

03-04-2008



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R SHEET U.S. DEPARTMENT OF COMMERCE
LY Patent and Trademark Office

Tab settings =>

To the Honorable Commission

... enclose the attached original documents or copy thereof.

1. Name of conveying party(ies):
Harry Winston, Inc.
718 Fifth Avenue
New York, NY 10019

2-28-08

- Individual(s)
 - General Partnership
 - Corporation-State: NY
 - Other _____
- Additional name(s) of conveying party(ies) attached? Yes No

- Association
- Limited Partnership

2. Name and address of receiving party(ies):
Name: HSBC BANK USA, N.A.

Internal Address: _____

Street Address: 452 Fifth Avenue

City: New York State: NY ZIP: 10017

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other Financial Institution

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

3. Nature of conveyances:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: February 22, 2008

4. Application Number(s) or registration number(s):
A. Trademark Application.(s)
See attached Schedule A

B. Trademark registration No.(s)
See attached Schedule A

Additional numbers attached? Yes No

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

Name: _____

Internal Address: _____

Street Address: _____

City: _____ State: _____ ZIP: _____

6. Total number of applications and registrations involved: 35

7. Total fee (37 CFR 3.41): \$ 890.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:
504274

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

DO NOT USE THIS SPACE

03/03/2008 NJHM1 00000041 504274 74111208
01 FC:8521 40.00 DA
02 FC:8522 050.00 DA

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

Graig Solow, Esq.
Name of Person Signing

Signature

February 26, 2008
Date

Total number of pages including coversheet, attachments and document: 15

Mail documents to be recorded with required coversheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20237

MATTHEW MAYER

Where indicated in the comments column, Harry Winston, Inc. may not be the owner of the listed trademark or Harry Winston, Inc.'s ownership of the listed trademark may be limited as indicated.

#	TRADEMARK	OWNER	COUNTRY	CLASS	APPLICATION NO.	APP. DATE	REGISTRATION NO.	REG. DATE	EXPIRATION DATE
1	718	HWI	United States	14	74-111258	11/1/1990	1,701,673	7/21/1992	7/21/2012
2	718 Seven Eighteen Collection (logo)	HWI	United States	14	74-111257	11/1/1990	1,711,558	9/1/1992	9/1/2012
3	Calyx	HWI	United States	14	78-917889	5/8/2007			
4	Castelani	HWI	United States	14	74-376,868	4/8/1993	1,813,229	12/21/1993	12/21/2013
5	Champagne Glass Logo	HWI	United States	14	74-102,927	10/4/1990	1,657,347	9/17/1991	9/17/2011
6	Churchill	HWI	United States	14	73-091,779	6/28/1976	1,071,391	8/16/1977	8/16/2007
7	Churchill	HWI	United States	14	73-662,165	5/21/1987	1,520,797	1/17/1989	1/17/2009
8	Harry Winston	HWI	United States	3	77-166545	4/26/2007			
9	Harry Winston	HWI	United States	3	73-643,416	2/6/1987	1,457,928	9/22/1987	9/22/2007
10	Harry Winston	HWI	United States	14	77-146,022	9/12/2007			
11	HW	HWI	United States	3	77-166606	4/26/2007			
12	HW	HWI	United States	3	73-643,407	2/6/1987	1,457,926	9/22/1987	9/22/2007
13	HW Lozenge Logo	HWI	United States	3	73-643,386	2/6/1987	1,461,581	10/20/1987	10/20/2007
14	HWI (logo)	HWI	United States	14	74-546,842	7/7/1994	1,929,448	10/24/1995	10/24/2015
15	Jeweler to the Stars	HWI	United States	35	74-102,926	10/4/1990	1,654,296	8/20/1991	8/20/2011
16	Luminosa	HWI	United States	14	75-295,923	5/21/1997	2,200,587	10/27/1998	10/27/2008
17	Manhattan Avenue	HWI	United States	14	74-533,411	6/6/1994	1,970,496	4/23/1996	4/23/2016
18	Northern Lights by Diamonds from Russia	HWI	United States	14	76/437913	8/5/2002	2,884,845	9/14/2004	9/14/2014
19	Ocean Collection	HWI	United States	14	74-299,418	7/30/1992	1,782,594	7/20/1993	7/20/2013
20	On the Square by Harry Winston	HWI	United States	14	77/209686	6/19/2007			
21	Petit Salon	HWI	United States	14	76/539675	8/25/2003			
22	Rare Jewels of the World	HWI	United States	14	74-120,002	12/4/1990	1,734,669	11/24/1992	11/24/2012
23	Rare Pearls of the World	HWI	United States	42	73-568,165	11/12/1985	1,400,799	7/8/1986	7/7/2016
23	Rare Pearls of the World	HWI	United States	35	75-406,880	12/16/1997	2,235,531	3/23/1999	3/23/2009

