

09-13-2001



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0047 (exp. 5/31/2002) Tab settings

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

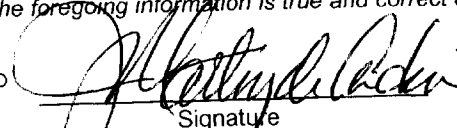
<p>1. Name of conveying party(ies): Alfa Laval Inc. <b>G. 401</b></p> <p><input type="checkbox"/> Individual(s)      <input type="checkbox"/> Association  <input type="checkbox"/> General Partnership      <input type="checkbox"/> Limited Partnership  <input checked="" type="checkbox"/> Corporation-State New Jersey  <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: <u>Skandinaviska Enskilda Banken AB</u> Internal Address: _____ Street Address: <u>Kungstradgardsgatan 8</u> City: <u>Stockholm</u> State: <u>Sweden</u> Zip: <u>106 40</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____  <input type="checkbox"/> Association _____  <input type="checkbox"/> General Partnership _____  <input type="checkbox"/> Limited Partnership _____  <input type="checkbox"/> Corporation-State _____  <input checked="" type="checkbox"/> Other <u>Limited Liability Company</u></p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  (Designations must be a separate document from assignment)  Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance:  <input type="checkbox"/> Assignment      <input type="checkbox"/> Merger  <input checked="" type="checkbox"/> Security Agreement      <input type="checkbox"/> Change of Name  <input type="checkbox"/> Other _____</p> <p>Execution Date: <u>August 6, 2001</u></p>	

<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s)  B. Trademark Registration No.(s) <u>0525920</u> <u>0524952</u></p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
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<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>J. Michael Martinez de Andino</u> Internal Address: <u>Hunton &amp; Williams</u> <u>Riverfront Plaza, East Tower</u>  Street Address: <u>951 East Byrd Street</u>  City: <u>Richmond</u> State: <u>Virginia</u> Zip: <u>23219-4074</u></p>	<p>6. Total number of applications and registrations involved: ..... <b>2</b></p> <p>7. Total fee (37 CFR 3.41).....\$ <u>65.00</u>  <input checked="" type="checkbox"/> Enclosed  <input checked="" type="checkbox"/> Authorized to be charged to deposit account (for additional fees)</p> <p>8. Deposit account number: <u>08-3436</u></p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
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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.

J. Michael Martinez de Andino   
Name of Person Signing      Signature      August 31, 2001  
Date

Total number of pages including cover sheet, attachments, and document: **20**

09/12/2001 LNUELLER 00000083 0525920  
01 FC:481 40.00 OP  
02 FC:482 25.00 OP

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

TRADEMARK REEL: 002365 FRAME: 0873

CONDITIONAL ASSIGNMENT AND  
TRADEMARK SECURITY AGREEMENT

**THIS CONDITIONAL ASSIGNMENT AND TRADEMARK SECURITY**

**AGREEMENT** (this "Agreement"), dated as of August 6, 2001, between ALFA LAVAL INC., a New Jersey corporation (the "Obligor"), and SKANDINAVISKA ENSKILDA BANKEN AB (publ), as agent (in such capacity, the "Agent") for the Security Beneficiaries pursuant to the Finance Documents (as such terms are defined below), provides:

RECITALS:

1. By a senior credit agreement dated August 22, 2000 (the "Facilities Agreement"), Skandinaviska Enskilda Banken AB (publ), DLJ Capital Funding, Inc. and UBS Warburg have arranged certain credit facilities to be provided to Alfa Laval Credit Finance AB and certain of its subsidiaries.
2. Certain banks (the "Hedging Banks") provide hedging facilities to Alfa Laval Credit Finance AB and/or certain of its subsidiaries pursuant to certain hedging agreements (the "Hedging Agreements").
3. Certain of the Lenders (as defined below) will provide certain ancillary facilities as contemplated by the Facilities Agreement (the "Ancillary Facilities").
4. Skandinaviska Enskilda Banken AB (publ) has been appointed as security agent to hold all security granted by Alfa Laval Credit Finance AB and certain of its subsidiaries in connection with the Facilities Agreement and the Hedging Agreements. The Facilities Agreement, the Hedging Agreements, the Ancillary Facilities and the Accession Deeds (defined

below) as the same may be amended, restated, extended, modified or replaced are together referred to as the "Finance Documents".

