

07-07-1999



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To the Honorable Commissioner of Patents and Trademark

101083945

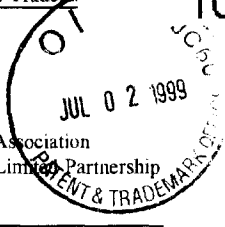
copy thereof.

1. Name of conveying party(ies):

Mikron Holding AG

- Individual(s)
- General Partnership
- Corporation-Switzerland
- Other _____

- Association
- Limited Partnership



Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of Conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: _____

2. Name and address of receiving party(ies):

Name: UBS AG

Address: Bahnhofstrasse 45
8098 Zurich
Switzerland

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-Switzerland
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached Yes No
(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

2,036,672; 102,397; 673,813; 2,038,364; 2,033,540; 785,141; 2,169,967;
2,169,968; 2,256,376

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Jeffrey H. Kaufman
OBLON, SPIVAK, McCLELLAND, MAIER & NEUSTADT, P.C.
Attorneys at Law
Fourth Floor
1755 Jefferson Davis Highway
Arlington, Virginia 22202

OSMMN Ref: 7463-0001-33

6. Total number of applications and registrations involved: _____

9

7. Total fee (37 CFR 3.41): \$ 240.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: 15-0030

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

P. Jay Hines

Name of Person Signing

Signature

July 2, 1999

Date

Total number of pages including cover sheet, attachments, and document: 13

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

07/06/1999 NTHA11 00000136 2036672

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

01 FC:481
02 FC:482

40.00 OP
200.00 OP

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project, (0651-0011), Washington, D.C. 20503

Security Agreement

dated May 27, 1999

between

MIKRON HOLDING AG

**AND THE OTHER COMPANIES
named herein as Security Providers**

and

**ABN AMRO BANK N.V.
CREDIT SUISSE
and UBS AG
as Joint Arrangers**

and

**THE BANKS AND OTHER FINANCIAL INSTITUTIONS
named in the Facility Agreement as Lenders**

**UBS AG
as Issuing Bank**

and

**UBS AG
as Facility Agent
and
Collateral Agent**

and

**UBS AG Warburg Dillon Read
as representative of the Bondholders of the Convertible Bond defined below**

WHEREAS, a Facility Agreement, dated May 27, 1999, has been concluded between Mikron Holding AG and the other companies named in the Facility Agreement as Borrowers and Guarantors and ABN AMRO Bank N.V., Credit Suisse and UBS AG as Joint Arrangers and the Banks and other Financial Institutions named in the Facility

Agreement as Lenders for Term Loan Facilities in the amount of CHF _____, a
Revolving Credit Facility in the amount of CHF _____ and a Bridge Facility in
the amount of CHF _____

WHEREAS, a 5 year Convertible Bond in the principal amount of CHF _____
repayable in 2002, has been issued by Mikron Holding AG (hereinafter "the Convertible
Bond");

WHEREAS, it is contemplated by the parties hereto that the Bridge Facility be repaid
from the proceeds of a Capital Market Transaction in the amount of CHF _____

WHEREAS, in order to secure the debts of the Borrowers and the Guarantors under the
Facility Agreement and the debts of Mikron Holding AG under the Convertible Bond,
and, if any, the debts of Mikron Holding AG or one of its subsidiaries under the Capital
Market Transaction, Mikron Holding AG and the other Security Providers, named
herein in Schedule 1, have agreed to provide the security hereafter mentioned.

7. PLEDGE OF TRADEMARKS BY MIKRON HOLDING AG

7.1 Mikron Holding AG herewith pledges all its trademarks listed in Schedule 2 to

this Security Agreement and any and all claims for royalty payments due to Mikron Holding AG under any present or future licence or similar agreement related to those trademarks to the Lenders and the Bondholders as a security for any and all present and future actual debts of Mikron Holding AG under the Facility Agreement and for any and all present and future actual debts of Mikron Holding AG under the Convertible Bond and for any reasonable costs and disbursements incurred in the course of enforcing such claims and, in particular, in the course of the realization or disposal of the pledged trademarks.

