies, Inc. is admitted as the sole member of the LLC in respect of the Interest (as hereinafter defined).

SECTION 6. Interest and LLC Unit. The LLC shall be authorized to issue a single class of limited liability company interest (as defined in the Act). The entire limited liability company interest of the LLC, together with the rights of the sole member of the LLC under this

Agreement and the Act (the "Interest"), shall be represented by a certificate in the form attached hereto as Exhibit A. The Interest shall be represented by one (1) unit of interest (the "LLC Unit"). Notwithstanding anything to the contrary contained herein, the Company may not issue LLC Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void.

SECTION 7. Capital Contributions. The Member may contribute cash or other property to the LLC as it shall decide, from time to time.

SECTION 8. Tax Characterization and Returns. So long as the LLC has only one member, it is the intention of the Member that the LLC be disregarded for federal and state income tax purposes and that the activities of the LLC be deemed to be the activities of the Member for such purposes. All provisions of the LLC's Certificate of Formation and this Agreement are to be construed so as to preserve that tax status under those circumstances. Prior to any transaction that would result in the LLC having more than one member (including, without limitation, the admission of another member by the LLC or the transfer by the Member of less than all of the Interest), appropriate amendments shall be made to this Agreement to reflect the change in the Company's classification for federal and state income tax purposes that would result from such transfer or admission.

SECTION 9. Management.

(a) Board of Managers. The management of the LLC shall be vested in a Board of Managers (the "Board of Managers") elected by the Member. The total number of members on the Board of Managers (the "Managers") shall be three unless otherwise fixed at a different number by an amendment hereto. The Member hereby elects Stephen Light, Michael O'Donnell and Marshall Woodworth as the initial Managers of the LLC, to serve until their successors are elected and qualified. A Manager shall remain in office until removed by a written instrument signed by the Member or until such Manager resigns in a written instrument delivered to the Member or such Manager dies or is unable to serve. In the event of any vacancy on the Board of Managers, the Member may fill the vacancy by written instrument. Each Manager shall have one (1) vote. Except as otherwise provided in this Agreement, the Board of Managers shall act by the affirmative vote of a majority of the total number of Managers and no single Manager shall have the right, power or authority to bind the LLC. Each Manager shall perform his or her duties as such in good faith, in a manner he reasonably believes to be in the best interests of the LLC, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person who so performs his duties shall not have any liability by reason of serving or having served as a Manager. A Manager shall not be liable under a judgment, decree or order of court, or in any other manner, for a debt, obligation or liability of the LLC.

(b) Meetings and Powers of Board of Managers. The Board of Managers shall establish meeting times, dates and places and requisite notice requirements and adopt rules or procedures consistent with the terms of this Agreement. Any action required to be taken at a meeting of the Board of Managers, or any action that may be taken at a meeting of the Board of Managers, may be taken at a meeting held by means of conference telephone or other

communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

Notwithstanding anything to the contrary in this Section 9, the Board of Managers may take any action that may be taken by the Board of Managers under this Agreement without a meeting if such action is approved by the unanimous written consent of the Managers. Except as otherwise provided in this Agreement, all powers to control and manage the business and affairs of the LLC shall be exclusively vested in the Board of Managers, and the Board of Managers may exercise all powers of the LLC and do all such lawful acts as are not by statute, the Certificate of Formation or this Agreement directed or required to be exercised or done by the Member and in so doing shall have the right and authority to take all actions which the Board of Managers deems necessary, useful or appropriate for the management and conduct of the business of the LLC; provided, however, that the Member may amend this Agreement at any time and thereby broaden or limit the Board of Managers' power and authority.

(c) Officers. The LLC shall have officers who are appointed by the Board of Managers (the "Officers" and each an "Officer"). The Officers of the LLC shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer and such other positions as the Board of Managers deems appropriate from time to time. The initial Officers of the LLC shall be:

Stephen R. Light -- Chief Executive Officer and President
David Maffucci -- Vice President, Chief Financial Officer and Assistant Secretary
David Pretty -- Vice President and Assistant Secretary
Ted Orban -- Secretary and Treasurer
Elizabeth Leete -- Assistant Secretary

The powers and duties of each Officer shall be as follows:

The President. The President shall have, subject to the supervision, direction and control of the Board of Managers, the general powers and duties of supervision, direction and management of the affairs and business of the LLC usually vested in the president of a corporation, including, without limitation, all powers necessary to direct and control the organizational and reporting relationships within the LLC and the power to execute any agreements, deeds, certificates, notes or other documents on behalf of the LLC, provided that the approval of the Board of Managers or the Member is first obtained if such approval is required under the other provisions of this Agreement or the Act.

The Chief Executive Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers.

The Chief Financial Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Chief Executive Officer.

The Vice Presidents. Each Vice President shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers or the President.

The Secretary. The Secretary shall attend meetings of the Board of Managers and meetings of the Member and record all votes and minutes of all such proceedings in a book kept for such purpose. He or she shall have all such further powers and duties as generally are incident to the position of a secretary of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

Assistant Secretary. Each Assistant Secretary shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Secretary.

The Treasurer. The Treasurer shall have custody of the LLC's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the LLC and shall deposit or cause to be deposited moneys or other valuable effects in the name and to the credit of the LLC in such depositories as may be designated by the Board of Managers. The Treasurer shall also maintain adequate records of all assets, liabilities, and transactions of the LLC and shall see that adequate audits thereof are currently and regularly made. The Treasurer shall have such other powers and perform such other duties that generally are incident to the position of a treasurer of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

The powers and duties of each Officer set forth herein shall be deemed to be delegated by the Board of Managers to such Officer pursuant to Section 18-407 of the Act.

Each of the Officers of the LLC shall be an "authorized person" within the meaning of the Act for purposes of executing certificates and other documents to be filed by the LLC.

(d) Indemnification of the Managers and Officers. Unless otherwise provided in this Section 9, the LLC shall indemnify, save harmless, and pay all judgments and claims against any Manager or Officer relating to any liability or damage incurred by reason of any act performed or omitted to be performed by any Manager or Officer in connection with the business of the LLC, including reasonable attorneys' fees incurred by the Manager or Officer in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred. Unless otherwise provided in this Section 9, in the event of any action by the Member against any Manager or Officer, including a derivative suit, the LLC shall indemnify, save harmless, and pay all expenses of such Manager or Officer, including reasonable attorneys' fees incurred in the defense of such action. Notwithstanding the provisions of this Section 9, this Section shall be enforced only to the maximum extent permitted by law, and no Manager or Officer shall be indemnified from any liability for the fraud, intentional misconduct, gross negligence or a knowing violation of the law which was material to the cause of action.

(e) Rights and Powers of the Member. The Member shall not have any right or power to take part in the management or control of the LLC or its business and affairs or to act for or bind the LLC in any way. Notwithstanding the foregoing, the Member has all the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act. The Member has no voting rights except with respect to those matters specifically set forth in this Agreement and, to the extent not inconsistent herewith, as required in the Act. Notwithstanding any other provision of this Agreement, no action may be taken by the LLC (whether by the Board of Managers or otherwise) in connection with any of the following matters without the prior written consent of the Member:

i. the dissolution or liquidation, in whole or in part, of the LLC, or the institution of proceedings to have the LLC adjudicated bankrupt or insolvent;

ii. the filing of a petition seeking or consenting to reorganization or relief under any applicable federal or state bankruptcy law;

iii. consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the LLC or a substantial part of its property;

iv. the merger of the LLC with any other entity or the conversion of the LLC into another type of legal entity;

v. the sale of all or substantially all of the LLC's assets;

vi. any change in the classification of the LLC for federal or state income tax purposes; or

vii. the amendment of this Agreement.

SECTION 10. Distributions. Subject to section 18-607 and 19-804 of the Delaware Limited Liability Company Act, the Board of Managers may cause the LLC to distribute any cash held by it which is not reasonably necessary for the operation of the LLC.

SECTION 11. Assignments. The Member may assign all or any part of the Interest, subject to Section 8.

SECTION 12. Dissolution. The LLC shall dissolve, and its affairs shall be wound up, upon the earlier to occur of (a) the decision of the Member to dissolve the LLC, or (b) an event of dissolution of the LLC under the Act; provided, however, that ninety (90) days following any event terminating the continued membership of the Member, if the Personal Representative (as defined in the Act) of the Member agrees in writing to continue the LLC and to admit itself or some other Person as a member of the LLC effective as of the date of the occurrence of the event that terminated the continued membership the Member, then the LLC shall not be dissolved and its affairs shall not be wound up.

SECTION 13. Distributions Upon Dissolution. Upon the occurrence of an event set forth in Section 12 hereof, the Member shall be entitled to receive, after paying or making

reasonable provision for all of the LLC's creditors to the extent required by Section 18-804 of the Act, the remaining funds of the LLC.

SECTION 14. Limited Liability. No Member or Manager shall have any liability for the obligations of the LLC except to the extent required by the Act.

SECTION 15. Amendment. This Agreement may be amended only in a writing signed by the Member.

SECTION 16. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

SECTION 17. Severability. Every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

[*signature page follows*]

[*signature page to Limited Liability Company Agreement of Weavexx, LLC*]

IN WITNESS WHEREOF, the undersigned has caused this Agreement of Limited Liability Company to be executed as of the ___day of _____, 2010.

XERIUM TECHNOLOGIES, INC.

By:_____

Name:
Title:

EXHIBIT A
Form of Certificate

See attached [Certificate of Membership Interest.]

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW. ACCORDINGLY, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE ACT OR APPLICABLE STATE SECURITIES LAW OR ANY OPINION OF COUNSEL SATISFACTORY TO THE LIMITED LIABILITY COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT OR ANY APPLICABLE STATE SECURITIES LAW.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE, AND THE TRANSFER THEREOF, ARE SUBJECT TO THE PROVISIONS OF THE OPERATING AGREEMENT OF THE COMPANY, A COPY OF WHICH IS ON FILE AND MAY BE EXAMINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

FOR VALUE RECEIVED, _____ HEREBY SELLS, ASSIGNS, AND TRANSFERS

PLEASE INSERT SOCIAL SECURITY OR OTHER INDENTIFYING NUMBER OF ASSIGNEE

_____

UNTO _____ THE LIMITED LIABILITY COMPANY MEMBERSHIP INTEREST REPRESENTED BY THE CERTIFICATE of MEMBERSHIP INTEREST, AND DOES HEREBY IRREVOCABLY CONSTITUTE AND APPOINT _____ ATTORNEY TO TRANSFER THE SAID CERTIFICATE OF MEMBERSHIP INTEREST REPRESENTING LIMITED LIABILITY COMPANY MEMBERSHIP INTERESTS ON THE BOOKS OF THE WITHIN-NAMED LIMITED LIABILITY COMPANY WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

DATED,

MEMBER

IN THE PRESENCE OF

XERIUM ASIA, LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of Xerium, Asia, LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Xerium Asia, LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

SECTION 1. Formation. The LLC was formed upon the filing of its certificate of formation (the "Certificate of Formation") with the Secretary of State of the State of Delaware. The LLC was formed upon the conversion of Xerium Asia, Inc., a Delaware corporation.

SECTION 2. Purpose and Powers. The purpose of the LLC is to engage in any activity for which limited liability companies may be organized in the State of Delaware. The LLC shall possess and may exercise all of the powers and privileges granted by the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101, et seq. (the "Act") or by any other law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the LLC.

SECTION 3. Registered Office. The initial registered office of the LLC in the State of Delaware shall be located at the address for such office as set forth in the certificate of formation for the LLC filed with the Office of the Secretary of State of the State of Delaware. The registered office of the LLC may changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 4. Registered Agent. The name of the initial registered agent of the LLC for service of process on the LLC in the State of Delaware shall be as set forth in the Certificate of Formation. The registered agent of the LLC may be changed from time to time with the approval of the Board of Managers (as defined in Section 9).

SECTION 5. Admission of Member. Simultaneously with the filing of the Certificate of Formation with the Office of the Secretary of State of the State of Delaware, Xerium Technologies, Inc. is admitted as the sole member of the LLC in respect of the Interest (as hereinafter defined).

SECTION 6. Interest and LLC Unit. efined in the Act). The entire limited liability company interest of the LLC, together with the rights of the sole member of the LLC under this Agreement and the Act (the "Interest"), shall be represented by a certificate in the form attached hereto as Exhibit A. The Interest shall be represented by one (1) unit of interest (the "LLC

Unit"). Notwithstanding anything to the contrary contained herein, the Company may not issue LLC Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void.

SECTION 7. Capital Contributions. The Member may contribute cash or other property to the LLC as it shall decide, from time to time.

SECTION 8. Tax Characterization and Returns. So long as the LLC has only one member, it is the intention of the Member that the LLC be disregarded for federal and state income tax purposes and that the activities of the LLC be deemed to be the activities of the Member for such purposes. All provisions of the LLC's Certificate of Formation and this Agreement are to be construed so as to preserve that tax status under those circumstances. Prior to any transaction that would result in the LLC having more than one member (including, without limitation, the admission of another member by the LLC or the transfer by the Member of less than all of the Interest), appropriate amendments shall be made to this Agreement to reflect the change in the Company's classification for federal and state income tax purposes that would result from such transfer or admission.

SECTION 9. Management.

(a) Board of Managers. The management of the LLC shall be vested in a Board of Managers (the "Board of Managers") elected by the Member. The total number of members on the Board of Managers (the "Managers") shall be three unless otherwise fixed at a different number by an amendment hereto. The Member hereby elects Stephen Light, Michael O'Donnell and Marshall Woodworth as the initial Managers of the LLC, to serve until their successors are elected and qualified. A Manager shall remain in office until removed by a written instrument signed by the Member or until such Manager resigns in a written instrument delivered to the Member or such Manager dies or is unable to serve. In the event of any vacancy on the Board of Managers, the Member may fill the vacancy by written instrument. Each Manager shall have one (1) vote. Except as otherwise provided in this Agreement, the Board of Managers shall act by the affirmative vote of a majority of the total number of Managers and no single Manager shall have the right, power or authority to bind the LLC. Each Manager shall perform his or her duties as such in good faith, in a manner he reasonably believes to be in the best interests of the LLC, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person who so performs his duties shall not have any liability by reason of serving or having served as a Manager. A Manager shall not be liable under a judgment, decree or order of court, or in any other manner, for a debt, obligation or liability of the LLC.

(b) Meetings and Powers of Board of Managers. The Board of Managers shall establish meeting times, dates and places and requisite notice requirements and adopt rules or procedures consistent with the terms of this Agreement. Any action required to be taken at a meeting of the Board of Managers, or any action that may be taken at a meeting of the Board of Managers, may be taken at a meeting held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

Notwithstanding anything to the contrary in this Section 9, the Board of Managers may take any action that may be taken by the Board of Managers under this Agreement without a meeting if such action is approved by the unanimous written consent of the Managers. Except as otherwise provided in this Agreement, all powers to control and manage the business and affairs of the LLC shall be exclusively vested in the Board of Managers, and the Board of Managers may exercise all powers of the LLC and do all such lawful acts as are not by statute, the Certificate of Formation or this Agreement directed or required to be exercised or done by the Member and in so doing shall have the right and authority to take all actions which the Board of Managers deems necessary, useful or appropriate for the management and conduct of the business of the LLC; provided, however, that the Member may amend this Agreement at any time and thereby broaden or limit the Board of Managers' power and authority.

(c) Officers. The LLC shall have officers who are appointed by the Board of Managers (the "Officers" and each an "Officer"). The Officers of the LLC shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer and such other positions as the Board of Managers deems appropriate from time to time. The initial Officers of the LLC shall be:

Stephen R. Light -- Chief Executive Officer and President
David Maffucci -- Vice President, Chief Financial Officer and Assistant Secretary
David Pretty -- Vice President and Assistant Secretary
Ted Orban -- Secretary and Treasurer
Elizabeth Leete -- Assistant Secretary

The powers and duties of each Officer shall be as follows:

The President. The President shall have, subject to the supervision, direction and control of the Board of Managers, the general powers and duties of supervision, direction and management of the affairs and business of the LLC usually vested in the president of a corporation, including, without limitation, all powers necessary to direct and control the organizational and reporting relationships within the LLC and the power to execute any agreements, deeds, certificates, notes or other documents on behalf of the LLC, provided that the approval of the Board of Managers or the Member is first obtained if such approval is required under the other provisions of this Agreement or the Act.

The Chief Executive Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers.

The Chief Financial Officer. The Chief Executive Officer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Chief Executive Officer.

The Vice Presidents. Each Vice President shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers or the President.

The Secretary. The Secretary shall attend meetings of the Board of Managers and meetings of the Member and record all votes and minutes of all such proceedings in a book kept for such purpose. He or she shall have all such further powers and duties as generally are incident to the position of a secretary of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

Assistant Secretary. Each Assistant Secretary shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Managers, President or Secretary.

The Treasurer. The Treasurer shall have custody of the LLC's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the LLC and shall deposit or cause to be deposited moneys or other valuable effects in the name and to the credit of the LLC in such depositories as may be designated by the Board of Managers. The Treasurer shall also maintain adequate records of all assets, liabilities, and transactions of the LLC and shall see that adequate audits thereof are currently and regularly made. The Treasurer shall have such other powers and perform such other duties that generally are incident to the position of a treasurer of a corporation or as may from time to time be assigned to him or her by the Board of Managers or the President.

The powers and duties of each Officer set forth herein shall be deemed to be delegated by the Board of Managers to such Officer pursuant to Section 18-407 of the Act.

Each of the Officers of the LLC shall be an "authorized person" within the meaning of the Act for purposes of executing certificates and other documents to be filed by the LLC.

(d) Indemnification of the Managers and Officers. Unless otherwise provided in this Section 9, the LLC shall indemnify, save harmless, and pay all judgments and claims against any Manager or Officer relating to any liability or damage incurred by reason of any act performed or omitted to be performed by any Manager or Officer in connection with the business of the LLC, including reasonable attorneys' fees incurred by the Manager or Officer in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred. Unless otherwise provided in this Section 9, in the event of any action by the Member against any Manager or Officer, including a derivative suit, the LLC shall indemnify, save harmless, and pay all expenses of such Manager or Officer, including reasonable attorneys' fees incurred in the defense of such action. Notwithstanding the provisions of this Section 9, this Section shall be enforced only to the maximum extent permitted by law, and no Manager or Officer shall be indemnified from any liability for the fraud, intentional misconduct, gross negligence or a knowing violation of the law which was material to the cause of action.

(e) Rights and Powers of the Member. The Member shall not have any right or power to take part in the management or control of the LLC or its business and affairs or to act for or bind the LLC in any way. Notwithstanding the foregoing, the Member has all the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act. The Member has no voting rights except with respect to those matters specifically set forth in this Agreement and, to the extent not inconsistent herewith, as required in the Act. Notwithstanding any other provision of this Agreement, no action may be taken by the

LLC (whether by the Board of Managers or otherwise) in connection with any of the following matters without the prior written consent of the Member:

i. the dissolution or liquidation, in whole or in part, of the LLC, or the institution of proceedings to have the LLC adjudicated bankrupt or insolvent;

ii. the filing of a petition seeking or consenting to reorganization or relief under any applicable federal or state bankruptcy law;

iii. consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the LLC or a substantial part of its property;

iv. the merger of the LLC with any other entity or the conversion of the LLC into another type of legal entity;

v. the sale of all or substantially all of the LLC's assets;

vi. any change in the classification of the LLC for federal or state income tax purposes; or

vii. the amendment of this Agreement.

SECTION 10. Distributions. Subject to section 18-607 and 19-804 of the Delaware Limited Liability Company Act, the Board of Managers may cause the LLC to distribute any cash held by it which is not reasonably necessary for the operation of the LLC.

SECTION 11. Assignments. The Member may assign all or any part of the Interest, subject to Section 8.

SECTION 12. Dissolution. The LLC shall dissolve, and its affairs shall be wound up, upon the earlier to occur of (a) the decision of the Member to dissolve the LLC, or (b) an event of dissolution of the LLC under the Act; provided, however, that ninety (90) days following any event terminating the continued membership of the Member, if the Personal Representative (as defined in the Act) of the Member agrees in writing to continue the LLC and to admit itself or some other Person as a member of the LLC effective as of the date of the occurrence of the event that terminated the continued membership the Member, then the LLC shall not be dissolved and its affairs shall not be wound up.

SECTION 13. Distributions Upon Dissolution. Upon the occurrence of an event set forth in Section 12 hereof, the Member shall be entitled to receive, after paying or making reasonable provision for all of the LLC's creditors to the extent required by Section 18-804 of the Act, the remaining funds of the LLC.

SECTION 14. Limited Liability. No Member or Manager shall have any liability for the obligations of the LLC except to the extent required by the Act.

SECTION 15. Amendment. This Agreement may be amended only in a writing signed by the Member.

SECTION 16. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

SECTION 17. Severability. Every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

[*signature page follows*]

[*signature page to Limited Liability Company Agreement of Xerium Asia, LLC*]

IN WITNESS WHEREOF, the undersigned has caused this Agreement of Limited Liability Company to be executed as of the ___day of _____, 2010.

XERIUM TECHNOLOGIES, INC.

By:_____

Name:
Title:

STATE OF DELAWARE

RESTATED CERTIFICATE OF AMENDMENT

OF

XERIUM III (US) LIMITED

The name of the corporation is XERIUM III (US) LIMITED (the "Corporation"). XERIUM III (US) LIMITED, a corporation organized and existing under the laws of the State of Delaware, hereby certifies that this Amended and Restated Certificate of Incorporation, which has been duly adopted in accordance with Sections 242, 245 and 303 of the General Corporation Law of the State of Delaware, as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Xerium III (US) Limited and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 25, 1999, under the name Apax Acquisition Co. III. Pursuant to a Certificate of Amendment filed November 9, 1999, the name of the Corporation was changed to Xerium III (US) Limited.

Xerium III (US) Limited hereby amends and restates its certificate of incorporation as follows:

ARTICLE 1

The name of the corporation is Xerium III (US) Limited (the "Corporation").

ARTICLE 2

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE 3

The nature of the business or the objects or purposes to be conducted or promoted by the Corporation are to engage in any part of the world and in any capacity in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware as now in force or as hereafter amended and to possess, exercise and enjoy all the powers, rights and privileges granted by the General Corporation Law of the State of Delaware, together with any lawful powers, rights and privileges incidental thereto.

ARTICLE 4

The total number of shares of stock which the Corporation shall have authority to issue is 3,000, all of which shall be common stock having a par value per share of $.01.

The Corporation shall not issue any non-voting equity securities as contemplated by section 1123(a)(6) of Title 11 of the United States Code.

ARTICLE 5

The name and mailing address of the sole incorporator are as follows:

NAME	MAILING ADDRESS
Carol L. Helfrich	Baker & McKenzie 130 East Randolph Drive, Suite 3500 Chicago, Illinois 60601

ARTICLE 6

The Corporation shall have perpetual existence.

ARTICLE 7

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to adopt, amend or repeal the by-laws of the Corporation; provided, however, that such authorization shall not divest the stockholders of the power or limit the power of the stockholders to adopt, amend or repeal the by-laws of the Corporation.

ARTICLE 8

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the Corporation. Election of directors need not be by written ballot unless the by-laws of the Corporation so provide.

ARTICLE 9

The Corporation shall have the power to indemnify its directors, officers, employees or agents to the full extent permitted by the General Corporation Law of the State of Delaware as now in force or hereafter amended.

ARTICLE 10

No director shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except as provided for in Section 102(b)(7) of the General Corporation Law of the State of Delaware as now in force or as hereafter amended. Any repeal

or modification of this Article 10 shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE 11

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

ARTICLE 12

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights and powers conferred upon stockholders herein are granted subject to this reservation.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf by _____ its duly elected _____, this ____ day of _____, _____.

XERIUM III (US) LIMITED

By:_____

Name:
Title:

STATE OF DELAWARE

RESTATED CERTIFICATE OF AMENDMENT

OF

XERIUM IV (US) LIMITED

The name of the corporation is XERIUM IV (US) LIMITED (the "Corporation"). XERIUM IV (US) LIMITED, a corporation organized and existing under the laws of the State of Delaware, hereby certifies that this Amended and Restated Certificate of Incorporation, which has been duly adopted in accordance with Sections 242, 245 and 303 of the General Corporation Law of the State of Delaware, as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Xerium IV (US) Limited and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 25, 1999, under the name Apax Acquisition Co. IV. Pursuant to a Certificate of Amendment filed November 9, 1999, the name of the Corporation was changed to Xerium IV (US) Limited.

Xerium IV (US) Limited hereby amends and restates its certificate of incorporation as follows:

ARTICLE 1

The name of the corporation is Xerium IV (US) Limited (the "Corporation").

ARTICLE 2

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE 3

The nature of the business or the objects or purposes to be conducted or promoted by the Corporation are to engage in any part of the world and in any capacity in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware as now in force or as hereafter amended and to possess, exercise and enjoy all the powers, rights and privileges granted by the General Corporation Law of the State of Delaware, together with any lawful powers, rights and privileges incidental thereto.

ARTICLE 4

The total number of shares of stock which the Corporation shall have authority to issue is 3,000, all of which shall be common stock having a par value per share of $.01.

The Corporation shall not issue any non-voting equity securities as contemplated by section 1123(a)(6) of Title 11 of the United States Code.

ARTICLE 5

The name and mailing address of the sole incorporator are as follows:

NAME	MAILING ADDRESS
Carol L. Helfrich	Baker & McKenzie 130 East Randolph Drive, Suite 3500 Chicago, Illinois 60601

ARTICLE 6

The Corporation shall have perpetual existence.