5. The existing lenders may transfer all or part of their participation in the Finance Documents. The lenders for the time being participating in the Facilities Agreement are hereinafter referred to as the "Lenders". The Lenders and the Hedging Banks and Skandinaviska Enskilda Banken AB (publ) as security agent are together referred to as the "Security Beneficiaries".

6. The Obligor, among others, has executed an accession deed to the Facilities Agreement for the purposes, inter alia, of providing a guarantee of all or certain of the obligations owed under the Finance Documents, acceding to the intercreditor deed in relation to the Facilities Agreement dated on or about the date of the Facilities Agreement, and acceding to the loss sharing agreement which inter alia deals with the application of monies recovered by the Lenders under the Facilities Agreement dated on or about the date of the Facilities Agreement (the "Accession Deed"). For the purposes of this Agreement, the Obligor's obligations under the Accession Deed and its other obligations owed to the Security Beneficiaries (or any of them) under or in connection with the Finance Documents are referred to as the "Secured Obligations".

7. The Obligor has entered into this Agreement in order to secure its liabilities in respect of the Secured Obligations.

8. References in this Agreement to the Finance Documents will be deemed to include references to those agreements as they may be amended, modified, varied or restated

from time to time (including, without limitation, by way of increase of the facilities made available thereunder). Similarly, references in this Agreement to Secured Obligations will be deemed to include any and all obligations which the Obligor may have under or in connection with the Finance Documents as the same may be so varied, amended, modified, novated or restated from time to time.

**DEFINITIONS:**

In addition to the other terms defined in the above Recitals, each of the following terms shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

“Agent”: Skandinaviska Enskilda Banken AB (publ), as Security Agent under the Facilities Agreement, for itself and on behalf of the Security Beneficiaries, its successors and assigns.

“Borrowers”: the parties named in the Finance Documents as Borrowers, as they may change from time to time, including, if applicable, one or more of the Guarantors.

“Declared Default”: the occurrence of an Event of Default as described in the Facilities Agreement, which has resulted in the Facility Agent exercising any of its rights under clause 22.2 of the Facilities Agreement.

“Group”: as defined in the Facilities Agreement.

“Guarantors”: the parties defined as Guarantors in the Facilities Agreement.

“Security Agreement”: Security Agreement dated as of August 22, 2000, among Alfa Laval Inc., a New Jersey corporation, Alfa Laval U.S. Holding Inc., a Delaware corporation, and Alfa Laval U.S. Treasury, Inc., a Delaware corporation, as Debtors, and the Agent.

“Trademark Agreement”: this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

NOW, THEREFORE, in consideration of the premises, the Obligor hereby agrees with the Agent as follows:

1. Grant of Security Interest.

To secure the complete and timely payment and performance of all Secured Obligations, the Obligor hereby grants, assigns and conveys to the Agent, for the benefit of the Security Beneficiaries, a security interest in the Obligor’s entire right, title and interest in and to the United States of America (the “U.S.”) trademarks and their respective registrations and applications for registration listed in Schedule A attached hereto and by reference made a part hereof, together with the goodwill of the business symbolized by the trademarks, all licenses relating thereto, and all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements (all of which trademarks, trademark registrations, applications for registration, goodwill, licenses, proceeds, and other rights are collectively called the “Trademarks”).