7.2 Mikron Holding AG herewith undertakes to do anything legally required or appropriate in the full discretion of the Collateral Agent in order to perfect the pledge of the trademarks, in particular to register the pledge in the respective trademark registers. Furthermore, Mikron Holding AG shall upon request of the Collateral Agent, but in any event on the last business day of each calendar quarter as from the signing of this Security Agreement for the first time on May 31, 1999 provide the Collateral Agent a with list of all and any licence or similar agreements including name and address of debtor, and amount of royalty to be paid.

7.3 The Lenders and the Bondholders participate in the value of the pledged trademarks and claims at each time in proportion of the aggregate amount of the actual debts of Mikron Holding AG (including contingent debts) to the Lenders under the Facility Agreement to the aggregate amount of the actual debts of Mikron Holding AG to the Bondholders under the Convertible Bond.

8. PLEDGE OF PATENTS

8.1 Each of the Security Providers herewith pledges all its patents and any and all claims for royalty payments due to the respective Security Provider under any present or future licence or similar agreement to the Lenders, and, to the extent legally permitted, to the Bondholders.

8.2 Each of the Security Providers herewith undertakes to provide the Collateral Agent within ten (10) days as from the signing of this Security Agreement with a list of all its patents.

8.3 The patents and claims pledged under this clause 8 shall provide security to the Lenders for any and all present and future debts of the respective Security Provider as a Borrower and/or Guarantor under the Facility Agreement, and, if and to the extent legally permitted, for any and all present and future actual debts of

Mikron Holding AG to the Lenders under the Facility Agreement to the Bondholders under the Convertible Bond, and for any reasonable costs and disbursements incurred in the course of enforcing such claims and, in particular, in the course of the realization or disposal of the pledged assets or the enforcement of the assigned accounts receivable under this clause 8.

8.4 The Lenders and the Bondholders participate in the value of the pledged patents and claims at each time in proportion of the aggregate amount of the actual debts of all Borrowers and Guarantors (including Mikron Holding AG and including contingent debts) to the Lenders under the Facility Agreement to the aggregate amount of the actual debts of Mikron Holding AG to the Bondholders under the Convertible Bond.

9. COLLATERAL AGENT

The Collateral Agent shall be UBS AG or any of its successors in the event UBS AG ceases to act as Facility Agent under the Facility Agreement. The Collateral Agent shall arrange for any and all acts necessary or appropriate for the creation, perfection, maintenance and enforcement of any security granted or to be granted under this Security Agreement or under any agreement to be concluded under this Security Agreement. The Collateral Agent shall, however, not be held liable for the validity and/or enforceability of any security granted or to be granted under this Security Agreement or under any agreement to be concluded under this Security Agreement except for any damage or loss suffered by the Lenders and/or the Bondholders as a result of the invalidity and/or unenforceability of any such security if such invalidity and/or unenforceability is attributable to the Collateral Agent's wilful misconduct or gross negligence.

10. REPRESENTATION AND WARRANTIES

Each of the Security Providers herewith represents and warrants that any security given or to be given under this Security Agreement or under any agreement to be concluded under this Security Agreement, shall be free of any lien, pledge, charge or any encumbrance, except for any encumbrance pursuant to any applicable mandatory law.

11. UNDERTAKINGS

Each of the Security Providers herewith undertakes not to pledge, or otherwise dispose of any asset pledged or assigned or to be pledged or to be assigned under this Security

Agreement or under any agreement to be concluded under this Security Agreement.

12. MAINTENANCE OF PLEDGED ASSETS

Each of the Security Providers undertakes to keep and maintain all assets pledged or to be pledged under this Security Agreement or under any agreement to be concluded under this Security Agreement properly and with due care.

14. NOTIFICATION OF THIRD PARTY DEBTORS

If an Event of Default as defined in the Facility Agreement or an Event of Default as defined under the Convertible Bond has occurred, the Collateral Agent shall be entitled to notify any and all third party debtors of any claims, rights or accounts receivable assigned under this Security Agreement, and to request such third party debtors to pay exclusively to the Collateral Agent to an account designated by it. If and to the extent the Security Providers concerned nevertheless receive payments from third party debtors in respect of claims or accounts receivable assigned under this Security Agreement or any agreement to be concluded under this Security Agreement, such Security Providers undertake to remit to the Collateral Agent any such amount received to the account designated by the Collateral Agent without any delay.