ARTICLE 7

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to adopt, amend or repeal the by-laws of the Corporation; provided, however, that such authorization shall not divest the stockholders of the power or limit the power of the stockholders to adopt, amend or repeal the by-laws of the Corporation.

ARTICLE 8

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the Corporation. Election of directors need not be by written ballot unless the by-laws of the Corporation so provide.

ARTICLE 9

The Corporation shall have the power to indemnify its directors, officers, employees or agents to the full extent permitted by the General Corporation Law of the State of Delaware as now in force or hereafter amended.

ARTICLE 10

No director shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except as provided for in Section 102(b)(7) of the General Corporation Law of the State of Delaware as now in force or as hereafter amended. Any repeal or modification of this Article 10 shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE 11

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of section 279 of Title S of the Delaware Code, order a meeting of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

ARTICLE 12

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights and powers conferred upon stockholders herein are granted subject to this reservation.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf by _____ its duly elected _____, this ____ day of _____, _____.

XERIUM IV (US) LIMITED

By:_____

Name:
Title:

STATE OF DELAWARE

RESTATED CERTIFICATE OF AMENDMENT

OF

XERIUM V (US) LIMITED

The name of the corporation is XERIUM V (US) LIMITED (the "Corporation"). XERIUM V (US) LIMITED, a corporation organized and existing under the laws of the State of Delaware, hereby certifies that this Amended and Restated Certificate of Incorporation, which has been duly adopted in accordance with Sections 242, 245 and 303 of the General Corporation Law of the State of Delaware, as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of Xerium V (US) Limited and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 25, 1999, under the name Apax Acquisition Co. V. Pursuant to a Certificate of Amendment filed November 9, 1999, the name of the Corporation was changed to Xerium V (US) Limited.

Xerium V (US) Limited hereby amends and restates its certificate of incorporation as follows:

ARTICLE 1

The name of the corporation is Xerium V (US) Limited (the "Corporation").

ARTICLE 2

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE 3

The nature of the business or the objects or purposes to be conducted or promoted by the Corporation are to engage in any part of the world and in any capacity in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware as now in force or as hereafter amended and to possess, exercise and enjoy all the powers, rights and privileges granted by the General Corporation Law of the State of Delaware, together with any lawful powers, rights and privileges incidental thereto.

ARTICLE 4

The total number of shares of stock which the Corporation shall have authority to issue is 3,000, all of which shall be common stock having a par value per share of $.01.

The Corporation shall not issue any non-voting equity securities as contemplated by section 1123(a)(6) of Title 11 of the United States Code.

ARTICLE 5

The name and mailing address of the sole incorporator are as follows:

NAME	MAILING ADDRESS
Carol L. Helfrich	Baker & McKenzie 130 East Randolph Drive, Suite 3500 Chicago, Illinois 60601

ARTICLE 6

The Corporation shall have perpetual existence.

ARTICLE 7

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to adopt, amend or repeal the by-laws of the Corporation; provided, however, that such authorization shall not divest the stockholders of the power or limit the power of the stockholders to adopt, amend or repeal the by-laws of the Corporation.

ARTICLE 8

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the Corporation. Election of directors need not be by written ballot unless the by-laws of the Corporation so provide.

ARTICLE. 9

The Corporation shall have the power to indemnify its directors, officers, employees or agents to the full extent permitted by the General Corporation Law of the State of Delaware as now in force or hereafter amended.

ARTICLE 10

No director shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except as provided for in Section 102(b)(7) of the General Corporation Law of the State of Delaware as now in force or as hereafter amended. Any repeal

or modification of this Article 10 shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE 11

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of section 291 of Title S of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

ARTICLE 12

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights and powers conferred upon stockholders herein are granted subject to this reservation.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf by _____ its duly elected _____, this ____ day of _____, _____.

XERIUM V (US) LIMITED

By:_____

Name:
Title:

XTI LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of _____, 2010

XTI LLC

AMENDED AND RESTATAED LIMITED LIABILITY COMPANY AGREEMENT

This Amended and Restated Limited Liability Company Agreement ("Agreement") of XTI LLC (the "Company") is made as of _____, ____, as required by that certain amended joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code of XTI LLC and certain of its debtor affiliates, as filed with the United States Bankruptcy Court for the District of Delaware (the "Court") on March 30, 2010 (Case No. 10-_____ (___)) and confirmed by the Court on _____, ____ (the "Plan").

WHEREAS, Xerium Technologies, Inc, (the "Original Member") wishes to form a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act in order to conduct the business described herein.

NOW, THEREFORE, the Original Member agrees with the Company as follows

ARTICLE 1
DEFINITIONS

For purposes of this Agreement the following terms have the following meanings:

"Act" means the Delaware Limited Liability Company Act (6 Del. C. § 18401, et seq.) as amended and in effect from time to time.

"Affiliate" means, with respect to any specified Person, any Person that directly or through one or more intermediaries controls or is controlled by or is under common control with the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Limited Liability Company Agreement of the Company dated as of _____, 2010, as amended from time to time.

"Capital Contribution" means the amount of cash and the fair market value of any other property contributed to the Company with respect to any Interest held by a Member.

"Certificate" means the Certificate of Formation of the Company filed on June 23, 2004 and any and all amendments thereto and restatements thereof filed on behalf of the Company as permitted hereunder with the office of the Secretary of State of the State of Delaware.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any future federal tax law.

"Company" means the limited liability company formed by virtue of this Agreement and the filing of the Certificate in accordance with the Act.

"Distribution" means the amount of cash and the fair market value of any other property distributed in respect of a Member's Interest in the Company.

"Fiscal Year" means the fiscal year of the Company which shall end on June 30 in each year or on such other date in each year as determined by the Board of Managers.

"Indemnified Party" is defined in Section 10.1.

"Interest" means the interest of a Member in the capital and profits of the Company, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"Member" means the Original Member and any other Person that both acquires an Interest in the Company and is admitted to the Company as a Member pursuant to this Agreement, from time to time.

"Original Member" means Xerium 3 S.A.

"Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, or any other legal entity.

"Unit Certificate" is defined in Section 3.7.

"Units" are a measure of a Member's Interest in the Company.

ARTICLE 2
FORMATION AND PURPOSE

2.1 Formation, etc. The Company was formed as a limited liability company in accordance with the Act by the filing of the Certificate with the Secretary of State of Delaware on June 24, 2004. The rights, duties and liabilities of each Member and the Board of Managers shall be determined pursuant to the Act and this Agreement. To the extent that such rights, duties or obligations are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control. By execution hereof, the Original Member is admitted as a Member of the Company and shall acquire a limited liability interest in the Company.

2.2 Name. The name of the Company is XTI LLC. The business of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Board of Managers deems appropriate or advisable. The Board of Managers shall file, or shall

cause to be filed, any fictitious name certificates and similar filings, and any amendments thereto, that the Board of Managers considers appropriate or advisable.

2.3 Registered Office/Agent. The registered office required to be maintained by the Company in the State of Delaware pursuant to the Act shall initially be do The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. The name and address of the registered agent of the Company pursuant to the Act shall initially be Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. The Company may, upon compliance with the applicable provisions of the Act, change its registered office or registered agent from time to time in the discretion of the Board of Managers.

2.4 Term. The term of the Company shall continue indefinitely unless sooner terminated as provided herein. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Act.

2.5 Purpose. The Company is formed for the purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any activities necessary, advisable, convenient or incidental thereto.

2.6 Specific Powers. Without limiting the generality of Section 2.5, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose set forth in Section 2.5, including, but not limited to, the power:

2.6.1 to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Act in any country, state, territory, district or other jurisdiction, whether domestic or foreign;

2.6.2 to acquire by purchase, lease, contribution of property or otherwise, own, hold, operate, maintain, finance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of any real or personal property;

2.6.3 to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, perform and carry out and take any other action with respect to contracts or agreements of any kind, including without limitation leases, licenses, guarantees and other contracts for the benefit of or with any Member or any Affiliate of any Member, without regard to whether such contracts may be deemed necessary, convenient to, or incidental to the accomplishment of the purposes of the Company;

2.6.4 to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships, trusts, limited liability companies, or individuals or other persons or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

2.6.5 to lend money, to invest and reinvest its funds, and to accept real and personal property for the payment of funds so loaned or invested;

2.6.6 to borrow money and issue evidence of indebtedness, and to secure the same by a mortgage, pledge, security interest or other lien on the assets of the Company;

2.6.7 to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities;

2.6.8 to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

2.6.9 to appoint employees, officers, agents and representatives of the Company, and define their duties and fix their compensation;

2.6.10 to indemnify any Person in accordance with the Act and this Agreement;

2.6.11 to cease its activities and cancel its Certificate; and

2.6.12 to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

2.7 Certificate. The filing of the Certificate by Joshua M. Aronson is hereby ratified and confirmed and said Person is hereby designated as an "authorized person" within the meaning of the Act to execute, deliver and file the Certificate and Stephen R. Light, David Maffucci, Ted Orban and Elizabeth Leete and such other Persons as may be designated from time to time by the Board of Managers are designated as authorized persons, within the meaning of the Act, to execute, deliver and file any amendments or restatements of the Certificate or any certificate of cancellation of the Certificate and any other certificates necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.8. Principal Office. The principal executive office of the Company shall be located at such place within or without the State of Delaware as the Board of Managers shall establish, and the Board of Managers may from time to time change the location of the principal executive office of the Company to any place within or without the State of Delaware. The Board of Managers may establish and maintain such additional offices and places of business of the Company, either within or without the State of Delaware, as it deems appropriate.

ARTICLE 3
ORIGINAL MEMBER; CAPITAL CONTRIBUTIONS; AND UNITS

3.1 Member. The name and the business address of the Original Member of the Company is as follows:

Name Address

Xerium Technologies, Inc.

3.2 Initial Capital Contribution. Contemporaneously with the execution hereof the Original Member is making an Initial Capital Contribution to the Company of $100. The Initial Capital Contribution shall be allocated to a stated capital account of the Company.

3.3 Additional Capital Contributions. The Members shall make additional Capital Contributions to the Company for such purposes, at such times and in such amounts as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4.

3.4 Return of Capital Contributions. No Member shall have the right to demand a return of all or any part of its Capital Contributions, and any return of the Capital Contributions of a Member shall be made solely from the assets of the Company and only in accordance with the terms of this Agreement. No interest shall be paid to any Member with respect to its Capital Contributions.

3.5 Registration of Interests. Each Interest constitutes a "security," as such term is defined in 6 Del. C. § 8-102(15), governed by Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del. C. § 8-101, et seq.). The Company shall maintain a record of the ownership of the Interests which shall, initially, be as set forth on Schedule A and which shall be amended from time to time to reflect transfers of the ownership of the Interests. An Interest shall be transferred by delivery to the Company of an instruction by the registered owner of the Interest requesting registration of transfer of such Interest (accompanied by a duly indorsed security certificate representing such Interest or affidavit of loss therefore) and the recording of such transfer in the records of the Company.

3.6 Units. Upon the admission of the Original Member as a Member, the Interest of the Original Member shall be divided into 100 Units. Notwithstanding anything to the contrary contained herein, the Company may not issue Units that would be deemed to be non-voting securities as contemplated by section 1123(a)(6) of the Title 11 of the United States Code, and any provision contained herein that would render the Units non-voting equity units as contemplated by section 1123(a)(6) of Title 11 of the United States Code shall be deemed null and void. The Board of Managers may issue additional Units to any Member in respect of additional Capital Contributions.

3.7 Unit Certificate. Each Member shall be entitled to a certificate stating the number of Units held by the Member in such form as shall, in conformity with law and this Agreement, be prescribed from time to time by the Board of Managers (a "Unit Certificate"). Such Unit Certificate shall be signed by the Chair of the Board of Managers or the President or any Vice President and by the Treasurer or an Assistant Treasurer or by the Secretary or an Assistant Secretary.

3.8 Loss of Certificate. In the case of the alleged theft, loss, destruction or mutilation of a Unit Certificate, a duplicate certificate may be issued in place thereof, upon such terms,

including receipt of a bond sufficient to indemnify the Company against any claim on account thereof, as the Board of Managers may prescribe.

ARTICLE 4
STATUS AND RIGHTS OF MEMBERS

4.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, no member of the Board of Managers and no other Indemnified Party shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, a member of the Board of Managers or an Indemnified Party. All Persons dealing with the Company shall look solely to the assets of the Company for the payment of the debts, obligations or liabilities of the Company.

4.2 Return of Distributions of Capital. Except as otherwise expressly required by law, no Member, in its capacity as such, shall have any liability either to the Company or any of its creditors in excess of (a) in the case of the Original Member, its obligation to make a capital contribution pursuant to Section 3.2, if not previously made, (b) any assets and undistributed profits of the Company and (c) to the extent required by law, the amount of any Distributions wrongfully distributed to it. Except as required by law or a court of competent jurisdiction, no Member or investor in or partner of a Member shall be obligated by this Agreement to return any Distribution to the Company or pay the amount of any Distribution for the account of the Company or to any creditor of the Company. The amount of any Distribution returned to the Company by or on behalf of a Member or paid by or on behalf of a Member for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to such Member.

4.3 No Management or Control. No Member shall take any part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.4 Meetings of Members. Meetings of Members shall be held and conducted, and the voting rights of Members shall be, as set forth on Exhibit 4.4 hereto. .

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions. Subject to the requirements of the Act, the amount and timing of all Distributions shall be determined by the Member or Members at a meeting called for such purpose. All Distributions shall be made ratably to each Member in accordance with the number of Units then held by such Member. Distributions may be made in cash, securities or other property. .

5.2 Withholding. The Company is hereby authorized to withhold and pay over any withholding or other taxes payable by the Company as a result of a Member's status as a Member hereunder.

ARTICLE 6
MANAGEMENT

6.1 Management. The business of the Company shall be managed by a Board of Managers, and the Persons constituting the Board of Managers shall be the "managers" of the Company for all purposes under the Act. The Board of Managers as of the date hereof shall be the Persons set forth in Exhibit 6.1. Thereafter, the Persons constituting the Board of Managers shall be elected by the Members in accordance with Exhibit 4.4 hereto. Decisions of the Board of Managers shall be embodied in a vote or resolution adopted in accordance with the procedures set forth in Exhibit 6.1. Such decisions shall be decisions of the "manager" for all purposes of the Act and shall be carried out by any member of the Board of Managers or by officers or agents of the Company designated by the Board of Managers in the vote or resolution in question or in one or more standing votes or resolutions or with the power and authority to do so under Section 6.3. A decision of the Board of Managers may be amended, modified or repealed in the same manner in which it was adopted or in accordance with the procedures set forth in Exhibit 6.1 as then in effect, but no such amendment, modification or repeal shall affect any Person who has been furnished a copy of the original vote or resolution, certified by a duly authorized agent of the Company, until such Person has been notified in writing of such amendment, modification or repeal.

6.2 Authority of Board of Managers. The Board of Managers shall have the exclusive power and authority to manage the business and affairs of the Company and to make all decisions with respect thereto. Except as otherwise expressly provided in this Agreement, the Board of Managers or Persons designated by the Board of Managers, including officers and agents appointed by the Board of Managers, shall be the only Persons authorized to execute documents which shall be binding on the Company. To the fullest extent permitted by Delaware law, the Board of Managers shall have the power to do any and all acts, statutory or otherwise, with respect to the Company of this Agreement, which would otherwise be possessed by the Member or Members under the laws of the State of Delaware, and the Member or Members shall have no power whatsoever with respect to the management of the business and affairs of the Company. The owner and authority granted to the Board of Managers hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make all decisions with regard to the management, operations, assets, financing and capitalization of the Company, including without limitation, the power and authority to undertake and make decisions concerning: (a) hiring and firing of employees,

attorneys, accountants, brokers, investment bankers and other advisors and consultants, (b) entering into of leases for real or personal property, (c) opening of bank and other deposit accounts and operations thereunder, (d) purchasing, constructing, improving, developing and maintaining of real property, (e) purchasing of insurance, goods, supplies, equipment, materials and other personal property, (f) borrowing of money, obtaining of credit, issuance of notes, debentures, securities, equity or other interests of or in the Company and securing of the obligations undertaken in connection therewith with mortgages on and security interests in all or any portion of the real or personal property of the Company, (g) making of investments in or the acquisition of securities of any Person, (h) giving of guarantees and indemnities, (i) entering into of contracts or agreements whether in the ordinary course of business or otherwise, (j) mergers with or acquisitions of other Persons, (k) the sale or lease of all or any portion of the assets of the Company, (1) forming subsidiaries or joint ventures, (m) compromising, arbitrating, adjusting and litigating claims in favor of or against the Company and (n) all other acts or activities necessary or desirable for the carrying out of the purposes of the Company including those referred to in Section 2.6.

6.3 Officers; Agents. The Board of Managers by vote or resolution shall have the power to appoint officers and agents to act for the Company with such titles, if any, as the Board of Managers deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Board of Managers hereunder, including the power to execute documents on behalf of the Company, as the Board of Managers may in its sole discretion determine; provided, however, that no such delegation by the Board of Managers shall cause the Persons constituting the Board of Managers to cease to be the "managers" of the Company within the meaning of the Act. The officers or agents so appointed may include persons holding titles such as Chairman, Chief Executive Officer, Chief Operating Officer, President, Chief Financial Officer, Executive Vice President, Vice President, Treasurer, Controller, Secretary or Assistant Secretary. An officer may be removed at any time with or without cause. The officers of the Company as of the date hereof are set forth on Exhibit 6.3. Unless the authority of the agent designated as the officer in question is limited in the document appointing such officer or is otherwise specified by the Board of Managers, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a corporation in the absence of a specific delegation of authority and all deeds, leases, transfers, contracts, bonds, notes, checks, drafts or other obligations made, accepted or endorsed by the corporation may be signed by the Chairman, if any, the President, a Vice President or the Treasurer, Controller, Secretary or Assistant Secretary at the time in office. The Board of Managers, in its sole discretion, may by vote or resolution of the Board of Managers ratify any act previously taken by an officer or agent acting on behalf of the Company.

6.4 Reliance by Third Parties. Any person or entity dealing with the Company or any Member may rely upon a certificate signed by a member of the Board of Managers as to: (a) the identity of the Member or the members of the Board of Managers, (b) the existence or non-existence of any fact or facts which constitute a condition precedent to acts by the Member or the Board of Managers or are in any other manner germane to the affairs of the Company, (c) the Persons which are authorized to execute and deliver any instrument or document of or on behalf of the Company, (d) the authorization of any action taken by or on behalf of the Company, the Board of Managers or any officer or agent acting on behalf of the Company or (e) any act or

failure to act by the Company or as to any other matter whatsoever involving the Company or the Member.

ARTICLE 7
TRANSFER OF INTERESTS

Any Member may sell, assign, pledge, encumber, dispose of or otherwise transfer all or any part of the economic or other rights that comprise its Interest. If so determined by such Member, the transferee shall have the right to be substituted for the Member under this Agreement for the transferor or as an additional Member if the Member transfers less than all of its Interest. No Member may withdraw or resign as Member except as a result of a transfer pursuant to this Article 7 in which the transferee is substituted for the Member. None of the events described in Section 18-304 of the Act shall cause a Member to cease to be a Member of the Company.

ARTICLE 8
AMENDMENTS TO AGREEMENT

This Agreement may be amended or modified as shall be agreed by the Members holding not less than 75.0% of the then outstanding Units at a meeting of the Members held pursuant to Section 4.4 and Exhibit 4.4. The Board of Managers shall cause to be prepared and filed any amendment to the Certificate that may be required to be filed under the Act as a consequence of any such amendment or modification.

ARTICLE 9
DISSOLUTION OF COMPANY

9.1 Events of Dissolution or Liquidation. The Company shall be dissolved and its affairs wound up upon the happening of either of the following events: (a) the written determination of each of the Members or (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

9.2 Liquidation. After termination of the business of the Company, the assets of the Company shall be distributed in the following order of priority:

(a) to creditors of the Company, including any Member if a creditor to the extent permitted by law, in satisfaction of liabilities of the Company (whether by payment thereof or the making of reasonable provision for payment thereof) other than liabilities for Distributions to the Member; and then

(b) ratably to each Member in accordance with the number of Units then held by such Member.

ARTICLE 10
INDEMNIFICATION

10.1 General. The Company shall indemnify, defend, and hold harmless any Member, any director, officer, partner, stockholder, controlling Person or employee of any Member, each member of the Board of Managers, any officer, employee or agent of the Company and any Person serving at the request of the Company as a director, officer, employee, partner, trustee or independent contractor of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (all of the foregoing Persons being referred to collectively as "Indemnified Parties" and individually as an "Indemnified Party") from any liability, loss or damage incurred by the Indemnified Party by reason of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company and from liabilities or obligations of the Company imposed on such Indemnified Party by virtue of such Indemnified Party's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss or damage, except for liabilities, losses, damages or obligations resulting from the Indemnified Party's gross negligence or willful misconduct; provided, however, that the indemnification under this Section 10.1 shall be recoverable only from the assets of the Company and not from any assets of any Member. Unless the Board of Managers determines in good faith that the Indemnified Party is unlikely to be entitled to indemnification under this Article 10, the Company shall pay or reimburse reasonable attorneys' fees of an Indemnified Party as incurred, provided that such Indemnified Party executes an undertaking, with appropriate security if requested by the Board of Managers, to repay the amount so paid or reimbursed in the event that a final non-appealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to indemnification under this Article 10. The Company may pay for insurance covering liability of the Indemnified Party for negligence in operation of the Company's affairs.

10.2 Exculpation. No Indemnified Party shall be liable, in damages or otherwise, to the Company or to any Member for any liability, loss or damage that arises out of any act performed or omitted to be performed by the Indemnified Party pursuant to the authority granted by this Agreement or otherwise in connection with the business or affairs of the Company. except for liabilities, losses or damages resulting from the Indemnified Party's gross negligence or willful misconduct.

10.3 Persons Entitled to Indemnity. Any Person who is within the definition of "Indemnified Party" at the time of any action or inaction in connection with the business of the Company shall be entitled to the benefits of this Article 10 as an "Indemnified Party" with respect thereto, regardless whether such Person continues to be within the definition of "Indemnified Party" at the time of such Indemnified Party's claim for indemnification or exculpation hereunder.

10.4 Procedure Agreements. The Company may enter into an agreement with any of its officers, employees, consultants, counsel and agents, any member of the Board of Managers or any Member, setting forth procedures consistent with applicable law for implementing the indemnities provided in this Article 10.

ARTICLE 11
MISCELLANEOUS

11.1 General. This Agreement: (a) shall be binding upon the legal successors of any Member; (b) shall be governed by and construed in accordance with the laws of the State of Delaware; and (c) contains the entire agreement as to the subject matter hereof. The waiver of any of the provisions, terms, or conditions contained in this Agreement shall not be considered as a waiver of any of the other provisions, terms, or conditions hereof.

11.2 Notices, Etc. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery or receipt (which may be evidenced by a return receipt if sent by registered mail or by signature if delivered by courier or delivery service), addressed to any Member at its address in the records of the Company or otherwise specified by the Member.

11.3 Gender and Number. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include the masculine, feminine and neuter genders.

11.4 Severability. If any provision of this Agreement is determined by a court to be invalid or unenforceable, that determination shall not affect the other provisions hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each said provision shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

11.5 Headings. The headings used in this Agreement are used for administrative convenience only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

11.6 No Third Party Rights. Except for the provisions of Section 6.4, the provisions of this Agreement are for the benefit of the Company, each Member and permitted assignees and no other Person, including creditors of the Company, shall have any right or claim against the Company or any Member by reason of this Agreement or any provision hereof or be entitled to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year first set forth above.

XTI, LLC

By:_____

Name:
Title:

Schedule A

REGISTER OF INTEREST

Holder of Interest	Unit Certificate Number	Units
Xerium Technologies, Inc.	1	100

Exhibit 4.4

MEETINGS OF MEMBERS, ETC.

1. Annual Meeting. There shall be an annual meeting of the Members which shall be (a) held at Westborough, Massachusetts on the second Thursday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or (b) at such other place, date and time as shall be designated from time to time by the Board of Managers and stated in the notice of the meeting, at which meeting they shall elect a Board of Managers, determine Distributions, Zany, and transact such other business as may be required by law or this Agreement or as may properly come before the meeting.

2. Special Meetings. A special meeting of the Members may be called at any time by the Chairman of the Board, if any, the President, the Board of Managers, or by the Members holding at least 50.0% of the Units then outstanding. A special meeting of the Members shall be called by the Secretary, or in the case of the death, absence, incapacity or refusal of the Secretary, by an Assistant Secretary or some other officer, upon application of a majority of the Board of Managers. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour and purposes of the meeting.

3. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of the Members stating the place, day and hour thereof and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less then ten nor more than sixty days before the meeting, to each Member entitled to vote thereat, and to each Member who, by law or by this Agreement, is entitled to notice, by leaving such notice with such Member or at such Member's residence or usual place of business, or by depositing it in the United States mail, postage prepaid, and addressed to such Member at such Member's address as it appears in the records of the Company. Such notice shall be given by the Secretary, or by an officer or person designated by the Board of Managers, or in the case of a special meeting by the officer calling the meeting. As to any adjourned session of any meeting of the Members, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken, except that if the adjournment is for more than thirty days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of the Members or any adjourned session thereof need be given to a Member if a written waiver of notice, executed before or after the meeting or such adjourned session by such Member, is filed with the records of the meeting or if such Member attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Members or any adjourned session thereof need be specified in any written waiver of notice.