2. Representations and Warranties.

The Obligor covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, in the United States of America (the “U.S.”) or in any of the respective states thereof;

(b) Each of the Trademarks is valid and enforceable in the U.S. and the respective states thereof and all claims by others to rights in the Trademarks of which the Obligor is aware, including, without limitation, licenses, are noted on **Schedule B**, attached hereto and by reference made a part hereof;

(c) Except as noted on **Schedule B**, the Obligor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Trademarks, free and clear of any liens, charges, encumbrances, mortgages, hypothecations, pledges, liens or security interests, including, without limitation, covenants by the Obligor not to sue third persons and licenses;

(d) The Obligor has made all appropriate applications, filings and recordations to protect and maintain its interest in the Trademarks in the U.S. Patent and Trademark Office;

(e) The Obligor has the unqualified right, power and authority to execute, deliver and perform this Agreement;

(f) Until all of the Secured Obligations shall have been satisfied in full, the Obligor will not enter into any agreement which is inconsistent with the Obligor's obligations under this Agreement without the Agent's prior written consent; and

(g) The Obligor shall perform all acts and execute all documents reasonably requested by the Agent at any time and from time to time to evidence, perfect, maintain, record and enforce the Agent's security interest in the Trademarks, including, without limitation any trademarks falling under Paragraph 3.

3. Conditional Grant of Security Interest in Additional Trademarks.

If, before the Secured Obligations shall have been satisfied in full, the Obligor shall have or obtain ownership of any material trademark necessary for the running of the Group's business, including any registration or application therefor, with respect to Goods sold in the Obligor's business (the "Goods"), the provisions of Paragraph 1 shall automatically apply thereto, and also to any composite marks or other marks of the Obligor which are confusingly similar to such mark, and the Obligor shall give to the Agent prompt written notice thereof. This Paragraph 3 shall not apply to trademarks which are owned by others and licensed to the Obligor. The Obligor shall perform all acts and execute all documents reasonably requested by the Agent at any time and from time to time to evidence, perfect, maintain, record and enforce the Agent's security interest in the Trademarks, including, without limitation, any material trademarks falling under this Paragraph.

4. Modification of Agreement.

(a) The Obligor hereby authorizes the Agent to modify this Agreement by amending **Schedule A** to include any additional trademarks, registrations and applications for registration thereof which are material Trademarks under Paragraph 3 hereof, and to have this Agreement, as amended, or any other document evidencing the security interest granted therein, recorded in the United States Patent and Trademark Office at the expense of the Obligor. The representations and warranties of the Obligor shall be deemed to be remade and restated by the Obligor as of the date of the amendment of **Schedule A** with respect to all Trademarks listed on the amended **Schedule A** at that time. The Obligor shall have the right whenever **Schedule A** is

amended to amend **Schedule B** to reflect any claims by others to rights in the additional trademarks listed in the amended **Schedule A**.

(b) If no Declared Default is continuing and any of the Trademarks that are the subject of this Agreement cease to be Key Intellectual Property Rights then the Obligor shall give written notice to the Agent that this is the case and the Agent shall (at the Obligor's expense), as soon as reasonably practicable, and in any event no later than 21 days from receipt of such notice execute any documents necessary to release those Key Intellectual Property Rights from the security interest created hereunder.

5. **Covenants of Obligor.**

(a) With respect to each Patent listed on **Schedule A** or any amended **Schedule A**, the Obligor agrees that it shall notify the Agent promptly after it becomes aware of any alleged infringement of any of the Patents by a third party.

(b) Upon the Agent's request from time to time, the Obligor shall provide to the Agent an up-to-date list of all license agreements relating to or affecting the Patents listed on **Schedule A** or any amended **Schedule A**, together with the names and addresses of each licensee and, if requested by the Agent.

