

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	ASSIGNMENT
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CONVEYING PARTY DATA	
Name	Execution Date
Renold PLC	08/03/2006

RECEIVING PARTY DATA	
Name:	Schaeffler Chain Drive Systems SAS
Street Address:	Industriestrasse 1-3
City:	91074 Herzogenaurach
State/Country:	GERMANY

PROPERTY NUMBERS Total: 2	
Property Type	Number
Application Number:	10959815
Application Number:	10886429

CORRESPONDENCE DATA	
Fax Number:	(703)739-2815
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Email:	kclapham@cpaglobal.com
Correspondent Name:	Mrs Katie Clapham
Address Line 1:	CPA 11-15 Seaton Place
Address Line 2:	Jersey
Address Line 4:	Channel Islands, UNITED KINGDOM JE1 1BL

NAME OF SUBMITTER:	Katie Clapham
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Total Attachments: 13
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DATED AUGUST 3, 2006

RENOLD PLC

and

SCHAEFFLER CHAIN DRIVE SYSTEMS SAS

RENOLD ASSIGNMENT

AND

PATENT BACK-LICENSING AGREEMENT

En accord entre les parties, les présentes ont été reliées par le procédé ASSEMBLACT R.C. empêchant toute substitution ou addition et sont seulement signées à la dernière page.



- 1.4.3. a reference to a Recital, Clause or Schedule is to a recital, clause or schedule of or to this Agreement;
- 1.4.4. all Recitals and Schedules form part of this Agreement;
- 1.4.5. a reference to any Party includes that Party's executors, administrators, substitutes, successors and permitted assigns;
- 1.4.6. headings are for convenience only and shall not affect interpretation;
- 1.4.7. a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time.

2. ASSIGNMENT OF INTANGIBLE RENOLD ASSETS

- 2.1. With effect from the date hereof, the Assignor hereby assigns to the Assignee, its entire, right, title and interest in and to the Intangible Renold Assets. The Assignee accepts such assignment.
- 2.2. The Assignee shall, as soon as reasonably practicable, after the date hereof, prepare and record, and assume the cost (including all out-of-pocket expenses) of obtaining, preparing, executing, notarising, legalising and/or recording, any instrument of transfer, conveyance and/or assignment or any other document needed for the purpose of transferring the Assignor's title or interest in the assigned Intangible Renold Assets to the Assignee, and the Assignor shall from time to time, at the Assignee's reasonable cost and expense, execute and deliver all such instruments of transfer, conveyance and/or assignment as the Assignee may provide to it and reasonably require for that purpose. The Assignee shall promptly reimburse the Assignor for any costs or expenses incurred by the Assignor for which the Assignee is responsible hereunder. For the avoidance of doubt, the Assignee shall be responsible for paying all transfer taxes, stamp duties and all other government taxes and duties and any other fees payable in relation to the assignment and transfer, and the recordal of the assignment and transfer, of the assigned Intangible Renold Assets. For the avoidance of doubt, Subclause 4.4 of this Agreement shall remain fully intact and valid.

3. LICENCE OF PATENTS

- 3.1. The Assignee hereby grants to the Assignor, on the terms and conditions set out herein, a worldwide, royalty-free, perpetual, irrevocable, non-exclusive licence under the Patents listed in Schedule 3.1 to carry out, in the field of the production of chains for industrial applications but not regarding the design, development, manufacture, assembly, use and distribution of chain drive systems for automotive power train and internal combustion engine applications (e.g. cam drive, balance shaft, oil pump, vacuum pump and water pump drives), any activity in relation to the Patents which, absent this licence, would constitute an infringement or actionable misuse of such rights. Any licences and other rights granted by the Assignee to third parties after the date hereof will be subject to the licence granted to the Assignor with effect from the date hereof. For information purposes, the valuation of the Patents is EUR 270,000, and has been taken into account in the Initial Purchase Price (as defined in the SPA).

- 3.2 The Assignor shall not use or licence or sub-licence the Patents except as specifically authorised under this Agreement.
- 3.3 No right or licence is hereby granted nor is any to be implied under any intellectual property right other than the Patents.

