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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
12 21 98

Conveying Party

☐ Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year
12 21 98

Formerly

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association
- ☐ Other
- ☒ Citizenship/State of Incorporation/Organization

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

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.)

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20539

TRADEMARK

REEL: 1863 FRAME: 0744

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name Elaine D. Ziff Esq. 077-2 51 2 17

Address (line 1) Skadden, Arps, Slate, Meagher & Flom LLP

Address (line 2) 919 Third Avenue

Address (line 3) New York, New York 10022

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number (212) 735 2656

Name Elaine D. Ziff Esq.

Address (line 1) Skadden, Arps, Slate, Meagher & Flom LLP

Address (line 2) 919 Third Avenue

Address (line 3) New York, New York 10022

Address (line 4)

Pages

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

#

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)

74582386		

Registration Number(s)

1317848	1328156	1328157
1835879	1836191	1654240

Number of Properties

Enter the total number of properties involved.

7

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 190.00

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.

Kristine Fyfe

Name of Person Signing

Signature

Date Signed

SECURITY AGREEMENT

SECURITY AGREEMENT, dated December 21, 1998, made by Allflex USA, Inc., a Delaware corporation (the "US Target") for the benefit of The Royal Bank of Scotland plc (the "Security Trustee"), a public limited company formed under the laws of Scotland, as Security Trustee for the Senior Lenders (as hereinafter defined) and the Mezzanine Lenders (as hereinafter defined).

PRELIMINARY STATEMENTS:

1. Pursuant to a Senior Facilities Agreement dated December 21, 1998 (such agreement, as from time to time amended, extended, restated or replaced, being referred to hereinafter as the "Senior Facilities Agreement") between (1) Allflex Participations SARL as the Senior Borrower, (2) the US Target, (3) Allflex Holdings Inc. as the Parent, (4) The Royal Bank of Scotland plc as Senior Arranger, (5) the banks and financial institutions listed in Schedule 1 thereto (together with their respective successors and assigns the "Senior Lenders"), (6) The Royal Bank of Scotland plc as the Ancillary Facilities Bank, and (7) The Royal Bank of Scotland plc as the Senior Agent, the Senior Lenders have agreed, according to their several obligations, to make available credit facilities to the Senior Borrowers (as defined therein) in the maximum aggregate amount of US\$83,000,000.
2. Pursuant to a Mezzanine Facility Agreement dated December 21, 1998 (such agreement, as from time to time amended, varied, extended, restated or replaced, being referred to hereinafter as the "Mezzanine Facility Agreement") between (1) Allflex Finance Inc. as Mezzanine Borrower, (2) Intermediate Capital Group PLC as Mezzanine Arranger, (3) the financial institutions listed in Schedule 1 thereto (together with their respective successors and assigns, the "Mezzanine Lenders"), and (4) Intermediate Capital Group PLC as the Mezzanine Agent, the Mezzanine Lenders have agreed to make available to the Mezzanine Borrower (as defined therein) a credit facility in the maximum amount of US\$35,000,000.
3. Pursuant to a Common Terms Agreement dated December 21, 1998 (such agreement, as from time to time amended, extended, restated or replaced, being referred to hereinafter as the "Common Terms Agreement"), the Senior Borrower, the Mezzanine Borrower, the US Target, and other parties have, inter alia, agreed to common terms applicable both to the Senior Facilities Agreement and the Mezzanine Facilities Agreement.
4. Pursuant to the Common Terms Agreement, the Allflex Participations SARL granted to the Security Trustee on behalf of the Finance Parties a guarantee, inter alia, of the obligations of the borrowers under the Senior Facilities Agreement and the obligations of the Mezzanine Borrower under the Mezzanine Facility Agreement.
5. Pursuant to the Common Terms Agreement, US Target agreed to grant a security interest in all of its assets to the Security Trustee, for the benefit of the Senior Lenders and the Mezzanine Lenders.

NOW, THEREFORE, in consideration of the premises, the US Target hereby agrees with the Security Trustee for the benefit of the Finance Parties as follows:

SECTION I. Definitions. Terms defined in the Senior Facilities Agreement, the Mezzanine Facility Agreement and the Common Terms Agreement shall have the same meanings when used in this Security Agreement. The following terms shall have the meanings set forth below:

"Accounts" shall mean "accounts" as such term is defined in Section 9-106 of the UCC.