6. **Remedies Upon Default; Power of Attorney.**

(a) In addition to the grant of the security interest contained in Paragraphs 1 and 3 hereof, if any Declared Default shall have occurred and is continuing, or if the Obligor



fails to perform any agreement or to meet any of its obligations hereunder, upon the election of the Agent, all right, title and interest in and to the Trademarks, together with the goodwill of the businesses symbolized by the Trademarks, shall be granted, assigned, conveyed and delivered to the Agent or its designee as provided below. The Obligor hereby irrevocably constitutes and appoints the Agent and any officer, agent or employee 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 Obligor and in the name of the Obligor or the Agent's own name or the name of the Agent's designee, all acts of said attorney being hereby ratified and confirmed, upon the occurrence and continuation of a Declared Default: (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as **Exhibit A** and incorporated hereby by reference (the "Assignment") in the United States Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, including, without limitation, the right (but not the obligation) to prosecute applications in the name of the Obligor or the Agent, and to take any other actions deemed necessary by the Agent to maintain such registrations in effect; (ii) to collect proceeds from the Trademarks (including, by way of example, license royalties and proceeds of infringement suits); (iii) to convey in any transaction authorized by the Finance Documents, any Goods covered by the registrations applicable to the Trademarks to any purchaser thereof; and (iv) to make payment or to discharge taxes or liens levied or placed upon or threatened against any Goods covered by the Trademarks, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Agent in its sole discretion, and such payments made by the Agent to become the obligations of the

Obligor to the Agent, due and payable immediately without demand. Such power, being coupled with an interest, is irrevocable.

(b) The Agent shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be enforceable, and, without limiting the generality of the foregoing, the Agent may, if any Declared Default shall have occurred and be continuing, immediately, without demand or performance and without other notice (except as set forth below) or demand whatsoever to the Obligor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the Trademarks, together with the goodwill of the business symbolized by the Trademarks, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds in accordance with the terms of the Accession Deed. Notice of any sale or other disposition of the Trademarks shall be given to the Obligor at least ten (10) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which the Obligor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of the Obligor, which right is hereby waived and released. The Obligor hereby agrees to execute any documents reasonably requested by the Agent in connection with any disposition hereunder.

7. Termination of Agreement.

At such time as the Secured Obligations have been paid in full, the Agent shall, at the Obligor's expense, execute and deliver to the Obligor all deeds, assignments and other instruments as may be necessary or proper to release any liens and security interests hereby granted in the Trademarks and the goodwill of the business symbolized by the Trademarks, subject to any disposition thereof which may have been made by the Agent pursuant hereto.

8. Limitation of Liability and Indemnification.

The Obligor hereby releases the Agent and the Security Beneficiaries from, and agrees to hold the Agent and the Security Beneficiaries free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to the Trademarks (except to the extent of the Agent's or any Security Beneficiary's gross negligence or willful misconduct), and the Obligor agrees to defend and indemnify the Agent and each Security Beneficiary from and against any and all claims, demands, suits, losses, damages or other expenses (including reasonable attorneys' fees) arising from or in any way related to the Trademarks and any trademark infringement claim, except to the extent arising from the Agent's or such Security Beneficiary's gross negligence or willful misconduct.

9. Waiver and Amendment.

(a) No course of dealing between the Obligor and the Agent or any Security Beneficiary, nor any failure to exercise, nor any delay in exercising, on the part of the Agent or

any Security Beneficiary, any right, power or privilege hereunder or thereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) This Agreement is subject to modification only by a writing signed by the Obligor and the Agent.

10. Cumulative Rights.

All of the rights and remedies of the Agent and the Security Beneficiaries with respect to the Trademarks, whether established hereby or under the Security Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

11. Severability.

The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

12. Survival.

The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

13. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

14. Choice of Law.

The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto shall be governed by the laws of the Commonwealth of Virginia regardless of any choice of law or other provision that would result in the application of the laws of any other jurisdiction.

15. Notices.

Any notice to the Agent required or permitted by this Agreement shall be effective if given in accordance with the Facilities Agreement. Any notice to the Obligor required or permitted by this Agreement shall be effective if sent to the Obligor at the address shown on the signature page hereto.

16. Miscellaneous.

(a) If the Obligor has permission or authorization to take any action pursuant to the Finance Documents, it shall have the right to take such action notwithstanding any provision to the contrary in this Agreement.

(b) If there is a conflict between this Agreement and the Facilities Agreement, then (to the extent permitted by law) the provisions of the Facilities Agreement shall take priority over the provisions of this Agreement.