4. Quorum of Members. At any meeting of the Members a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except where a larger quorum is required by law or by this Agreement. Any meeting may be adjourned from time to time by a

majority of the votes properly cast upon the question, whether or not a quorum is present. If a quorum is present at an original meeting, a quorum need not be present at an adjourned session of that meeting.

5. Action by Vote. Each Member shall be entitled to one vote for each Unit held by such Member on all matters on which Members are entitled to vote at a meeting of Members or otherwise when a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law or by this Agreement. No ballot shall be required for any election unless requested by a Member present or represented at the meeting and entitled to vote in the election.

6. Action without Meetings. Any action required or permitted to be taken by Members for or in connection with any action of the Company may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units entitled to vote thereon were present and voted and shall be delivered to the Company by delivery to its registered office in Delaware by hand or certified or registered mail, return receipt requested, to its principal place of business or to an officer or agent of the Company having custody of the book in which proceedings of meetings of Members are recorded. Each such written consent shall bear the date of signature of each Member who signs the consent. No written consent shall be effective to take the action referred to therein unless written consents signed by a number of Members sufficient to take such action are delivered to the Company in the manner specified in this paragraph within sixty days of the earliest dated consent so delivered.

If action is taken by consent of Members and in accordance with the foregoing, there shall be filed with the records of the meetings of Members the writing or writings comprising such consent.

If action is taken by less than unanimous consent of Members, prompt notice of the taking of such action without a meeting shall be given to those who have not consented in writing and a certificate signed and attested to by the Secretary that such notice was given shall be filed with the records of the meetings of Members.

7. Proxy Representation. Every Member may authorize another person or persons to act for such Member by proxy in all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the Member or by such Member's attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable where the interest with which it is coupled is an interest in the Interest of such Member. The authorization of a proxy may but need not be limited to specified action; provided, however, that if a proxy limits its authorization to a meeting or meetings of Members, unless otherwise specifically provided such

proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

8. Resolution of Issues. To the extent that any dispute shall arise with respect thereto, the Board of Managers shall be entitled to decide all issues such as the existence of a quorum, the validity of proxies, the number of votes, the Members entitled to vote or consent and other similar procedural questions that are raised at any meeting of Members.

Exhibit 6.1

BOARD OF MANAGERS

1. Number: Appointment. The Board of Managers initially shall consist of three members (each such member, along with any other members appointed from time to time, the "Board Members"). Thereafter, the Board of Managers shall be elected either at the Annual Meeting of Members or at a special meeting called for such purposes. The Board of Managers may increase or decrease the number of Board Members from time to time upon a vote of the Board of Managers.

2. Initial Board of Managers. The following individuals will be the initial Board Members:

Stephen R. Light

David Maffucci

Ted Orban

3. Tenure. Each Board Member shall, unless otherwise provided by law, hold office until the next Annual Meeting of Members and until such Board Member's successor is elected and qualified, or until such Board Member sooner dies, resigns, is removed or becomes disqualified. Any Board Member may be removed by the Members, at any time without giving any reason for such removal. A Board Member may resign by written notice to the Company which resignation shall not require acceptance and, unless otherwise specified in the resignation notice, shall be effective upon receipt by the Company. Vacancies and any newly created positions on the Board of Managers resulting from any increase in the number of the Board of Managers may be filled by vote of the Members or by a majority of the Board Members then in office, although less than a quorum, or by a sole remaining Board member.

4. Meetings. Meetings of the Board of Managers may be held at any time at such places within or without the State of Delaware designated in the notice of the meeting, when called by the Chair of the Board of Managers, if any, the President or any two Board Members acting together, reasonable notice thereof being given to each Board Member.

5. Notice. It shall be reasonable and sufficient notice to a Board Member to send notice by overnight delivery at least forty-eight hours or by facsimile at least twenty-four hours before the meeting addressed to such Board Member at such Board Member's usual or last known business or residence address or to give notice to such Board Member in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any Board Member if a written waiver of notice, executed by such Board Member before or after the meeting, is filed with the records of the meeting, or to any Board Member who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such Board Member. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

6. Quorum. Except as may be otherwise provided by law, at any meeting of the Board of Managers a majority of the Board Members then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

7. Action by Vote. Except as may be otherwise provided by law, when a quorum is present at any meeting the vote of a majority of the Board Members present shall be the act of the Board of Managers.

8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if all the Board Members consent thereto in writing, and such writing or writings are filed with the records of the meetings of the Board of Managers. Such consent shall be treated for all purposes as the act of the Board of Managers.

9. Participation in Meetings by Conference Telephone. Board Members may participate in a meeting of the Board of Managers by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law. Such participation shall constitute presence in person at such meeting.

10. Interested Transactions.

(a) No contract or transaction between the Company and one or more of the Board Members or officers, or between the Company and any other company, partnership, association, or other organization in which one or more of the Board Members or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Board Member or officer is present at or participates in the meeting of the Board of Managers which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(i) The material facts as to such Board Member's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Managers, and the Board of Managers in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Board Members, even though the disinterested Board Members be less than a quorum; or

(ii) The contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Managers.

(b) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board of Managers which authorizes the contract or transaction.

Exhibit 6.3

OFFICERS

Stephen R. Light -- President and Assistant Secretary
David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban -- Secretary
Elizabeth Leete -- Assistant Secretary

BUSINESS CORPORATIONS ACT
FORM 5
RESTATED ARTICLES OF INCORPORATION
(SECTION 119)

New Nouveau Brunswick

LOI SUR LES CORPORATIONS COMMERCIALES
FORMULE 5
STATUTS CONSTITUTIFS MIS À JOUR
(ARTICLE 119)

1 - Name of Corporation - Raison sociale de la corporation:

XERIUM CANADA INC.

Corporation No. - Nº. de corporation:

635756

2 - The classes and any maximum number of shares that the corporation is authorized to issue and any maximum aggregate amount for which shares may be issued including shares without par value and/or with par value and the amount of the par value:

Les catégories et le nombre maximal d'actions que la corporation peut émettre ainsi que le montant maximal global pour lequel les actions peuvent être émises y compris les actions sans valeur au pair ou avec valeur au pair ou les deux et le montant de la valeur au pair :

See Schedule A Attached

3 - Restrictions, if any, on share transfers:

Restrictions, s'il y en a, au transfert d'actions:

No share shall be transferred without the consent of the directors or shareholders of the Corporation expressed by a resolution passed at a meeting of the board of directors or shareholders or by an instrument or instruments in writing signed by all such directors or shareholders.

4 - Number (or minimum and maximum number) of directors:

Nombre (ou nombre minimum et maximum) des administrateurs:

A minimum of one (1) and a maximum of ten (10) as determined by resolution of the board of directors.

5 - Restrictions, if any, on business the corporation may carry on:

Restrictions, s'il y en a, à l'activité que peut exercer la corporation:

None

6 - Other provisions, if any:

D'autres dispositions, le cas échéant:

See Schedule B Attached

The foregoing Restated Articles of Incorporation correctly set out, without substantive change, the corresponding provisions of the Articles of Incorporation as amended and supersede the original Articles of Incorporation.

Les statuts constitutifs mis à jour indiquent, sans changement substantif, les dispositions correspondantes des statuts consitutifs modifiés qui remplaçent les statuts constitutifs originaux.

Date	Signature	Description of Office Fonction

FOR DEPARTMENT USE ONLY

RÉSERVÉ À L'USAGE DU MINISTÈRE

Filed - Déposé:

XERIUM CANADA INC.

(hereinafter referred to as the "Corporation")

THIS IS SCHEDULE "A" TO THE FOREGOING FORM 5 UNDER THE

NEW BRUNSWICK BUSINESS CORPORATIONS ACT

The Corporation shall be authorized to issue:

(i) one hundred (100) Preferred Shares without nominal or par value; and

(ii) an unlimited number of Common Shares without nominal or par value;

having attached thereto the following rights, privileges, restrictions and conditions:

PREFERRED SHARES

(a) Voting Rights

The holders of the Preferred Shares shall be entitled to receive notice of and to attend and vote at meetings of the shareholders of the Corporation except meetings at which only holders of a specified class of shares are entitled by law to vote. Each holder of Preferred Shares shall be entitled to one (1) vote in respect of each Preferred Share held by that holder.

(b) Dividends

The holders of Preferred Shares shall be entitled to receive and the Corporation shall pay thereon, subject to the rights, privileges and conditions attached to any other class of shares of the Corporation, out of the monies of the Corporation properly applicable to the payment of dividends, non-cumulative dividends, in such amount and at such rate as the directors may from time to time determine. The directors may declare unequal dividends on any of the Preferred Shares or Common Shares or may declare dividends on only one or such of the said classes of shares, if desired, as the directors may in their absolute discretion determine, and none of the Preferred Shares or Common Shares shall be entitled to participate in any dividends declared on any other class and, for greater certainty, there shall be no requirement that any of the foregoing classes be treated equally or rateably by the directors with respect to the declaration and payment of dividends.

(c) Rights on Dissolution

In the event of the liquidation, dissolution or winding-up of the Corporation whether voluntary or involuntary, the holders of Preferred Shares shall be entitled to receive in respect of each such share, before any distribution of any part of the assets of the Corporation among the holders of Common Shares and any other class of shares of the

Corporation ranking junior to the Preferred Shares, an amount equal to the Redemption Price (as hereinafter defined).

(d) Redemption at the Option of the Corporation

Subject to the New Brunswick *Business Corporations Act* (the "**Act**"), the Corporation shall, at its option, be entitled to redeem at any time or times all or any part of the Preferred Shares registered in the name of any holder of any such Preferred Shares on the books of the Corporation with or without the consent of such holder by giving notice in writing to such holder specifying:

i) that the Corporation desires to redeem all or any part of the Preferred Shares registered in the name of such holder;

ii) if part only of the Preferred Shares registered in the name of such holder is to be redeemed, the number thereof to be so redeemed;

iii) the business day (in this paragraph referred to as the "redemption date") on which the Corporation desires to redeem such Preferred Shares. Such notice shall specify a redemption date which shall not be less than thirty (30) days after the date on which the notice is given by the Corporation or such shorter period of time as the Corporation and the holder of any such Preferred Shares may agree; and

iv) the place of redemption.

The Corporation shall, on the redemption date, redeem such Preferred Shares by paying to such holder an amount equal to the Redemption Price on presentation and surrender of the certificate(s) for the Preferred Shares so called for redemption at such place as may be specified in such notice. The certificate(s) for such Preferred Shares shall thereupon be cancelled and the Preferred Shares represented thereby shall thereupon be redeemed. Such payment shall be made by delivery to such holder of a cheque payable in the amount of or at the option of the Corporation, a demand note with a principal amount equal to the aggregate Redemption Price for the Preferred Shares to be redeemed. From and after the redemption date the holder thereof shall not be entitled to exercise any of the rights of holders of Preferred Shares in respect thereof unless payment of the said Redemption Price, is not made on the redemption date, or on presentation and surrender of the certificate(s) for the Preferred Shares so called for redemption, whichever is later in which case the rights of the holder of the said Preferred Shares shall remain unaffected until payment in full of the Redemption Price.

Where at any time some but not all of such Preferred Shares are to be redeemed the Preferred Shares to be redeemed shall be selected by lot in such manner as the board of directors determines, or as nearly as may be in proportion to the number of Preferred Shares registered in the name of each holder, or in such other manner as the board of directors determines.

(e) Redemption at the Option of the Holder

Subject to the Act, a holder of any Preferred Shares shall be entitled to require the Corporation to redeem at any time or times any Preferred Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate or certificates representing the Preferred Shares which the holder desires to have the Corporation redeem together with a request in writing specifying (in this paragraph referred to as a "redemption demand"):

i) that the holder desires to have the Preferred Shares represented by such certificate redeemed by the Corporation; and

ii) the business day (in this paragraph referred to as the "redemption date") on which the holder desires to have the Corporation redeem such Preferred Shares. The redemption demand shall specify a redemption date which shall not be less than thirty (30) days after the date on which the redemption demand is tendered to the Corporation or such other date as the holder and the Corporation may agree.

The Corporation shall, on such redemption date, redeem all Preferred Shares required to be redeemed by paying to such holder an amount equal to the aggregate Redemption Price therefor on presentation and surrender of the certificate(s) for the Preferred Shares to be so redeemed at the registered office of the Corporation. The certificate(s) for such Preferred Shares shall thereupon be cancelled and the Preferred Shares represented thereby shall thereupon be redeemed. Such payment shall be made by delivery to such holder of a cheque in the amount of or, at the option of the Corporation, a demand note with a principal amount equal to the aggregate Redemption Price for the Preferred Shares to be redeemed. From and after the redemption date, such Preferred Shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Preferred Shares in respect thereof unless payment of the said Redemption Price is not made on the redemption date, in which case the rights of the holder of the said Preferred Shares shall remain unaffected until payment in full of the Redemption Price.

If less than all Preferred Shares represented by a certificate are redeemed, the holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the Preferred Shares which have not been redeemed.

(f) Definitions

With respect to the Preferred Shares, the following term shall have the meaning ascribed to them below:

"**Redemption Price**" of a Preferred Share means an amount equal to the aggregate of: (i) the Canadian dollar equivalent of the value of the Xerium Canada Distribution, as defined in the Joint Prepackaged Plan of Reorganization

under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "Plan"), determined in accordance with the provisions of the Plan, based on the Bank of Canada nominal noon exchange rate calculated 2 business days prior to the date of issuance divided by 100 (the "Issue Price"); plus (ii) any dividends declared thereon and unpaid; less (iii) the amount of any reduction or return of capital in respect of such share.

It is hereby declared that it is the intention of the Corporation, its directors and its shareholders that the Issue Price of a Preferred Share be equal to the fair market value of such share on the date of issuance of such share. In the event that it is determined by: (a) any revenue authority having jurisdiction, with which determination the parties concur; (b) any decision of a court of competent jurisdiction from which there are no further rights of appeal or the parties' rights to appeal have expired; or (c) by the parties themselves, that the fair market value of a Preferred Share is an amount (the "Revised Amount") different from the Issue Price of that share as determined by the board of directors of the Corporation, the Issue Price in respect of such Preferred Share shall, for all purposes, be adjusted, *nunc pro tunc*, to be equal to such Revised Amount.

In the event that any portion of the Preferred Shares shall have been redeemed or purchased for cancellation by the Corporation (whether or not at the option of the Corporation) prior to any adjustment pursuant to the above provisions, then:

(i) if the amount paid on redemption or purchase for cancellation exceeds the aggregate Revised Amount, the difference between the amount paid on redemption and the aggregate Revised Amount shall be a debt due and owing by the former holders of such Preferred Share to the Corporation;

(ii) if the amount paid on redemption or purchase for cancellation is less than the aggregate Revised Amount, then the difference between the amount paid on redemption or purchase for cancellation and the aggregate Revised Amount shall be a debt due and owing by the Corporation to the former holders of such Preferred Shares.

COMMON SHARES

(a) Voting Rights

Each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to vote thereat, except meetings at which only holders of a specified class of shares (other than Common Shares) or specified series of shares are entitled to vote. At all meetings of which notice must be given to the holders of Common Shares, each holder of Common Shares shall be entitled to one vote in respect of each Common Share held by that holder.

(b) Dividends

The holders of Common Shares shall be entitled to receive and the Corporation shall pay thereon, subject to the rights, privileges and conditions attached to any other class of shares of the Corporation, out of the monies of the Corporation properly applicable to the payment of dividends, non-cumulative dividends, in such amount and at such rate as the directors may from time to time determine. The directors may declare unequal dividends on any of the Preferred Shares or Common Shares or may declare dividends on only one or such of the said classes of shares, if desired, as the directors may in their absolute discretion determine, and none of the Preferred Shares or Common Shares shall be entitled to participate in any dividends declared on any other class and, for greater certainty, there shall be no requirement that any of the foregoing classes be treated equally or rateably by the directors with respect to the declaration and payment of dividends.

(c) Rights on Dissolution

The holders of the Common Shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares any other class of shares of the Corporation, to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

XERIUM CANADA INC.

(hereinafter referred to as the "Corporation")

THIS IS SCHEDULE "B" TO THE FOREGOING FORM 5 UNDER THE

NEW BRUNSWICK BUSINESS CORPORATIONS ACT

1. **PLACE OF SHAREHOLDER MEETINGS**

Notwithstanding subsections (1) and (2) of Section 84 of the *Business Corporations Act*, as from time to time in force, meetings of shareholders of the Corporation may be held outside New Brunswick at such place or places as the shareholders may resolve to meet.

2. **NOTICE OF SHAREHOLDER MEETINGS**

Notwithstanding subsection (1) of Section 87 of the *Business Corporations Act*, as from time to time in force, notice of time and place of a meeting of shareholders of the Corporation shall be deemed to be properly given if sent not less than three (3) days nor more than fifty (50) days before such meeting:

(a) to each shareholder entitled to vote at the meeting;

(b) to each director; and

(c) to the auditor, if any.

3. **PRE-EMPTIVE RIGHTS**

(A) Notwithstanding subsection (2) of Section 27 of the *Business Corporations Act*, as from time to time in force, but subject however to any rights arising under any unanimous shareholders agreements, the holders of equity shares of any class, in the case of the proposed issuance by the Corporation of, or the proposed granting by the Corporation of rights or options to purchase, its equity shares of any class of any shares or other securities convertible into or carrying rights or options to purchase its equity shares of any class, shall not as such, even if the issuance of the equity shares proposed to be issued or issuable upon exercise of such rights or options or upon conversion of such other securities would adversely affect the unlimited dividend rights of such holders, have the pre-emptive right as provided by Section 27 of the *Business Corporations Act* to purchase such shares or other securities.

(B) Notwithstanding subsection (3) of Section 27 of the *Business Corporations Act*, as from time to time in force, but subject however to any rights arising under any unanimous shareholders agreements, the holders of voting shares of any class, in case of the proposed issuance by the Corporation of, or the proposed granting by

the Corporation of rights or options to purchase, its voting shares of any class or any shares or options to purchase its voting shares of any class, shall not as such, even if the issuance of the voting shares proposed to be issued or issuable upon exercise of such rights or options or upon conversion of such other securities would adversely affect the voting rights of such holders, have the pre-emptive right as provided by Section 27 of the *Business Corporations Act* to purchase such shares or other securities.

4. **PRIVATE CORPORATION RESTRICTIONS**

(A) The number of shareholders, exclusive of persons who are in the employment of the Corporation and are shareholders of the Corporation and persons who, having been formerly in the employment of the Corporation, have continued to be shareholders of the Corporation after termination of that employment, is limited to not more than Fifty (50) persons, two or more persons who are joint registered holders of one or more shares being counted as one shareholder.

(B) Any invitation to the public to subscribe for any shares, debentures or other securities of the Corporation shall be prohibited.

5. **FINANCIAL ASSISTANCE**

The Corporation may, directly or indirectly, give financial assistance by means of a loan, guarantee or otherwise:

(a) to any shareholder, director, officer or employee of the Corporation or of an affiliated corporation, or

(b) to any associate of a shareholder, director, officer or employee of the Corporation or of an affiliated corporation;

whether or not:

(c) the Corporation is, or after giving the financial assistance would be, unable to pay its liabilities as they become due; or

(d) the realizable value of the Corporation's assets, excluding the amount of any financial assistance in the form of a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would be less than the aggregate of the Corporation's liabilities and stated capital of all classes.

6. RESTRICTION – NON-VOTING SHARES

The Corporation is restricted from (i) increasing or otherwise amending its authorized capital by the creation of any class of non-voting shares, or (ii) amending this restriction, without the prior unanimous consent of all holders of Preferred Shares and Common Shares, in addition to any other approval required by law.

Erklärung über die Errichtung der Gesellschaft

(Gesellschaftsvertrag)

der

HUYCK.WANGNER Austria GmbH

§ 1
Firma der Gesellschaft

Die Firma der Gesellschaft lautet:

HUYCK.WANGNER Austria GmbH

§ 2
Sitz der Gesellschaft

Der Sitz der Gesellschaft ist Gloggnitz, Niederösterreich.

§ 3
Dauer der Gesellschaft

Die Gesellschaft ist auf unbestimmte Zeit errichtet.

§ 4
Gegenstand des Unternehmens

1. Gegenstand des Unternehmens ist die fabriksmäßige Erzeugung und Verarbeitung von Filztuchen, Wollwaren, Garnen, Gespinsten, Geweben, Gewirken und Geflechten aus Material jeder Art sowie der Handel mit diesen Waren.

2. Die Gesellschaft ist zu allen Geschäften und Maßnahmen berechtigt, die zur Erreichung des Gesellschaftszweckes notwendig oder nützlich erscheinen, insbesondere zum Erwerb von Liegenschaften, zur Errichtung von Zweigniederlassungen und Tochtergesellschaften im In- und Ausland sowie zur Beteiligung an anderen Unternehmen.

§ 5
Stammkapital und Stammeinlagen

1. Das Stammkapital der Gesellschaft beträgt € 6.178.000,00 (Euro sechs Millionen einhundertachtundsiebzigtausend).

2. Die Stammeinlagen sind zur Gänze bar eingezahlt.

§ 6
Geschäftsanteile

1. Die Teilung, Übertragung und Verpfändung von Geschäftsanteilen bedarf der Zustimmung der Gesellschafter.

2. Die Ausgabe von nicht stimmberechtigten Geschäftsanteilen ist untersagt.

§ 7
Geschäftsjahr

Die Geschäftsjahre sind die Kalenderjahre.

§ 8
Organe der Gesellschaft

Die Organe der Gesellschaft sind die Geschäftsführer, der Aufsichtsrat und die Generalversammlung.

§ 9
Geschäftsführer

1. Die Gesellschafter bestellen durch Beschluss einen oder mehrere Geschäftsführer.

2. Ist nur ein Geschäftsführer bestellt, so vertritt dieser die Gesellschaft allein. Sind mehrere Geschäftsführer bestellt, so wird die Gesellschaft durch zwei Geschäftsführer oder durch einen Geschäftsführer und einen Prokuristen gemeinsam vertreten. Die Gesellschaft kann mit den gesetzlichen Einschränkungen auch durch zwei Prokuristen vertreten werden.

Die Generalversammlung kann bestimmen, dass einzelne Geschäftsführer allein zur Vertretung der Gesellschaft befugt sein sollen.

3. Die Gesellschafter haben, wenn mehrere Geschäftsführer bestellt sind, die Verteilung der Geschäfte zwischen den Geschäftsführern zu bestimmen, sowie die Geschäfte festzulegen, die ihrer Zustimmung bedürfen.

§ 10
Aufsichtsrat

Die Generalversammlung kann einen Aufsichtsrat bestellen; geschieht dies, dann gelten folgende Bestimmungen:

1. Zusammensetzung des Aufsichtsrates:

   a) Der Aufsichtsrat besteht aus mindestens drei bis zwölf von der Generalversammlung gewählten Mitgliedern.

   b) Die Funktionsperiode des Aufsichtsrates währt jeweils längstens bis zur Beschlussfassung über den vierten Jahresabschluss nach der Wahl.

   c) Scheidet ein Aufsichtsratsmitglied während der Dauer seiner Funktionsperiode aus dem Aufsichtsrat aus, dann ist eine Ersatzwahl nur erforderlich, wenn durch das Ausscheiden die Zahl der Aufsichtsratsmitglieder unter drei sinkt.

   d) Die Funktionsperiode eines auf diese Weise gewählten Aufsichtsratsmitgliedes endet gleichzeitig mit der Funktionsperiode der übrigen Mitglieder, soweit die Gesellschafter nicht etwas anderes beschließen.

   e) Jedes Mitglied des Aufsichtsrates kann sein Amt unter Einhaltung einer vierwöchigen Frist auch ohne wichtigen Grund mit schriftlicher Anzeige niederlegen.

   f) Der Aufsichtsrat wählt in einer im Anschluss an die ordentliche Generalversammlung abzuhaltenden Sitzung in der ein oder mehrere Mitglieder in den Aufsichtsrat gewählt wurden und zu der es keiner besonderen Einladung bedarf,

aus seiner Mitte einen Vorsitzenden und einen oder zwei Stellvertreter.

g) Erhält bei einer Wahl keiner die absolute Mehrheit, so erfolgt eine Stichwahl zwischen denjenigen, welche die meisten Stimmen erhalten haben.

h) Willenserklärungen des Aufsichtsrates und seiner Ausschüsse sind vom Vorsitzenden des Aufsichtsrates, im alle seiner Verhinderung von einem seiner Stellvertreter, abzugeben.

2. Sitzungen und Beschlussfassungen des Aufsichtsrates:

a) Der Aufsichtsrat hat sich seine Geschäftsordnung selbst zu geben.

b) Zu den Sitzungen des Aufsichtsrates beruft der Vorsitzende, im Falle seiner Verhinderung einen Stellvertreter, die Mitglieder unter der zuletzt bekannt gegebenen Anschrift brieflich, mittels Telefax oder E-Mail ein.

c) Der Aufsichtsrat ist beschlussfähig, wenn mindestens drei Mitglieder, darunter der Vorsitzende oder ein Stellvertreter, anwesend sind. Der Vorsitzende, im Fall seiner Verhinderung ein Stellvertreter, leitet die Sitzung. Die Art der Abstimmung bestimmt der Leiter der Sitzung.

d) Beschlüsse werden mit einfacher Mehrheit der abgegebenen Stimmen gefasst. Im Falle der Stimmengleichheit entscheidet — auch bei Wahlen — die Stimme des Leiters die Sitzung.

e) An den Sitzungen des Aufsichtsrates können mit Zustimmung des Aufsichtsrates auch nicht dem Aufsichtsrat angehörige Personen anstelle der Aufsichtsratmitglieder teilnehmen, wenn sie von diesen hiezu schriftlich ermächtigt sind. Ein von der Sitzung abwesendes Aufsichtsratsmitglied kann mit schriftlicher Vollmacht ein anderes Mitglied, das an der Sitzung teilnimmt, zur Ausübung seines Stimmrechts bei allen der Sitzung unterbreiteten Angelegenheiten oder zur Überreichung seiner Stimmabgabe ermächtigen.

f) Über die Verhandlungen und Beschlüsse des Aufsichtsrates ist eine Niederschrift anzufertigen, die vom Leiter der Sitzung zu unterzeichnen ist.

g) Beschlüsse können auch auf schriftlichem Wege gefasst werden, wenn der Vorsitzende oder im Falle seiner Verhinderung ein Stellvertreter eine solche Beschlussfassung anordnet und kein Mitglied des Aufsichtsrates diesem Verfahren widerspricht.

