

MRD 6-26-98

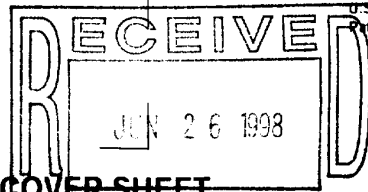
FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027

07-08-1998



100757104

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY



U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

Conveyance Type

- Assignment  License
  - Security Agreement  Nunc Pro Tunc Assignment
  - Merger  Change of Name
  - Other \_\_\_\_\_
- Effective Date  
Month Day Year  
\_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year  
06151998

Name HAY ACQUISITION COMPANY I, INC.

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization DELAWARE

Receiving Party

Mark if additional names of receiving parties attached

Name GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND, THE.

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 55 OLD BROAD STREET

Address (line 2) \_\_\_\_\_

Address (line 3) LONDON

City

ENGLAND

State/Country

EC2P 2HL

Zip Code

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other \_\_\_\_\_

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization SCOTLAND

07/01/1998 JBNH0ZZ 00000034 75255673

FOR OFFICE USE ONLY

01 FC:481  
02 FC:482

40.00 OP  
350.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet information to  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

REEL: 1749 FRAME: 0074

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

212 486-8200

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

# 33

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75255673"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1309797"/>	<input type="text" value="1501974"/>	<input type="text" value="1791827"/>
<input type="text" value="75255672"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1334084"/>	<input type="text" value="1740100"/>	<input type="text" value="1845220"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1499502"/>	<input type="text" value="1663727"/>	<input type="text" value="1791828"/>

**Number of Properties**

Enter the total number of properties involved.

# 15

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 390.00

Method of Payment: Enclosed  Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

PHILLIP E. SLOAN

Name of Person Signing

Signature

June 25, 1998

Date Signed

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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Mark if additional numbers attached

**Trademark Application Number(s)**

**Registration Number(s)**

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RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name MCBER AND COMPANY, INC.

06151998

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization MASSACHUSETTS

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

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Trademark Application Number(s)

Registration Number(s)



RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

Individual  General Partnership  Limited Partnership  Corporation  Association  Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Citizenship/State of Incorporation/Organization

**Trademark Application Number(s) or Registration Number(s)**

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Registration Number(s)		
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RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date

Month Day Year

Name

HAY MANAGEMENT CONSULTANTS, INC.

06151998

Formerly

Individual

General Partnership

Limited Partnership

Corporation

Association

Other

Citizenship State of Incorporation/Organization

DELAWARE

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual

General Partnership

Limited Partnership

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Corporation

Association

Other

Citizenship/State of Incorporation/Organization

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**



RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name HAY/HUGGINS COMPANY, INC.

06151998

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization PENNSYLVANIA

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3) City State/Country Zip Code

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Citizenship/State of Incorporation/Organization

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)


**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date

Month Day Year

Name

HAY MANAGEMENT CONSULTANTS GMBH

06151998

Formerly

Individual

General Partnership

Limited Partnership

Corporation

Association

Other

Citizenship State of Incorporation/Organization

GERMANY

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual

General Partnership

Limited Partnership

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Corporation

Association

Other

Citizenship/State of Incorporation/Organization

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**





## SCHEDULE I

Attached to and forming a part of that certain Intellectual Property Security Agreement dated \_\_\_\_\_, 1998, by Hay Acquisition Company I, Inc., Hay Group, Inc., Hay Huggins Company, Inc., McBer & Company, Inc. and HSI, Inc., Hay Management Consultants, Inc. and Hay Management Consultants GMBH as Grantors to The Governor and Company of The Bank of Scotland, as Security Trustee

### INTELLECTUAL PROPERTIES

A. [Intentionally Omitted]

**B. TRADEMARK AND SERVICE MARK REGISTRATIONS****1. U.S. TRADEMARK AND SERVICE MARK REGISTRATIONS****Grantor: Hay Acquisition Company I, Inc.**

<u>MARK</u>	<u>CO.</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>CLASS</u>
PVL	U.S.	1,309,797	12/18/84	9
THE HAY/HUGGINS PENSION VALUATION LANGUAGE	U.S.	1,334,084	05/07/85	9
HAY DESCRIPTION	U.S.	1,499,502	08/09/88	16
HAY MEASUREMENT	U.S.	1,501,974	08/30/88	9
HAYGROUP (STYLIZED)	U.S.	1,740,100	12/15/92	35, 41, 42
HAYXPRT	U.S.	1,663,727	11/05/91	42
HAY/MCBER/ EXECUTIVE 360	U.S.	1,791,827	09/07/93	35, 42
TOTAL R	U.S.	1,845,220	07/12/94	35
HAYQUEST	U.S.	1,791,828	09/07/93	35, 42
HAY ANALYZER	U.S.	1,899,429	06/13/95	35, 42
HAY/MCBER XCEL	U.S.	1,790,625	08/13/93	35, 42
DYNAMIC PAY	U.S.	1,949,257	01/16/96	35
HRXPRT	U.S.	2,077,779	07/08/97	35

## 2. FOREIGN TRADEMARK AND SERVICE MARK REGISTRATIONS

Grantor: Hay Acquisition Company I, Inc.

<u>MARK</u>	<u>CO.</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>CLASS</u>
HAYCAJE	Benelux	511,958	1/28/92	35
HAYXPERT	Benelux	512,678	1/28/92	42
HAY	Germany	1,018,723	6/03/81	35
HAY GUIDE CHART	Germany	2,016,884	3/01/91	35
HAY	Mexico	277,131	7/21/82	35, 36, 42
HAY PAYNET	France	97/689,666	7/25/97	35
PAYNET	France	97/689,665	7/25/97	35

Grantor: Hay Management Consultants GmbH

<u>MARK</u>	<u>CO.</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>CLASS</u>
HAYGROUP	Germany	2,018,381	3/01/91	35, 41, 42

**TRADEMARK AND SERVICE MARK APPLICATIONS****1. U.S. TRADEMARK AND SERVICE MARK APPLICATIONS****Grantor: Hay Acquisition Company I, Inc.**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>SERIAL NO.</u></b>	<b><u>FILING DATE</u></b>	<b><u>CLASS</u></b>
HAY PAYNET	U.S.	75/255,673	3/11/97	35
PAYNET	U.S.	75/255,672	3/11/97	35