"Chattel Paper" shall mean "chattel paper" as such term is defined in Section 9-105(i)(b) of the UCC.

"Collateral" shall have the meaning assigned to it in Article II hereof.

"Collateral Instruments" shall mean negotiable and non-negotiable instruments, guarantees and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance.

"Collateral Records" shall mean books, records, computer software, computer printouts, customer lists, blueprints, technical specifications, manuals, and similar items which relate to any Collateral other than such items obtained under license or franchise security agreements which prohibit assignment or disclosure of such items.

"Deposit Accounts" shall mean any deposit account, including without limitation, "deposit accounts" as such term is defined in Section 9-105(e) of the UCC and any other deposit or securities account (general or special), together with any funds, instruments or other items credited to any such account from time to time, and all interest thereon.

"Documents" shall mean "documents" as such term is defined in Section 9-105(f) of the UCC.

"Encumbrances" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement of any kind or nature whatsoever, including, without limitation, the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction, domestic or foreign.

"Equipment" shall mean "equipment" as such term is defined in Section 9-109(2) of the UCC, including, without limitation, machinery, manufacturing equipment, data processing equipment, computers, office equipment, furniture, appliances and tools.

"Event of Default" shall mean any of the events or circumstances described in clause 7.1 of the Common Terms Agreement.

"Fixtures" shall mean "fixtures" as such term is defined in Section 9-313 of the UCC.

"General Intangibles" shall mean "general intangibles" as such term is defined in Section 9-106 of the UCC, including, without limitation, rights to the payment of money (other than Receivables), Trademarks (including but not limited to those trademarks set out on Schedule II hereto), copyrights, patents, and contracts, licenses and franchises (except in the case of licenses and franchises in respect of which the US Target is the licensee or franchisee if the agreement in respect of such license or franchise prohibits by its terms any assignment or grant of a security interest) limited and general partnership interests and joint venture interests, federal income tax refunds, trade names, to the extent classified as a "general intangible" under the UCC under any applicable law, distributions on certificated securities (as defined in § 8-102 of the UCC) and uncertificated securities (as defined in § 8-102 of the UCC), computer programs and other computer software, inventions, designs, trade secrets, goodwill, proprietary rights, customer lists, supplier contracts, sale orders, correspondence, advertising materials, payments due in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any property, reversionary interests in pension and profit-sharing plans and reversionary, beneficial and residual interests in trusts, credits with and other claims against any Person, together with any collateral for any of the foregoing and the rights under any security agreement granting a security interest in such collateral.

"Hedging Agreements" shall mean interest rate or currency protection or hedging arrangements, including without limitation, caps, collars, floors, forwards and any other similar or dissimilar interest rate or currency exchange agreements or other interest rate or currency hedging arrangements.

"Instruments" shall mean "instruments" as such term is defined in Section 9-105(1)(i) of the UCC.

"Insurance Policies" shall mean all insurance policies naming the US Target as beneficiary.

"Inventory" shall mean "inventory" as such term is defined in § 9-109(4) of the UCC, including without limitation, all goods (whether such goods are in the possession of the US Target or a bailee or other Person for sale, lease, storage, transit, processing, use or otherwise and whether consisting of whole goods, spare parts, components, supplies, materials or consigned or returned or repossessed goods), including without limitation, all such goods which are held for sale or lease or are to be furnished (or which have been furnished) under any contract of service or which are raw materials or work in progress or materials used or consumed in the US Target's business.

"Incapacity", in relation to a person, means the insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of that person whatsoever (and, in the case of a partnership, includes the termination or change in the composition of the partnership) or any analogous proceeding occurring in relation to that person whatsoever.

Money" shall mean "money" as such term is defined in Section 1-201(24) of the UCC.

"Motor Vehicles" shall mean motor vehicles, tractors, trailers and other like property, if title thereto is governed by a certificate of title ownership.