Für die schriftliche Stimmabgabe gelten die Bestimmungen von lit. d) entsprechend.

3. Ausschüsse des Aufsichtsrates:

a) Der Aufsichtsrat kann aus seiner Mitte Ausschüsse bilden. Ihre Aufgaben, Befugnisse und deren Geschäftsordnungen werden vom Aufsichtsrat festgesetzt; den Ausschüssen kann auch die Befugnis zu Entscheidungen übertragen werden.

b) Die Bestimmungen des Absatzes 2 (zwei) lit. b) bis g) gelten sinngemäß auch für die Ausschüsse des Aufsichtsrates. Besteht ein Ausschuss nur aus zwei Mitgliedern, so ist der Ausschuss nur beschlussfähig, wenn beide Mitglieder anwesend sind.

4. Zustimmungspflichtige Geschäfte:

Folgende in § 30j Absatz (5) des Gesetzes über Gesellschaften mit beschränkter Haftung bezeichneten Geschäfte sollen unabhängig von der Betragshöhe nur mit Zustimmung des Aufsichtsrates vorgenommen werden:

a) der Erwerb und die Veräußerung von Beteiligungen (§ 228 UGB) sowie Erwerb, Veräußerung und Stilllegung von Unternehmen und Betrieben;

b) die Gewährung von Darlehen und Krediten an Unternehmen, die nicht der Xerium Gruppe angehören;

c) die Aufnahme von Anleihen, folgende Geschäfte nur, sofern die nachfolgend festgelegten Betragsgrenzen überschritten werden;

d) € 7 Millionen (Euro sieben Millionen) für Investitionen im einzelnen und € 18 Millionen (Euro achtzehn Millionen) insgesamt in einem Geschäftsjahr;

e) € 7 Millionen (Euro sieben Millionen) im einzelnen und € 18 Millionen (Euro

achtzehn Millionen) insgesamt in einem Geschäftsjahr für die Aufnahme von Darlehen und Krediten;

f) € 18 Millionen (Euro achtzehn Millionen) für die Gewährung von Darlehen und Krediten an Unternehmen, die der Xerium Gruppe, angehören.

§ 11
Generalversammlung

1 Die Generalversammlung wird durch die Geschäftsführer oder den Aufsichtsrat einberufen und am Sitze der Gesellschaft oder in einer österreichischen Landeshauptstadt abgehalten.

2. Den Vorsitz in der Generalversammlung führt der von den Gesellschaftern dazu Bestimmte; haben sie keinen Vorsitzenden bestellt oder ist der Bestellte nicht erschienen oder nicht zur Leitung der Versammlung bereit, so leitet die Generalversammlung der an Jahren älteste Teilnehmer. Der Vorsitzende der Generalversammlung leitet die Verhandlungen und bestimmt die Reihenfolge die Art der Gegenstände der Tagesordnungen sowie die Art der Abstimmung.

3. Sofern das Gesetz nicht zwingend eine andere Mehrheit vorschreibt, beschließt die Generalversammlung mit einfacher Mehrheit der abgegebenen Stimmen. Wenn sämtliche Gesellschafter damit einverstanden sind, kann eine Beschlussfassung auch auf schriftlichem Weg erfolgen, wobei die erforderliche Mehrheit nicht nach der Zahl der abgegebenen, sondern nach der Gesamtzahl der allen Gesellschaftern zustehenden Stimmen berechnet wird.

4. Die Ausübung des Stimmrechtes durch Bevollmächtigte ist nur mit schriftlicher Vollmacht möglich.

5. Die gesetzlichen Minderheitsrechte stehen, soweit gesetzlich zulässig, Gesellschaftern zu, deren Stammeinlagen den zwanzigsten Teil des Stammkapitals erreichen.

§ 12
Jahresabschluss

1. Innerhalb der ersten fünf Monate eines jeden Geschäftsjahres haben die Geschäftsführer für das vergangene Geschäftsjahr den Jahresabschluss samt Anhang und Lagebericht aufzustellen.

2. Die Generalversammlung beschließt alljährlich die Genehmigung des Jahresabschlusses, Verteilung des Reingewinnes und die Entlastung der Geschäftsführer sowie der Mitglieder des Aufsichtsrates, falls ein Aufsichtsrat bestellt wurde (ordentliche Generalversammlung).

§ 13
Gewinnverteilung

1. Der Reingewinn, der sich nach Vornahme der Vorschreibungen, Wertberichtigungen, sowie nach Bildung von Rückstellungen und Rücklagen ergibt, unterliegt der Verteilung durch Gesellschafterbeschluss.

2. Die Gewinnanteile der Gesellschafter werden im Verhältnis der eingezahlten Stammeinlagen verteilt.

3. Die Gewinnanteile sind, falls die Generalversammlung nichts anderes beschlossen hat, dreißig Tage nach Abhaltung der Generalversammlung zur Zahlung fällig. Binnen drei Jahren nach Fälligkeit nicht behobene Gewinnanteile der Gesellschafter verfallen zugunsten der Gesellschaft.

§ 14
Bekanntmachungen

Die Bekanntmachungen der Gesellschaft und unter den Gesellschaftern erfolgen durch eingeschriebene Briefe an die Gesellschafter, und zwar an deren der Gesellschaft zuletzt bekannt gegebenen Adresse.

§ 15
Ergänzungsbestimmungen

Soweit in diesem Vertrag keine besonderen Bestimmungen getroffen wurden, gelten ergänzend die Bestimmungen des Gesetzes über die Gesellschaft mit beschränkter Haftung (GmbH-Gesetz) in seiner jeweils aktuellen Fassung.

Gesellschaftsvertrag

der

Xerium Germany Holding GmbH

Artikel 1
Firma und Sitz der Gesellschaft

(1) Die Firma der Gesellschaft lautet

Xerium Germany Holding GmbH.

(2) Die Gesellschaft hat ihren Sitz in Reutlingen.

Artikel 2
Gegenstand der Gesellschaft

(1) Gegenstand des Unternehmens der Gesellschaft ist die unternehmerische Führung von Tochterunternehmen sowie die Erbringung von Dienstleistungen im Zusammenhang mit dem Betrieb elektronischer Datenverarbeitungssysteme, die Beteiligung an anderen Gesellschaften und das Halten und Verwalten von Geschäftsanteilen.

(2) Innerhalb dieses Gegenstands der Gesellschaft ist die Gesellschaft berechtigt, weitere Unternehmen innerhalb Deutschlands oder im Ausland zu errichten, bestehende zu erwerben oder sich an ihnen zu beteiligen, Unternehmen zu leiten und/oder Zweigstellen oder Tochtergesellschaften in Deutschland oder im Ausland zu errichten.

(3) Die Gesellschaft ist weiterhin zur Vornahme aller Handlungen berechtigt, die für die Gesellschaft vorteilhaft sind oder sein könnten und nicht gesetzlich verboten sind, insbesondere Patente, Warenzeichen, Lizenzen, Franchise Verträge und alle anderen

gegenständlichen und immateriellen Eigentumsrechte zu erwerben, zu benutzen, zu übertragen oder zu verkaufen sowie Grundstücke und Rechte an Grundstücken zu erwerben, zu verkaufen, zu mieten oder mit Hypotheken zu belasten.

Artikel 3
Dauer

Die Gesellschaft wird auf unbestimmte Zeit errichtet.

Artikel 4
Geschäftsjahr

Das Geschäftsjahr ist das Kalenderjahr.

Die Zeit vom 1. Juli 2004 bis zum 31. Dezember 2004 ist ein Rumpfgeschäftsjahr.

Artikel 5
Stammkapital; Geschäftsanteile

(1) Das Stammkapital der Gesellschaft beträgt Euro 25.100,00 (in Worten: Euro fünfundzwanzigtausendeinhundert).

(2) Die Ausgabe von stimmrechtslosen Geschäftsanteilen ist ausgeschlossen.

Artikel 6
Geschäftsführung und Vertretung der Gesellschaft

(1) Die Gesellschaft wird durch einen oder mehrere Geschäftsführer vertreten, die durch einen Gesellschafterbeschluss mit einfacher Mehrheit ernannt oder abberufen werden.

(2) Falls mehrere Geschäftsführer ernannt sind, wird die Gesellschaft durch zwei Geschäftsführer gemeinsam oder durch einen Geschäftsführer zusammen mit einem Prokuristen vertreten. Die Gesellschafter können jedoch bestimmen, dass einer oder mehrere oder alle Geschäftsführer die Gesellschaft einzeln vertreten können. Falls nur ein Geschäftsführer bestellt ist, vertritt er die Gesellschaft allein.

(3) Die Gesellschafter können einen oder mehrere Geschäftsführer von den Beschränkungen des § 181 BGB befreien.

Artikel 7
Veröffentlichungen

Veröffentlichungen der Gesellschaft erfolgen nur im Bundesanzeiger.

Artikel 8
Gründungskosten

Die durch die Gründung der Gesellschaft verursachten Notar-, Gerichts- und Veröffentlichungskosten und Steuern trägt die Gesellschaft bis zu einem Betrag von Euro 1.500,00.

S T A T U T O

DENOMINAZIONE - OGGETTO - SEDE - DURATA

1. E' costituita una società per azioni con la denominazione

" XERIUM ITALIA S.p.A."

2. La Società ha per oggetto, in via prevalente, lo svolgimento di attività di natura finanziaria, incluso l'assunzione, sia direttamente che indirettamente, di interessenze e partecipazioni in altre società e/o imprese e/o enti costituiti o costituendi, non nei confronti del pubblico ma unicamente nei confronti di società controllate o collegate ai sensi dell'art. 2359 c.c.

   La Società ha altresì per oggetto, sempre non nei confronti del pubblico e comunque riguardo alle società controllanti, controllate o collegate, di una o più delle seguenti attività:

- concessione di finanziamenti sotto qualsiasi forma;
- servizi di incasso, pagamento e trasferimento fondi, con conseguente addebito ed accredito dei relativi oneri ed interessi;
- coordinamento tecnico, amministrativo e finanziario delle società controllanti, controllate o collegate;
- raccolta di fondi presso i propri soci, sotto forma di mutui con o senza interessi, in ottemperanza alle disposizioni di legge e nel rispetto della deliberazione C.I.C.R. del 3 marzo 1994 e delle altre norme di legge e regolamenti di volta in volta applicabili;
- prestazione di avalli, fideiussioni ed ogni altra garanzia, anche reale.

Sono in ogni caso tassativamente escluse:

- l'attività di locazione finanziaria;
- le attività professionali riservate;
- la sollecitazione del pubblico risparmio ai sensi delle vigenti norme;
- l'esercizio nei confronti del pubblico delle attività di cui all'articolo 106 del Decreto legislativo 1 settembre 1993 n. 385; l'erogazione del credito al consumo, e ciò anche nell'ambito dei propri soci, secondo quanto disposto dal Ministero del Tesoro con decreto del 27 settembre 1991, pubblicato sulla Gazzetta Ufficiale n. 227;
- le attività di cui alla legge 2 gennaio 1991 n. 1;
- le attività di cui al D. L. 20 novembre 1990 n. 356;
- l'attività di factoring di qualsiasi tipo, rientrante o meno nel disposto della legge 21 febbraio 1991 n. 52.

Al fine di realizzare l'oggetto sociale, la Società potrà inoltre, in via non prevalente, compiere tutte le operazioni commerciali, industriali, mobiliari ed immobiliari, nel rispetto della corrente normativa legale e regolamentare, ritenute dall'Organo Amministrativo necessarie od utili ed in particolare, la produzione, l'acquisto, la vendita, l'importazione, l'esportazione, l'immagazzinaggio, l'assemblaggio e, in genere, il commercio, sia in proprio che quale rappresentante, agente o commissionaria di altre ditte o imprese, anche estere, di qualsiasi genere di prodotto comunque collegato con la produzione della carta. La Società potrà inoltre, acquistare o cedere, concedere od accettare licenze d'uso di brevetti industriali, know how e diritti di proprietà industriale e commerciale in genere.

3. La Società ha la sede legale in Milano.

   La Società potrà istituire, in Italia ed all'estero, sedi secondarie, filiali, succursali, agenzie e rappresentanze.

4. Il domicilio dei soci, per quel che concerne i loro rapporti con la Società, è quello che risulta dal libro dei soci.

5. La durata della Società è stabilita sino al 31 dicembre 2100 e può essere prorogata.

CAPITALE

6. Il capitale sociale è di Euro 6.759.320 ed è suddiviso in 6.759.320 azioni ordinarie del valore nominale di Euro 1 cadauna. La Società non potrà emettere azioni prive di diritto di voto.

7. I versamenti sulle azioni non liberate sono richiesti dall'Organo Amministrativo nei termini e nei modi da esso ritenuti convenienti, fermo il disposto dell'art. 2344 del Codice Civile.

8. In caso di esuberanza del capitale, l'Assemblea Straordinaria può deliberarne la riduzione, oltre che nei modi stabiliti dall'art. 2482 C.C., anche mediante assegnazione a singoli soci o gruppi di soci di determinate attività sociali.

ASSEMBLEA

9. La convocazione dell'Assemblea è fatta a cura dell'Organo Amministrativo mediante avviso comunicato agli azionisti con qualsiasi mezzo che garantisca la prova dell'avvenuto ricevimento tra cui lettera raccomandata, fax o messaggio di posta elettronica, almeno 15 giorni prima dell'assemblea. L'avviso deve contenere l'indicazione del giorno, dell'ora e del luogo dell'adunanza, nonché dell'elenco delle materie da trattare. Nello stesso avviso potrà essere fissata per altro giorno la seconda adunanza o successiva adunanza, qualora la prima andasse deserta.

   L'avviso di convocazione dell'Assemblea può essere sottoscritto da persona delegata dall'Organo Amministrativo.

   E', tuttavia, valida l'Assemblea non convocata a norma delle procedure sopra indicate qualora venga rappresentato l'intero capitale sociale e partecipi all'Assemblea stessa,

anche mediante mezzi di telecomunicazione, anche la maggioranza dei componenti dell'organo amministrativo e dei componenti del collegio sindacale.

10. L'Assemblea è ordinaria o straordinaria ai sensi di legge e di Statuto.

Essa può essere convocata anche in luogo diverso dalla sede sociale purché in Italia, in qualunque paese dell'Unione Europea e negli U.S.A.

Quando particolari esigenze relative alla struttura ed all'oggetto della società lo richiedano, l'Assemblea Ordinaria per l'approvazione del bilancio può essere convocata entro 180 giorni dalla chiusura dell'esercizio sociale.

L'Assemblea potrà svolgersi anche in più luoghi, contigui o distanti, e sarà possibile intervenire in Assemblea mediante mezzi di telecomunicazione tra cui mezzi di audio/video collegamento. L'Assemblea dovrà, in ogni caso, svolgersi con modalità tali che tutti coloro che hanno il diritto di parteciparvi possano rendersi conto in tempo reale degli eventi, formare liberamente il proprio convincimento ed esprimere liberamente e tempestivamente il proprio voto. Il verbale dovrà dare atto delle modalità in cui si è svolta l'Assemblea.
Verificandosi questi requisiti l'Assemblea si considererà tenuta nel luogo in cui si trova il Presidente e dove pure deve trovarsi il segretario onde consentire la stesura e la sottoscrizione dei verbali sul relativo libro.

11. Il Presidente dell'Assemblea e il segretario che lo assiste, anche non soci, sono designati a maggioranza dei soci intervenuti all'Assemblea.

Il Presidente dell'Assemblea verifica il diritto di intervento all'Assemblea e la regolarità delle deleghe.

12. Le deliberazioni dell'Assemblea ordinaria e straordinaria dei soci saranno validamente prese con le maggioranze stabilite dall'art. 2368 C.C. e, in caso di seconda o successiva convocazione, dall'art. 2369 C.C..

Quando per la validità delle deliberazioni la legge ritiene sufficiente la maggioranza assoluta dei voti, essa viene calcolata senza che si tenga conto delle astensioni dal voto.

13. Le nomine alle cariche sociali così come tutte le altre delibere si fanno per votazione palese.

AMMINISTRAZIONE

14. La Società è amministrata da un Amministratore Unico o da un Consiglio composto da due (2) ad undici (11) membri anche non soci, eletti dall'Assemblea Ordinaria dei soci, che determina anche il numero dei componenti del Consiglio e la durata della carica sia degli stessi che, a seconda dei casi, dell'Amministratore Unico.

L'Amministratore Unico o i consiglieri restano in carica per tre (3) esercizi, salvo diversa disposizione della delibera di nomina che può anche stabilire scadenze diverse

del mandato di singoli consiglieri e comunque per un periodo non superiore a tre (3) esercizi; decadono e si sostituiscono a norma di legge, e possono essere rieletti.

In caso di scadenza per qualunque causa del mandato, l'Organo Amministrativo resterà peraltro in carica fino a che l'Assemblea Ordinaria avrà deliberato in merito al suo rinnovo e sarà intervenuta l'accettazione da parte di almeno metà dei nuovi consiglieri.

15. Qualora per dimissioni o per altra causa venga a mancare, prima della scadenza del mandato, più della metà dei consiglieri in carica, o, nel caso in cui il Consiglio di Amministrazione sia composto da due membri e per dimissioni o per altra causa venga a mancare uno dei due membri, l'intero Consiglio s'intende scaduto e deve convocarsi senza ritardo l'Assemblea ordinaria per l'elezione di un nuovo Organo Amministrativo.

    Nel Consiglio di Amministrazione composto di due membri il dissenso sulla revoca del Consigliere Delegato determina la decadenza dell'intero Consiglio.

16. Ove non sia già stato eletto dall'Assemblea ordinaria il Consiglio elegge per votazione palese fra i suoi membri il Presidente. Può eleggere anche uno o più Vice-Presidenti.

    Il segretario, anche non consigliere o non socio, viene designato dai consiglieri intervenuti a ciascuna riunione del Consiglio.

17. Il Consiglio si raduna sia presso la sede sociale, sia altrove, in Italia o in qualunque altro luogo designato dagli amministratori, anche mediante mezzi di telecomunicazione.

    Le riunioni del Consiglio di Amministrazione sono convocate dal Presidente o da un Vice-Presidente allorché sia necessario o qualora ne sia fatta richiesta scritta da almeno un consigliere. Le formalità di convocazione del Consiglio possono essere delegate ad un terzo, anche non consigliere o non socio, per conto del Presidente o di un Vice-Presidente.

18. Il Consiglio viene convocato con lettera raccomandata da spedirsi almeno sette (7) giorni prima della adunanza a ciascun consigliere e sindaco effettivo e, nei casi di urgenza, con telegramma, e-mail o telefax da spedirsi ai medesimi almeno ventiquattro (24) ore prima dell'adunanza.

    Tuttavia, anche in mancanza di dette formalità, il Consiglio potrà validamente deliberare qualora siano presenti, anche mediante mezzi di telecomunicazione, tutti i consiglieri e sindaci effettivi in carica.

19. Per la validità delle deliberazioni del Consiglio è necessaria la presenza, effettiva o mediante mezzi di telecomunicazione, della maggioranza dei consiglieri in carica. Il Consiglio di Amministrazione può riunirsi e validamente deliberare anche mediante mezzi di telecomunicazione, tra cui mezzi di audio/video collegamento, purché la riunione si svolga con modalità tali che tutti coloro che hanno il diritto di parteciparvi possano rendersi conto in tempo reale degli eventi, formare liberamente il proprio convincimento ed esprimere liberamente e tempestivamente il proprio voto.

Verificandosi questi requisiti il consiglio di amministrazione si considererà tenuto nel luogo in cui si trova il Presidente e dove pure deve trovarsi il segretario onde consentire la stesura e la sottoscrizione dei verbali sul relativo libro. In caso di parità di voti prevale il voto di chi presiede.

In assenza del Presidente e di Vice-Presidenti la riunione è presieduta dal consigliere designato a maggioranza dagli intervenuti. Le deliberazioni sono prese a maggioranza assoluta di voti dei presenti.

Le deliberazioni del Consiglio devono essere verbalizzate nel libro dei verbali delle riunioni del Consiglio, o, qualora ciò non sia immediatamente possibile, in un documento firmato da chi presiede la riunione e dal segretario designato per la medesima. In questo ultimo caso il verbale deve essere trascritto nel libro dei verbali delle riunioni del Consiglio e, qualora fosse redatto in lingua straniera, deve essere previamente tradotto in lingua italiana sotto la responsabilità di chi presiede la riunione. Il verbale trascritto nel libro dei verbali delle riunioni del Consiglio deve in ogni caso essere sottoscritto da chi presiede la riunione e dal segretario designato per la medesima.

20. L'Organo Amministrativo ha i più ampi poteri per la gestione ordinaria e straordinaria della Società, ed ha facoltà di compiere tutti gli atti che ritenga opportuni per l'attuazione dell'oggetto sociale, esclusi soltanto quelli che la legge riserva inderogabilmente alla competenza dell'Assemblea.

21. Il Consiglio di Amministrazione può delegare parte delle proprie attribuzioni, congiuntamente o disgiuntamente, a norma dell'art. 2381 del Cod. Civ.

22. L'Organo Amministrativo può nominare direttori, institori e procuratori negoziali delegando ai medesimi, congiuntamente o disgiuntamente, il potere di compiere determinati atti o categorie di atti in nome e per conto della Società, con eventuale facoltà di subdelega.

23. Le eventuali obbligazioni dei legali rappresentanti, dei consiglieri di amministrazione e dei procuratori della società derivanti da sanzioni tributarie non penali e connesse spese ed onorari legali, che siano state applicate nei loro confronti in relazioni a violazioni di norme tributarie compiute nell'esercizio di funzioni loro delegate, sono assunte dalla società entro i limiti di legge, ed in particolare entro i limiti fissati dall'art. 11 comma 6° del D.L.G.S. 18.12.97 n. 472, come modificato dal DLV n. 203/1998, salvo che tali violazioni risultino commesse con dolo o colpa grave, così come attualmente definiti all'art. 5, comma 3°, del D.L.G.S. 18.12.1997 n. 472, come modificato dal DLV n. 203/1998. In caso di ulteriori modifiche legislative il richiamo si intenderà effettuato alla norma di legge in vigore al momento della commissione della violazione. L'assunzione da parte della società, e la relativa manleva a favore dell'obbligato, saranno efficaci a condizione che i suddetti legali rappresentanti, amministratori e procuratori (a) abbiano prontamente dato comunicazione alla società del provvedimento di irrogazione delle sanzioni; (b) si siano conformati alle legittime istruzioni della società concernenti tali sanzioni, con riguardo in particolare all'eventuale opposizione o alla quiescenza rispetto alle stesse; (c) abbiano collaborato pienamente con la società nella difesa dei relativi procedimenti dinanzi a qualsiasi competente autorità amministrativa o giurisdizionale.

RAPPRESENTANZA DELLA SOCIETA'

24. La rappresentanza della Società, nei confronti di terzi ed anche in giudizio, spetta, a seconda dei casi, all'Amministratore Unico o al Presidente del Consiglio di Amministrazione. Essa spetta anche ai Vice Presidenti e all'Amministratore Delegato, ove nominati, a ciascuno dei Consiglieri nei limiti dei poteri ad essi conferiti, nonché a coloro cui venga, di volta in volta, conferita dall'Organo Amministrativo.

CONTROLLO CONTABILE

25. Il Collegio Sindacale è composto da tre Sindaci effettivi e due supplenti, nominati ai sensi di legge, i quali durano in carica tre esercizi, sono rieleggibili e scadono alla data dell'assemblea convocata per l'approvazione del bilancio relativo al terzo esercizio della carica.
Le funzione del Collegio Sindacale sono determinate dalla legge.
L'Assemblea che procede alla nomina designerà il Presidente del Collegio Sindacale e fisserà la retribuzione dei Sindaci.

L'Assemblea ordinaria può stabilire altresì che il controllo contabile venga affidato al Collegio Sindacale oppure ad un revisore contabile o ad una Società di revisione.
Nel caso in cui il controllo contabile venga affidato al Collegio Sindacale, tutti i sindaci dovranno essere revisori contabili iscritti nel Registro istituito presso il Ministero di Giustizia.
Qualora la società sia tenuta alla redazione del bilancio consolidato, il controllo contabile deve essere attribuito ad un revisore contabile o da una Società di revisione; nel caso in cui la Società faccia ricorso al mercato del capitale di rischio, il controllo contabile verrà affidato ad una Società di Revisione. L'Assemblea fisserà la retribuzione e la durata dell'incarico del revisore contabile o della Società di Revisione che comunque non potrà essere superiore a tre esercizi e scadrà alla data dell'assemblea convocata per l'approvazione del bilancio relativo al terzo esercizio dell'incarico.
Le funzioni della Società di Revisione o del Revisore Contabile sono determinati dalla legge.