**2. FOREIGN TRADEMARK AND SERVICE MARK APPLICATIONS****Grantor: Hay Acquisition Company I, Inc.**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>SERIAL NO.</u></b>	<b><u>FILING DATE</u></b>	<b><u>CLASS</u></b>
HAY PAYNET	CANADA	851,612	7/22/97	35
PAYNET	CANADA	851,611	7/22/97	35
HAY PAYNET	U.K.	2,142,248	8/15/97	35
PAYNET	U.K.	2,142,250	8/15/97	35
HAY PAYNET	VENEZUELA	97-015010	7/28/97	35
PAYNET	VENEZUELA	97-015011	7/28/97	35
HAY	BENELUX	913607	4/6/98	35
HAY GROUP	BENELUX	913608	4/6/98	35, 36, 41, 42

C. COPYRIGHT REGISTRATIONS

<b><u>REGISTRATION NO.</u></b>	<b><u>TITLE OF WORK</u></b>	<b><u>DATE REGISTERED</u></b>
TX-1-034-155	Major Minicomputer Corporation NNC	12/28/82
TX-1-034-156	BAI. Behavioral Activity Inventory	12/28/82
TX-1-034-157	WEG. Work Environmental Questionnaire	12/28/82
TX-1-034-158	Managing Motivation for Performance Improvement: Participant Journal	12/28/82
TX-1-799-312	District Manager Development Seminar - Avon Products, Inc.	3/21/86
TX-1-928-548	Change Definition Guide	7/31/86
TXu-61-707	The Job Competence Assessment Program	1/26/81
TXu-61-708	Competency Flash Base Career Path Analysis: A Proven Approach to Job Person Matching and Human Resource Management	1/26/81
TXu-190-781	Accessing Senior Managers: Instructor Notes	3/15/85
TXu-190-817	The Subordinate Interview Exercise	3/15/85
TXu-190-818	Implementation Planning Exercise	3/15/85
TXu-216-658	Assessment Review Exercise	3/15/85
TXu-216-659	Staff Meeting Exercise	3/15/85
A-764818	Blocks to Effective Business Development	7/30/75
A-764819	Business Leadership Training Program	7/30/75
A-277170	Classroom Climate Workshop	10/16/70
A-792789	Organizational Climate Survey Questionnaire	10/15/75
A-277169	Goals in Action	10/27/70
A-277167	Measuring Motivation	10/27/70
A-764817	Motivation and Career Development Course	12/15/75

A-792790	Organizational Climate Survey Questionnaire	6/30/76
A-681128	Power Motivation Training Instructor Manual	11/13/74
A-681127	Power Motivation Training Workbook	8/16/74
A-277168	Self Appraisal	10/27/70
AA-132390	Practice Exercise for the Name Finding Test	10/01/49
AA-161972	Term Warm Up, Form 3	3/15/50
AA-161974	Number Perception Test, Form B	3/15/50
AA-161975	Number Series Completion Test, Form B	3/15/50
AA-161976	Test for Clerical Aptitude	3/15/50
AA-161977	Test for Stenographic Skill	3/15/50
AA-203848	Number Series Completion Test	6/15/51
AA-203849	Number Perception Test, Form B	6/15/51
AA-227598	Name Finding Test, Form C	1/15/51
AA-459421	Job Description Guide	7/10/44
AA-459422	Factor Comparison	7/10/44
AA-489524	Job Description Guide	8/24/45
AA-24404	Manual for the Job Evaluation Chairman	9/10/46
AA-24405	Manual for the Job Evaluation	9/24/46
AA-63050	Name Finding Practice Sheet	8/23/47
TXu-408-228	Hay/Huggins Total Benefit Administration (TBA) System	3/8/90
TX 2-882-428	It's Here... Total Benefits Administration	6/18/90
TX-2-999-295	Pension Valuation Language, Version 11.0	9/7/90
TXu-370-487	Pension Valuation Language	5/1/89
TX 2-941-681	PVL, The Hay/Huggins Pension Valuation Language	8/31/90
TX 1-516-500	Pension Valuation Language	1/18/85

TX 1-255-638	Pension Valuation Data Preparation User Manual	1/3/83
TX1-255-639	PVL Manual	11/18/83
TX 141-231	Two 3	9/12/83
TX 141-235	Pension Valuation Language Version 5.0	9/12/83
TXu 141-232	Main 1	9/12/83
TXu 141-234	TSPVLVAC	9/12/83
TXu 141-233	Four 4	9/12/83
TXu 406-661	HANSYNC 1.1	3/7/90
TXu- 415-844	HAYSYNC V2.0	3/8/90
TX 3-002-109	MEDICALC	1/24/91
TX 2-603-029	MEDICALC User's Guide	6/23/89
TXu 286-162	Hay Description	6/22/87
TX 2-529-790	Illustrative Dimensions for Hay's Computer-Assisted Job Evaluation System	12/23/88
TX 3-008-645	Hay Access	1/24/91
TX 2-540-115	Hay Access, 1988 Code Manual	12/23/88
TXu 415-825	HAYQED Chart Method	5/7/90
TXu 416-258	HAYQED Comparison Method	5/7/90
TXu 416-259	HAYXPRT (Job Family and Universal Questionnaire)	5/7/90
TXu 475-966	Saige, Survey Analysis, Interactive Graphics Environment, Version 2.00	5/15/91
Txu 475-967	Wild, Workstation for Interactive Line Drawing, Version 1.50	5/15/91
TX 2-939-070	Hay Compensation Report, 1990 Industrial Management USA	10/4/90
TX 2-933-484	Executive Compensation Report, 1990 Industrial Management USA	10/4/90

TX 2-711-369	Preparing Employees and Organizations for The Information Age. An International Comparison	12/20/89
TX 2-710-122	Preparing Employees and Organizations for The Information Age. A Scan of The U.S. Work Environment	12/20/89
TX 2-680-751	Hay Systems, Inc. Putting Technology to Work With People	8/24/89
TX 2-680-750	Human Resources Planning and Development	8/24/89
TX 2-686-351	International Consultants to Management	8/24/89
TX 2-686-352	Choices for Today's Compensation Needs	8/24/89
TX 2-638-627	Consulting Services, Solutions for The Health Care Industry	8/24/89
TX 2-639-013	Strategic Management Associates	8/24/89
TX 2-637-020	Consulting to the Financial Services industry	8/24/89
TX 2-652-591	Research For Management	9/12/89
TX 3-002-108	BQS, Benefit Quotation System	1/24/91
TX 3-020-585	CDA, Claims Data Analysis	2/11/91
TX 3-002-110	Communication Services	1/24/91
TX 2-915-404	CAL, Capital Accumulation Language	8/31/90
SRu 167-553	Hay/Huggins Capital Accumulation Language (CAL) System	10/17/89
PA 340-175	Health Care, We Care	8/10/87
TX 2-139-575	Introducing: Health Care, We Care	8/10/87
TX 2-139-577	Be a Wise Consumer	8/10/87
TX 2-139-576	Know Your Benefits	8/10/87
TX 2-133-677	Stay Healthy	8/10/87
TX 2-081-149	Hay Measurement	3/23/87
TX 543-586	Pension Calculation Language (PLC)	11/3/92