"Person" shall mean and include any individual, partnership, joint venture, firm, corporation, association, trust or other enterprise or any government or political subdivision or agency, department or instrumentality thereof.

"Proceeds" shall mean "proceeds" as such term is defined in Section 9-306 (1) of the UCC.

"Receivables" shall mean all rights to payment for goods sold or leased or services rendered, whether or not earned by performance and all rights in respect of the US Target, including without limitation, all such rights in which the US Target has any right, title or interest by reason of the purchase thereof by the US Target, and including without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible, note, contract, invoice, purchase order, draft, acceptance, intercompany account, security agreement, or other evidence of indebtedness or security, together with (a) any collateral assigned, hypothecated or held to secure any of the foregoing and the rights under any security agreement granting a security interest in such collateral, (b) all goods, the sale of which gave rise to any of the foregoing, including, without limitation, all rights in any returned or repossessed goods and unpaid seller's rights, (c) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, and (d) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith.

"Receivables Records" shall mean (a) all original copies of all documents, instruments or other writings evidencing the Receivables, (b) 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 the US Target or any computer bureau or agent from time to time acting for the US Target or otherwise, (c) 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, acknowledgements, or other writings, including without limitation lien search reports, from filing or other registration officers, (d) all credit information, reports and memoranda relating thereto, and (e) all other written or non-written forms of information related in any way to the foregoing or any Receivable.

"Secured Obligations" shall mean all present and future obligations and liabilities of any nature whatsoever of the US Target to the Finance Parties (or any of them) under or in connection with the Senior Facilities Agreement and the Common Terms Agreement and the Guarantee, including all interest, accruing thereon, costs and expenses.

"Trademarks" shall mean all of US Target's right, title and interest in and to all trademarks, trade names, trade dress, service marks, trademark and service mark registrations, and applications for trademark or service mark registrations and any renewals thereof (including, without limitation, each trademark, trade name, trade dress, registration and application identified in Schedule II attached hereto and incorporated herein by reference) and including all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including, without limitation, damages for past or future infringements thereof), the right to sue or otherwise recover for all past, present and future infringements thereof, all rights corresponding thereto throughout the world (but only such rights as now exist under applicable local law), and all other rights of any kind whatsoever of US Target accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark and service mark.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

SECTION II. Grant of Security Interests. As security for the prompt and complete payment and performance in full of all the Secured Obligations, the US Target hereby grants to the Security Trustee for the benefit of the Senior Lenders and the Mezzanine Lenders a security interest in and continuing lien on all of the US Target's right, title and interest in, to and under the following, in each case, whether now owned or existing or hereafter acquired or arising, and wherever located (all of which being hereinafter collectively called the "Collateral"):

- (1) all Accounts;
- (2) all Chattel Paper;
- (3) all Contracts;
- (4) the Collateral Account;
- (5) all Collateral Records;
- (6) all Deposit Accounts;
- (7) all Documents;
- (8) all Equipment;
- (9) all Fixtures;
- (10) all General Intangibles;
- (11) all Hedging Instruments;
- (12) all Instruments;

- (13) all Insurance Policies;
- (14) all Inventory;
- (15) all Money;
- (16) all Receivables;
- (17) all Receivables Records;
- (18) all Trademarks;
- (19) all other tangible and intangible personal property;
- (20) all accessions and additions to any or all of the foregoing, all substitutions; and replacements for any or all of the foregoing and all Proceeds or products of any or all of the foregoing.

SECTION III. Representations and Warranties. The US Target hereby represents and warrants to the Security Trustee, which representations and warranties shall survive execution and delivery of this Security Agreement, as follows:

A. The US Target has good and marketable title to all of the material Collateral, free and clear of all Encumbrances other than Permitted Encumbrances.

B. The security interests in the Collateral granted to the Security Trustee hereunder constitute valid and continuing security interests in the Collateral. Upon (i) filing financing statements naming the US Target as "debtor" and the Security Trustee as the "secured party" and describing the Collateral in the filing offices set forth on Schedule I hereto and (ii) with respect to any of the United States registered trademarks and trademark applications as to which application numbers have been assigned, in each case as set forth in Schedule II hereto, recording this Security Agreement (including Schedule II hereto) within three months of the date hereof in the United States Patent and Trademark Office, the security interests in the Collateral granted to the Security Trustee hereunder will constitute perfected security interest therein.