ESERCIZI SOCIALI ED UTILI

26. Gli esercizi sociali si chiudono al 31 dicembre di ogni anno.

27. Gli utili netti di ciascun esercizio, dopo prelevata una somma non inferiore al 5% per la Riserva Legale, fino a che questa non abbia raggiunto il 20% del capitale sociale, possono essere accantonati o distribuiti agli azionisti o destinati ad altri scopi nell'interesse della Società con deliberazione dell'Assemblea Ordinaria dei soci.

28. Il pagamento dei dividendi è effettuato nei termini e modi stabiliti dall'Assemblea Ordinaria che ne delibera la distribuzione o, in mancanza, dall'Organo Amministrativo.

Il diritto al pagamento dei dividendi la cui distribuzione sia stata deliberata ai sensi del comma precedente si prescrive nel termine di cinque (5) anni.

SCIOGLIMENTO E LIQUIDAZIONE

29. Addivenendosi in qualsiasi tempo e per qualsiasi causa allo scioglimento della Società, l'Assemblea stabilisce le modalità della liquidazione e nomina uno o più Liquidatori determinandone i poteri.

Il bilancio finale di liquidazione approvato con voto unanime dall'Assemblea Ordinaria, costituita con la presenza di tutti i soci, non è soggetto a reclamo e si intende approvato ai fini dell'art. 2454 del Cod. Civ. anche se non sia compiuto il termine ivi previsto.

RINVIO

30. Tutto quanto non è specificatamente previsto dal presente Statuto è regolato dalle disposizioni di legge vigenti.

SCHEDULE 1.90

Shareholder Rights Plan

XERIUM TECHNOLOGIES, INC.

and

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
as Rights Agent

Rights Agreement

Dated as of [●], 2010

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RIGHTS AGREEMENT

Rights Agreement, dated as of [●], 2010, between Xerium Technologies, Inc., a Delaware corporation (the "Company"), and American Stock Transfer & Trust Company, LLC (the "Rights Agent").

WHEREAS, on [●], 2010, the Board of Directors of the Company authorized and declared a dividend of one preferred share purchase right (a "Right") for each Common Share of the Company outstanding as of the Close of Business on [●], 2010 (the "Record Date"), each Right representing the right to purchase one one-thousandth (subject to adjustment) of a Preferred Share, upon the terms and subject to the conditions herein set forth, and the Board of Directors has further authorized and directed the issuance of one Right (subject to adjustment as provided herein) with respect to each Common Share that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date and the Expiration Date; provided, however, that Rights may be issued with respect to Common Shares that shall become outstanding after the Distribution Date and prior to the earlier of the Redemption Date and the Expiration Date in accordance with the provisions of Section 22 hereof.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Rights Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the Common Shares then outstanding, but shall not include (i) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any entity or trustee holding Common Shares for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of the Company or of any Subsidiary of the Company, (ii) any Person who or which becomes the Beneficial Owner of 15% or more of the Common Shares then outstanding as the result of a reduction in the outstanding Common Shares resulting from acquisition of Common Shares by the Company approved by the Board of Directors, unless and until such Person becomes the Beneficial Owner of any additional Common Shares (other than pursuant to a stock split, stock dividend or similar transaction) and immediately thereafter becomes the Beneficial Owner of 15% or more of the Common Shares, (iv) any Person who or which the Board of Directors of the Company determines, in good faith, became an Acquiring Person inadvertently, if such Person divests as promptly as practicable a sufficient number of Common Shares so that such Person would no longer be an Acquiring Person, (v) any Person who or which the Board of Directors of the Company determines, prior to the time such Person would otherwise be an Acquiring Person, should be exempted from the definition of Acquiring Person, provided that the Board of Directors may make such exemption subject to such conditions, if any, which the Board may determine or (vi) [American Securities], [Carl Marks] and [Cerberus] (each, an "Exempt Person") or any Affiliate or Associate of an Exempt Person; provided that any Exempt Person

who shall become Beneficial Owner of 20% or more of the Common Shares then outstanding shall become an Acquiring Person; provided, however, that in no event shall any Exempt Person become an Acquiring Person solely as a result of a reduction in the outstanding Common Shares resulting from acquisition of Common Shares by the Company approved by the Board of Directors, unless and until such Exempt Person becomes the Beneficial Owner of any additional Common Shares (other than pursuant to a stock split, stock dividend or similar transaction) and immediately thereafter becomes the Beneficial Owner of 20% or more of the Common Shares.

(b) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 under the Exchange Act.

(c) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "Beneficially Own" any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than these Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to Beneficially Own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to Beneficially Own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report);

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to Section 1(c)(ii)(B)) or disposing of any securities of the Company; or

(iv) which are the subject of a derivative transaction entered into by such Person, or derivative security acquired by such Person, which gives such Person the economic equivalent of ownership of an amount of such securities due to the fact that the value of the derivative is explicitly determined by reference to the price or value of such

securities, without regard to whether (A) such derivative conveys any voting rights in such securities to such Person, (B) the derivative is required to be, or capable of being, settled through delivery of such securities, or (C) such Person may have entered into other transactions that hedge the economic effect of such derivative. In determining the number of Common Shares deemed Beneficially Owned by virtue of the operation of this subparagraph (iv) of this paragraph (c), the subject Person shall be deemed to Beneficially Own (without duplication) the number of Common Shares that are synthetically owned pursuant to such derivative transactions or such derivative securities.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to Beneficially Own hereunder.

(d) "Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which banking institutions in New York are authorized or obligated by law or executive order to close.

(e) "Close of Business" on any given date shall mean 5:00 p.m., New York City time, on such date, provided, however, that, if such date is not a Business Day, it shall mean 5:00 p.m., New York City time, on the next succeeding Business Day.

(f) "Common Shares" shall mean the shares of common stock, par value $.01 per share, of the Company, except that "Common Shares" when used with reference to any Person other than the Company shall mean the capital stock (or equity interest) with the greatest voting power of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

(g) "Company" shall have the meaning set forth in the preamble hereof.

(h) "Current per share market price" shall have the meaning set forth in Section 11(d) hereof.

(i) "Distribution Date" shall have the meaning set forth in Section 3(a) hereof.

(j) "Equivalent preferred shares" shall have the meaning set forth in Section 11(b) hereof.

(k) "Exchange Act" shall mean the Securities Exchange Act of 1934.

(l) "Exchange Ratio" shall have the meaning set forth in Section 24(a) hereof.

(m) "Expiration Date" shall mean the Close of Business on [●], 2013.

(n) "Person" shall mean any individual, firm, corporation, partnership or other entity, and shall include any successor (by merger or otherwise) of such entity.

(o) "Preferred Shares" shall mean shares of Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company having the rights and preferences set forth in the Form of Certificate of Designations attached to this Rights Agreement as Exhibit A.

(p) "Purchase Price" shall initially be $[●] for each one one-thousandth of a Preferred Share purchasable pursuant to the exercise of a Right, and shall be subject to adjustment from time to time as provided in Section 11 or 13 hereof.

(q) "Record Date" shall have the meaning set forth in the second paragraph hereof.

(r) "Redemption Date" shall mean the time at which the Rights are redeemed as provided in Section 23 hereof.

(s) "Redemption Price" shall have the meaning set forth in Section 23(a) hereof.

(t) "Right" shall have the meaning set forth in the second paragraph hereof.

(u) "Right Certificate" shall have the meaning set forth in Section 3(a) hereof.

(v) "Rights Agent" shall have the meaning set forth in the preamble hereof.

(w) "Security" shall have the meaning set forth in Section 11(d)(i) hereof.

(x) "Stock Acquisition Date" shall mean the first date of public announcement (including, without limitation, by a filing under the Exchange Act) by the Company or an Acquiring Person that an Acquiring Person has become such or such earlier date as a majority of the Board shall become aware of the existence of an Acquiring Person.

(y) "Subsidiary" of any Person shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned or otherwise controlled, directly or indirectly, by such Person.

(z) "Trading Day" shall have the meaning set forth in Section 11(d)(i) hereof.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Rights (who, in accordance with Section 3 hereof, shall prior to the Distribution Date also be the holders of the Common Shares) in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents as it may deem necessary or desirable.

Section 3. Issue of Right Certificates. (a) Until the earlier of the Close of Business on (i) the tenth day after the Stock Acquisition Date or (ii) such date, if any, as may be determined by action of the Board of Directors of the Company after the date of the commencement by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any entity or

trustee holding Common Shares for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of the Company or of any Subsidiary of the Company) of, or of the first public announcement of the intention of any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any entity or trustee holding Common Shares for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of the Company or of any Subsidiary of the Company) to commence, a tender or exchange offer the consummation of which would result in any Person becoming an Acquiring Person (including any such date which is after the date of this Rights Agreement and prior to the issuance of the Rights; the earlier of such dates being herein referred to as the "Distribution Date"), (x) the Rights will attach to (subject to the provisions of Section 3(b) hereof) the Common Shares (whether in book-entry, certificated or uncertificated form) issued and outstanding, and the Rights will be owned by the registered holder of the Common Shares and will not be evidenced by separate Right Certificates and (y) the right to receive Right Certificates will be transferable only in connection with the transfer of Common Shares. As soon as practicable after the Distribution Date, the Company will prepare and execute, the Rights Agent will countersign, and the Company will send or cause to be sent (and the Rights Agent will, if requested, send) by first-class, insured, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Company, a Right Certificate, in substantially the form of Exhibit B hereto (a "Right Certificate"), evidencing one Right for each Common Share so held, subject, in the case of Common Shares held in uncertificated form on the Distribution Date, to the rights provided by law to a registered pledgee whose security interest has been duly registered with the Company. As of the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) The Company will make available, as promptly as practicable following the Record Date, a Summary of Rights to Purchase Preferred Shares, in substantially the form of Exhibit C hereto, to any holder of Rights who may so request from time to time prior to the Expiration Date. With respect to certificates for Common Shares outstanding as of the Record Date, until the Distribution Date, the Rights will be evidenced by such certificates and the registered holders of the Common Shares shall also be the registered holders of the associated Rights. Until the Distribution Date (or the earlier of the Redemption Date or the Expiration Date), the surrender for transfer of any certificate for Common Shares in respect of which Rights have been issued shall also constitute the transfer of the Rights associated with such Common Shares.

(c) Rights shall be issued in respect of all Common Shares which are issued in certificated form (whether originally issued or from the Company's treasury) after the Record Date but prior to the earliest of the Distribution Date, the Redemption Date or the Expiration Date, and certificates representing such Common Shares shall have impressed on, printed on, written on or otherwise affixed to them substantially the following legend:

> This certificate also evidences and entitles the holder hereof to certain rights as set forth in a Rights Agreement between Xerium Technologies, Inc. (the "Company") and the Rights Agent thereunder (the "Rights Agreement"), the terms of which are

hereby incorporated herein by reference and a copy of which is on file at the principal offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. The Company will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. UNDER CERTAIN CIRCUMSTANCES, AS SET FORTH IN THE RIGHTS AGREEMENT, RIGHTS ISSUED TO ANY PERSON WHO BECOMES AN ACQUIRING PERSON (AS DEFINED IN THE RIGHTS AGREEMENT), INCLUDING SUCH RIGHTS HELD BY A SUBSEQUENT HOLDER, MAY BECOME NULL AND VOID.

With respect to such certificates of Common Shares containing the foregoing legend, until the the earliest of the Distribution Date, the Redemption Date or the Expiration Date, the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented thereby.

(d) Rights shall be issued in respect of all Common Shares which are issued in book-entry or uncertificated form (whether originally issued or from the Company's treasury) after the Record Date but prior to the earliest of the Distribution Date, the Redemption Date or the Expiration Date, and confirmations and account statements sent to holders of Common Shares in book-entry form and initial transaction statements relating to the registration, pledge or release from pledge of Common Shares in uncertificated form shall have impressed on, printed on, written on or otherwise affixed to them substantially the following legend:

The Common Stock, par value $0.01 per share, of Xerium Technologies, Inc. (the "Company") to which this statement relates also evidences and entitles the holder thereof to certain rights as set forth in a Rights Agreement between the Company and the Rights Agent thereunder (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such rights will be evidenced by separate certificates and will no longer be evidenced by the shares to which this statement relates. The Company will mail to the holder of the shares to which this statement relates and any registered pledgee of uncertificated shares a copy of the Rights Agreement without charge after receipt of a written request therefor. UNDER CERTAIN CIRCUMSTANCES, AS SET FORTH IN THE RIGHTS AGREEMENT, RIGHTS ISSUED TO ANY PERSON WHO BECOMES AN ACQUIRING PERSON (AS DEFINED IN THE RIGHTS AGREEMENT), INCLUDING SUCH RIGHTS HELD

BY A SUBSEQUENT HOLDER, MAY BECOME NULL AND VOID.

With respect to Common Shares in book-entry form for which there has been sent a confirmation or account statement and Common Shares in uncertificated form for which there has been sent an initial transaction statement containing the foregoing legend, until the earliest of the Distribution Date, the Redemption Date or the Expiration Date, the Rights associated with such Common Shares shall be evidenced by such Common Shares alone, and the registration of transfer or pledge, or the release from pledge, of any such Common Shares shall also constitute the registration of transfer or pledge, or the release from pledge, as the case may be, of the Rights associated with such Common Shares.

(e) In the event that the Company purchases or acquires any Common Shares after the Record Date but prior to the Distribution Date, any Rights associated with such Common Shares shall be deemed cancelled and retired so that the Company shall not be entitled to exercise any Rights associated with the Common Shares which are no longer outstanding.

Section 4. Form of Right Certificates. Subject to the provisions of Section 22 hereof, the Right Certificates (and the forms of election to purchase Preferred Shares and of assignment to be printed on the reverse thereof) shall be substantially the same as Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Rights Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or automated quotation system on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Sections 11 and 22 hereof, the Right Certificates shall entitle the holders thereof to purchase such number of one one-thousandths of a Preferred Share as shall be set forth therein at the price per one one-thousandth of a Preferred Share set forth therein, but the number of one one-thousandths of a Preferred Share and the Purchase Price shall be subject to adjustment as provided herein.

Section 5. Countersignature and Registration. (a) The Right Certificates shall be executed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, its President, any of its Vice Presidents, or its Treasurer, either manually or by facsimile signature, shall have affixed thereto the Company's seal or a facsimile thereof, and shall be attested by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature. The Right Certificates shall be countersigned by the Rights Agent, either manually or by facsimile signature, and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the Person who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any Person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate although at the date of the execution of this Rights Agreement any such Person was not such an officer.

(b) Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal office, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced on its face by each of the Right Certificates and the date of each of the Right Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates. (a) Subject to the provisions of Section 14 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the Close of Business on the earlier of the Redemption Date or the Expiration Date, any Right Certificate or Right Certificates (other than Right Certificates representing Rights that have become void pursuant to Section 11(a)(ii) hereof or that have been exchanged pursuant to Section 24 hereof) may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates entitling the registered holder to purchase a like number of one one-thousandths of a Preferred Share as the Right Certificate or Right Certificates surrendered then entitled such holder to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate or Right Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the principal office of the Rights Agent. Thereupon the Rights Agent shall countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Right Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Company's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Company will make and deliver a new Right Certificate of like tenor to the Rights Agent for delivery to the registered holder in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights. (a) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein), in whole or in part, at any time after the Distribution Date, upon surrender of the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at the principal office of the Rights Agent, together with payment of the Purchase Price for each one one-thousandth of a Preferred Share as to which the Rights are exercised, at or prior to the earliest of (i) the Expiration Date, (ii) the Redemption Date or (iii) the time at which such Rights are exchanged as provided in Section 24 hereof.

(b) The Purchase Price shall be payable in lawful money of the United States of America in accordance with paragraph (c) below.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase duly executed, accompanied by payment of the Purchase Price for the shares to be purchased and an amount equal to any applicable transfer tax required to be paid by the holder of such Right Certificate in accordance with Section 9 hereof by certified check, cashier's check or money order payable to the order of the Company, the Rights Agent shall thereupon promptly (i) (A) requisition from any transfer agent of the Preferred Shares certificates for the number of Preferred Shares to be purchased and the Company hereby irrevocably authorizes any such transfer agent to comply with all such requests, or (B) requisition from the depositary agent depositary receipts representing such number of one one-thousandths of a Preferred Share as are to be purchased (in which case certificates for the Preferred Shares represented by such receipts shall be deposited by the transfer agent of the Preferred Shares with such depositary agent) and the Company hereby directs such depositary agent to comply with such request; (ii) when appropriate, requisition from the Company the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 14 hereof; (iii) promptly after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder; and (iv) when appropriate, after receipt, promptly deliver such cash to or upon the order of the registered holder of such Right Certificate.

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent to the registered holder of such Right Certificate or to such holder's duly authorized assigns, subject to the provisions of Section 14 hereof.

Section 8. Cancellation and Destruction of Right Certificates. All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Rights Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Right Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Right Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Right Certificates, and, in such case, shall deliver a certificate of destruction thereof to the Company.

Section 9. Availability of Preferred Shares. (a) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued Preferred Shares or any Preferred Shares held in its treasury, the number of Preferred Shares that will be sufficient to permit the exercise in full of all outstanding Rights in accordance with Section 7. The Company covenants and agrees that it will take all such action as may be necessary to ensure that all securities delivered upon exercise of Rights shall, at the time of delivery of the certificates for such securities (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and nonassessable.

(b) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of the Right Certificates or of any Preferred Shares upon the exercise of Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or the issuance or delivery of certificates or depositary receipts for the Preferred Shares in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise or to issue or to deliver any certificates or depositary receipts for Preferred Shares upon the exercise of any Rights until any such tax shall have been paid (any such tax being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the Company's reasonable satisfaction that no such tax is due.

(c) The Company will use its best efforts to ensure that any securities issued pursuant hereto are issued in compliance with all applicable laws.

Section 10. Preferred Shares Record Date. Each Person in whose name any certificate for Preferred Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Shares represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the Preferred Shares transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Shares transfer books of the Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Right Certificate shall not be entitled to any rights of a holder of Preferred Shares for which the Rights shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Purchase Price, Number of Shares or Number of Rights. The Purchase Price, the number of Preferred Shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Rights Agreement (A) declare a dividend on the Preferred Shares payable in Preferred Shares, (B) subdivide the outstanding Preferred Shares, (C) combine the outstanding Preferred Shares into a smaller number of Preferred Shares or (D) issue any shares of its capital stock in a reclassification of the Preferred Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), except as otherwise provided in this Section 11(a), the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of capital stock issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive the aggregate number and kind of shares of capital stock which, if such Right had been exercised immediately prior

to such date and at a time when the Preferred Shares transfer books of the Company were open, such holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right.

(ii) Subject to Section 24 of this Rights Agreement, in the event any Person becomes an Acquiring Person, each holder of a Right shall thereafter have a right to receive, upon exercise thereof at a price equal to the then current Purchase Price multiplied by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Rights Agreement and in lieu of Preferred Shares, such number of Common Shares as shall equal the result obtained by (A) multiplying the then current Purchase Price by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable and dividing that product by (B) 50% of the then current per share market price of the Company's Common Shares (determined pursuant to Section 11(d) hereof) on the date of the occurrence of such event. In the event that any Person shall become an Acquiring Person and the Rights shall then be outstanding, the Company shall not take any action which would eliminate or diminish the benefits intended to be afforded by the Rights.

Notwithstanding anything in this Agreement to the contrary, from and after the time when any Person first becomes an Acquiring Person, any Rights that are or were acquired or Beneficially Owned by any Acquiring Person (or any Associate or Affiliate of such Acquiring Person) shall be void and any holder of such Rights shall thereafter have no right to exercise such Rights under any provision of this Rights Agreement. No Right Certificate shall be issued pursuant to Section 3 that represents Rights Beneficially Owned by an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof; no Right Certificate shall be issued at any time upon the transfer of any Rights to an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof or to any nominee of such Acquiring Person, Associate or Affiliate; and any Right Certificate delivered to the Rights Agent for transfer to an Acquiring Person whose Rights would be void pursuant to the preceding sentence shall be cancelled.

(iii) If there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit the exercise in full of the Rights in accordance with the foregoing subparagraph (ii), the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exercise of the Rights. If the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each Common Share that would otherwise be issuable upon exercise of a Right, a number of Preferred Shares or fraction thereof (or a security with substantially similar rights, privileges, preferences, voting power and economic rights) such that the current per share market price of one Preferred Share (or such other security) multiplied by such number or fraction is equal to the current per share market price of one Common

Share as of the date of issuance of such Preferred Shares or fraction thereof (or other security).

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Preferred Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Preferred Shares (or shares having the same rights, privileges and preferences as the Preferred Shares ("equivalent preferred shares")) or securities convertible into Preferred Shares or equivalent preferred shares at a price per Preferred Share or equivalent preferred share (or having a conversion price per share, if a security convertible into Preferred Shares or equivalent preferred shares) less than the then current per share market price of the Preferred Shares on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Shares outstanding on such record date plus the number of Preferred Shares which the aggregate offering price of the total number of Preferred Shares and/or equivalent preferred shares so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current market price and the denominator of which shall be the number of Preferred Shares outstanding on such record date plus the number of additional Preferred Shares and/or equivalent preferred shares to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible); provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right. In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Preferred Shares owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for the making of a distribution to all holders of the Preferred Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of evidences of indebtedness or assets (other than a regular quarterly cash dividend or a dividend payable in Preferred Shares) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the then current per share market price of the Preferred Shares on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and holders of the Rights) of the portion of the assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to one Preferred Share and the denominator of which shall be such current per share market price of the Preferred Shares; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the

aggregate par value of the shares of capital stock of the Company to be issued upon exercise of one Right. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, the Purchase Price shall again be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, the "current per share market price" of any security (a "Security" for the purpose of this Section 11(d)(i)) on any date shall be deemed to be the average of the daily closing prices per share of such Security for the 30 consecutive Trading Days immediately prior to such date; provided, however, that in the event that the current per share market price of the Security is determined during a period following the announcement by the issuer of such Security of (A) a dividend or distribution on such Security payable in shares of such Security or securities convertible into such shares, or (B) any subdivision, combination or reclassification of such Security and prior to the expiration of 30 Trading Days after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the current per share market price shall be appropriately adjusted to reflect the current market price per share equivalent of such Security. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Security is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Security is listed or admitted to trading or, if the Security is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the OTC Bulletin Board, the Pink Sheets or such other system then in use, or, if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Security, the fair value of the Security on such date as determined in good faith by the Board of Directors of the Company shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Security is listed or admitted to trading is open for the transaction of business or, if the Security is not listed or admitted to trading on any national securities exchange, a Business Day.

(ii) For the purpose of any computation hereunder, the "current per share market price" of the Preferred Shares shall be determined in accordance with the method set forth in Section 11(d)(i). If the Preferred Shares are not publicly traded, the "current per share market price" of the Preferred Shares shall be conclusively deemed to be the current per share market price of the Common Shares as determined pursuant to Section 11(d)(i) (appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof), multiplied by one thousand. If neither the Common Shares nor the Preferred Shares are publicly held or so listed or traded, "current per share market price" shall mean the fair value per share as determined in good faith by

the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent.

(e) No adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one-millionth of a Preferred Share or one ten-thousandth of any other share or security as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three years from the date of the transaction which requires such adjustment or (ii) the Expiration Date.

(f) If, as a result of an adjustment made pursuant to Section 11(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than Preferred Shares, thereafter the number of such other shares so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Section 11(a) through (c), inclusive, and the provisions of Sections 7, 9, 10 and 13 with respect to the Preferred Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of one one-thousandths of a Preferred Share purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i), upon each adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of one one-thousandths of a Preferred Share (calculated to the nearest one millionth of a Preferred Share) obtained by (A) multiplying (x) the number of one one-thousandths of a Preferred Share covered by a Right immediately prior to this adjustment by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (B) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Company may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights in substitution for any adjustment in the number of one one-thousandths of a Preferred Share purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one one-thousandths of a Preferred Share for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one millionth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase

Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Right Certificates have been issued, shall be at least 10 days later than the date of the public announcement. If Right Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of one one-thousandths of a Preferred Share issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Purchase Price and the number of one one-thousandths of a Preferred Share which were expressed in the initial Right Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below one one-thousandth of the then par value, if any, of the Preferred Shares issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Preferred Shares at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuing to the holder of any Right exercised after such record date of the Preferred Shares and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the Preferred Shares and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that, it, in its sole discretion, shall determine to be advisable in order that any consolidation or subdivision of the Preferred Shares, issuance wholly for cash of any Preferred Shares at less than the current market price, issuance wholly for cash of Preferred Shares or securities which by their terms are convertible into or exchangeable for Preferred Shares, dividends on Preferred Shares payable in Preferred Shares or

issuance of rights, options or warrants referred to hereinabove in Section 11(b), hereafter made by the Company to holders of its Preferred Shares shall not be taxable to such stockholders.