TX 3-524-154	Maximizing Competiveness Through Performance Management	2/2/93
TX 3-493-657	Competency-Based Selection Interview Training	2/2/93
A 450011	Interaction Skills Development System	6/1/71
A 451656	Executive Financial Counseling Specialized Service of Hay Associates	6/21/73
A 451657	Climate Audit Manual	2/1/71
A 705991	BANCOMP	10/31/75
A 708986	Survey of Human Resource Practices	12/21/75
A 837028	Employee Attitude Survey	3/12/75

D. PATENTS AND PATENT APPLICATIONS

NONE

D. PATENTS AND PATENT APPLICATIONS

NONE

INTELLECTUAL PROPERTY SECURITY AGREEMENT

Dated June 15, 1998

Made by

THE GRANTORS NAMED HEREIN

to

THE GOVERNOR AND COMPANY  
OF THE  
BANK OF SCOTLAND,

as Security Trustee

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INTELLECTUAL PROPERTY SECURITY AGREEMENT dated as of June 15, 1998, made by HAY ACQUISITION COMPANY I, INC., a Delaware corporation with an office at 1500 K Street N.W., Washington D.C. 20005 (the "U.S. Parent") HAY GROUP, INC. a Delaware corporation, HAY/HUGGINS COMPANY, INC., a Pennsylvania corporation, HSI, INC., a District of Columbia corporation, McBER AND COMPANY, INC., a Massachusetts corporation, HAY MANAGEMENT CONSULTANTS, INC. a Delaware corporation and HAY MANAGEMENT CONSULTANTS GMBH ("HMCGMBH") , a German corporation, (each of the foregoing corporations, including the U.S. Parent, being a "Grantor" and all of such corporations being collectively the "Grantors") and the Additional Grantors (as defined in Section 13(b)), to THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND, a British bank ("BOS"), as Security Trustee (the "Security Trustee") for the banks party to the Facilities Agreement (as hereinafter defined) (the "Banks") and the other Beneficiaries (as defined below);

#### PRELIMINARY STATEMENTS.

(1) The Banks and BOS (as Arranger, Issuing Bank, Bank, Agent and Security Trustee) have entered into a Facilities Agreement of even date herewith with the U.S. Parent and the other borrowers and obligors (including the Grantors) party thereto (said Agreement, as it may hereafter be amended, restated, supplemented (including, without limitation, by addition of new parties thereto), increased or otherwise modified from time to time, being the "Facilities Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined).

(2) The Grantors and other guarantors party thereto have entered into a Guarantee of even date herewith in favor of the Security Trustee (said Guarantee, as it may hereafter be amended, restated, supplemented (including, without limitation, by addition of new parties thereto), increased or otherwise modified from time to time, being the "Group Guarantee". Pursuant to the Group Guarantee, each of the Grantors which is a US Obligor thereunder has guaranteed the obligations of the other US Obligors (as defined in the Group Guarantee) and HMCGMBH has guaranteed certain obligations.

(3) The Grantors are the owners of the IP Collateral defined in Section 1 of this Agreement.

(4) The Grantors have executed and delivered a Security Agreement dated as of the date hereof (the "Security Agreement").

(5) It is a condition precedent to the making of the Advances by the Banks and the issuance of Letters of Credit and Guarantees under the Facilities Agreement that the Grantors shall have granted the assignment and security interest and made the pledge and assignment contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Banks to make the Advances and to make the Letters of Credit and Guarantees available under the Facilities

Agreement, each Grantor hereby agrees with the Security Trustee for its benefit and the ratable benefit of the Banks and the other Beneficiaries as follows:

SECTION 1. Grant of Security. Each Grantor hereby assigns and pledges to the Security Trustee for its benefit and for the ratable benefit of the Banks and the other Beneficiaries, and hereby grants to the Security Trustee for its benefit and for the ratable benefit of the Banks and the other Beneficiaries a lien on and security interest in, the entire right, title and interest of such Grantor in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "IP Collateral"):

(a) All patents, patent applications and patentable inventions, including, without limitation, each patent and patent application identified in Schedule I attached hereto and made a part hereof, and including without limitation (i) all inventions and improvements described and claimed therein, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past and future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, provisionals, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto (the "Patents");

(b) All trademarks, service marks, trade names and trade dress and all trademark and service mark registrations and applications for trademark or service mark registration in the United States and throughout the world (including, without limitation, each trademark and service mark registration and application for trademark and service mark registration identified in Schedule I attached hereto and made a part hereof), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), (iii) the right to sue or otherwise recover for all past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world and together in each case with the goodwill of the business connected with the use of, and symbolized by each such trademark, service mark, trade name and trade dress (such trademarks, service marks, trade names, trade dress, registrations, applications, renewals, income, royalties, damages, payments and other rights being, collectively, the "Trademarks");

(c) All copyrights, whether or not the underlying works of authorship have been published, copyright registrations and applications, and all works of authorship and other intellectual property rights therein, including, without limitation, the copyrights, copyright registrations and applications identified in Schedule I hereto, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof), (iii) the right to sue or otherwise recover for all past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout



the world (such copyrights, copyright registrations and applications, renewals, income, royalties, damages, payments and other rights being, collectively, the "Copyrights");

(d) All license agreements with any other person in connection with any of the Patents, Trademarks or such other person's patents, names or marks or the Copyrights or such other person's rights of authorship, whether such Grantor is a licensor or licensee under any such license agreement (subject, in each case, to the terms of such license agreement) (such license agreements and rights being, collectively, the "License");

(e) All of the goodwill of the business connected with the use of, or symbolized by, any item of IP Collateral;

(f) All claims by any Grantor against third parties for past, present or future infringement or dilution of any Patent, Trademark or Copyright or any patent, trademark or copyright licensed under any License or for injury to the goodwill associated with any item of IP Collateral, whether owned or licensed;

(g) All inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the business of any Grantor ("Trade Secrets");

(h) All information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, catalogs, computer and automatic machinery software and programs and the like pertaining to the business of any Grantor;

(i) All field repair data, sales data, and other information relating to sales or service of products now or hereafter manufactured;

(j) All user and other agreements with respect to any of the above-described collateral (subject to the terms such user or other agreements);

(k) All causes of action, claims and warranties now or hereafter owned or acquired by any Grantor in respect of any of the items listed above; and

(l) All proceeds and products of any and all of the items described in clauses (a) through (k).