15. COOPERATION OF SECURITY PROVIDERS

The Security Providers undertake to do anything necessary or appropriate in the full discretion of the Collateral Agent, in order to create, perfect and maintain a valid pledge or

assignment and to enforce such security. Upon request of the Collateral Agent, the Security Providers shall enter into agreements separate from this Security Agreement with terms and conditions acceptable to the Collateral Agent, if the Collateral Agent in its full discretion considers it necessary or advisable, in order to create, perfect and maintain a valid pledge and/or assignment. The Collateral Agent also has the right to request from each of the Security Providers to enter into a new agreement under which the legal title to any assets of the Security Provider concerned is transferred for security purposes („Sicherungsübereignung“ / „Sicherungszeession“). In the event of any inconsistency between a provision of such separate or new agreement with a provision of this Security Agreement, the provision concerned of the separate or new agreement shall prevail.

16. CONTINUING AND COMPREHENSIVE SECURITY

Any security given or to be given under this Security Agreement or under any agreement to be concluded under this Security Agreement and any proceeds from the enforcement or realization of any such security (such as the proceeds from the sale or disposal of pledged assets or the proceeds from assigned claims) shall provide security until any and all debts of the respective Security Provider under the Facility Agreement which are secured by this Security Agreement or any agreement to be concluded in accordance with this Security Agreement, have been repaid in full and shall also, in respect of any security given or to be given by any Security Provider other than Mikron Holding AG, to the extent legally permitted, provide security until any and all debts of Mikron Holding AG under the Facility Agreement and under the Convertible Bond have been fully repaid.

17. REALIZATION OF SECURITY

If any debt under the Facility Agreement and/or the Convertible Bond which is secured under this Security Agreement or any agreement to be concluded under this Security Agreement becomes due and payable and is not paid, the Collateral Agent shall be entitled, but not obligated, to immediately dispose of, and thus realize, freely or otherwise in accordance with any applicable law all or whatever portion of the assets pledged hereunder as the Collateral Agent considers appropriate. The proceeds from the realization of the assets pledged hereunder shall be used in proportion of the participation of the Lenders and the Bondholders respectively at that time in the value of the pledged asset for the settlement of any unpaid debt. If there are several different debts due and unpaid to the Lenders or the Bondholders respectively, the Collateral Agent shall apply the proceeds first to pay fees, then to pay costs, and then in proportion of the respective debts due and unpaid. This clause shall analogously apply in respect of the realization of as-

signed claims and the proceeds therefrom.

18. REPAYMENT OF BRIDGE FACILITY AND SHARING OF SECURITY

If the Bridge Facility is repaid through a Capital Market Transaction the creditors of such Capital Market Transaction (hereinafter the „New Creditors“) shall participate in the value of each security created or to be created under this Security Agreement or any other agreement to be concluded under this Security Agreement at each time as from the repayment of the Bridge Facility in proportion of the aggregate amount of the actual debts of Mikron Holding AG to the New Creditors under the Capital Market Transaction to the remaining aggregate amount of the actual debts of Mikron Holding AG under the Facility Agreement and under the Convertible Bond. The provisions of this Security Agreement shall *mutatis mutandis* apply in the same manner and to the same extent to the New Creditors as if they were Lenders under the Facility Agreement.

19. MORTGAGES

The mortgages already granted to the Facility Agent for any indebtedness under the Permitted Mortgage Basket as of the date of this Security Agreement shall not be affected by this Security Agreement and neither the Bondholders nor the New Creditors shall participate in the value of these mortgages.

20. COSTS AND EXPENSES

Any costs and expenses, including but not limited to legal fees, incurred by the Lenders and/or the Bondholders in connection with the preparation, the execution and performance of this Security Agreement and any agreement to be concluded in accordance with this Security Agreement, as well as any cost and expenses incurred in connection with the enforcement of this Security Agreement or any agreement to be concluded in accordance with this Security Agreement shall be borne by the Security Providers jointly and severally.

21. ADDITIONAL SECURITY

Additional Security in particular further intellectual property rights and/or shares may at any time be requested from each of the Security Providers in accordance with the terms and conditions of the Facility Agreement, and the Collateral Agent shall have the right

to request from Mikron Holding AG at any time to cause any direct or indirect subsidiary of Mikron Holding AG in which it holds more than 50% of the share capital or the voting rights, and which subsidiary is not yet a Guarantor, to accede to the Facility Agreement as Guarantor and to this Security Agreement as Security Provider.