C. Except for the Encumbrance created hereunder, the US Target owns and, as to all Collateral whether now existing or hereafter acquired, will continue to own, each item of the Collateral free and clear of any and all Encumbrances, rights or claims of all other Persons other than Permitted Encumbrances, and the US Target shall defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the Security Trustee other than the holders of the Permitted Encumbrances. No financing statement or other evidence of Encumbrance purporting to cover any of the Collateral is on file in any public office other than (1) financing statements to be filed in connection with the security interests granted to the Security Trustee hereunder and (2) financing statements for which proper termination statements have been delivered to the Security Trustee for filing.

D. The chief executive office of the US Target is located at 2805 East 12th Street, Dallas - Fort Worth Airport, Texas, 75261 - 2266.

E. The US Target is a corporation duly organized, validly existing under the laws of Delaware, with the corporate power and authority to enter into this Security Agreement and to perform its obligations hereunder. The execution and delivery of this Security Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all corporate action on the part of the US Target. This Security Agreement has been duly executed and delivered by the US Target and constitutes the valid, binding and enforceable obligation of the US Target, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights from time to time in effect and to general equitable principles.

F. Schedule II which describes the Trademarks beneficially owned by US Target is a true and accurate and complete list of the Trademarks so owned by the US Target.

SECTION IV. Covenants. The US Target covenants and agrees with the Security Trustee that from and after the date of this Security Agreement:

A. Further Assurances. The US Target will from time to time at the expense of the US Target, promptly execute, deliver, file and record all further instruments, indorsements and other documents, and take such further action as the Security Trustee may deem reasonably desirable in obtaining the full benefits of this Security Agreement and of the rights, remedies and powers herein granted, including, without limitation, the following:

(1) the filing of any financing statements, in form acceptable to the Security Trustee under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby to the extent that the parties agree (in accordance with the terms of Schedule 7 of the Common Terms Agreement) that such filings be made. The US Target also hereby authorizes the Security Trustee to file any such financing statement without the signature of the US Target to the extent permitted by applicable law. A photocopy or other reproduction of this Security Agreement shall be sufficient as a financing statement and may be filed in lieu of the original to the extent permitted by applicable law. The US Target will pay or reimburse the Security Trustee for all filing fees and related expenses;

(2) furnish to the Security Trustee from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Security Trustee may reasonably request, all in reasonable detail and in form satisfactory to the Security Trustee.

B. Change of Name; Identity; Corporate Structure; Chief Executive Office; Location of Inventory and Equipment. The US Target will not change its name, identity, corporate structure, the location of its chief executive office or the location of its Inventory or Equipment without (i) giving the Security Trustee at least thirty (30) days' prior written notice clearly describing such new name, identity, corporate structure or new location and providing such other information in connection therewith as the Security Trustee may reasonably request, and (ii) taking all action satisfactory to the Security Trustee as the Security Trustee may reasonably request to maintain the security

interest of the Security Trustee in the Collateral intended to be granted hereby at all times fully perfected with the same or better priority and in full force and effect.

C. Maintain Records. The US Target will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral.

D. Payment of Obligations. The US Target will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral, as well as all claims of any kind (including, without limitation, claims for labor, materials, supplies and services) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve, in the sole opinion of the Security Trustee, any material danger for the sale, forfeiture or loss of any of the Collateral or any interest therein and (iii) such charge is adequately reserved against on the US Target's books in accordance with generally accepted accounting principles.

E. Negative Pledge. The US Target will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Encumbrance or claim on or to the Collateral, other than the Encumbrance created hereby and other than the Permitted Encumbrances.

F. Performance by the Security Trustee of the US Target's Obligations; Reimbursement. If the US Target fails to perform or comply with any of its security agreements contained herein, the Security Trustee may, without notice to or consent by the US Target, perform or comply or cause performance or compliance therewith and the expenses of the Security Trustee incurred in connection with such performance or compliance, together with interest thereon shall be payable by the US Target to the Security Trustee on demand and such reimbursement obligation shall be secured hereby.