#	TRADEMARK	OWNER	COUNTRY	CLASS	APPLICATION NO.	APP. DATE	REGISTRATION NO.	REG. DATE	EXPIRATION DATE
24	Rodeo Mile	HWI	United States	14	74-046,048	4/5/1990	1,678,085	3/3/1992	3/3/2012
25	Seven Eighteen Collection	HWI	United States	14	74-111,256	11/1/1990	1,706,592	8/11/1992	8/11/2012
26	The A Cut	HWI	United States	14	74-341670	12/21/1992	1,912,458	8/15/1995	8/15/2005
27	The Court of Jewels	HWI	United States	14	75-090734	4/18/1996	2,116,878	11/25/1997	11/25/2007
28	The Nursery Rhyme Collection	HWI	United States	14	74-322045	10/13/1992	1,776,447	6/15/1993	6/15/2013
29	Twelve to Twilight	HWI	United States	14	76/579634	3/8/2004			
		HWI	United States	14	76/579635	3/8/2004	3,043,441	1/17/2006	1/17/2016
30	Winalloy	HWI	United States	14	74-612932	12/19/1994	2,022,465	12/10/1996	12/10/2016
31	Winston	HWI	United States	3	73-643,414	2/6/1987	1,457,927	9/22/1987	9/22/2007
32	Winston	HWI	United States	14	72-274,801	6/26/1967	848629	5/7/1988	5/7/2008
33	Zalium	HWI	United States	14	76/286718	7/19/2001	2933525	3/15/2005	3/15/2015

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "*Agreement*") is dated as of February 22, 2008, by and between HARRY WINSTON, INC., a New York corporation ("*Borrower*"), and HSBC BANK USA, N.A. ("*HSBC*"), acting as administrative agent hereunder for the Secured Creditors hereinafter identified and defined (HSBC acting as such administrative agent and any successor or successors to HSBC acting in such capacity being hereinafter referred to as the "*Agent*").

WITNESSETH:

A. The Borrower and HSBC, as Agent, have entered into a Credit Agreement dated as of the date hereof (such Credit Agreement, as the same may be amended or modified from time to time, including amendments and restatements thereof in its entirety, being hereinafter referred to as the "*Credit Agreement*"), pursuant to which HSBC and the other banks, and financial institutions and letter of credit issuer(s) from time to time party to the Credit Agreement (HSBC, in its individual capacity, and such other banks and financial institutions being hereinafter referred to collectively as the "*Lenders*" and individually as a "*Lender*" and such letter of credit issuers being hereinafter referred to collectively as the "*L/C Issuers*" and individually as a "*L/C Issuer*") have agreed, subject to certain terms and conditions, to extend credit and make certain other financial accommodations available to the Borrower (the Agent, the L/C Issuers, and the Lenders, together with any Affiliates of the Lenders party to any Hedging Agreements and/or Funds Transfer and Deposit Account Agreements referred to below, being hereinafter referred to collectively as the "*Secured Creditors*" and individually as a "*Secured Creditor*").

B. The Borrower and certain other members of the Harry Winston Group may from time to time (i) enter into one or more agreements with respect to, among other things, interest rate, foreign currency and/or commodity exchange, swap, cap, collar, floor, forward, option or other similar agreements with one or more of the Secured Creditors, for the purpose of hedging or otherwise protecting against interest rate, foreign currency and/or commodity exposure (such agreements as the same may be amended or modified from time to time being hereinafter referred to as "*Hedging Agreements*" and the liability of the Borrower and certain other members of the Harry Winston Group in respect of such Hedging Agreements being hereinafter referred to as "*Hedging Liability*") and (ii) enter into one or more agreements with the Secured Creditors, with respect to the execution or processing of electronic transfer of funds by automatic clearing house transfer, wire transfer or otherwise to or from any deposit account of the Borrower and certain other members of the Harry Winston Group now or hereafter maintained with any of the Secured Creditors, the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts, and other deposit, disbursement, and cash management services afforded to the Borrower and certain other members of the Harry Winston Group by any of the Secured Creditors (such agreements as the same may be amended or modified from time to time being hereinafter referred to as "*Funds Transfer and Deposit Account Agreements*" and the liability of the Borrower and certain other members of the Harry Winston Group in respect of such Funds Transfer and Deposit Account Agreements being hereinafter referred to as "*Funds Transfer and Deposit Account Liability*").