(n) In the event that at any time after the date of this Rights Agreement and prior to the Distribution Date, the Company shall (i) declare or pay any dividend on the Common Shares payable in Common Shares or (ii) effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares) into a greater or lesser number of Common Shares, then in any such case (A) the number of one one-thousandths of a Preferred Share purchasable after such event upon proper exercise of each Right shall be determined by multiplying the number of one one-thousandths of a Preferred Share so purchasable immediately prior to such event by a fraction, the numerator of which is the number of Common Shares outstanding immediately before such event and the denominator of which is the number of Common Shares outstanding immediately after such event, and (B) each Common Share outstanding immediately after such event shall have issued with respect to it that number of Rights which each Common Share outstanding immediately prior to such event had issued with respect to it. The adjustments provided for in this Section 11(n) shall be made successively whenever such a dividend is declared or paid or such a subdivision, combination or consolidation is effected.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made as provided in Sections 11 or 13 hereof, the Company shall promptly (a) prepare a certificate setting forth such adjustment, and a brief statement of the facts accounting for such adjustment, (b) file with the Rights Agent and with each transfer agent for the Common Shares or the Preferred Shares a copy of such certificate and (c) if a Distribution Date has occurred, mail a brief summary thereof to each holder of a Right Certificate in accordance with Section 25 hereof.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power. In the event, directly or indirectly, at any time after a Person has become an Acquiring Person, (a) the Company shall consolidate with, or merge with and into, any other Person, (b) any Person shall consolidate with the Company, or merge with and into the Company and the Company shall be the continuing or surviving corporation of such merger and, in connection with such merger, all or part of the Common Shares shall be changed into or exchanged for stock or other securities of any other Person (or the Company) or cash or any other property or (c) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one or more transactions, assets or earning power aggregating 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person other than the Company or one or more of its wholly-owned Subsidiaries, then, and in each such case, proper provision shall be made so that

(i) each holder of a Right (other than Rights which have become void pursuant to Section 11(a)(ii)) shall thereafter have the right to receive, upon the exercise thereof at a price equal to the then current Purchase Price multiplied by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Rights Agreement and in lieu of Preferred Shares, such number of Common Shares of such other Person (including the Company as successor thereto or as the surviving corporation) as shall equal the result obtained by (A) multiplying the then

current Purchase Price by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable and dividing that product by (B) 50% of the then current per share market price of the Common Shares of such other Person (determined pursuant to Section 11(d) hereof) on the date of consummation of such consolidation, merger, sale or transfer;

(ii) the issuer of such Common Shares shall thereafter be liable for, and shall assume, by virtue of such consolidation, merger, sale or transfer, all the obligations and duties of the Company pursuant to this Rights Agreement;

(iii) the term "Company" shall thereafter be deemed to refer to such issuer; and

(iv) such issuer shall take such steps (including, but not limited to, the reservation of a sufficient number of its Common Shares in accordance with Section 9 hereof) in connection with such consummation as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to the Common Shares thereafter deliverable upon the exercise of the Rights.

The Company shall not consummate any such consolidation, merger, sale or transfer unless prior thereto the Company and such issuer shall have executed and delivered to the Rights Agent a supplemental agreement so providing. The Company shall not enter into any transaction of the kind referred to in this Section 13 if at the time of such transaction there are any rights, warrants, instruments or securities outstanding or any agreements or arrangements which, as a result of the consummation of such transaction, would eliminate or substantially diminish the benefits intended to be afforded by the Rights. The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or other transfers.

Section 14. Fractional Rights and Fractional Shares. (a) The Company shall not be required to issue fractions of Rights or to distribute Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading or, if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the OTC Bulletin Board, the Pink Sheets or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no

such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Company shall be used.

(b) The Company shall not be required to issue fractions of Preferred Shares (other than fractions which are integral multiples of one one-thousandth of a Preferred Share) upon exercise of the Rights or to distribute certificates which evidence fractional Preferred Shares (other than fractions which are integral multiples of one one-thousandth of a Preferred Share). Fractions of Preferred Shares in integral multiples of one one-thousandth of a Preferred Share may, at the election of the Company, be evidenced by depositary receipts, pursuant to an appropriate agreement between the Company and a depositary selected by it; provided that such agreement shall provide that the holders of such depositary receipts shall have all the rights, privileges and preferences to which they are entitled as Beneficial Owners of the Preferred Shares represented by such depositary receipts. In lieu of fractional Preferred Shares that are not integral multiples of one one-thousandth of a Preferred Share, the Company shall pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Preferred Share. For the purposes of this Section 14(b), the current market value of a Preferred Share shall be the closing price of a Preferred Share (as determined pursuant to the second sentence of Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) The holder of a Right by the acceptance of the Right expressly waives such holder's right to receive any fractional Rights or any fractional shares upon exercise of a Right (except as expressly provided above).

Section 15. Rights of Action. All rights of action in respect of this Rights Agreement, except the rights of action given to the Rights Agent under Section 18 hereof, are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), may, in such holder's own behalf and for such holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, such holder's right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Rights Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Rights Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Rights Agreement.

Section 16. Agreement of Right Holders. Every holder of a Right, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares;

(b) after the Distribution Date, the Right Certificates are transferable only on the registry books of the Rights Agent if surrendered at the principal office of the Rights Agent, duly endorsed or accompanied by a proper instrument of transfer; and

(c) the Company and the Rights Agent may deem and treat the Person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificate or the associated Common Shares certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

Section 17. Right Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Right Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the Preferred Shares or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent. (a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Rights Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability or expense incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Rights Agreement, including the costs and expenses of defending against any claim of liability in the premises.

(b) The Rights Agent shall be protected and shall incur no liability for, or in respect of any action taken, suffered or omitted by it in connection with, its administration of this Rights Agreement in reliance upon any Right Certificate or certificate for the Preferred Shares or Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons, or otherwise upon the advice of counsel as set forth in Section 20 hereof.

Section 19. Merger or Consolidation or Change of Name of Rights Agent. (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or

consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the stock transfer or corporate trust powers of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Rights Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Rights Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and, in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Rights Agreement upon the following terms and conditions, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Rights Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Rights Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder to the Company and any other Person only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Rights Agreement or in the Right Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Rights Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Rights Agreement or in any Right Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 11(a)(ii) hereof) or any adjustment in the terms of the Rights (including the manner, method or amount thereof) provided for in Section 3, 11, 13, 23 or 24, or the ascertaining of the existence of facts that would require any such change or adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice that such change or adjustment is required); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares to be issued pursuant to this Rights Agreement or any Right Certificate or as to whether any Preferred Shares will, when issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Rights Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Secretary or the Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such officer or for any delay in acting while waiting for those instructions.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Rights Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Rights Agreement upon 30-days' notice in writing mailed to the Company and to each transfer agent of the Common Shares or Preferred Shares by registered or certified mail, and, if such resignation occurs after the Distribution Date, to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30-days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares or Preferred Shares by registered or certified mail, and, if such removal occurs after the Distribution Date, to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who or which shall, with such notice, submit such holder's Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of the State of New York (or of any other state of the United States so long as such corporation is authorized to do business as a banking institution in the State of New York), in good standing, having an office in the State of New York, which is authorized under such laws to exercise corporate trust or stock transfer powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least $50 million. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares or Preferred Shares, and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates. Notwithstanding any of the provisions of this Rights Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by the Board of Directors of the Company to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Right Certificates made in accordance with the provisions of this Rights Agreement. In addition, in connection with the issuance or sale of Common Shares following the Distribution Date and prior to the earlier of the Redemption Date and the Expiration Date, the Company (a) shall with respect to Common Shares so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement in existence prior to the Distribution Date, or upon the exercise, conversion or exchange of any securities, notes or debentures (pursuant to the terms

thereof) issued by the Company and in existence prior to the Distribution Date, and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) the Company shall not be obligated to issue any such Right Certificates if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Right Certificate would be issued or would create a significant risk of such options or employee plans or arrangements failing to qualify for otherwise available special tax treatment, and (ii) no such Right Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption. (a) The Board of Directors of the Company may, at its option, at any time prior to such time as any Person becomes an Acquiring Person, redeem all but not less than all the then outstanding Rights at a redemption price of $.01 per Right, appropriately adjusted to reflect any stock split, stock combination, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). The redemption of the Rights by the Board of Directors of the Company may be made effective at such time, on such basis and with such conditions as the Board of Directors of the Company, in its sole discretion, may establish. The Company may, at its option, pay the Redemption Price in cash, Common Shares (based on the current market price at the time of redemption) or any other form of consideration deemed appropriate by the Board of Directors.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights pursuant to paragraph (a) of this Section 23, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. The Company shall promptly give public notice of any such redemption; provided, however, that the failure to give, or any defect in, any such notice shall not affect the validity of such redemption. Within 10 days after such action of the Board of Directors of the Company ordering the redemption of the Rights, the Company shall mail a notice of redemption to all the holders of the then outstanding Rights at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Company nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 23 or in Section 24 hereof, and other than in connection with the purchase of Common Shares prior to the Distribution Date.

Section 24. Exchange. (a) The Board of Directors of the Company may, at its option, at any time after any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become void pursuant to the provisions of Section 11(a)(ii) hereof) for Common Shares at an exchange ratio of one Common Share per Right, appropriately adjusted to reflect any adjustment in the number of Rights pursuant to Section 11(i) (such exchange ratio being hereinafter referred to as the

"Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors of the Company shall not be empowered to effect such exchange at any time after any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any entity or trustee holding Common Shares for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of the Company or of any Subsidiary of the Company), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the Common Shares then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to paragraph (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of such Rights shall be to receive that number of Common Shares equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly give public notice of any such exchange; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Company promptly shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Common Shares for Rights will be effected and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become void pursuant to the provisions of Section 11(a)(ii) hereof) held by each holder of Rights.

(c) In the event that there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in accordance with this Section 24, the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exchange of the Rights. In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each Common Share that would otherwise be issuable upon exchange of a Right, a number of Preferred Shares or fraction thereof (or a security with substantially similar rights, privileges, preferences, voting power and economic rights) such that the current per share market price of one Preferred Share (or other such security) multiplied by such number or fraction is equal to the current per share market price of one Common Share as of the date of issuance of such Preferred Shares or fraction thereof (or other such security).

(d) The Company shall not be required to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. In lieu of such fractional Common Shares, the Company shall pay to the registered holders of the Right Certificates with regard to which such fractional Common Shares would otherwise be issuable an amount in cash equal to the same fraction of the current market value of a whole Common Share. For the purposes of this paragraph (d), the current market value of a whole Common Share shall be the closing price of a Common Share (as determined pursuant to the second sentence of Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of exchange pursuant to this Section 24.

Section 25. Notice of Certain Events. (a) In case the Company, at any time after the Distribution Date, shall propose (i) to pay any dividend payable in stock of any class to the holders of its Preferred Shares or to make any other distribution to the holders of its Preferred Shares (other than a regular quarterly cash dividend), (ii) to offer to the holders of its Preferred Shares rights or warrants to subscribe for or to purchase any additional Preferred Shares or shares of stock of any class or any other securities, rights or options, (iii) to effect any reclassification of its Preferred Shares (other than a reclassification involving only the subdivision of outstanding Preferred Shares), (iv) to effect any consolidation or merger into or with, or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one or more transactions, of 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to, any other Person, (v) to effect the liquidation, dissolution or winding up of the Company, or (vi) to declare or pay any dividend on the Common Shares payable in Common Shares or to effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares), then, in each such case, the Company shall give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the Common Shares and/or Preferred Shares, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least 10 days prior to the record date for determining holders of the Preferred Shares for purposes of such action, and in the case of any such other action, at least 10 days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the Common Shares and/or Preferred Shares, whichever shall be the earlier.

(b) In case the event set forth in Section 11(a)(ii) hereof shall occur, then the Company shall as soon as practicable thereafter give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such event, which notice shall describe such event and the consequences of such event to holders of Rights under Section 11(a)(ii) hereof.

Section 26. Notices. Notices or demands authorized by this Rights Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Xerium Technologies, Inc.
8537 Six Forks Road, Suite 300
Raleigh, North Carolina 27615

Subject to the provisions of Section 21 hereof, any notice or demand authorized by this Rights Agreement to be given or made by the Company or by the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

American Stock Transfer & Trust Company, LLC
59 Maiden Lane
New York, NY 10038

Notices or demands authorized by this Rights Agreement to be given or made by the Company or the Rights Agent to the holder of any Right Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company or the registry books of the holders of the Rights maintained by the Rights Agent after the Distribution Date as herein provided. Any notice or demand given prior to the Distribution Date by the Company or the Rights Agent to the holders of the Rights shall also be given to any registered pledgee of any uncertificated Common Share by first-class mail, postage prepaid, addressed to such registered pledgee at the address of such registered pledgee as shown on the registry books of the Company.

Section 27. Supplements and Amendments. Other than with respect to the definition of "Exempt Person" and the 20% Beneficial Ownership threshold applicable to Exempt Persons, the Board of Directors of the Company may from time to time supplement or amend this Rights Agreement without the approval of any holders of Right Certificates in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, or to make any other provisions with respect to the Rights which the Board of Directors of the Company may deem necessary or desirable, any such supplement or amendment to be evidenced by a writing signed by the Company and the Rights Agent, provided, however, after any Person becomes an Acquiring Person, this Rights Agreement shall not be amended in any manner which would adversely affect the interests of the holders of Rights (other than an Acquiring Person or Affiliate or Associate thereof). Without limiting the foregoing, the Company may, except (for the avoidance of doubt) with respect to any Exempt Person and the 20% Beneficial Ownership threshold applicable to Exempt Persons, at any time prior to such time as any Person becomes an Acquiring Person amend this Agreement to lower the thresholds set forth in Section 1(a) to not less than the greater of (i) the sum of 0.001% and the largest percentage of the outstanding Common Shares then known by the Company to be beneficially owned by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or any Subsidiary of the Company, or any entity holding Common Shares for or pursuant to the terms of any such plan) and (ii) 10%. Upon the delivery of a certificate from an appropriate officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section 27, the Rights Agent shall execute such supplement or amendment.

Section 28. Successors. All the covenants and provisions of this Rights Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Benefits of this Rights Agreement. Nothing in this Rights Agreement shall be construed to give to any Person, other than the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares) any legal or equitable right, remedy or claim under this Rights Agreement; but this Rights Agreement shall be for the sole and exclusive benefit of the Company, the Rights

Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares).

Section 30. Severability. If any term, provision, covenant or restriction of this Rights Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Rights Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 31. Governing Law. This Rights Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

Section 32. Counterparts. This Rights Agreement may be executed in one or more counterparts (including by means of facsimile or other electronic transmission), each of which shall be deemed an original but all of which together will constitute one and the same instrument. The exchange of copies of this Rights Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether otherwise transmitted via electronic transmission), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Rights Agreement as to the parties and may be used in lieu of an original Rights Agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic transmission shall be deemed to be original signatures for all purposes.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Rights Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Rights Agreement to be duly executed and attested, all as of the day and year first above written.

XERIUM TECHNOLOGIES, INC.

By:_____
Name:
Title:

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

By:_____
Name:
Title:

Exhibit A

FORM
OF
CERTIFICATE OF DESIGNATIONS
OF
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK
OF
XERIUM TECHNOLOGIES, INC.

(Pursuant to Section 151 of the
General Corporation Law of the State of Delaware)

Xerium Technologies, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the General Corporation Law of the State of Delaware on [●], 2010:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, as amended to date (the "Certificate of Incorporation") the Board of Directors hereby creates a series of preferred stock of the Corporation, par value $.01 per share, to be designated the "Series A Junior Participating Preferred Stock" and hereby adopts the resolution establishing the designations, number of shares, preferences, voting powers and other rights and the restrictions and limitations thereof, of the shares of such series as set forth below:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be [●]; provided, however, that, if more than a total of [●] shares of Series A Preferred Stock shall be issuable upon the exercise of Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of [●], 2010, between the Corporation and American Stock Transfer & Trust Company, LLC, as Rights Agent, the Board, pursuant to Section 151(g) of the General Corporation Law of the State of Delaware, shall direct by resolution or resolutions that a certificate be properly executed, acknowledged, filed and recorded, in accordance with the provisions of Section 103 thereof, providing for the total number of shares of Series A Preferred Stock authorized to be issued to be increased (to the extent that the Certificate of Incorporation then permits) to the largest number of whole shares (rounded up to the nearest whole number) issuable upon exercise of such Rights.

Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of preferred stock of the Corporation (the "Preferred Stock") (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A

Preferred Stock, in preference to the holders of Common Stock, par value $.01 per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock (the "Issue Date"), in an amount per share (rounded to the nearest cent) equal to the greater of (a) $1 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time after the Issue Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section 2 immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred

Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Issue Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $1,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time after the Issue Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which

holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Neither the merger or consolidation of the Corporation into or with another entity nor the merger or consolidation of any other entity into or with the Corporation (nor the sale of all or substantially all of the assets of the Corporation) shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 6.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Issue Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable from any holder.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of the Corporation, junior to all other series of Preferred Stock and senior to the Common Stock.

Section 10. Amendment. The Certificate of Incorporation of the Corporation (including this Certificate of Designations) shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

Section 11. Fractional Shares. The Series A Preferred Stock may be issued in fractions of a share that shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be duly executed in its corporate name on this the [●] day of [●], 2010.

XERIUM TECHNOLOGIES, INC.

By:_____
Name:
Title:

Exhibit B

Form of Right Certificate

Certificate No. R-
_____ Rights

NOT EXERCISABLE AFTER [●], 2013 OR EARLIER IF REDEMPTION OR EXCHANGE OCCURS. THE RIGHTS ARE SUBJECT TO REDEMPTION AT $.01 PER RIGHT AND TO EXCHANGE ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT.

Rights Certificate

XERIUM TECHNOLOGIES, INC.

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Rights Agreement, dated as of [●], 2010 (the "Rights Agreement"), between Xerium Technologies, Inc., a Delaware corporation (the "Company"), and American Stock Transfer & Trust Company, LLC (the "Rights Agent"), to purchase from the Company at any time after the Distribution Date (as such term is defined in the Rights Agreement) and prior to 5:00 p.m., New York time, on [●], 2013 at the principal office of the Rights Agent, or at the office of its successor as Rights Agent, one one-thousandth of a fully paid non-assessable share of Series A Junior Participating Preferred Stock of the Company, par value $.01 per share (the "Preferred Shares"), at a purchase price of $[●] per one one-thousandth of a Preferred Share (the "Purchase Price"), upon presentation and surrender of this Right Certificate with the Form of Election to Purchase duly executed. The number of Rights evidenced by this Right Certificate (and the number of one one-thousandths of a Preferred Share which may be purchased upon exercise hereof) set forth above, and the Purchase Price set forth above, are the number and Purchase Price as of [●], 2010, based on the Preferred Shares as constituted at such date. As provided in the Rights Agreement, the Purchase Price and the number of one one-thousandths of a Preferred Share which may be purchased upon the exercise of the Rights evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events.

This Right Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates. Copies of the Rights Agreement are on file at the principal executive offices of the Company and the offices of the Rights Agent.

This Right Certificate, with or without other Right Certificates, upon surrender at the principal office of the Rights Agent, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of Preferred Shares as the Rights evidenced by the Right Certificate or Right

Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Right Certificate (i) may be redeemed by the Company at a redemption price of $.01 per Right or (ii) may be exchanged, in whole or in part, for Preferred Shares or shares of the Company's Common Stock, par value $.01 per share.

No fractional Preferred Shares will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions which are integral multiples of one one-thousandth of a Preferred Share, which may, at the election of the Company, be evidenced by depositary receipts), but in, lieu thereof, a cash payment will be made, as provided in the Rights Agreement.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate shall have been exercised as provided in the Rights Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal.

Dated: as of .

XERIUM TECHNOLOGIES, INC.

By:_____
Name:
Title:

COUNTERSIGNED:

By:_____
Name:
Title:

[Form of Reverse Side of Right Certificate]

FORM OF ASSIGNMENT
(To be executed by the registered holder
if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED

_____ hereby sells, assigns and transfers unto

_____
(Please print name and address of transferee)

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint Attorney, to transfer the within Right Certificate on the books of the within-named Company, with full power of substitution.

Dated: _____

Signature _____

Signature Guaranteed: _____

Signatures must be guaranteed by an "eligible guarantor institution" as defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended.

Certificate

The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement). After due inquiry and to the best knowledge of the undersigned, the Rights evidenced by this Right Certificate were not acquired or beneficially owned by an Acquiring Person or an Affiliate or Associate thereof.

Dated: _____

Signature _____

The signature to the foregoing Assignment and Certificate must correspond to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

FORM OF ELECTION TO PURCHASE
(To be executed if holder desires to exercise Rights represented by the Right Certificate.)

To:

The undersigned hereby irrevocably elects to exercise Rights represented by this Right Certificate to purchase the Preferred Shares issuable upon the exercise of such Rights and requests that certificates for such Preferred Shares be issued in the name of:

_____

Please insert social security or other identifying number:

_____

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

_____

Please insert social security or other identifying number:

(Please print name and address)

Dated:

Dated: _____

Signature _____

Signature Guaranteed: _____

Signatures must be guaranteed by an "eligible guarantor institution" as defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended.

Certificate

The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement). After due inquiry and to the best knowledge of the undersigned, the Rights evidenced by this Right Certificate were not acquired or beneficially owned by an Acquiring Person or an Affiliate or Associate thereof.

Dated: _____

Signature _____

The signature in the Form of Assignment or Form of Election to Purchase, as the case may be, must conform to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above in the Form of Assignment or the Form of Election to Purchase, as the case may be, is not completed, the Company and the Rights Agent will deem the beneficial owner of the Rights evidenced by this Right Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and such Assignment or Election to Purchase will not be honored.

Exhibit C

SUMMARY OF RIGHTS TO PURCHASE PREFERRED SHARES

On [●], 2010, the Board of Directors of Xerium Technologies, Inc. (the "Company") declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of common stock, par value $.01 per share (the "Common Shares"), of the Company. The dividend is payable on [●], 2010 (the "Record Date") to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock of the Company, par value $.01 per share (the "Preferred Shares"), at a price of $[●] per one one-thousandth of a Preferred Share (the "Purchase Price"), subject to adjustment. The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between the Company and American Stock Transfer & Trust Company, LLC, as Rights Agent (the "Rights Agent").

Distribution Date; Exercisability

Initially, the Rights will be attached to all Common Shares (whether in book-entry, certificated or uncertificated form) issued and outstanding and the Rights will be owned by the registered holder of the Common Shares, and no separate Rights certificates will be issued. Separate certificates evidencing the Rights ("Right Certificates") will be mailed to holders of record of all Common Shares as of the close of business on the earlier to occur of (i) a public announcement that an Acquiring Person (as discussed below) has acquired beneficial ownership of 15% or more of the outstanding Common Shares or (ii) such date as may be determined by action of the Board of Directors of the Company following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 15% or more of the outstanding Common Shares (the earlier of such dates being the "Distribution Date").

The Rights Agreement provides that, until the Distribution Date (or earlier redemption or expiration of the Rights), (i) the Rights will be transferred with and only with the Common Shares, (ii) certificates or book-entry statements with respect to new Common Share certificates issued after the Record Date upon transfer or new issuance of Common Shares will contain a notation incorporating the Rights Agreement by reference and (iii) the surrender for transfer of any certificates for Common Shares outstanding as of the Record Date will also constitute the transfer of the Rights associated with the Common Shares represented by such certificate.

The Rights are not exercisable until the Distribution Date. The Rights will expire on [●], 2013 (the "Expiration Date"), unless the Expiration Date is extended or unless the Rights are earlier redeemed or exchanged by the Company, in each case, as described below.

Acquiring Person

The Rights Agreement defines the term "Acquiring Person" generally to mean any person who, together with all affiliates and associates of such person, is the beneficial owner of 15% or more of the Common Shares then outstanding. However, that definition does not

generally include (i) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or any Subsidiary of the Company, or any entity or trustee holding Common Shares for or pursuant to the terms of any such plan, (ii) any person who or which becomes the beneficial owner of 15% or more of the Common Shares then outstanding as the result of a reduction in the outstanding Common Shares resulting from acquisition of Common Shares by the Company approved by the Board of Directors, (iv) any person who or which the Board of Directors of the Company determines, in good faith, became an Acquiring Person inadvertently, if such person divests as promptly as practicable a sufficient number of Common Shares so that such person would no longer be an Acquiring Person, (v) any person who or which the Board of Directors of the Company determines, prior to the time such person would otherwise be an Acquiring Person, should be exempted from the definition of Acquiring Person, provided that the Board of Directors may make such exemption subject to such conditions, if any, which the Board may determine or (vi) [American Securities], [Carl Marks] and [Cerberus] (each, an "Exempt Person") or any affiliate or associate of an Exempt Person. However, any Exempt Person who becomes the beneficial owner of 20% or more of the Common Shares then outstanding shall become an Acquiring Person.

Flip-In

If a person or group becomes an Acquiring Person, each holder of a Right will thereafter have the right to receive, upon exercise, Common Shares (or, in certain circumstances, Preferred Shares or other similar securities of the Company) having a value equal to two times the exercise price of the Right. Notwithstanding any of the foregoing, following the existence of an Acquiring Person, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person will be null and void.

Flip-Over

In the event that the Company is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold after a person or group has become an Acquiring Person, proper provision will be made so that each holder of a Right will thereafter have the right to receive, upon the exercise thereof at the then current exercise price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the Right. In the event that any person or group becomes an Acquiring Person, proper provision shall be made so that each holder of a Right, other than Rights beneficially owned by the Acquiring Person (which will thereafter be void), will thereafter have the right to receive upon exercise that number of Common Shares having a market value of two times the exercise price of the Right.

Exchange

At any time after any person or group becomes an Acquiring Person and prior to the acquisition by such person or group of 50% or more of the outstanding Common Shares, the Board of Directors of the Company may exchange the Rights (other than Rights owned by such person or group which will have become void), in whole or in part, at an exchange ratio of one Common Share, or one one-thousandth of a Preferred Share (or of a share of a class or series of

the Company's preferred stock having equivalent rights, preferences and privileges), per Right (subject to adjustment).