G. Trademarks. The US Target will:

- (a) take all reasonably necessary action to safeguard and maintain its rights, present and future, in or relating to all Trademarks including, without limitation, observing all covenants and stipulations relating thereto and paying all applicable renewal fees and licence fees, except to the extent that such Trademark is no longer material to the business of the US Target;
- (b) use all reasonable efforts to effect registration of Trademarks in the relevant register(s) (in accordance with the terms of Schedule 7 of the Common Terms Agreement) and keep the Security Trustee informed of events relevant to any such application and not without the prior consent in writing of the Security Trustee, permit any Trademark to be abandoned or cancelled, to lapse or to be liable to any claim of abandonment for non-use or otherwise, except to the extent that such Trademark is no longer material to the business of the US Target; and
- (c) promptly notify the Security Trustee of any infringement or suspected infringement or any challenge to the validity of any of its present or future Trademarks which may come to its notice, supply the Security Trustee with all information in its possession relating thereto and take all steps reasonably necessary to prevent or

bring to an end to any such infringement and to defend any challenge to the validity of any such rights, except to the extent that such Trademark is no longer material to the business of the US Target.

SECTION V. Power of Attorney. The US Target hereby irrevocably constitutes and appoints the Security Trustee and any officer or agent thereof, with 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 US Target and in the name of the US Target or in its own name, from time to time in the Security Trustee's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action by any technologically available means, which may include, without limitation, any form of electronic data transmission, and to execute in any appropriate manner, which may include, without limitation, using any symbol that the Security Trustee may adopt to signify the US Target's intent to authenticate, any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement. The US Target hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

SECTION VI. Remedies; Rights upon Default.

H. Rights and Remedies Generally. If an Event of Default shall occur and be continuing, then and in every such case, the Security Trustee shall have all the rights of a Security Trustee under the UCC, shall have all rights now or hereafter existing under all other applicable laws, and, subject to any mandatory requirements of applicable law then in effect, shall have all the rights set forth in this Security Agreement and all the rights set forth with respect to the Collateral or this Security Agreement in any other security agreement between the parties.

I. Assembly of Collateral. If an Event of Default shall occur and be continuing, upon five days notice to the US Target, the US Target shall, at its own expense, assemble the Collateral (or from time to time any portion thereof) and make it available to the Security Trustee at any place or places designated by the Security Trustee which is reasonably convenient to both parties.

J. Disposition of Collateral. The Security Trustee will give the US Target reasonable notice of the time and place of any public sale of the Collateral or any part thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The US Target agrees that the requirements of reasonable notice to it shall be met if such notice is mailed, postage prepaid to its address specified in Section ___ of this Security Agreement (or such other address that the US Target may provide to the Security Trustee in writing) at least ten (10) days before the time of any public sale or after which any private sale may be made.

K. Recourse. The US Target shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to satisfy the Secured Obligations. The US Target shall also be liable for all expenses of the Security Trustee incurred in connection with collecting such deficiency, including, without limitation, the fees and disbursements of any attorneys employed by the Security Trustee to collect such deficiency.

L. Expenses; Attorneys Fees. The US Target shall reimburse the Security Trustee for all its expenses in connection with the exercise of its rights hereunder, including, without limitation,

all reasonable attorneys' fees and legal expenses incurred by the Security Trustee. Expenses of retaking, holding, preparing for sale, selling or the like shall include the reasonable attorneys' fees and legal expenses of the Security Trustee. All such expenses shall be secured hereby.

M. Limitation on Duties Regarding Preservation of Collateral. The Security Trustee's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Security Trustee deals with similar property for its own account. The Security Trustee shall have no obligation to take any steps to preserve rights against prior parties to any Collateral. Neither the Security Trustee 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 the US Target or otherwise.

SECTION VII. Third Party Provisions.

A. Indemnification. The US Target agrees that the Secured Obligations shall include an amount equal to any sum that would be required to indemnify each Finance Party on demand against any loss or liability suffered by such Finance Party if any Secured Obligation under the Finance Documents is or becomes unenforceable, invalid or illegal.