C. As a condition to extending credit to the Borrower under the Credit Agreement or entering into any Hedging Arrangement or Funds Transfer and Deposit Account Agreement, the Secured Creditors have required, among other things, that the Borrower grant to the Agent for the benefit of the Secured Creditors a lien on and security interest in the personal property of the Borrower described herein subject to the terms and conditions hereof.

NOW, THEREFORE, for good and valuable consideration, receipt whereof is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Defined Terms. (a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

Section 2. Incorporation of the Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

Section 3. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

Section 4. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Secured Obligations defined below, the Borrower hereby grants to the Secured Creditors, a security interest, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, in all of the Borrower's now owned or existing and hereafter acquired or arising:

(i) trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) the goodwill of the Borrower's business symbolized by the foregoing and connected therewith, and (e) all of the Borrower's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and

service marks, registered service marks and service mark applications, together with the items described in clauses (a)-(e) in this Section 4(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(ii) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether the Borrower is a licensee or licensor under any such license agreement, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof, in each case to the extent assignable without violation thereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by the Borrower and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses").

The Borrower hereby authorizes the Agent to file this Agreement, or a duplicate thereof, with the United States Patent and Trademark Office or with any other authority the Agent deems appropriate, and the Borrower agrees to cooperate with the Agent as the Agent may request in order to effectuate such filing or filings.

Section 5. Secured Obligations. This Agreement is made and given to secure, and shall secure, the prompt payment and performance when due of (a) any and all indebtedness, obligations, and liabilities of the Borrower to the Secured Creditors, and to any of them individually, under or in connection with or evidenced by the Credit Agreement or any other Loan Documents, including, without limitation, all obligations evidenced by the Notes of the Borrower heretofore or hereafter issued under the Credit Agreement, all obligations of the Borrower to reimburse the Secured Creditors for the amount of all drawings on all Letters of Credit issued pursuant to the Credit Agreement and all other obligations of the Borrower under all applications for Letters of Credit, all obligations of the Borrower with respect to any Hedging Liability, all obligations of the Borrower with respect to any Funds Transfer and Deposit Account Liability, and all obligations of the Borrower arising under any guaranty issued by it relating to the foregoing or any part thereof, in each case whether now existing or hereafter arising (and whether arising before or after the filing of a petition in bankruptcy and including all interest accrued after the petition date), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired and (b) any and all expenses and charges, legal or otherwise, suffered or incurred by the Secured Creditors, and any of them individually, in collecting or enforcing any of such indebtedness, obligations, and liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interest granted hereby (all of the indebtedness, obligations, liabilities, expenses, and charges described above being hereinafter referred to as the "Secured Obligations").

Section 6. Restrictions on Future Agreements. The Borrower agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would reasonably be expected to have a material adverse effect on the validity or enforcement of the rights collaterally assigned to the Agent under this Agreement or the rights associated with any material

Trademarks or Licenses, and in particular, the Borrower will not permit to lapse or become abandoned any Trademark or License if such lapse or abandonment would reasonably be expected to have a Material Adverse Effect.

Section 7. New Trademarks and Licenses. The Borrower represents and warrants that, as of the Closing Date, to the best of its knowledge after reasonable inquiry with the U.S. Patent and Trademark Office, (a) the Trademarks listed on Schedule A include all of the registered trademarks, trademark applications, registered service marks and service mark applications now owned or held by the Borrower, (b) the Licenses listed on Schedule B include all of the trademark license agreements and service mark license agreements under which the Borrower is the licensee or licensor and which are material individually or in the aggregate to the operation of the business of the Borrower and (c) other than the rights of any party to the Licenses with respect to the Trademarks, no liens, claims or security interests in such Trademarks and Licenses have been granted by the Borrower to any Person other than the Agent. If, prior to the termination of this Agreement, the Borrower shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals, whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of Section 4 above shall automatically apply thereto (but only, in the case of trademark licenses and service mark licenses where the Borrower is the licensee, to the extent such licenses are assignable without violation thereof, it being understood and agreed that the Borrower shall use commercially reasonable efforts to ensure that such licenses are assignable for security purposes). The Borrower shall give to the Agent written notice, to the best of its knowledge after reasonable inquiry, of events described in clauses (i), (ii) and (iii) of the preceding sentence not less frequently than on an annual basis. The Borrower hereby authorizes the Agent to modify this Agreement unilaterally (i) by amending Schedule A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications owned or held by the Borrower or to prepare this Agreement for filing with the Patent and Trademark Office and by amending Schedule B to include any trademark license agreements and service mark license agreements (A) to which the Borrower becomes a party, and (B) which are Trademarks or Licenses under Section 4 above or under this Section 7, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