**SECTION 2. Security for Obligations.** This Agreement secures the payment of all obligations now or hereafter existing of each Grantor under, in respect of, or in connection with the Facilities Agreement, this Agreement, the Group Guarantee and any other Senior Finance Document to which such Grantor is or becomes a party (the "Loan Documents") and, except in the case of HMCGBH, all obligations of the U.S. Borrower, each other US Obligor (as defined in the Group Guarantee) and all other borrowers and obligors organized under the laws of any state of the United States or the District of Columbia now or in the future party to the Facilities Agreement, the Group Guarantee or any other Senior Finance Document (collectively, the "Obligors"), in each case whether

for principal, interest, fees, expenses or otherwise (all such obligations being the "Secured Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by any Obligor or Group Company to the Agent, Arranger, Security Trustee, Issuing Bank, the Banks or the Hedging Counterparties (the Agent, Arranger, Security Trustee, Issuing Bank, Banks and the Hedging Counterparties being herein collectively referred to as the "Beneficiaries") under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such Obligor or Group Company.

The security interests granted by this Agreement are granted in conjunction with the security interests granted to the Security Trustee in other assets of the Grantors, as set forth in certain other Senior Finance Documents.

**SECTION 3. Representations and Warranties.** Each Grantor represents and warrants as follows:

(a) Such Grantor is the sole legal and beneficial owner of the entire right, title and interest in and to the patent, trademark, service mark and copyright registrations and applications and license agreements and other material Patents, Trademarks, Copyrights and Licenses listed on Schedule I free and clear of any adverse claim, security interest, lien or other Encumbrance, except for the Encumbrances created or permitted by this Agreement, the Security Agreement or the Facilities Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the IP Collateral is on file in any recording office, including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office, except such as may have been filed in favor of the Security Trustee relating to this Agreement and the Security Agreement.

(b) Set forth in Schedule I opposite the name of such Grantor is a complete and accurate list of each of the patent, trademark, service mark and copyright registrations and applications now owned by such Grantor and certain other Patents, Trademarks and Copyrights, which list sets forth all Patents, Trademarks and Copyrights material to such Grantor. All other information furnished to the Security Trustee concerning the Patents, Trademarks, Copyrights and Licenses and proceeds thereof of such Grantor, for the purpose of obtaining credit or an extension of credit, is complete and accurate in all material respects. To such Grantor's knowledge, no Group Company not party hereto owns any trademark, service mark or copyright registered with the United States Copyright Office or United States Patent and Trademark Office or in respect of which application for registration therein has been made, or any other trademark, service mark or copyright used in the United States.

(c) Each patent, trademark, service mark and copyright registration and application and each other material Patent, Trademark and Copyright of such Grantor is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and, to the best of such Grantor's knowledge, is valid and enforceable. Each License of such Grantor is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of such Grantor's knowledge, is valid and enforceable. Such Grantor has notified the Security Trustee in

writing of all prior uses of any federal registrations and applications for registration of any IP Collateral listed in Schedule I hereto of which such Grantor is aware which could reasonably be expected to lead to such IP Collateral becoming invalid or unenforceable, including prior unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such item.

(d) Such Grantor has not granted any release, covenant not to sue or non-assertion assurance to any third person with respect to any part of the federal registrations and applications for registration of the IP Collateral listed in Schedule I hereto.

(e) Such Grantor has used reasonable and proper statutory notice in connection with its use of each registered trademark and service mark and each Copyright listed on Schedule 1.

(f) Such Grantor has the unqualified right to enter into this Agreement and to perform its terms.

(g) Except for (i) the filing of this Agreement in the United States Patent and Trademark Office and in the United States Copyright Office, and (ii) the appropriate filings under Article 9 of the Uniform Commercial Code, no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental, administrative or judicial authority or regulatory body is required in the United States either (i) for the granting by such Grantor of the security interests granted hereby or for the execution, delivery or performance of this Agreement by such Grantor, or (ii) for the perfection of or the exercise by the Security Trustee of its rights and remedies hereunder.

(h) The execution and delivery of, and the performance by the Grantor of any obligation under, this Agreement and the other actions contemplated thereunder or in connection with the Loan Documents to be performed by such Grantor, will not impair the legal right of such Grantor to use any of the IP Collateral and will not adversely affect the registrations and applications for registration of the Trademarks and Copyrights listed in Schedule I hereto.

(i) Such Grantor has no knowledge of the existence of any patent, trademark, service mark, trade name or trade dress; any copyright or work or right of authorship; or any license agreement in respect of any of the foregoing held or claimed by any other person that, if upheld, would preclude such Grantor from conducting its business as currently conducted under or in connection with any of the registrations and applications for registration of the Patents or Trademarks listed in Schedule I hereto or in connection with any Copyright listed on Schedule I hereto (except, in each case, to the extent that such Grantor has granted an exclusive license in respect thereof to another Person), or that would otherwise materially interfere with the ability of such Grantor to conduct its business as currently conducted, and such Grantor has no knowledge of any claim that is likely to be made that if upheld would preclude or materially interfere with its business as currently conducted under any of the registrations and applications for registration of the Patents or Trademarks listed in Schedule I hereto or under any of the Copyrights listed in Schedule I hereto.

(j) No claim in any court or in any administrative body, including, without limitation, the United States Patent and Trademark Office, has been made (and, as to any trademark, service mark, trade name, or trade dress or copyright or work or rights of authorship with respect to which such Grantor is a licensee, to the best of such Grantor's knowledge, no claim has been made against the third party licensor), and such Grantor has no knowledge of any material claim that has been made or is likely to be made, that the use by such Grantor of any IP Collateral does or may violate the rights of any Person.

(k) Such Grantor has exercised quality control with respect to IP Collateral licensed by such Grantor to the extent necessary to preserve the validity of such IP Collateral.

(l) Other than with respect to Licenses in respect of which such Grantor's interest have been duly recorded in the U.S. Patent and Trademark Office or U.S. Copyright Office, such Grantor is not and will not be an exclusive licensee of any IP Collateral.