(c) The Obligor will promptly execute all documents and do all things as the Agent may require to perfect and protect the security created by this Agreement or to facilitate the enforcement or realisation of the security created hereby.

(d) The Obligor agrees that it will not do or cause or permit to be done anything which will, or could be reasonably expected to, materially adversely affect the security interest herein granted or the rights of the Agent hereunder or which in any way is inconsistent with or materially depreciates, jeopardises or otherwise prejudices such security interest.

[SIGNATURES APPEAR ON THE NEXT PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day  
and year first above written.

**OBLIGOR:**

**ALFA LAVAL INC.**

By: SPB. Puntt  
Title: VICE PRESIDENT  
Address: 9201 Wilmot Road  
P. O. Box 840  
Kenosha, WI 53141-0840, USA  
Attention: President and Chief Executive Officer  
Facsimile: (262) 942-3776

with a copy to:

Alfa Laval Inc.  
50 Crosley Terrace  
Hillsdale, NJ 07642, USA  
Attention: Director of Legal Matters  
Facsimile: (201) 722-1475

SCHEDULE A

**Listing of Trademark Registrations**

<b>Mark</b>	<b>U.S. Reg. No.</b>	<b>Status</b>	<b>Registered Proprietor</b>	<b>Legal Owner</b>
TRI-CLOVER	0525920	Registered	Tri-Clover, Inc.	Alfa Laval Inc.
TRI-CLOVER	0524952	Registered	Tri-Clover, Inc.	Alfa Laval Inc.



SCHEDULE B

**Liens and Claims of Third Parties**

None

EXHIBIT A

**Assignment of Trademarks and Goodwill**

THIS ASSIGNMENT, dated as of \_\_\_\_\_, from ALFA LAVAL INC., a New Jersey corporation (the "Assignor"), to SKANDINAVISKA ENSKILDA BANKEN AB (publ) (the "Assignee"), as Agent for the Security Beneficiaries pursuant to the Finance Documents, as such terms are defined in that certain Senior Credit Agreement dated August 22, 2000, pursuant to which Skandinaviska Enskilda Banken AB (publ), DLJ Capital Funding, Inc. and UBS Warburg have arranged certain credit facilities for Alfa Laval Credit Finance AB and certain of its subsidiaries, recites and provides:

WHEREAS, the Assignor is the owner of certain trademarks and service marks and the registrations and applications to register therefor listed in **Schedule A** hereto (the "Trademarks"); and

WHEREAS, the Assignee desires to obtain for the Security Beneficiaries (as defined in the Conditional Assignment and Trademark Security Agreement dated as of August 6, 2001 by the Assignor, in favor of the Assignee), all of the Assignor's right, title and interest in all such Trademarks.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Assignor hereby grants, assigns and conveys to the Assignee, as agent, its successors and assigns, the entire right, title and interest of the Assignor in and to the Trademarks, including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements, together with the goodwill of the business symbolized by the Trademarks.

The Assignor further agrees to execute such further instruments and documents and perform such further acts as the Assignee may deem necessary to secure to the Assignee the rights herein conveyed.

The Assignor warrants and represents that it is the sole owner of the interest conveyed hereunder and that such interest is not the subject of any prior transfer, assignment, lien, mortgage or other transaction which would affect the Assignor's ability to transfer such interest.

The Assignor further agrees to indemnify the Assignee and the Security Beneficiaries for any breach of the above warranty.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the day and year first above written.

ALFA LAVAL INC.

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

Address: 9201 Wilmot Road  
P. O. Box 840  
Kenosha, Wisconsin 53141-0840  
Attention: President and Chief Executive Officer  
Facsimile: (262) 942-3776

SCHEDULE A

**Listing of Trademarks Registrations**

<b>Mark</b>	<b>U.S. Reg. No.</b>	<b>Status</b>	<b>Registered Proprietor</b>	<b>Legal Owner</b>
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TRI-CLOVER	0524952	Registered	Tri-Clover, Inc.	Alfa Laval Inc.