Section 8. Royalties. The Borrower hereby agrees that when an Event of Default has occurred and is continuing the use by the Agent of the Trademarks and Licenses as authorized hereunder in connection with the Agent's exercise of its rights and remedies under Section 16 hereof or pursuant to Section 10 of the Security Agreement shall be coextensive with the Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent or the other Secured Creditors to the Borrower.

Section 9. Further Assignments and Security Interests. From and after the occurrence of an Event of Default, the Borrower agrees that the Agent, or a conservator appointed by the Agent, shall have the right to establish such reasonable additional quality controls as the Agent or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of Inventory marketed by the Borrower under the Trademarks and the Licenses or in connection with which such Trademarks and Licenses are used. The Borrower agrees (i) except as provided in Section 6.14 of the Credit Agreement, not to sell or assign its respective interests in (other than the grant of licenses in the ordinary course of the Borrower's business) the Trademarks or the Licenses without the prior and express written consent of the Agent and (ii) to maintain the quality of such Inventory as of the date hereof.

Section 10. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall terminate only when the Secured Obligations, both principal and interest, have been fully paid and satisfied and the commitments of the Lenders to extend credit to or for the account of the Borrower under Credit Agreement have expired or otherwise terminated. In the event of a permitted disposition of any Trademarks or Licenses under any Loan Document, the continuing security interest in such Trademarks or Licenses created by this Agreement shall be terminated. Upon such termination and at the written request of the Borrower or its successors or assigns, and at the cost and expense of the Borrower or its successors or assigns, the Agent shall execute in a timely manner such instruments, documents or agreements as are necessary or desirable to terminate the Agent's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by the Agent pursuant to this Agreement or the Security Agreement.

Section 11. Duties of the Borrower. The Borrower shall have the duty, to the extent determined by the Borrower to be desirable in the normal conduct of the Borrower's business, to: (i) prosecute diligently any material trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, and (ii) make application for the registration of trademarks or service marks used or adopted by the Borrower, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect on the validity or enforceability of the collateral rights assigned hereunder without the prior written consent of the Agent. The Borrower further agrees (i) not to abandon any Trademark or License if such abandonment could reasonably be expected to have a Material Adverse Effect without the prior written consent of the Agent, and (ii) to use its reasonable best efforts to obtain and maintain in full force and effect the Trademarks and the Licenses that are or shall be necessary or economically desirable in the operation of the Borrower's business. Any expenses incurred in connection with the foregoing shall be borne by the Borrower. None of the Agent or the other Secured Creditors shall have any duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, none of the Agent or the other Secured Creditors shall be under any obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but the Agent may do so at its option from and after the occurrence and during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of the Borrower and shall be added to the Secured Obligations secured hereby.

Section 12. *The Agent's Right to Sue.* From and after the occurrence and during the continuance of an Event of Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Licenses and, if the Agent shall commence any such suit, the Borrower shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Agent in aid of such enforcement. The Borrower shall, upon demand, promptly reimburse the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this Section 12 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Agent).

Section 13. *Waivers.* The Agent's failure, at any time or times hereafter, to require strict performance by the Borrower of any provision of this Agreement shall not waive, affect or diminish any right of the Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Borrower and the Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Borrower contained in this Agreement shall be deemed to have been suspended or waived by the Agent unless such suspension or waiver is in writing signed by an officer of the Agent and directed to the Borrower specifying such suspension or waiver.

Section 14. *Severability.* Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but 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 hereof, 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.

Section 15. *Modification.* This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 7 hereof or by a writing signed by the parties hereto.