#### SECTION 4. Further Assurances.

(a) Each Grantor agrees that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Security Trustee may request, in order to (i) continue, perfect and protect any security interest granted or purported to be granted hereby, or (ii) enable the Security Trustee to exercise and enforce its rights and remedies hereunder with respect to any part of the IP Collateral. Without limiting the generality of the foregoing, each Grantor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or advisable, or as the Security Trustee may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

(b) Each Grantor hereby authorizes the Security Trustee to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the IP Collateral without the signature of such Grantor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the IP Collateral or any part thereof shall be sufficient as a financing statement where permitted by law. The Security Trustee hereby agrees to notify each relevant Grantor of any filing made pursuant to this Section 4(b), unless an Event of Default shall have occurred and be continuing, forthwith upon the effectiveness of such filing, provided that the failure of the Security Trustee to give any such notice shall not affect the validity or effectiveness of any such filing.

(c) Each Grantor will furnish to the Security Trustee from time to time statements and schedules further identifying and describing the IP Collateral and such other reports in connection with the IP Collateral as the Security Trustee may reasonably request, all in reasonable detail.

(d) Each Grantor agrees that if, before the termination of this Agreement in accordance with Section 19, it (i) obtains an ownership interest in any new patent, trademark, service mark, trade name or trade dress, or any new patent, trademark or service mark registration or application for trademark or service mark registration, or any new copyright or work or right of

authorship which is not now identified in Schedule I, (ii) enters into any license agreement in respect thereof, subject, in each case, to the terms of such license agreement, or (iii) becomes entitled to the benefit of any patent, trademark, service mark, trade name or trade dress, or copyright or work or right of authorship (which is materially important to the business of such Grantor), patent, trademark or service mark registration, application for patent, trademark or service mark registration, or copyright or work or right of authorship, or license agreement or license agreement renewal, (y) the provisions of Section 1 shall automatically apply thereto, and (z) any such patent, mark, registration, application, or copyright or work or right of authorship or license agreement, together with the goodwill of the business connected with the use of any such patent, trademark, service mark, tradename or trade dress or symbolized by the same, shall automatically become part of the IP Collateral. Each Grantor shall give prompt written notice to the Security Trustee of each new patent, trademark or service mark registration or application for registration or copyright or work or right of authorship. Each Grantor authorizes the Security Trustee to modify this Agreement by amending Schedule I to include any such new patent, trademark or service mark registration, or application for patent, trademark or service mark registration, or copyright or work or right of authorship which becomes part of the IP Collateral under this Section, or which, in the reasonable business judgment of each such Grantor, is a material patent, trademark or service mark registration or application for patent, trademark or service mark registration, or copyright or work or right of authorship. Each Grantor shall use all reasonable efforts to negotiate new license agreements subject to the grant of the security interest created by this Agreement.

(e) Each Grantor agrees (i) to prosecute diligently any patent, trademark or service mark application or copyright or work or right of authorship that is part of Schedule I, (ii) promptly to file applications for registration of any patent, trademark or service mark or copyright or work or right of authorship (A) which is or becomes material to its business or (B) from which such Grantor directly or indirectly derives revenue other than de minimis and immaterial revenue, (iii) to take reasonable steps in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any other administrative body or in any court, to maintain and protect each material patent, trademark, service mark, trade name, trade dress and patent, trademark or service mark registration, or copyright or work or right of authorship, and each license agreement, which is material and necessary or advisable to the operation of its business, and (iv) to participate in any opposition, cancellation and infringement proceedings in respect of any of the foregoing. In connection with the foregoing (and in furtherance of the foregoing and not in limitation thereof or of any other provision of this Agreement), each Grantor agrees that in the event that such Grantor directly or indirectly derives revenue (other than de minimis and immaterial revenue) from any patent, trademark, service mark, copyright or work or right of authorship owned by such Grantor which is not listed on Schedule I hereto or if any patent, trademark, service mark, copyright or work or right of authorship owned by such Grantor and not listed on Schedule I hereto becomes material to the business of such Grantor, such Grantor will promptly (A) notify the Security Trustee thereof, and (B) execute and deliver all further instruments and documents, and take all further action that may be necessary or desirable, or that the Security Trustee may request, in order to continue, perfect and protect any security interest granted or purported to be granted hereby therein and enable the Security Trustee to exercise and enforce its rights and remedies hereunder with respect to such IP Collateral. Any expenses incurred in connection with such activities shall be borne by such Grantor. If any Grantor fails to comply with any of the foregoing duties, the Security Trustee shall have the right, but

not the obligation, upon the occurrence and during the continuance of an Event of Default, to take reasonable steps in order materially to effect compliance in the name of the Grantor to the extent permitted by law, at the Grantor's expense.

(f) No Grantor shall (i) abandon any patent, trademark or service mark registration or application for patent, trademark or service mark registration, or any patent, trademark, service mark, trade name or trade dress, or any copyright or work or right of authorship, without the written consent of the Security Trustee, which consent shall not be unreasonably withheld, except where such abandonment would not be reasonably likely to have a material adverse effect on the business, condition (financial or otherwise), operations, performance or properties of such Grantor, and is in the ordinary course of such Grantor's business, or (ii) take any action, or permit any action to be taken by any other Persons to the extent such Persons are subject to its control, or fail to take any action, which would materially and adversely affect the validity, perfection, priority or enforcement of the rights transferred herein to the Security Trustee under this Agreement, and any such action or agreement if it shall be entered into or taken, shall be null and void and of no effect whatsoever. Each Grantor agrees to notify the Security Trustee immediately and in writing if such Grantor learns (i) that any material item of the IP Collateral may become abandoned, or (ii) of any adverse determination or the institution of any proceeding in the United States Patent and Trademark Office or any other administrative body or any court regarding any material part of the IP Collateral.

(g) in the event that any item of the IP Collateral owned by a Grantor is infringed or misappropriated by a third party, such Grantor shall promptly notify the Agent and shall, unless such Grantor shall reasonably determine that such IP Collateral is and will remain of immaterial economic value to such Grantor, take all reasonable steps and actions to defend against and enjoin such infringement and misappropriation, and shall take such other actions as such Grantor shall reasonably deem appropriate under the circumstances to protect and enforce such IP Collateral. Any expense incurred in connection with such activities shall be borne by such Grantor.

(h) Each Grantor shall continue to use reasonable and proper statutory notice in connection with its use of each registered trademark or service mark and each Copyright.

(i) Each Grantor agrees to exercise quality control with respect to products or services from time to time used or provided in its business to the extent necessary to prevent any material impairment in value of its interest or rights in the IP Collateral and the impairment of the interest or rights of the Security Trustee or the Beneficiaries in the IP Collateral.