22. DISCLOSURE OF THIS AGREEMENT

The Collateral Agent shall have the right to disclose the contents of this Agreement to the Swiss Stock Exchange if reasonably requested by the Swiss Stock Exchange to do so, or if required to do so under any applicable regulations.

23. NOTICE

Any notice to be given under this Security Agreement shall be given in accordance with the terms and conditions of the Facility Agreement and the address named therein, but shall be given in respect of

- a) UBS AG
Warburg Dillon Read, Legal
to: Mr. Felix Huber
P.O. Box
8098 Zurich

and in respect of

- b) any Security Provider not being a Borrower or a Guarantor under the Facility Agreement
to: Mikron Holding AG
Mühlebrücke 2
2502 Biel

24. SEVERABILITY

If at any time any provision of this Security Agreement is or becomes invalid or unenforceable in any respect, it shall, if possible, be adjusted in order to achieve the intention of the parties of this Security Agreement to the extent possible. In any event, any and all other provisions of this Security Agreement shall remain valid and enforceable to the fullest extent possible.

26. APPLICABLE LAW

This Security Agreement shall be governed by the laws of Switzerland.

27. JURISDICTION

Any disputes arising out of or in connection with this Security Agreement, including any dispute on its validity and binding effect shall be exclusively brought before the ordinary courts of Zurich 1. The Lenders and for the Bondholders are nevertheless entitled to start legal actions before any competent court at the domicile of the respective Security Provider.

This Agreement has been executed on the date stated at the beginning hereof.

26. APPLICABLE LAW

This Security Agreement shall be governed by the laws of Switzerland.

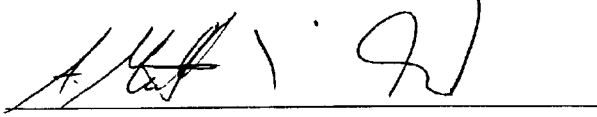
27. JURISDICTION

Any disputes arising out of or in connection with this Security Agreement, including any dispute on its validity and binding effect shall be exclusively brought before the ordinary courts of **Zurich 1**. The Lenders and for the Bondholders are nevertheless entitled to start legal actions before any competent court at the domicile of the respective Security Provider.

This Agreement has been executed on the date stated at the beginning hereof.



Mikron Holding AG

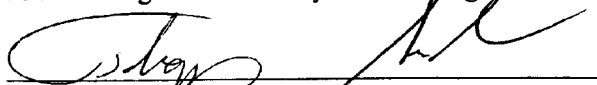


UBS AG

as Facility Agent and Collateral Agent and
Joint Arranger and Joint Syndication Agent



Mikron Holding AG, Biel

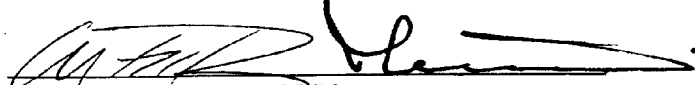


Credit Suisse

as Documentation Agent

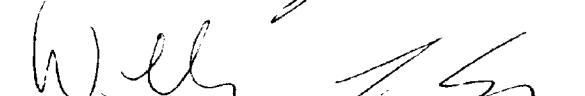


Mikron S.A., Boudry



ABN AMRO Bank N.V.

as Joint Arranger and Syndication Agent



Mikron S.A., Agno

UBS AG acting through its division

Warburg Dillon Read

as Representative of the Bondholders



Mikron AG, Nidau

Will / sn
Industrie Infra AG, Nidau

Will / sn
Step-Tec AG, Nidau

Will / sn
Mikron Technology Norge AS

Will / sn
Mikron Ltd., Jersey

Will / sn
Mikron S.p.A., Zingonia

Will / sn
Mikron North America Corp.

Will / sn
Mikron U.K. Ltd.

Will / sn
Iplast ASA

Will / sn
Iplast AB

Schedule 1

Security Providers:

Mikron Holding AG
Mikron AG, Biel
Mikron S.A. Boudry
Mikron S.A. Agno
Mikron AG, Nidau
Industrie Infra AG, Nidau
Step-Tec AG, Nidau
Mikron Technology Norge AS
Mikron Ltd., Jersey
Mikron S.p.A., Zingonia
Mikron North Amercia Corp.
Mikron U.K. Ltd.
Iplast ASA
Iplast AB

Legalization

This is to certify that this copy corresponds with the document shown to us this day and said to be the original.