Section 16. *Cumulative Remedies; Power of Attorney.* The Borrower hereby irrevocably designates, constitutes and appoints the Agent (and all Persons designated by the Agent in its sole and absolute discretion) as the Borrower's true and lawful attorney-in-fact, and authorizes the Agent and any of the Agent's designees, in the Borrower's or the Agent's name, to take any action and execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, from and after the occurrence and during the continuance of an Event of Default and the giving by the Agent of notice to the Borrower of the Agent's intention to enforce its rights and claims against the Borrower, to (i) endorse the Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use, prosecution or protection of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms (but subject to the terms thereof), (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or under the Licenses, to anyone on commercially reasonable terms (but only, in the case of Licenses, to the extent permitted under

such Licenses), and (iv) take any other actions with respect to the Trademarks or, to the extent permitted, the Licenses as the Agent deems in its own best interest or in the best interest of the Lenders or the L/C Issuers. The Borrower hereby ratifies all that such attorney shall lawfully do or, to the extent permitted, cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Secured Obligations, both principal and interest, shall have been fully paid and satisfied and the commitments of the Lenders to extend credit to or for the account of the Borrower under the Credit Agreement shall have expired or otherwise terminated. The Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent or the other Secured Creditors under the Loan Documents, but rather is intended to facilitate the exercise of such rights and remedies.

The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any relevant jurisdiction in which the Trademarks or the Licenses may be located or deemed located. Upon the occurrence and during the continuance of an Event of Default and the election by the Agent to exercise any of its remedies under the Uniform Commercial Code with respect to the Trademarks and Licenses, the Borrower agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Licenses to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Agent's sole discretion exercised in a commercially reasonable manner, to effect such assignment, conveyance and transfer. All of the Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Security Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, the Agent may exercise any of the rights and remedies provided in this Agreement, the Security Agreement and any of the other Loan Documents. The Borrower agrees that any notification of intended disposition of any of the Trademarks and Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; *provided, however*, that the Agent may give any shorter notice that is commercially reasonable under the circumstances.

Section 17. Successors and Assigns. This Agreement shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of each of the Agent and the other Secured Creditors, and each of their respective nominees, successors and assigns. The Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for the Borrower; *provided, however*, that the Borrower shall not voluntarily assign or transfer its rights or obligations hereunder without the Agent's prior written consent.

Section 18. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed in all respects in accordance with the internal laws and decisions of the State of New York.

Section 19. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in Section 10.8 of the Credit Agreement.

Section 20. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

Section 21. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

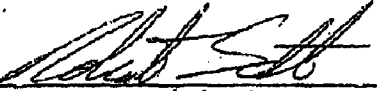
Section 22. Consent to Jurisdiction and Service of Process. The Borrower agrees that the terms of Section 10.23 of the Credit Agreement with respect to consent to jurisdiction and service of process shall apply equally to this Agreement.

Section 23. WAIVER OF JURY TRIAL. EACH OF THE BORROWER AND THE AGENT WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN THE AGENT AND THE BORROWER ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. EITHER THE BORROWER OR THE AGENT MAY FILE AN ORIGINAL COUNTERPART OR COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

HARRY WINSTON, INC.

By 
Name: Robert Scott
Title: CFO

Accepted and agreed to as of the day and
year first above written.

HSBC BANK USA, N.A., as Agent

By _____
Name:
Title:

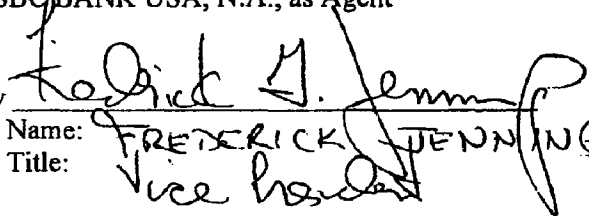
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

HARRY WINSTON, INC.

By _____
Name:
Title:

Accepted and agreed to as of the day and year first above written.

HSBC BANK USA, N.A., as Agent

By 
Name: FREDERICK JENNINGS
Title: Vice President

**SCHEDULE A
TO
TRADEMARK SECURITY AGREEMENT**

Dated as of February 22, 2008

TRADEMARKS, ETC., AND APPLICATIONS

See attached.

**SCHEDULE B
TO
TRADEMARK SECURITY AGREEMENT**

Dated as of February 22, 2008

LICENSE AGREEMENTS

None.