**SECTION 5. Transfers and Other Encumbrances.** Each Grantor shall not, except as otherwise permitted under the Facilities Agreement:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, its IP Collateral, except that any Grantor may license its IP Collateral (i) in the ordinary course of such Grantor's business, provided that such license is necessary or desirable in the conduct of such Grantor's business, or (ii) in connection with a sale or transfer of

assets as provided in the Facilities Agreement, provided that such license shall be on terms reasonably expected to maintain or increase the value of the IP Collateral that is subject to such license.

(b) create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the IP Collateral except for the security interests created by this Agreement or permitted by the Facilities Agreement, or

(c) take any other action in connection with any of the IP Collateral that would materially impair the value of the interest or rights thereunder of such Grantor or that would impair the interest or rights of the Security Trustee or the Beneficiaries.

Nothing in this Section 5 will prevent licenses by any Grantor to another Group Company.

SECTION 6. Security Trustee Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Security Trustee such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise (which appointment as attorney-in-fact is irrevocable and coupled with an interest), from time to time in the Security Trustee's discretion, upon the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument that the Security Trustee may deem necessary or advisable to accomplish the purposes of this Agreement including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of its IP Collateral,

(b) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above, and

(c) to file any claims or take any action or institute any proceedings which the Security Trustee may deem necessary or desirable for the collection of any payments relating to its IP Collateral or otherwise to enforce the rights of the Security Trustee with respect to any of its IP Collateral.

SECTION 7. Security Trustee May Perform.

(a) Upon the occurrence and during the continuance of any Event of Default, if any Grantor fails to perform any agreement contained herein, the Security Trustee may itself perform, or cause performance of, such agreement, and the expenses of the Security Trustee incurred in connection therewith shall be payable by such Grantor under Section 10(b).

(b) The Security Trustee or its designated representatives shall have the right, at any reasonable time during normal business hours and from time to time, upon reasonable notice, to inspect the premises of any Grantor and to examine the books, records and operations of any Grantor (including, without limitation, any Grantor's quality control processes) relating to the IP Collateral.

SECTION 8. The Security Trustee's Duties. The powers conferred on the Security Trustee hereunder are solely to protect its interest in the IP Collateral and shall not impose any duty upon it to exercise any such powers.

SECTION 9. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Security Trustee may exercise in respect of the IP Collateral, in addition to other rights and remedies provided for herein or otherwise available to the Security Trustee, all the rights and remedies of a secured party on default under the Uniform Commercial Code (whether or not the Uniform Commercial Code applies to the affected IP Collateral) and also may (i) exercise any and all rights and remedies of any Grantor under or otherwise in respect of the IP Collateral, (ii) require any Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Security Trustee forthwith, assemble all or any part of the documents embodying the IP Collateral as directed by the Security Trustee and make such documents available to the Security Trustee at a place to be designated by the Security Trustee which is reasonably convenient to both the Security Trustee and such Grantor, (iii) occupy, for a reasonable period and without obligation to such Grantor in respect of such occupation, any premises owned or leased by any Grantor where documents embodying the IP Collateral or any part thereof are assembled in order to effectuate the Security Trustee's rights and remedies hereunder or under law, and (iv) without notice except as specified below, sell, lease and/or license the IP Collateral or any part thereof in one or more parcels at public or private sale or other disposition, at any of the Security Trustee's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Security Trustee may deem commercially reasonable (and, in furtherance of the foregoing, and for purposes of enabling the Security Trustee to exercise its rights and remedies hereunder, each Grantor, hereby grants to the Security Trustee an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor), to use, assign, license or sub-license any of the IP Collateral, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored, and to all computer programs used for the compilation or print out thereof). In the event of any sale, assignment, or other disposition of any of the IP Collateral by any Grantor, the goodwill of the business connected with and symbolized by any IP Collateral subject to such disposition shall be included, and such Grantor shall supply to the Security Trustee or its designee such Grantor's know-how and expertise relating to the manufacture and sale of products or the provision of services relating to any IP Collateral subject to such disposition, and its customer lists and other records relating to such IP Collateral and to the distribution of such products and services. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten 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 Security Trustee shall not be obligated to make any sale or other disposition of IP Collateral regardless of notice thereof having been given. The Security Trustee may adjourn any public or private sale or other disposition 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.

(b) All payments received by any Grantor under or in connection with any of the IP Collateral shall be received in trust for the benefit of the Security Trustee, shall be segregated from



other funds of such Grantor and shall be forthwith paid over to the Security Trustee in the same form as so received (with any necessary endorsement).

(c) All payments made under or in connection with or otherwise in respect of the IP Collateral and all cash proceeds received by the Security Trustee in respect of any sale of, collection from, or other realization upon all or any part of the IP Collateral may, in the discretion of the Security Trustee, be held by the Security Trustee as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Security Trustee pursuant to Section 10) in whole or in part by the Security Trustee for the ratable benefit of the Beneficiaries against, all or any part of the Secured Obligations, in such order as the Security Trustee shall elect. Any surplus of such cash or cash proceeds held by the Security Trustee and remaining after payment in full of all the Secured Obligations shall be paid over to the respective Grantors or to whomsoever may be lawfully entitled to receive such surplus.

#### SECTION 10. Indemnity and Expenses.

(a) Each Grantor agrees to indemnify the Security Trustee from and against any and all claims, losses, liabilities and expenses arising out of, or in connection with or resulting from this Agreement or the transactions contemplated hereby (including, without limitation enforcement of this Agreement), except to the extent such claim, loss, liability or expense results from the Security Trustee's gross negligence or wilful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) Each Grantor will, to the extent required under the Facilities Agreement, upon demand pay to the Security Trustee the amount of any and all costs and expenses, including, without limitation, the reasonable fees and disbursements of its counsel and of any experts and agents, that the Security Trustee may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the IP Collateral, (iii) the exercise or enforcement of any of the rights of the Security Trustee or the Beneficiaries hereunder, (iv) the failure by any Grantor to perform or observe any of the provisions hereof, or (v) any action taken by the Security Trustee pursuant to Section 4 or Section 7 hereof.