4. ASSIGNMENT AND SUBLICENSING OF RIGHTS

- 4.1 The Assignee may assign this Agreement in whole or in part and the Assignee may assign any part or the whole of its rights in the Patents to any affiliate of the Assignee or to any person, firm or company without the consent of the Assignor, subject always to the Assignee's obligations under this Agreement and to the Assignor's non exclusive licence in the Patents under this Agreement.
- 4.2 The Assignor may not assign (save as set out in the next sentence), charge or mortgage the benefit of all or any of its rights under this Agreement in relation to the Patents without the Assignee's prior written consent, which shall not be unreasonably withheld. In the event that the Assignor disposes of the whole or any part of its business in relation to which the Patents are licensed, then it shall be free to assign its rights under this Agreement without the Assignee's consent as part of that disposal but undertakes to notify Assignee before such assignment.
- 4.3 The Assignor may sub-licence the rights to the Patents granted under Clause 3 to any of its affiliates without the Assignee's consent save that
- 4.3.1. any such sub-licence shall terminate, and shall specify that it shall terminate, if the relevant sub-licensee ceases to be an affiliate of the Assignor;
- 4.3.2. any such sub-licence granted pursuant to this Subclause 4.3 shall contain limitations, acknowledgements and restrictions on the sub-licensee identical to or more restrictive or limited than those set out in this Agreement; and
- 4.3.3. the Assignor shall be responsible as between itself and the Assignee for the observance by its sub-licensee of the obligations contained in this Agreement as if such sub-licensee were the Assignor and any act of omission of a sub-licensee which would if carried out or not carried out by the Assignor, have been a breach of this Agreement by the Assignor, shall be deemed as a breach of this Agreement by the Assignor.
- 4.4 The Assignor shall bear any and all taxes, duties or other costs which may be imposed or levied by any government or similar authority with respect to the license grant and shall indemnify the Assignee with respect to any such costs, taxes, duties or similar expenses.

5. LIMITATION OF LIABILITY

Without prejudice to the SPA, neither Party nor any of its employees, servants or agents shall be liable to satisfy any claims, contractual or otherwise (other than claims based on negligence or alleged negligence of, breach of any of the provisions of this Agreement by that Party or any of its employees, servants or agents) made by or against the other Party arising out of this Agreement or anything done hereunder (including, but not limited to, the other Party's use of Patents licensed hereunder to manufacture and sell or supply products), and the other Party undertakes to make no claim (in contract or otherwise) against that Party or any of its employees, servants or agents in respect of any cost, expenses or damages incurred or any loss

suffered (including consequential loss and loss of profits or of the business (whether indirect, foreseeable or unforeseeable)) by the other Party thereby.

6. NO WARRANTIES

No warranties, representations, conditions or undertakings are given by the Assignee in or under this Agreement as to the Patents whatsoever including, without limitations, as to Assignee's title thereto, as to the Patents quality or performance or as to conflicting third party rights or infringement of third party rights or infringement of third party rights and any warranties, terms, representations or conditions which may have been otherwise implied by law, statute or otherwise into this Agreement relating to the Patents or otherwise are hereby expressly excluded, to the fullest extent permitted by law.

7. TERM

The licence granted under Clause 3 shall come into effect on the date hereof and shall continue until the last of the Patents has expired or been abandoned, or for such other period as is permitted in law, and shall then expire.

8. TERMINATION

8.1. Without prejudice to any other right or remedy which may be available to the Assignee, the Assignee may terminate the rights granted to the Assignor under this Agreement with immediate effect at any time by giving a written notice of termination in case the Assignor (or where the licence has been assigned in accordance with Subclause 4.2, the Assignor's successor in title)

8.1.1. summons a meeting of its creditors, makes a proposal for a voluntary arrangement, becomes subject to any voluntary arrangement, is unable to pay its debts within the meaning of section 123 Insolvency Act 1986, has a receiver, manager or administrative receiver appointed over any of its assets, undertaking or income, has passed a resolution for its winding-up (save for the purpose of a voluntary reconstruction or amalgamation), is subject to a petition presented to any Court for its winding-up (save for the purpose of a voluntary reconstruction or amalgamation), has a provisional liquidator appointed, has a proposal made for a scheme of arrangement under section 425 Companies Act 1985, has an administrator appointed in respect of it or is the subject of an application for administration filed at any court or a notice of appointment of an administrator filed at any court or a notice of intention to appoint an administrator given by any person or is the subject of a notice to strike off the register at Companies House;

8.1.2. the equivalent of any of the above occurs to Assignor's successor in title under the jurisdiction to which that party is subject.