Redemption

At any time prior to the existence of an Acquiring Person, the Board of Directors of the Company may redeem the Rights, in whole but not in part, at a price of $.01 per Right (the "Redemption Price"). The redemption of the Rights may be made effective at such time on such basis with such conditions as the Board of Directors, in its sole discretion, may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Amendment

The terms of the Rights may be amended by the Board of Directors of the Company without the consent of the holders of the Rights, except that from and after the existence of an Acquiring Person no such amendment may adversely affect the interests of the holders of the Rights (other than the Acquiring Person).

Adjustment

The number of outstanding Rights and the number of one one-thousandths of a Preferred Share issuable upon exercise of each Right are subject to adjustment under certain circumstances.

Preferred Stock

Because of the nature of the Preferred Shares' dividend, liquidation and voting rights, the value of the one one-thousandth interest in a Preferred Share purchasable upon exercise of each Right should approximate the value of one Common Share.

Rights of Holders

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

Further Information

A copy of the Rights Agreement has been filed with the Securities and Exchange Commission as an Exhibit to a Registration Statement on Form 8-A dated [●], 2010. A copy of the Rights Agreement is available free of charge from the Company. This summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, which is hereby incorporated herein by reference.

SCHEDULE 1.98

U.S. Direction Letter Agreement

US DIRECTION LETTER AGREEMENT

B E T W E E N:

XERIUM V (U.S.) LIMITED, a Corporation incorporated and organized pursuant to the laws of the State of Delaware, United States

Hereinafter called "Xerium V"

- and –

XERIUM TECHNOLOGIES, INC, a Corporation incorporated and organized pursuant to the laws of the State of Delaware, United States

Hereinafter called "Xerium"

WHEREAS on the ● day of ●, 2010 (the "Commencement Date"), Xerium and certain of its direct and indirect subsidiaries, (collectively, the "Debtors") including Xerium V and Xerium Canada Inc. ("Xerium Canada"), commenced a voluntary case under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "Code");

AND WHEREAS prior to the Commencement Date the Debtors solicited votes on the proposed Joint Prepackaged Plan of Reorganization under the Code (the "Plan") pursuant to a disclosure statement dated March 2, 2010 (as supplemented and amended the "Disclosure Statement");

AND WHEREAS the Plan has been accepted by all classes entitled to vote;

AND WHEREAS capitalized terms used in this Agreement and not otherwise defined herein shall be given the meaning ascribed thereto in the Disclosure Statement;

AND WHEREAS the Holders have Allowed Credit Facility Claims and Allowed Unsecured Swap Termination Claims against Xerium Canada (collectively the "Holders") which are to be paid, in accordance with the Plan, in part, by delivery to them of the Xerium Canada Distributions;

AND WHEREAS Xerium intends to make a deemed capital contribution for US federal income tax purposes to Xerium V in exchange for a deemed transfer of Xerium V common stock to Xerium;

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, the parties hereto agree to the terms set out below.

1. Xerium V hereby directs Xerium to deliver to the Holders the Xerium Canada Distributions in the manner set out below, in satisfaction of the Xerium V's obligations under the Canada Direction Letter Agreement between Xerium V and Xerium Canada.

2. The Xerium Canada Distributions shall be delivered by Xerium in accordance with the provisions of the Plan as follows:

   (a) US$● to be delivered to ● or as [they] may otherwise direct;

   (b) ● shares of New Common Stock to be delivered to ● or as they may otherwise direct.

3. Any reference in this Agreement to gender includes all genders and words importing the singular include the plural and vice versa.

4. The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and are not to effect or be used in a constructional interpretation of this Agreement.

5. All demands, notices, communication and reports provided for in this Agreement shall be in writing and shall be sent either by facsimile transmission with confirmation to the numbers specified below or personally delivered or sent by reputable overnight courier service to any party at the address specified below or at such address to the attention of such other person and with such other copy as the recipient party has specified by a prior written notice to the parties sent pursuant to the provisions of this section 5.

   If to Xerium V:

   Xerium V (US) Limited.
   8537 Six Forks Road, Suite 300
   Raleigh, NC 27615
   Attention: Chief Financial Officer
   Facsimile: (919) 556-2432

   And if to Xerium:

   Xerium Technologies, Inc.
   8537 Six Forks Road, Suite 300
   Raleigh, NC 27615
   Attention: Chief Financial Officer
   Facsimile: (919) 556-2432

   Any such demand, notice, communication or report shall be deemed to have been given pursuant to this Agreement when delivered personally, when confirmed if by facsimile transmission or on the calendar day after deposit with a reputable overnight courier service, as applicable.

6. The parties may execute this Agreement in one or more counterparts (no one of which may need contain the signatures of all parties) each of which will be an original and all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the ● day of ●, 2010.

XERIUM V (US) LIMITED

Per: _____

Name:

Title:

XERIUM TECHNOLOGIES INC.

Per: _____

Name:

Title:

SCHEDULE 5.9

Initial Directors and Initial Officers of the Reorganized Debtors

I. Proposed Post-Effective Date[1] Directors and Officers

Xerium Technologies, Inc.

Board of Directors[2]	Officers
Stephen R. Light, Chairman	Stephen R. Light -- President and Chief Executive Officer
Edward Paquette	David Maffucci -- Executive Vice President, Vice President, Chief Financial Officer and Asst. Secretary
Jay Gurandiano	David Pretty -- Vice President; President – Xerium North America
John F. McGovern	Eduardo Fracasso -- Vice President; President – Xerium South America
Marc L. Saiontz	Tom Johnson -- Vice President; President – Xerium Asia
James F. Wilson	Ted Orban --Secretary & Treasurer
	Dennis Carroll -- Vice President, Controller
	Elizabeth Leete -- Assistant Secretary, Vice President – Tax
	Joan "John" Badrinas Ardevol -- Vice President, Chief Technology Officer
	Donna Meserve -- Vice President, Human Resources
	Kevin McDougall -- Executive Vice President & General Counsel*

* *Mr. McDougall employment commences effective as of April 6, 2010.*

Reorganized Xerium shall take all requisite action such that, immediately following the Effective Date, the Compensation Committee of the New Board of Reorganized Xerium (the "Compensation Committee") shall consist of three directors, of which two directors (one of whom shall be the chairperson) shall be designated prior to the Effective Date by the members of the Secured Lender Ad Hoc Working Group. The Compensation Committee shall act by a majority vote of the whole committee (without taking into account any vacancies). Each member of the foregoing committee shall meet applicable independence and other requirements of any applicable laws and the rules of the NYSE.

Huyck Licensco Inc.

Board of Directors	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary & Treasurer
	Elizabeth Leete -- Assistant Secretary

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[1] Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the amended joint prepackaged plan of reorganization filed by the Debtors with the Bankruptcy Court on March 30, 2010 (the "Plan").

[2] Prior to the Confirmation Hearing, the Debtors will file a supplement to this Schedule 5.9 to the Plan Supplement with the Bankruptcy Court, which provides the requisite information with respect to the seventh director of Xerium Technologies, Inc.

Stowe Woodward Licensco LLC

Board of Directors	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary & Treasurer
	Elizabeth Leete -- Assistant Secretary

Stowe Woodward LLC

Board of Directors	Officers
Stephen R. Light	Stephen R. Light -- Chief Executive Officer and President
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary & Treasurer
	Elizabeth Leete -- Assistant Secretary

Wangner Itelpa I LLC

Board of Managers	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary
	Elizabeth Leete -- Assistant Secretary

Wangner Itelpa II LLC

Board of Managers	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary
	Elizabeth Leete -- Assistant Secretary

Weavexx, LLC

Board of Managers	Officers
Stephen R. Light	Stephen R. Light -- Chief Executive Officer and President
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	David Pretty -- Vice President and Assistant Secretary
	Ted Orban -- Secretary and Treasurer
	Elizabeth Leete -- Assistant Secretary

Xerium Asia, LLC

Board of Managers	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Tom Johnson -- Vice President and Assistant Secretary
	Ted Orban -- Secretary and Treasurer
	Elizabeth Leete -- Assistant Secretary

Xerium III (US) Limited

Board of Directors	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary & Treasurer
	Elizabeth Leete -- Assistant Secretary

Xerium IV (US) Limited

Board of Directors	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary & Treasurer
	Elizabeth Leete -- Assistant Secretary

Xerium V (US) Limited

Board of Directors	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary & Treasurer
	Elizabeth Leete -- Assistant Secretary

XTI LLC

Board of Managers	Officers
Stephen R. Light	Stephen R. Light -- President and Assistant Secretary
David Maffucci	David Maffucci -- Executive Vice President, Chief Financial Officer and Asst. Secretary
Ted Orban	Ted Orban -- Secretary
	Elizabeth Leete -- Assistant Secretary

Xerium Canada Inc.

Board of Directors	Officers
Stephen R. Light	Stephen R. Light -- President and Chief Executive Officer
David Maffucci	David Maffucci -- Chief Financial Officer/Accounting Officer

Ted Orban	David Pretty -- Executive Vice President, Stowe-Woodward Canada and Weavexx Canada Divisions
	Ted Orban -- Treasurer & Secretary
	Elizabeth I. Leete -- Assistant Secretary
	William VanderBurgh -- Assistant Secretary*

** Mr. VanderBurgh is not an employee of Xerium Canada, Inc. or any other Xerium entity.*

Huyck.Wangner Austria GmbH

Supervisory Board	
Stephen R. Light, Chairman (Shareholder Representative)	David Pretty – Managing Director*
Alois Leeb, Vice Chairman	
Joan "John" Badrinas Ardevol (Shareholder Representative)	
Andrea Schremser, Employee Representative	
Liliana Mock, Employee Representative	

** This entity has no officers, but the day-to-day operations are managed by the Managing Director.*

Xerium Germany Holding GmbH

Managing Directors	
Stephen R. Light	Stephen R. Light -- Managing Director*
Joan "John" Badrinas Ardevol	Joan "John" Badrinas Ardevol -- Managing Director*
David Maffucci	David Maffucci -- Managing Director*

** This entity has no officers, but the day-to-day operations are managed by the Managing Directors.*

Xerium Italia S.p.A.

Board of Directors	
Stephen R. Light, Chairman	Stephen R. Light, Chairman
David Maffucci	
Luigi Alessandrini	
Alexander Karnowsky	

** This entity has no officers, but the day-to-day operations are managed by the Managing Directors.*

II. Biographical Information of Officers and Directors

Stephen R. Light has served as the Company's President, Chief Executive Officer and as a director since February 2008. Beginning in July 2008, Mr. Light has also served as Chairman. Mr. Light was previously President and Chief Executive Officer of Flow International Corp., a publicly traded producer of industrial waterjet cutting and cleaning equipment from January 2003 to July 2007. Prior to Flow, Mr. Light was President and Chief Executive Officer of OmniQuip Textron from October 2000 to January 2003. Mr. Light has also held various management positions within General Electric Company, Emerson Electric Co. and Koninklijke Philips N.V.

John F. McGovern is the founder, and since 1999 a partner, of Aurora Capital LLC, a private investment and consulting firm based in Atlanta, Georgia. Prior to founding Aurora Capital, Mr. McGovern served in a number of positions of increasing responsibility at Georgia-Pacific Corporation from 1981 to 1999, including Executive Vice President/Chief Financial Officer from

1994 to 1999. Previously Mr. McGovern had been Vice President and Director, Forest Products and Package Division of Chase Manhattan Bank. He currently serves as a Director of Neenah Paper Inc. and Collective Brands Inc. Formerly Mr. McGovern served on the Boards of Golden Bear Inc., Seabulk International Inc., Gentek Inc., Chart Industries and Maxim Crane.

Marc L. Saiontz is currently a Managing Director of American Securities, with whom he has been with for more than a dozen years. Mr. Saiontz is currently a director of Weasler Engineering, PDM Bridge, NEP Broadcasting and Unison Holdings. He was previously a director of Unifrax Corporation. Mr. Saiontz attended Stanford Graduate School of Business and during this time worked overseas with a European-based telecommunications and infrastructure investment firm. Earlier in his career, Mr. Saiontz was with Morgan Stanley Capital Partners where he focused on private equity investments. He is a member of the Development Committee and co-Chair of the Social Investment Council of Echoing Green.

James F. Wilson has been a principal of Carl Marks Management Company, LLC since 2001, which manages investment partnerships focused on distressed securities. Mr. Wilson earned a B.A. in Economics from Dartmouth College, and an MBA from Harvard Graduate School of Business Administration.

Jay J. Gurandiano has served as a director since December 1, 2008. He has been the Managing Director of Stone House Investment Holdings Inc., an investment holdings company, since January 2001. He also serves as the Chairman of the Board of Directors of Ainsworth Lumber Co. Ltd., a lumber and wood products company.

Nico Hansen has served as a director since August 2008. He has been a partner at Apax Partners, L.P., a private equity and venture capital consulting firm, since January 2007. Previously, Dr. Hansen was a partner at Apax Partners Beteiligungsberatung GmbH, which he joined in May 2000.

David G. Maffucci has served as the Company's Executive Vice President and Chief Financial Officer since June 8, 2009, and as a director since December 1, 2008. Mr. Maffucci served as Executive Vice President and President of the Newsprint Division of Bowater Incorporated, a manufacturer of newsprint and other specialty paper, pulp, and solid wood products, from 2005 until 2006. Previously, from 2002 to 2005, he was Executive Vice President and Chief Financial Officer, and from 1995 to 2002, he was Senior Vice President and Chief Financial Officer of Bowater Incorporated. Mr. Maffucci also serves as a director of Martin Marietta Materials, Inc., a producer of construction aggregates.

Edward Paquette has served as a director since July 2004. He served as Vice President, Chief Financial Officer and a director of Standex International Corp., a diversified manufacturing company listed on the New York Stock Exchange ("NYSE"), from September 1997 to August 2001, when he retired. Prior to joining Standex International Corp., he was a certified public accountant and partner at Deloitte & Touche LLP for 26 years.

Michael Phillips has served as a director since December 1999. He has been a partner at Apax Partners Beteiligungsberatung GmbH, a private equity and venture capital consulting firm, since March 1996. He joined Apax Partners Beteiligungsberatung GmbH in October 1992. He is also

a director of IFCO Systems NV, Sulo Entsorgungs GmbH, Tommy Hilfiger Corporation, Mueller Brot AG and Anker Brot AG.

John G. Raos has served as a director since December 1, 2008. Since June 2000, he has served as the Chief Executive Officer and a director of Precision Partners, Inc., a contract manufacturing company. Mr. Raos also serves as a director of Numerex Corp., a communications and technology company.

Joan "John" Badrinas Ardevol has served as the Company's Chief Technology Officer since February 2008. Mr. Badrinas served as the Company's President—Clothing Europe since joining the Company in July 2006 until February 2008. He served as President of Trelleborg Automotive Europe from September 2000 until July 2006. From May 1996 until 2000, Mr. Badrinas was Group Technical Director of BTR Anti-Vibrations Systems, which was sold to Trelleborg AB and became Trelleborg Automotive Europe. Previously, from 1984 to 1996, he held a series of positions ranging from Product Development Engineer to Industrial Operations Director with Pendelastica s.a. in Spain, a manufacturer of rubber and metal anti-vibration components used in automotive applications.

Thomas Johnson has served as the Company's President—Xerium Asia since September 2008. Mr. Johnson served as the Company's Executive Vice President—Corporate Operations since joining the Company in April 2008 until September 2008. From August 1996 until November 2007, he served as Executive Vice President – Flow Asia of Flow International Corporation, a company that develops and manufactures ultrahigh-pressure (UHP) waterjet technology, and is a provider of robotics and assembly equipment.

David Pretty has served as President—Xerium North America since February 2008. He served as President—Weavexx, the Company's North American clothing operation, from December 2005 until February 2008. From November 2004 to December 2005 he was the Senior Vice President—Sales, Marketing, Technology and Operations for Weavexx. From August 2003 to November 2004 he was the Senior Vice President—Sales, Marketing and Technology for Weavexx. From August 2000 until August 2003 he was the Vice President – Sales and Marketing for Weavexx.

Eduardo Fracasso has served as President—Xerium South America since January 2008. From June 2007 to December 2007 he served as President—Xerium Brazil. Prior to that, he held various operational positions within the Company's Brazilian subsidiaries over a period of approximately 18 years, most recently as Operational Director.

Elizabeth Leete joined Xerium Technologies, Inc. in April 2009 as the Vice President, Global Tax. From 2005-2009 she was the Director of Global Tax and Assistant Treasurer at RockTenn Company.

Ted Orban has served as Vice President and Treasurer since 2006. Prior to joining Xerium Mr. Orban was the Assistant Treasurer at Freescale Semiconductor from 2004-2005.

Dennis Carroll has served as the Vice President and Corporate Controller since August 2004. Prior to that, he held the position of Director of Technical Accounting from March 2004. Mr.

Carroll worked as the Vice President and Controller for Keyspan Corporation from 1990-1999 prior to joining Xerium.

Donna Meserve has served as the Vice President of Human Resources since May 2005. From January 2000 to April 2004 she was the Manager of Human Resources for Xerium North America. Prior to joining Xerium she worked at BTR.

Luigi Alessandrini has served as the Site Manager at HWIT Latina since 2007. Prior to that, he held various operational positions in HWIT Latina over a period of thirty-seven years.

Alexander Karnowsky joined the Company in October 2006 as VP Finance PMC Europe, was promoted to VP Finance Xerium Europe in July 2008. From 2001 to 2006 he served as the European Group Controller- Masco Corporation- Luxemburg.

Kurt Medlitsch joined the Company in 2003 as Director Finance in HWAT. From 1997 to 2003, he served as Philips Electronics Finance Director (for Philips Hungary).

William VanderBurgh is an outside director and assistant secretary of Xerium Canada Inc. He is a partner at the law firm of Aird & Berlis LLP in Ontario Canada.

III. Nature of Post-Effective Date Compensation of Directors and Officers

Compensation of Directors

Reorganized Xerium

The table below describes the nature of the compensation for non-management directors of the New Board of Reorganized Xerium as in effect as of the Effective Date of the Plan.

Post-Effective Date Compensation of Non-Management Directors of Reorganized Xerium*

Annual Cash Retainer	Additional Annual Committee Chair Fees	Board and Committee Meeting Attendance Fees	Annual Restricted Stock Unit ("RSU") Awards (1)
$30,000	Audit: $10,000 Compensation: $5,000 Nominating and Governance: $5,000	-- $1,500 (in person) -- $500 (telephonic for more than one hour)	Annual RSU award covering shares of New Common Stock having a grant date value of $40,000 (based on the 20 day average closing price prior to annual meeting)

* All cash amounts will be paid quarterly in arrears. Reorganized Xerium will also reimburse its non-management directors for out-of-pocket expenses incurred in connection with attending board and committee meetings.

(1) The RSU awards will be made promptly following Reorganized Xerium's Annual Meeting of Stockholders. The RSU awards will be fully vested on the date of grant and, upon the termination of service on the New Board of Reorganized Xerium, each director will be

entitled to receive the number of shares of New Common Stock subject to the then outstanding RSU awards. In addition, upon termination of a non-management director's service on the New Board, he or she will receive an additional pro-rata RSU award in respect of his or her board service from the date of the last annual meeting through the date of termination, which shall be settled immediately in shares of New Common Stock.

All directors of Reorganized Xerium and the other Debtors will also be eligible to receive equity-based awards under the New Management Incentive Plan, which becomes effective as of the Effective Date. The amount and type, if any, of such awards made to directors will be determined by the New Board of Reorganized Xerium (or a committee thereof). In addition, as of the Effective Date, (i) pre-Effective Date RSU awards granted under the Existing Management Incentive Plan, as amended (the "Existing MIP"), to Messrs. Gurandiano and Paquette will be converted into RSU awards covering approximately 3,556 and 5,689 shares of New Common Stock of Reorganized Xerium, respectively, and (ii) Messrs. Gurandiano and Paquette will be granted options to purchase 2,299 and 3,678 shares of New Common Stock of Reorganized Xerium, respectively, pursuant to the Existing MIP, which options shall have an exercise price equal to the greater of (1) $1.04 per share, or (2) the fair market value of a share of New Common Stock on the Effective Date.

As of the Effective Date, directors of Reorganized Xerium who are also officers of Reorganized Xerium will not be entitled to receive compensation for their service on the New Board of Reorganized Xerium (other than compensation received in their capacity as officers). See "Compensation of Officers" below for a description of the nature of compensation provided to officers of Reorganized Xerium as of the Effective Date.

Other Debtors

As of the Effective Date, directors of the Debtors other than Reorganized Xerium (the "Other Debtors") will not be entitled to receive compensation for their service as directors of such Debtors (other than compensation received in their capacity as officers of Reorganized Xerium or as employees of Xerium Italia S.p.A.[3]). See "Compensation of Officers" below for a

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[3] The table below describes the nature of the compensation provided to directors of Xerium Italia S.p.A. (other than Mr. Light) for their services as employees of Xerium Italia S.p.A. as of the Effective Date:

Xerium Italia S.p.A.

Name	Base Salary ($)	2010 Target Annual Bonus	RSU Awards	Employment Agreement	Other Compensation (1)
Luigi Alessandrini	133,826*	--	--	Yes	--
Alexander Karnowsky	195,631*	50%	--	Yes	(i) automobile allowance and (ii) monthly pension scheme contribution
Kurt Medlitsch	167,859*	25%	--	Yes	automobile allowance

* *Converted into U.S. Dollars as of March 23, 2010.*

description of the nature of compensation provided to officers of Reorganized Xerium as of the Effective Date.

Compensation of Officers

Reorganized Xerium

The table below describes the nature of the compensation arrangements for officers of Reorganized Xerium as in effect as of the Effective Date of the Plan.

Post-Effective Date Compensation of Officers of Reorganized Xerium

Name	Base Salary ($)	2010 Target Annual Bonus (1)	RSU Awards (2)	Employment Agreement (3)	Other Compensation (4)
Stephen R. Light	710,000	80% of base salary	50,549	Yes	(i) supplemental executive retirement plan, (ii) $45K per annum perquisite allowance, (iii) annual physical, (iv) travel rescue, (iv) supplemental life insurance and (v) tax gross up for any golden parachute taxes
David Maffucci	415,000	60% of base salary	3,750	Yes	(i) housing allowance, (ii) automobile allowance and (iii) country club membership
David Pretty	350,000	50% of base salary	650	Yes	(i) automobile allowance and (ii) country club membership
Eduardo Fracasso	368,173*	50% of base salary	1,833	Yes	automobile allowance
Tom Johnson	300,000	50% of base salary	1,317	Yes	(i) automobile allowance and (ii) country club membership
Ted Orban	195,624	50% of base salary	--	No (5)	--
Dennis Carroll	212,121	50% of base salary	--	Yes	--
Elizabeth Leete	210,000	25% of base salary	500	No (5)	--
Joan “John” Badrinas Ardevol	374,732*	75% of base	650	Yes	(i) living allowance and (ii) automobile allowance

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(1) Officers are eligible to participate in all broad-based employee benefit plans and programs maintained by Reorganized Xerium and the Debtors in the particular country in which the officer is employed and are eligible to receive equity-based awards under the New Management Incentive Plan, which becomes effective as of the Effective Date.

		salary			
Donna Meserve	180,000	50% of base salary	325	Yes	(i) automobile allowance and (ii) housing allowance
Kevin McDougall	330,000	50% of base salary	--	Yes	relocation allowance

** Converted into U.S. Dollars as of March 8, 2010.*

(1) The target bonus percentages in this column are specified in the applicable officer's employment agreement or employment offer letter.

(2) As of the Effective Date, pre-Effective Date RSU awards granted under the Existing Management Incentive Plan, as amended, to the officers were converted into RSU awards covering shares of New Common Stock of Reorganized Xerium. This column shows the approximate number of shares of New Common Stock of Reorganized Xerium that will be subject to the converted RSU awards as of the Effective Date (which, for purposes of this column is assumed to be May 31, 2010), which numbers are subject to adjustment in accordance with the Plan. In addition, all officers of Reorganized Xerium and the other Debtors will be eligible to receive equity-based awards under the New Management Incentive Plan, which becomes effective as of the Effective Date. The amount and type, if any, of any such awards made to the officers will be determined by the New Board of Reorganized Xerium (or a committee thereof) in its sole discretion.

(3) The employment agreements with Mr. Light, Mr. Maffucci, Mr. Pretty, Mr. Fracasso, Mr. Johnson, Mr. Carroll, Mr. Ardevol and Ms. Meserve provide for the payment of specified severance amounts and benefits upon an officer's termination of employment due to certain events.

(4) Officers are eligible to participate in all broad-based employee benefit plans and programs maintained by Reorganized Xerium and the Debtors in the particular country in which the officer is employed, including, for U.S.-based officers the following: term life insurance and the Company's 401(k) plan.

(5) Mr. Orban and Ms. Leete received employment offer letters upon their commencement of employment.

Other Debtors

As of the Effective Date, none of the officers of the Other Debtors will be entitled to receive compensation for their service as officers of such Other Debtors (other than compensation received in their capacity as officers of Reorganized Xerium).