SECTION 11. Security Interest Absolute. The obligations of each Grantor under this Agreement are independent of the Secured Obligations, and a separate action or actions may be brought and prosecuted against each Grantor to enforce this Agreement, irrespective of whether any action is brought against any other Group Company or whether any other Group Company is joined in any such action or actions. All rights of the Security Trustee and security interests granted hereunder, and each of the Grantor's obligations, shall, to the extent permitted by law, be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Facilities Agreement or any other Loan Document, or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to departure from, the Facilities Agreement or any other Loan Document, including without limitation, any increase the Secured Obligations resulting from the extension of additional credit to any Borrower pursuant to the Facilities Agreement or any other Group Company or otherwise;

(c) any taking, exchange, release or non-perfection of any other collateral for all or any of the Secured Obligations, or any taking of any guaranty or other support for all or any of the Secured Obligations, or any release of, amendment to, waiver of or consent to departure from, any guaranty for all or any of the Secured Obligations or any other agreement securing all or any of the Secured Obligations;

(d) any manner of application of collateral, or proceeds thereof, to all or any of the Secured Obligations, or the manner of sale or other disposition of any collateral;

(e) any change, restructuring or termination of the corporate structure or existence of any Grantor or any other Group Company or of the Group or any consent thereto by any Beneficiary or the Security Trustee; or

(f) any other circumstance (including, but not limited to, any statute of limitations) which might otherwise constitute a defense available to, or a discharge of, any Grantor or any other Group Company or a third party grantor of a security interest.

The security interests in the IP Collateral shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by the Security Trustee or any Beneficiary upon the insolvency, bankruptcy or reorganization of any Group Company or otherwise, all as though such payment had not been made.

**SECTION 12. Waiver.** Each Grantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Secured Obligations and this Agreement and any requirement that the Security Trustee or any Beneficiary protect, secure, perfect or insure any security interest granted or purported to be granted hereunder or any property subject thereto or exhaust any right or take any action against any Grantor or any other person or entity or any collateral.

**SECTION 13. Amendments, Etc.**

(a) Except as provided in subsection (b) to this Section 13, no amendment or waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Security Trustee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure to exercise nor any delay in exercising, on the part of the Security Trustee or the Beneficiaries, any right, power or privilege under this Agreement shall operate as a waiver thereof; further, no single or partial exercise of any right, power or privilege under this

Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Any security agreement supplement hereto shall be in substantially the form of Exhibit A hereto (each an "IP Security Agreement Supplement"), and upon the execution and delivery thereof by any person (i) such person shall be referred to as an "Additional Grantor" and shall be and become a Grantor and each reference in this Agreement to "Grantor" shall also mean and be a reference to such Additional Grantor, and (ii) the supplements attached to each IP Security Agreement Supplement shall be incorporated into and become a part of and supplement Schedules I and II hereto, and the Security Trustee may attach such supplements to such Schedules as supplemented pursuant hereto.

SECTION 14. Addresses for Notices. All notices and other communications to any party provided for hereunder shall be in writing (including telegraphic, telecopy, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered, addressed to it, in the case of each Grantor, to such Grantor at its chief executive office listed on Schedule V to the Security Agreement, or, in the case of the Security Trustee, at the address of the Security Trustee specified in the Facilities Agreement, or as to any party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall be effective (a) when received, if mailed or delivered, or (b) when delivered to the telegraph company, transmitted by telecopier, confirmed by telex answerback or delivered to the cable company, respectively, addressed as aforesaid.

SECTION 15. Continuing Security Interest; Assignments Under the Facilities Agreement. This Agreement shall create a continuing security interest in the IP Collateral and shall (a) remain in full force and effect until the later of (i) the indefeasible cash payment in full of the Secured Obligations and (ii) the termination, cancellation or expiry of the Total Commitments, each Hedging Agreement, each Letter of Credit and each Guarantee (such later date, the "Termination Date"), (b) be binding upon each Grantor, its successors and assigns, and (c) inure, together with the rights and remedies of the Security Trustee hereunder, to the benefit of the Security Trustee, the Beneficiaries and their respective successors, transferees and assigns, including, but not limited to those provided in the Facilities Agreement. Without limiting the generality of the foregoing clause (c), any Beneficiary may assign or otherwise transfer all or any portion of its rights and obligations under the Facilities Agreement (including, without limitation, all or any portion of its Commitments, the portion of the Advances owing to it and all or any portion of any Guarantee or Letter of Credit issued by it) or any Hedging Agreement to which it is a party to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Beneficiary herein or otherwise, in each case as provided in or in a manner consistent with Part VIII of the Facilities Agreement.

SECTION 16. Transactions Permitted under the Facilities Agreement. Nothing contained in this Agreement shall in any manner prohibit or restrict any Group Company from consummating any transaction, entering into any agreement or otherwise taking any action expressly permitted under the Facilities Agreement.

SECTION 17. Severability. If any term or provision of this Agreement is or shall become illegal invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

SECTION 18. Execution in Counterparts. This Agreement may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

SECTION 19. Release, Termination and Reassignment.

(a) Upon any sale, lease, transfer or other disposition of any item of IP Collateral of a Grantor which is permitted under the Facilities Agreement in accordance with the terms of the Loan Documents, the Security Trustee will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the release and reassignment (without representation or warranty by the Security Trustee) of such item of IP Collateral from the assignment and security interest granted hereby; provided, however, that (i) at the time of such request and such release, no Event of Default or Potential Event of Default shall have occurred and be continuing, (ii) the Grantor shall have delivered to the Security Trustee, at least twenty Business Days prior to the date of the proposed release, a written request for release describing the item of IP Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Security Trustee and a certification by the Grantor to the effect that the transaction is in compliance with the Loan Documents and as to such other matters as the Security Trustee may request, (iii) the proceeds of any such sale, lease, transfer or other disposition required to be applied in accordance with Clause 15.5 and any other applicable provision of the Facilities Agreement shall be paid to, or in accordance with the instructions of, the Security Trustee at the closing and (iv) the Security Trustee shall have approved such sale, lease, transfer or other disposition in writing.

(b) Upon the Termination Date, the pledge, assignment and security interest granted hereby shall terminate and all rights to the IP Collateral shall revert and be reassigned to the Grantors. Upon any such termination, the Security Trustee will, at the U.S. Parent's expense, execute and deliver to the U.S. Parent (without representation or warranty by, or recourse to, the Security Trustee) such documents as the U.S. Parent shall reasonably request to evidence such termination and reassignment.

SECTION 20. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR IP COLLATERAL ARE GOVERNED BY THE LAWS OF THE UNITED STATES OR ANY OTHER JURISDICTION OTHER THAN THE STATE OF NEW YORK. Unless otherwise defined herein or in the Facilities Agreement, terms used in Article 8 or 9 of the Uniform Commercial Code are used herein as therein defined, and all references to the Uniform

Commercial Code hereunder are to the Uniform Commercial Code of the State of New York. All references to sections are to sections of this Agreement.

SECTION 21. WAIVER OF JURY TRIAL. EACH OF THE SECURITY TRUSTEE AND EACH GRANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, THE FACILITIES AGREEMENT, THE GROUP GUARANTEE OR ANY OTHER SENIOR FINANCE DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE SECURITY TRUSTEE ENTERING INTO THIS AGREEMENT, THE FACILITIES AGREEMENT AND THE OTHER LOAN DOCUMENTS.