B. Continuing Security. This Security Agreement is a continuing security and the Secured Obligations and the security constituted by this Security Agreement will extend to the balance of all sums payable by the Obligor or any of them under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

C. Reinstatement. (1) Where any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made in whole or in part of any arrangement on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the Secured Obligations and the security constituted by this Security Agreement shall continue as if the discharge or arrangement had not occurred.

(2) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

D. Waiver of defenses. The Secured Obligations and the security constituted by this Security Agreement will not be affected by any act, circumstance, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Security Agreement or prejudice or diminish the Secured Obligations in whole or in part, including without limitation (whether or not known to it or any other party):

(1) any time, indulgence or waiver granted to, or composition with, any Obligor or other person;

(2) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights or remedies against, or security over assets

of, any Obligor or other person or any non-presentation or non-observance of the full value of any security;

(3) any legal limitation, disability, incapacity or lack of powers, authority or legal personality or of dissolution or change in the members or status or any Obligor or any other person;

(4) any variation (however fundamental and whether or not involving an increase in liability of any Obligor) or replacement of a Finance Document or any other document or security so that references to that Finance Document shall include each variation or replacement;

(5) any unenforceability, illegality, invalidity or frustration of any obligation of any person under any Finance Document or any other document or security or any failure of any Obligor or proposed Obligor to become bound by the terms of any Finance Document; and

(6) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Obligor under a Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order;

so that each such obligation shall, for the purposes of the Secured Obligations and the security constituted by this Security Agreement remain in full force and be construed as if there were no such act, circumstance, variation, omission, matter or thing.

E. Immediate recourse. The US Target waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security claim payment from or file any proof of claim in any insolvency proceedings of any person before enforcing this Security Agreement.

F. Appropriations. Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Security Trustee may:

(1) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the US Target shall not be entitled to the benefit of the same; and

(2) hold in an interest bearing suspense account any monies received from the US Target or on account of this Security Agreement.

G. Non-competition. Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the US Target shall not, after a claim has been made or by virtue of recovery made or to be made under this Security Agreement:

(1) be subrogated to any rights, security or monies held, received or receivable by any Finance Party (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of such recovery under this Security Agreement and, to the extent that the US Target is so subrogated or entitled by law, the US Target (to the fullest extent permitted by law) waives and agrees not to exercise or claim those rights, security or money or that right of contribution or indemnity;

(2) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Finance Party (or any trustee or agent on its behalf) unless otherwise required by the Facility Agent or by law (in which case any proceeds of any claim in respect of any rights, security or monies of any Finance Party to which the US Target was subrogated will be paid by the US Target to the Facility Agent to be applied in accordance with the provisions of the Finance Documents); or

(3) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor (and without prejudice to the foregoing, the US Target shall forthwith pay to the Security Trustee for the benefit of the Finance Parties an amount equal to any amount so set-off by it).

The US Target shall hold in trust for and forthwith pay or transfer to the Security Trustee for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Security Agreement.

H. Additional security. This Security Agreement is in addition to and is not in any way prejudiced by any other security now or hereafter held by any Finance Party.

SECTION VIII. Indemnity. The US Target hereby agrees to indemnify and keep indemnified each of the Finance Parties and any attorney, agent or other person appointed by the Security Trustee under this Security Agreement and the Security Trustee's officers and employees (each an "Indemnified Party") in respect of all costs, losses, actions, claims, expenses, demands or liabilities whether in contract, tort or otherwise and whether arising at common law, in equity or by statute which may be incurred by, or made against, any of the Indemnified Parties (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising directly or indirectly out of or as a consequence of:

- (i) the execution or exercise or bona fide purported execution or exercise of the trusts, rights, powers, authorities, discretions and duties created or conferred by or pursuant to this Security Agreement;
- (ii) any breach by the US Target of any of its obligations under this Security Agreement;
- (iii) in respect of any Environmental Claim made or asserted against an Indemnified Party which would not have arisen if this Security Agreement had not been executed; and
- (iv) any matter or thing done or omitted in any way relating to the provisions of this Security Agreement.