8.2. Without prejudice to any other right or remedy which may be available to the Assignee, the Assignee may terminate the rights granted to the Assignor under this Agreement with immediate effect by giving written notice of termination in case the Assignor commits a material breach of any provision of this Agreement and fails to remedy such breach within ninety (90) days of receiving a written notice from the Assignee specifying such breach and requiring the same to be remedied.

8.3. In case of termination of the SPA, the assigned Intangible Renold Assets shall be re-assigned to the Assignor and all rights granted to the Assignor under this Agreement

shall terminate automatically on the same date on which those assigned Intangible Renold Assets are reassigned to the Assignor.

9. ASSIGNOR'S OBLIGATIONS

- 9.1. The Assignor shall be exclusively responsible for its use of the Patents and the manufacture and sale or other disposal of products manufactured by the Assignor and accordingly, the Assignor hereby indemnifies the Assignee against all actions, claims, costs, demands, expenses and other liabilities suffered or incurred by the Assignee as a result of or arising from the Assignor's use of the rights granted to the Assignor herein or relating to the exercise by the Assignor of the rights granted to the Assignor under or in connection with this Agreement, or arising out of the performance or non performance by the Assignor of this Agreement.
- 9.2. The Assignor shall promptly upon becoming aware of such, report to the Assignee particulars of any action by any other person which might constitute an infringement of the Patents or amount to unfair competition in relation thereto.
- 9.3. The Assignor shall, at the Assignee's cost, assist the Assignee as the Assignee may reasonably require to protect the Patents and, for that purpose, the Assignor shall lend its name to or join as a party to any infringement proceedings or other litigation conducted by the Assignee. In case the Assignee, during the term of this Agreement, does not wish to initiate proceedings against third parties infringing the Patents or does not wish to take measures which may be required to protect and/or maintain the Patents, the Assignor shall be free to take any measures the Assignor deems necessary or useful at its own cost. The Assignee shall, at the Assignor's reasonable request and at the Assignor's cost, provide such assistance to the Assignor as may be reasonably required to take such measures.

10. CONSEQUENCES OF TERMINATION

- 10.1. Upon termination of the license granted under this Agreement for any reason other than as a result of expiry of the license as set out in Clause 7, the Assignor shall cease the use of the Patents, provided that the Assignor shall continue to have the right for a period of 30 days from the date of termination to complete deliveries on contracts in force at that date and to dispose of Products already manufactured.
- 10.2. Termination of this Agreement or any licence or right granted hereunder shall not release any Party from any obligation accrued hereunder on or before the termination of the relevant licence or right.
- 10.3. The following Clauses shall remain in force following termination of this Agreement:
 - Clause 5 - Limitation of Liability;
 - Clause 6 - No Warranties;
 - Clause 10 - Consequences of Termination;
 - Clause 11 - Dispute Resolution;
 - Clause 12 - Miscellaneous;

Clause 13 - Notices and Service

11. DISPUTE RESOLUTION

- 11.1 In the event of any dispute arising between the Parties out of, or in connection with this Agreement either Party shall be entitled to seek to have such dispute resolution procedure set out in this Clause 11. The dispute resolution procedure under this Clause shall be initiated by either Party giving notice to the other that it wishes to initiate the procedure and the matters to be resolved by the procedure.
- 11.2 From the point at which a notification pursuant to Subclause 11.1 is received by either Party any further charges or costs incurred by either Party in resolving the dispute in question shall be borne by the Party such charges or costs.
- 11.3 On receipt of a notification pursuant to Subclause 11.1, the Parties shall in the first instance promptly refer the matter to a senior business manager nominated by the Assignee and a senior business manager nominated by the Assignor (the "Representatives"). If the relevant Assignee Representative and the relevant Assignor Representative are unable to resolve any dispute referred to in Subclause 11.1 by good faith negotiations, the matter shall be referred to the Head of Schaeffler KG's Intellectual Property department and a person of equal seniority within the Assignor who shall seek to resolve the matter within 30 days of such referral.