SECTION 22. JURISDICTION. EACH GRANTOR HEREBY AGREES THAT ANY LEGAL ACTION OR PROCEEDING AGAINST THE GRANTOR WITH RESPECT TO THIS AGREEMENT OR THE OTHER DOCUMENTS CONTEMPLATED HEREBY OR REFERRED TO HEREIN MAY BE BROUGHT IN ANY COURT IN THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR ANY COURT IN SCOTLAND OR ENGLAND, AS THE SECURITY TRUSTEE MAY ELECT, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT EACH GRANTOR GENERALLY AND UNCONDITIONALLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH GRANTOR WAIVES ANY RIGHT TO STAY OR TO DISMISS ANY ACTION OR PROCEEDING BROUGHT BEFORE ANY OF SAID COURTS ON THE BASIS OF FORUM NON CONVENIENS. EACH GRANTOR (OTHER THAN THE U.S. PARENT) HEREBY APPOINTS U.S. PARENT AS ITS AGENT FOR SERVICE OF PROCESS, PLEADINGS, NOTICES AND OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING IN A COURT LOCATED IN THE STATE OF NEW YORK AND EACH GRANTOR (INCLUDING THE U.S. PARENT) AGREES THAT PROCESS AGAINST THE GRANTOR (AND PLEADINGS, NOTICES AND OTHER PAPERS) IN ANY SUCH ACTION OR PROCEEDING MAY BE SERVED AGAINST THE GRANTOR BY REGISTERED OR CERTIFIED MAIL SENT TO, OR BY OTHER DELIVERY TO, SUCH PROCESS AGENT CARE OF JONES, DAY, REAVIS & POGUE, 599 LEXINGTON AVENUE, NEW YORK, NY 10022, OR AT ANY OTHER LOCATION (WITHIN OR OUTSIDE THE STATE OF NEW YORK) WHERE THE U.S. PARENT MAINTAINS ANY PLACE OF BUSINESS OR BY SERVICE UPON THE U.S. PARENT PURSUANT TO SECTION 321 OF THE DELAWARE GENERAL CORPORATION LAW (OR ANY ADDRESS WHERE SUCH PROCESS AGENT MAINTAINS AN OFFICE) OR TO THE GRANTOR AT ITS ADDRESS SET FORTH BELOW (OR SUCH OTHER ADDRESS AS SECURITY TRUSTEE IS NOTIFIED OF PURSUANT TO SECTION 14 HEREOF), SUCH SERVICE BEING HEREBY ACKNOWLEDGED BY THE GRANTOR AS BEING EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE SECURITY TRUSTEE TO SERVE PROCESS, PLEADINGS, NOTICES AND OTHER PAPERS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW OR SHALL LIMIT THE RIGHT OF THE SECURITY TRUSTEE TO BRING ACTIONS AND PROCEEDINGS AGAINST ANY GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GRANTORS

HAY ACQUISITION COMPANY I, INC.

By: C. R. Matthews  
Title:

HAY GROUP, INC.

By: C. R. Matthews  
Title:

HAY/HUGGINS COMPANY, INC.

By: C. R. Matthews  
Title:

HSI, INC.

By: C. R. Matthews  
Title:

McBER AND COMPANY, INC.

By: C. R. Matthews  
Title:

HAY MANAGEMENT CONSULTANTS,  
INC.

By: C. R. Matthews  
Title:

HAY MANAGEMENT CONSULTANTS  
GMBH

By: C. R. Matthews  
Title:

SECURITY TRUSTEE

Agreed and consented to as  
of the date first above written:

THE GOVERNOR AND COMPANY  
OF THE BANK OF SCOTLAND, as Security  
Trustee

By: John Johnstone  
Title: DIRECTOR OF SYNDICATIONS

EXHIBIT A

FORM OF IP SECURITY AGREEMENT SUPPLEMENT

\_\_\_\_\_, 19\_\_

The Governor and Company of  
The Bank of Scotland, as Security Trustee

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Facilities Agreement dated as of \_\_\_\_\_, 1998 (said Agreement, as it heretofore or hereafter amended or otherwise modified from time to time, being the "Facilities Agreement") among Hay Group Investment BV, as Parent, the other borrowers and obligors party thereto, the Banks party thereto and The Governor and the Company of The Bank of Scotland, as Arranger, Issuing Bank, Agent and Security Trustee (in its capacity as Security Trustee, the "Security Trustee")

Ladies and Gentlemen:

Reference is made to the above-captioned Facilities Agreement and to the Intellectual Property Security Agreement referred to therein (such Intellectual Property Security Agreement, as in effect on the date hereof and as it may hereafter be amended, modified or supplemented from time to time, being the "IP Security Agreement"). The terms defined in the IP Security Agreement and not otherwise defined herein are used herein as therein defined.

The undersigned hereby agrees, as of the date first above written, to become a Grantor under the IP Security Agreement as if it were an original party thereto and agrees that each reference in the IP Security Agreement to "Grantor" shall also mean and be a reference to the undersigned.

The undersigned hereby assigns and pledges to the Security Trustee for its benefit and the ratable benefit of the Banks and the other Beneficiaries referred to in the IP Security Agreement, and hereby grants to the Security Trustee for its benefit and the ratable benefit of the Banks and such other Beneficiaries as security for the Secured Obligations a lien on and security interest in all of the right, title and interest of the undersigned in and to the IP Collateral, whether now owned or hereafter acquired.

The undersigned has attached hereto supplements to Schedules I and II to the IP Security Agreement, and the undersigned hereby certifies that such supplements have been prepared



by the undersigned in substantially the form of such Schedules and are accurate and complete as of the date hereof.

The undersigned hereby makes each representation and warranty set forth in Section 3 of the IP Security Agreement to the same extent as each other Grantor and hereby agrees to be bound as a Grantor by all of the terms and provisions of the IP Security Agreement to the same extent as each other Grantor.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF THE FACILITIES AGREEMENT, THE IP SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT (AS DEFINED IN THE IP SECURITY AGREEMENT) OR THE TRANSACTIONS CONTEMPLATED THEREBY, AND, IN ADDITION, MAKES EACH SUBMISSION TO JURISDICTION, WAIVER AND OTHER AGREEMENT SET FORTH IN SECTION 22 OF THE IP SECURITY AGREEMENT TO THE SAME EXTENT AS MADE BY EACH OTHER GRANTOR.

Very truly yours,

(NAME OF ADDITIONAL GRANTOR)

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

Address of Chief Executive Office:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_