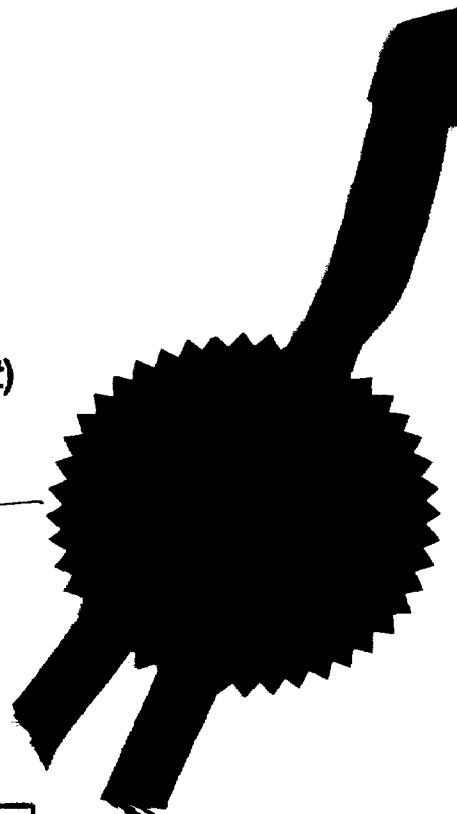
Zurich, 17 JUN 1999
No. 21849/le
Fee. Fr. 95.-



Notariat Zürich (Altstadt)

M. Baumann

M. Baumann,
Notar-Stellvertreterin



APOSTILLE

(Convention de la Haye du 5 octobre 1961)

1. Land: Schweizerische Eidgenossenschaft, Kanton Zürich
Country: Swiss Confederation, Canton of Zurich
Diese öffentliche Urkunde ist ein öffentliches Dokument

2. ist unterschrieben von *Kau*
has been signed by *Michelle Baumann*

3. in seiner Eigenschaft als
acting in the capacity of *Notar-Stellvertreterin*

4. Sie ist versehen mit dem Stempel/Siegel des (der) bears the stamp/seal of
Notariat Zürich
Altstadt

Bestätigt / Certified
5. In / to 8090 Zürich / 8090 Zurich 6. am / the **17. Juni 1999**

7. durch die Staatskanzlei des Kantons Zürich
by Chancery of State of the Canton of Zurich

8. unter / under Nr. *7403/99*

9. Stempel / Siegel / Stamp / Seal 10. Unterschrift / Signature



I. Jordan

I. Jordan

Markenliste

Marke	Land/ IR-Land	Klasse	Anmelde- Nummer	Anmelde- Datum	Registrierungs- Nummer	Registrierungs- Datum	Fallengel.	Schutzablauf	Aktenzeichen/ Inhaber
MULTISTEP (Blockschrift)	US	7	74/731994	06.09.1995	2.036,672	11.02.1997	..	11.02.2007	T5592 MIK03
MIKRON (Blockschrift)	US	7	..	..	102397	09.02.1975	..	09.02.2005	T5990 MIK03
		8	..	..	..	..	..	09.02.2005	..
M (Wortbild)	US	23	..	..	673813	10.02.1959	29.10.1998	..	T5988 MIK03
MULTIFACTOR (Blockschrift)	US	7	74/731962	06.09.1995	2038364	18.02.1997	..	18.02.2007	T5594 MIK03
MULTISTAR (Blockschrift)	US	7	74/731976	06.09.1995	2033540	28.01.1997	..	28.01.2007	T5593 MIK03
MIKRON HAESLER (Wortbild)	US	23	..	..	785141	16.02.1985	..	16.02.2005	T6010 MIK03
M (Wortbild, alt)	US	7	75/050,552	30.01.1996	2.169,967	30.06.1998	..	30.06.2008	T6474 MIK03
		11	..	..	..	..	..	30.06.2008	..
		12	..	..	..	..	..	30.06.2008	..
M MIKRON (Wortbild, alt)	US	7	75/050,575	30.01.1996	2.169,968	30.06.1998	..	30.06.2008	T6487 MIK03
		42	..	..	..	..	..	30.06.2008	..
STPCAM (Blockschrift)	US	7	75/307,642	12.06.1997	2.256,376	29.06.1999	..	..	..

TRADEMARK

REEL: 001923 FRAME: 0767

RECORDED: 07/02/1999