SECTION IX. Continuing Security and Other Matters.

A. Continuing Security. This Security Agreement and the obligations of the US Target under this Security Agreement shall:

- (1) secure the payment of the Secured Obligations from time to time owing and shall be a continuing security notwithstanding any intermediate payment, partial settlement or other matter whatsoever;
- (2) be in addition to, and not prejudice or affect, any present or future Collateral Instrument, Encumbrance, right or remedy held by or available to the Finance Parties or any of them and/or the Security Trustee; and
- (3) not merge with or be in any way prejudiced or affected by the existence of any such Collateral Instruments, Encumbrances, rights or remedies or by the same being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Finance Parties or any of them and/or the Security Trustee dealing with, exchanging, releasing, varying or failing to perfect or enforce any of the same, or giving time for payment or indulgence or compounding with any other person liable.

B. Collateral Instruments. None of the Finance Parties shall be obliged to resort to any Collateral Instrument or other means of payment now or hereafter held by or available to it before enforcing this Security Agreement and no action taken or omitted by the Security Trustee or any of the Finance Parties in connection with any such Collateral Instrument or other means of payment shall discharge, reduce, prejudice or affect the liability of the US Target. None of the Finance Parties shall be obliged to account for any money or other property received or recovered in consequence of any enforcement or realization of any such Collateral Instrument or other means of payment.

C. Settlements Conditional: Any release, discharge or settlement between the US Target and any of the Finance Parties shall be conditional upon no security, disposition or payment to any of the Finance Parties by the US Target or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Security Trustee shall be entitled to enforce this Security Agreement subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

D. Suspense Accounts. Any money received pursuant to the realization of any security created pursuant to this Security Agreement (whether before or after any Incapacity of the US Target or any other person liable) may be placed to the credit of any interest-bearing suspense account with a view to preserving the rights of the Finance Parties to prove for the whole of their respective claims against the US Target or any other person liable or may be applied in or towards satisfaction of the Secured Obligations as the Security Trustee shall see fit in its absolute discretion.

SECTION X. Miscellaneous.

A. GOVERNING LAW. THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN

ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any Collateral is governed by the laws of a jurisdiction other than the State of New York. Unless otherwise defined herein or in the Common Terms Agreement, terms defined in Article 9 of the Code are used herein as therein defined.

B. Currencies. All moneys received or held by the Security Trustee under this Security Agreement at any time on or after the Enforcement Date in a currency other than a currency in which the Secured Obligations are denominated may from time to time to be sold for such one or more of the currencies in which the Secured Obligations are denominated as the Security Trustee considers necessary or desirable and the US Target shall indemnify the Security Trustee against the full Dollar cost (including all costs, charges and expenses) incurred in relation to such sale. The Security Trustee shall have any liability to the US Target in respect of any loss resulting from any fluctuation in exchange rates after any such sale.

C. Security Trust. The Security Trustee holds the benefit of the agreements and undertakings of the US Target contained in this Security Agreement and the rights, titles and interests constituted by this Security Agreement and all other moneys, property and assets paid to, held by or received or recovered by the Security Trustee pursuant to or in connection with this Security Agreement with effect from the date of this Security Agreement on trust for the Finance Parties in accordance with Part 8 of the Common Terms Agreement.

D. Remedies Cumulative. No failure or delay on the part of the Finance Parties or any of them to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or any partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

E. Unfettered discretion. Any liability or power which may be exercised or any determination which may be made under this Security Agreement by the Security Trustee may be exercised or made in its absolute and unfettered discretion and it shall not be obliged to give reasons therefor.

F. Reorganization. This Security Agreement shall remain binding on the US Target notwithstanding any change in the constitution of any of the Finance Parties or its absorption in, or amalgamation, merger or combination with, or the acquisition of all or part of its undertaking by, any other person, or any reconstruction or reorganisation of any kind. The security granted by this Security Agreement shall remain valid and effective in all respects in favor of the Security Trustee for itself and as trustee for the Finance Parties and any assignee, transferee or other successor in title of a Security Trustee in the same manner as if such assignee, transferee or other successor in title had been named in this Security Agreement as a party instead of, or in addition to, that Security Trustee.