SCHEDULE 7.5

Retained Actions

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
Xerium Canada Inc.	Xerium Canada, Inc. vs. Ontario Health and Safety		Claim of failure to safeguard worker from injury
Xerium Technologies, Inc. Weavexx Corporation	Sharon Bodaford et al. v. A.W. Chesterton Co. et al. (Case No. SN07C-11-167)		
Xerium Technologies, Inc.	Xerium Technologies, Inc. v. Voith Paper Fabric Franklin County Superior Court (Case No. 07 cvs 00415)		
Stowe Woodward LLC (as successor to Stowe-Woodward Inc.) Xerium Canada Inc. (as successor to Stowe-Woodward/ Mount Hope Inc.)	Daishowa-Marubeni International Ltd. and Stowe-Woodward Inc. and Stowe-Woodward/Mount Hope Inc. Court of Queen's Bench of Alberta Judicial District of Calgary (Action No. 9901-12880)	Daishowa-Marubeni International Ltd.	Claim related to alleged failure of roll
Stowe Woodward LLC	Robert Harwell and Kelly Harwell v. Stowe Woodward LLC and Robert Hinkle Superior Court of Spalding County (Civil Action No. 07V-317)	Robert Harwell and Kelly Harwell	Alleged workers' compensation claim for injuries sustained in the workplace
Stowe Woodward LLC Stowe Woodard Licensco LLC	Steve Woodward Licensco, LLC and Stowe Woodward, Inc. v. Rapid Pacific Roll Covering Pty Ltd. Supreme Court of Victoria at Melbourne Commercial and Equity Division	Rapid Pacific Roll Covering Pty Ltd.	Action seeking to recover damages for the breach of a contract which licensed the defendant to use certain intellectual property used in the production of rolls and roll coverings
Stowe Woodward LLC	Farmville Property	Virginia Department of Environmental Quality	Claim related to alleged ground contamination in landfill area
Xerium Technologies, Inc.	Porter v. Xerium Technologies,	Alvester Porter	Alleged race

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
Stowe Woodward LLC	Inc. (Case No. 3:2009cv00085)		discrimination claim
Weavexx, LLC	Quincy, Florida site	Florida Environmental Department Niagara/Lockport	Alleged contamination at Quincy, Florida site
Weavexx, LLC	Mt. Hope, North Carolina site	None	Alleged ground contamination
Weavexx, LLC	Greenville Forming	State of Tennessee EPA	Cleanup and continued monitoring of ground water
Weavexx Corporation f/k/a/ BTR Fabrics (USA) Inc., Huyck Corp.	David M. Cameron, and Jean E. Cameron v. John Crane-Houdaille, Inc. et al Circuit Court for the City of Baltimore (Case No. 24X09000313)	David M. Cameron Jean E. Cameron	Alleged asbestos claim
Weavexx Corporation Individually Xerium Technologies, Inc. Individually and as successor in interest to Huyck Corp.	Samantha Gordon Individually and as Personal Representative of the Heirs and Estate of Ralph Mallory v. A.O. Smith Corporation, et al Circuit Court of the Third Judicial Circuit Madison County, IL (Case No. 09-L-1134)	Samantha Gordon Estate of Ralph Mallory	Alleged asbestos claim
Weavexx Corporation, individually and as successor in interest to Huyck Corporation	Kenneth MacDowell & Patricia MacDowell v. A.W. Chesterton, et al Commonwealth of Massachusetts Superior Court (Case No. CA 08-4775)	Kenneth MacDowell Patricia MacDowell	Alleged asbestos claim
Weavexx Corp, f/k/a Huyck Felt, Huyck Formex, Huyck Forming Drytex and/or Lockport Dryer Felts, individually	Roger Neil Falls & Elizabeth Falls Harris, co-executors of the estate of Floyd S. Falls v. Garlock Sealing Technologies, LLC, et al.	Roger Neil Falls Elizabeth Falls Harris Estate of Floyd S. Falls	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
and as successor in interest to Industrial Holdings Corp, f/k/a Lockport Dryer, Niagara Lockport Industries, Inc., Niagara Lockport and/or Felts	In the Circuit Court for the City of Newport News, State of Virginia (Case No. 700CL0901252-AF)		
Weavexx Corp., as successor in interest to Huyck Xerium Technologies, individually and as successor in interest to Huyck Corp.	Verlie Hubbard v. A.W. Chesterton, et al. Circuit Court of the Third Judicial Circuit Madison County, IL (Case No. 08-L-1226)	Verlie Hubbard	Alleged asbestos claim
Xerium Technologies, Inc.	Nancy Brix Individually and as Special Administrator on behalf of the Estate of Gerald Brix v. Albany International, Corp. a/k/a/ Albany Felt Co., Inc., et al United States District Court for the Eastern District of Wisconsin (Case No. 08-C-1006)	Nancy Brix Individually and as Special Administrator on behalf of the Estate of Gerald Brix	Alleged asbestos claim
Weavexx Corp. (individually and as successor in interest to Huyck Corp) Xerium Technologies Inc. (individually and as successor in interest to Huyck Corp.)	Charles R. Lewis and Nancy Lewis, his wife v. Afton Pumps, Inc., et al 55th Judicial District District Court of Harris County, TX (Case No. 2008-62125 (MDL))	Charles R. Lewis Nancy Lewis	Alleged asbestos claim
Weavexx Corp., as successor in interest to Huyck Xerium Technologies, individually and as	Nancy Houlihan, individually and as special administrator of the Estate of Clifford Houlihan v. A.W. Chesterton, et al	Nancy Houlihan, Estate of Clifford Houlihan	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
successor in interest to Huyck Corp.	Circuit Court of the Third Judicial Circuit Madison County, IL (Case No. 08-L-711)		
Weavexx Corporation, individually and as successor in interest to Huyck Corporation	Cheryl Stevens, individually and as the representative of the heirs and Estate of Albert T. Rook v. Allis-Chalmers Corporation Product Liability Trust, et al. 11th Judicial District Court of Harris County, TX (Case No. 200847744)	Cheryl Stevens, Estate of Albert T. Rook	Alleged asbestos claim
Weavexx Corporation f/k/a/ Huyck Felt, Huyck Formex, Huyck	Dennis H. Davidson and Jinx Davidson, his wife v. JohnCrane-Houdaille, Inc., et al. Circuit Court for Baltimore City (Case No. 24X08000099)	Dennis H. Davidson Jinx Davidson	Alleged asbestos claim
Xerium Technologies, Inc., individually and as successor in interest to Weavexx Corp. and Huyck Corp.	James M. Harvey and Joan Harvey v. A.W. Chesterton, et al. Circuit Court of the Third Judicial Circuit Madison County, IL (Case No. 07-L-381)	James M. Harvey Joan Harvey	Alleged asbestos claim
Weavexx Corp., as successor in interest to Huyck Xerium Technologies, individually and as successor in interest to Huyck Corp.	Raymond Zellner v. A.W. Chesterton, et al Circuit Court of the Third Judicial Circuit Madison County, IL (Case No. 06-L-501)	Raymond Zellner	Alleged asbestos claim
Weavexx Corp., as successor in interest to Huyck Xerium Technologies, individually and as	Joann Manske and Ned Manske v. A.W. Chesterton, et al Circuit Court of the Third	Joann Manske Ned Manske	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
successor in interest to Huyck Corp.	Judicial Circuit Madison County, IL (Case No. 04-L-1083)		
Weavexx Corp., successor by merger to Niagara Lockport Industries, Inc., f/k/a/ Niagara Wires, Inc., successor in interest to Carborundum Co., successor in interest to Lockport Felt Co.	Steven M. Swearingen, Kari Swearingen, individually and as guardian ad litem for Janie Swearingen, a minor, Spencer Swearingen, a minor, Sophie Swearingen, a minor, and Luke Swearingen, a minor v. Metropolitan Life Insurance, et al Superior Court for the State of Delaware, New Castle County (Case No. 06C-08-303ASB)	Steven M. Swearingen Kari Swearingen Janie Swearingen Spencer Swearingen Sophie Swearingen Luke Swearingen	Alleged asbestos claim
Weavexx Corp, f/k/a/ Huyck Corp, Huyck Felt, Huyck formex, Huyck forming Fabrics Drytex and/or Lockport Dryer Felts, individually and as successor in interest to Industrial Holdings Corp. f/k/a/ Lockport Dryer Felts, Niagara Lockport Industries, Inc., Niagara Lockport and/or Lockport Felts	All Asbestos Cases v. Union Carbide Corp., et al Circuit Court for the City of Portsmouth, VA (Case No. CL99-000399-00)		Alleged asbestos claim
Weavexx	John Kemp, Jr., et al v. A.W. Chesterton, et al 136th District Court of Jefferson County, TX (Case No. D-0173917)	John Kemp, Jr.	Alleged asbestos claim
Weavexx Corp, f/k/a/ Huyck Corp, Huyck Felt, Huyck formex, Huyck forming Fabrics Drytex and/or Lockport Dryer Felts, individually and as successor in interest to Industrial Holdings Corp.	Clyde Custalow, Sr. v. Union Carbide, et al Newport News Circuit Court, VA (Case No. 700CL05438815V-04)	Clyde Custalow, Sr.	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
f/k/a/ Lockport Dryer Felts, Niagara Lockport Industries, Inc., Niagara Lockport and/or Lockport Felts			
Weavexx Corporation individually and as successor in interest to Huyck Corp. Xerium Technologies, Inc. individually and as successor in interest to Huyck Corp.	Charles Michael Butts, individually and as personal representative of the heirs and Estate of Charles Truman Butts and Lois Butts v. A.W. Chesterton Co., et al Superior Court of the State of Delaware, New Castle County (Case No. 06C-10-221ASB)	Charles Michael Butts Estate of Charles Truman Butts and Lois Butts	Alleged asbestos claim
Weavexx	Dennis Colbus and Anita Colbus v. Albany International Corp. State of Rhode Island, Providence Superior Court (Case No. 052455)	Dennis Colbus Anita Colbus	Alleged asbestos claim
Weavexx	Oliver L. Jackson, et al v. A.W. Chesterton, et al 164th Judicial District, Harris County, TX (Case No. 2005-32266)	Oliver L. Jackson	Alleged asbestos claim
Weavexx	Larence Jordan, et al. v. A.K. Steel, et al. 17th Judicial District, Harris County, TX (Case No. 2001-13352)	Larance Clarence Jordan Frances Jordan	Alleged asbestos claim
Weavexx	Robert Altman, et al. v. A.K. Steel, et al. 17th Judicial District, Harris County, TX (Case No. 2003-5610)	Robert Altman Annette Altman	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
Weavexx	Sara Murphy, personal representative of the Estate of Charles Murphy, deceased v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 2005VS078454D)	Sara Murphy Estate of Charles Murphy	Alleged asbestos claim
Weavexx	Louis P. Hayes, personal representative of the Estate of Virgil Hayes, deceased v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 2005VS078095D)	Louis P. Hayes Estate of Virgil Hayes	Alleged asbestos claim
Weavexx	Ricky Charles Armstrong, personal representative of the state of Charles Edward Armstrong, deceased v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 2005VS078434D)	Ricky Charles Armstrong Estate of Charles Edward Armstrong	Alleged asbestos claim
Weavexx	George Veto Edwards and Sandra Edwards v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 2005VS078303D)	George Veto Edwards Sandra Edwards	Alleged asbestos claim
Weavexx Corp.	John Baird, et al, v. Georgia Pacific Corp., et al State Court of Fulton County State of Georgia (Case No. 2003VS060726D)	John Baird	Alleged asbestos claim
Weavexx Corp.	Wendall Alvis and Linda Alvis, et al v. Georgia Pacific Corp., et al	Wendall Alvis Linda Alvis	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
	State Court of Fulton County State of Georgia (Case No. 2003VS060727)		
Weavexx Corp.	Mildred Armstead, individually and as the surviving spouse and as the representative of the Estate of Robert Armstead, et al v. Georgia Pacific Corp., et al In the Circuit Court of Cobb County, State of Georgia (Case No. 03-A11943-5)	Mildred Armstead Estate of Robert Armstead	Alleged asbestos claim
Weavexx Corp.	Lois Voss, individually and as the surviving spouse of and as the representative of the Estate of Charles Voss, et al v. Georgia Pacific corp., et al State Court of Fulton County State of Georgia (Case No. 03-VS-059640D)	Lois Voss Estate of Charles Voss	Alleged asbestos claim
Weavexx Corp.	Tracy Herndon, individually and as the surviving child and as the representative of the Estate of G. C. Kersey, et al v. Georgia Pacific corp., et al State Court of Fulton County State of Georgia (Case No. 2003-CA00003B)	Tracy Herndon Estate of G.C. Kersey	Alleged asbestos claim
Weavexx Corp.	Wanda Sue Brewer, individually and as the surviving spouse and representative of the Estate of McArthur Brewer, et al v. Georgia Pacific corp., et al State Court of Fulton County State of Georgia (Case No. 2003-CV- 75250)	Wanda Sue Brewer Estate of McArthur Brewer	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
Carborundum Corporation Industrial Holdings Corporation (Corborundum Interests) (k/k/a Lockport Dryer Felts) Weavexx Corporation (f/k/a Huyck-formex and/or Huyck Forming Fabrics Drytex) Weavexx, Inc. (n/k/a Lockport Dryer Felts)	Mary Brown, executrix of the Estate of Elbert Thornton Tarkington v. Abney Mills Corp., et al United States District Court Eastern District of North Carolina, Northern Division (Case No. 2:99-CV-62-BO(2))	Mary Brown Estate of Elbert Thronton Tarkington	Alleged asbestos claim
Carborundum Corporation Industrial Holdings Corporation (Corborundum Interests) (k/k/a Lockport Dryer Felts) Weavexx Corporation (f/k/a Huyck-formex and/or Huyck Forming Fabrics Drytex) Weavexx, Inc. (n/k/a Lockport Dryer Felts)	John Warren Hobbs and Ida Muriel Hobbs v. Abney Mills Corporation, et al United States District Court Eastern District of North Carolina, Southern Division (Case No. 7:99-CV-197-F(1))	John Warren Hobbs Ida Muriel Hobbs	Alleged asbestos claim
Carborundum Corporation Industrial Holdings Corporation (Corborundum Interests) (k/k/a Lockport Dryer Felts) Weavexx Corporation (f/k/a Huyck-formex and/or Huyck Forming Fabrics Drytex)	Douglas Webster Lewis and Gladys L. Lewis v. Abney Mills Corporation, et al United States District Court Eastern District of North Carolina, Southern Division (Case No. 7:99-CV-188-BR(3))	Douglas Webster Lewis Gladys L. Lewis	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
Weavexx, Inc. (n/k/a Lockport Dryer Felts)			
Carborundum Corporation Industrial Holdings Corporation (Corborundum Interests) (k/k/a Lockport Dryer Felts) Weavexx Corporation (f/k/a Huyck-formex and/or Huyck Forming Fabrics Drytex) Weavexx, Inc. (f/k/a Lockport Dryer Felts)	George Walton Grey and Marjorie Elizabeth Grey v. Abney Mills, et al United States District Court Eastern District of North Carolina, Northern Division (Case No. 2:99-CV-74-BO(2))	George Walton Gray Marjorie Elizabeth Gray	Alleged asbestos claim
	Judy Taylor Gardner, individually and as executrix of Estate of Billy Leroy Gardner v. Abex Corp, et al United States District Court Eastern District of North Carolina (Case No. 4:00-CV-39-H(4))	Judy Taylor Gardner Estate of Billy Leroy Gardner	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
Carborundum Corporation Industrial Holdings Corporation (Corborundum Interests) (k/k/a Lockport Dryer Felts) Weavexx Corporation (f/k/a Huyck-formex and/or Huyck Forming Fabrics Drytex) Weavexx, Inc. (n/k/a Lockport Dryer Felts)	Norman Sasser and Eva Blackwell Sasser v. Abney Mills Corp, et al United States District Court Eastern District of North Carolina, Southern Division (Case No. 7:99-CV-155- F(1))	Norman Sasser Eva Blackwell Sasser	Alleged asbestos claim
Carborundum Corp. Weavexx Corp	Bobby Miller, et al v. Abex Corp. United States District Court Eastern District of North Carolina, (Case No. 2:99-CV-50- BO(2))	Bobby Miller	Alleged asbestos claim
Carborundum Corp. Weavexx Corp	Henry C. Cowan, et al v. Abex Corp., et al United States District Court Eastern District of North Carolina, (Case No. 4:99-CV-140- H(3))	Henry C. Cowan	Alleged asbestos claim
Carborundum Corp. Weavexx Corp	Wayne A. Britt, et al v. Abex Corp, et al United States District Court Eastern District of North Carolina, (Case No. 2:99-CV-49- BO(2))	Wayne A. Britt	Alleged asbestos claim
Carborundum Corp. Weavexx Corp	Melvin L. Price, et al v. Abex Corp., et al United States District Court Eastern District of North	Melvin L. Price	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
	Carolina (Case No. 4:99-CV-141- H(4))		
Weavexx	Robert Alvin Griffin and Katherine T. Griffin v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 05EV00041D)	Robert Alvin Griffin Katherine T. Griffin	Alleged asbestos claim
Weavexx	Joseph C. Hill and Ann Cole Hill v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 05EV00039D)	Joseph C. Hill Ann Cole Hill	Alleged asbestos claim
Weavexx	Earnest Lewis and Georgia Lewis v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 2005VS078515D)	Earnest Lewis Georgia Lewis	Alleged asbestos claim
Weavexx	Sharyn Annette Jackson and Roy Jackson v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 05EV00036D)	Sharyn Annette Jackson and Roy Jackson	Alleged asbestos claim
Weavexx	Ruby Phillips Whitfield v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 2005VS078505D)	Ruby Phillips Whitfield	Alleged asbestos claim
Weavexx	Van Samuel Thomas v. Aerofin Corp., et al. State Court of Fulton County, State of Georgia (Case No. 2005VS078515D)	Van Samuel Thomas	Alleged asbestos claim
Weavexx Corporation	Paul Bence and Margaret Bence v. A.C.&S. Inc., et al	Paul Bence and Margaret Bence	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
	Supreme Court of the State of New York, Essex County (Case No. 000357-2002)		
Weavexx Corporation (f/k/a/ Huyck-Formex, and/or Huyck Forming Fabrics Drytex)	David Dell and Lillian Dell v. A.P. Green Industries, et al Court of Common Pleas Of Philadelphia County Civil Section (Case No. 000332)	David Dell and Lillian Dell	Alleged asbestos claim
Weavexx Corporation (f/k/a/ Huyck-Formex, and/or Huyck Forming Fabrics Drytex)	Donald Torrence, executor of the Estate of Donald Torrence, Sr. and Bessie Torrence v. A.P. Green Industries, Inc., et al Court of Common Pleas Of Philadelphia County Civil Section (Case No. 001139)	Donald Torrence, Estate of Donald Torrence, Sr. Bessie Torrence	Alleged asbestos claim
Weavexx Corporation (f/k/a/ Huyck-Formex, and/or Huyck Forming Fabrics Drytex)	Cecil Palmer and Ruth Palmer v. A.P. Green Industries, et al Court of Common Pleas Of Philadelphia County Civil Section (Case No. 002535)	Cecil Palmer and Ruth Palmer	Alleged asbestos claim
Industrial Holdings Corp (individually and as successor to Carborundum Co., Lockport Felt Division) Weavexx Corp.	Leonard Saunders and Daunne Saunders v. A.W. Chesterton, et al State of New York, Supreme Court, County of Washington (Case No. 5244E)	Leonard Saunders Daunne Saunders	Alleged asbestos claim
Weavexx Corporation	John S. McDonald and Elizabeth L. McDonald v. 84 Lumber Co., et al State of New York, Supreme Court, County of New York (Case No. 03-108379)	John S. McDonald Elizabeth L. McDonald	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
Weavexx, Inc.	John H. Gooden and Marie Gooden, husband and wife v. A.W. Chesterton et al State of Indiana County of Marion Marion County Superior Court (Case No. #49D02-9601-MI-0001-788)	John H. Gooden Marie Gooden	Alleged asbestos claim
Weavexx Corporation (f/k/a Huyck-formex and/or Huyck forming Fabrics Drytex) Weavexx, Inc.	Dixie Haley, personal representative of the Estate of Warren E. Haley, deceased, and widow in her own right v. A.W. Chesterton, Inc., et al State of Indiana County of Marion Marion County Superior Court (Case No. D02-9601-MI-0001-293)	Dixie Haley Estate of Warren E. Haley	Alleged asbestos claim
Weavexx, a subsidiary of Xerium, S.A. f/k/a/ Lockport Felts	Shelley J. Jent and John DeGraff, as co-personal Representatives of the Estate of Martha DeGraff v. A.W. Chesterton, et al State of Indiana County of Marion Marion County Superior Court (Case No. 49D02-9801-MI-0001-214)	Shelley J. Jent John DeGraff Estate of Martha DeGraff	Alleged asbestos claim
Weavexx	Freddie Bell, et al v. Cades Ace Hardware, et al Circuit Court of Humphreys County, Mississippi (Case No. 03-0092)	Freddie Bell	Alleged asbestos claim
Huyck Felt Company, Inc. a/k/a Weavexx Corporation	Betty Jean Graves v. A.W. Chesterton, et al In the Circuit Court of Jefferson County, Mississippi	Betty Jean Graves	Alleged asbestos claim

Retained Actions			
Debtor	**Case Name**	**Other Entities Involved**	**Description of Matter**
	(Case No. 2003-85)		
Huyck Felt Company, Inc. a/k/a Weavexx Corporation	Mattie Butler, individually and as wrongful death beneficiary of Adolph Butler, Sr., deceased; Besse Bruins, Floyd Gaylord and M.L. Good, Jr. v. A.W. Chesterton, et al Circuit Court of Adams County, Mississippi (Case No. 03-KV-0132-S)	Mattie Butler Adolph Butler, Sr. Besse Bruins Floyd Gaylord M.L. Good, Jr.	Alleged asbestos claim
Weavexx	Clifton Abbott, et al v. Abex Corp. Circuit Court of Humphreys County, Mississippi (Case No. 03-0108)	Clifton Abbott	Alleged asbestos claim
Weavexx Corporation	Karen G. Kent, individually and as the executrix of the Estate of William H. Kent v.Albany International Corp., et al Circuit Court of Colbert County, State of Alabama (Case No. CV05-162JMH)	Karen G. Kent Estate of William H. Kent	Alleged asbestos claim
Weavexx Corporation	Gordon B. Skelly and Judy M. Skelly v. 3M Company, et al District Court, Second Judicial District, County of Ramsey, State of Minnesota (Case No. 62-CV-07-4527)	Gordon B. Skelly Judy M. Skelly	Alleged asbestos claim

Retained Bankruptcy Actions		
Case Name	**Bankruptcy Court**	**Case Number**
In re White Burch Paper Company	Eastern District of Virginia	10-31234 (DOT)
In re Smurfit-Stone Container Corporation	District of Delaware	09-10235 (BLS)
In re AbitibiBowater Inc.	District of Delaware	09-11296 (KJC)
In re Red Shield Environmental LLC	District of Maine	08-10633 (LHK)
In re Blue Heron Paper Company	District of Oregon	09-40921 (RLD)
In re Caraustar Industries, Inc.	Northern District of Georgia	09-73830 (MGD)
Crown Vantage Inc. and Crown Paper	Northern District of California	00-41584 (RJN)
In re Venture Holdings Company, LLC	Eastern District of Michigan – Southern Division	03-48939 (MBM) AP Case No. 05-4852 (MBM)
PPH Liquidation LLC (Premium Papers HoldCo LLC)	District of Delware	06-10269 (CSS)
Fraser Papers, Inc.	District of Delaware Ontario Superior Court of Justice (Commercial List)	Chapter 15 -- 09-12123 (KJC)
Marcal Paper Mills, Inc.	District of New Jersey	06-21886-MS
Thunder Bay Fine Papers	Ontario Canada	

SCHEDULE 12.7

Additional Intercompany Transactions

Additional Intercompany Transactions

In connection with the Exit Facility, on the Effective Date, the following intercompany transactions will occur pursuant to Section 12.7 of the Plan:

- XTI LLC, as reorganized on and after the Effective Date in accordance with the Plan ("Reorganized XTI LLC"), shall assume $23.5 million of indebtedness obligations from Reorganized Xerium in exchange for (i) a promissory note issued by Reorganized Xerium to Reorganized XTI LLC in the principal amount of $20.8 million and (ii) the reduction of existing intercompany indebtedness owing to Reorganized Xerium in the amount of 2 million Euro ($2.7 million).

- Xerium Technologies Ltd ("XTL UK") shall assume $19.5 million of indebtedness obligations from Reorganized XTI LLC in exchange for reduction of existing intercompany indebtedness owing to Reorganized XTI LLC by the same amount.

- Reorganized Xerium Germany shall assume $12.5 million of indebtedness obligations from XTL UK in exchange for reduction of existing intercompany indebtedness owing to XTL UK by the same amount.

- Reorganized Xerium Austria shall assume $7 million of indebtedness obligations from XTL UK in exchange for reduction of existing intercompany indebtedness owing to XTL UK by the same amount.

- Reorganized Xerium Italy shall assume $3 million of indebtedness obligations from Reorganized Xerium Austria in exchange for reduction of existing intercompany indebtedness owing to Reorganized Xerium Austria.

- Reorganized Xerium Canada shall assume $7 million of indebtedness obligations from Reorganized Xerium in exchange for reduction of existing intercompany indebtedness owing to Reorganized Xerium.

The purpose of these intercompany transactions, whereby a portion of Reorganized Xerium's liability under the DIP Facility is assumed by certain of its foreign subsidiaries, is to satisfy the requirement of the Exit Facility lenders that each foreign subsidiary that was a Borrower also be a direct borrower under the Exit Facility. Because these foreign subsidiaries do not receive any cash or other property as consideration for their liability assumptions under the Exit Facility, additional intercompany transactions must be undertaken to provide for such consideration.