G. Expenses. (1) The US Target will upon demand pay to the Security Trustee the amount of any and all expenses, including the reasonable fees and expenses of its counsel and of any experts which the Security Trustee may incur in connection with (i) the administration of this Security Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Shares, (iii) the exercise or enforcement of any of the rights of

the Security Trustee or the Finance Parties hereunder or (iv) the failure by the US Target to perform or observe any of the provisions hereof.

(2) All fees, costs and expenses payable under or pursuant to this Security Agreement shall be paid together with an amount equal to any value added tax payable by the Security Trustee in connection with such fees, costs and expenses. Any value added tax chargeable in respect of any services supplied by the Security Trustee under this Security Agreement shall, on delivery of a value added tax invoice, be paid in addition to any sum agreed to be paid under this Security Agreement.

H. Amendments, Etc. No amendment or waiver of any provision of this Security Agreement, and no consent to any departure by the US Target 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.

I. Notice. Every notice, request, demand or other communication under this Security Agreement shall:

(1) be in writing delivered personally or by first-class prepaid letter (airmail if available) or telefax;

(2) be deemed to have been received, subject as otherwise provided in this Security Agreement, in the case of a letter, when delivered personally or 3 days after it has been put into the post and, in the case of a telefax, when a complete and legible copy is received by the addressee (unless the time of despatch of any telefax is after close of business in which case it shall be deemed to have been received at the opening of business on the next business day); and

(3) be sent:

(i) to the US Target at:

112, Avenue Kleber
75016 Paris

Telefax: 0033 1 44 516283

Attention: Gilles de Vienne

(ii) to the Security Trustee at:

Waterhouse Square
138-142 Holborn
London
EC1N 2TH
Telefax: 0171 427 9930
Attention: John Spiers

or to such other address or telefax number as is notified by the relevant part to the other party to this Security Agreement.

Every notice, request, demand or other communication under this Security Agreement to be given by the US Target to any other party shall be given to the Security Trustee for onward transmission as appropriate and to be given to the US Target shall (except as otherwise provided in this Security Agreement) be given by the Security Trustee.

J. Severability. Each of the provisions of this Agreement is severable and distinct from the others and if at any time, any provision in or obligation under this Security Agreement or the Secured Obligations 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.

Schedule I

Filing Offices

Jurisdiction

Office

Texas

Texas Secretary of State

SCHEDULE II**1. Trademarks:**

Number	Trademark	Registered	First Use
1317848	HMS	02/05/85	10/24/83
1328156	LOGI-QUAD	04/02/85	10/24/83
1328157	HERD-SOFT	04/02/85	10/24/83
1835879	V & DESIGN	05/10/94	06/22/93
1836191	VET BRAND	05/10/94	06/22/93
1654240	INFO-VEC	08/20/91	12/23/84

2. Trademark Applications:

Number	Trademark	Date Filed	First Use
74/582,386	VALUTAG	10/05/94	11/90

IN WITNESS WHEREOF, the US Target and the Security Trustee have caused this Security Agreement to be duly executed and delivered as of the date first above written.

ALLFLEX USA, INC.

BY: 

Title: Director

THE ROYAL BANK OF SCOTLAND PLC

BY: 

Title: Director, Acquisition finance
Royal Bank of Scotland plc.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: Security Agreement between Allflex USA, Inc. and The Royal Bank of Scotland plc (the "**Security Trustee**"), dated December 21, 1998 against intellectual property owned by Allflex USA, Inc.

APPOINTMENT OF DOMESTIC REPRESENTATIVE


Assistant Commissioner for Trademarks
Assignment Division
Washington, D.C. 20231

Dear Sir

Security Trustee hereby designates Elaine Ziff with the law office of Skadden, Arps, Slate, Meagher & Flom LLP, with a postal address at 919 Third Avenue, New York, New York 10022, as its representative upon whom notices or process in proceedings affecting the marks may be served.

The Royal Bank of Scotland plc

Date: February 24, 1999

By: 
Name MARK COXALL
Title ASSOCIATE DIRECTOR, ACQUISITION FINANCE