12. MISCELLANEOUS

- 12.1. This Agreement is governed by and shall be construed in accordance with German Law.
- 12.2. Subject to Clause 11 the Parties irrevocably agree that the courts of Germany shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement. Nothing in this Agreement shall prevent either Party raising proceedings for injunctive relief in respect of infringements of intellectual property rights or breach of restrictions in any appropriate form.
- 12.3. Any waiver by either Party of any rights arising from any breach by the other will not be construed as a waiver of other breaches of the same nature or of any other terms of this Agreement. No waiver shall be effective unless in writing and signed by authorized representatives of both Parties.
- 12.4. No variation of this Agreement shall be effective unless in writing and signed by authorized representatives of both Parties.
- 12.5. Should any provision of this Agreement be held to be illegal, invalid or unenforceable in any respect by any tradition or other competent authority under the law of any jurisdiction:
- 12.5.1. Such provision shall, so far as it is illegal, invalid or unenforceable in any jurisdiction, be given no effect by the Parties and shall be deemed not to be included in this Agreement in that jurisdiction;
- 12.5.2. The other provisions of this Agreement shall be binding on the Parties in that jurisdiction as if such provision were not included herein;

- 12.5.3. The legality, validity and enforceability of the provision in any other jurisdiction shall not be effected or impaired; and
- 12.5.4. The Parties shall negotiate in good faith to amend such provision to the extent possible for incorporation herein in such reasonable manner as most closely achieves the intention of the Parties without substantially impairing the Parties' original interests and without rendering such provision invalid or unenforceable.
- 12.6. Nothing in this Agreement shall be construed so as to constitute either Party to be the agent of the other.
- 12.7. Nothing in this Agreement and no action taken by the Parties pursuant to this Agreement shall constitute a partnership or joint venture of any kind between the Parties hereto.
- 12.8. This Agreement and the SPA represent the entire agreement between the Parties in relation to the subject matter of this Agreement and supersede any previous agreements whether written or oral between the Parties in relation to that subject matter. Accordingly, all other conditions, representations and warranties which would otherwise be implied (by law or otherwise) shall not form part of this Agreement. Each of the Parties acknowledges and agrees that in entering into this Agreement, it does not rely on any statement, representation, warranty, forecast, expression of opinion or undertaking, of any nature, whatsoever made by any person (including the other Party or any of its employees, directors, professional advisors or agents) not expressly included in the SPA or this Agreement as a warranty ("a prior representation"). Each Party undertakes that in entering into this Agreement it has only relied on the express warranties and representations contained in this Agreement and the SPA and agrees that its only remedy for breach of any of such shall be damages in contract for breach of warranty or contract under the terms of the SPA or this Agreement and not rescission or termination of this Agreement, nor any other remedy. To the extent that, notwithstanding the foregoing, a prior representation has been made and has then be relied upon by a Party in entering into this Agreement, that Party unconditionally and irrevocably waives any claims, rights or remedies it may have in relation thereto. Notwithstanding the foregoing and the other terms of this Agreement, nothing in this Agreement is intended to exclude either Parties liability for fraud or fraudulent misrepresentation.

13. NOTICES AND SERVICE

- 13.1. All notices and other communications given or made in relation to this Agreement:
- 13.1.1. shall be in English and in writing;
- 13.1.2. shall be delivered by hand or sent by first class courier or by facsimile;
- 13.1.3. shall be delivered or sent to the Party concerned at the relevant address or facsimile number shown in Subclause 13.2 (subject to such amendment as may be notified from time to time in accordance with this Clause by the relevant Party to the other Party by no less than 3 business days notice); and
- 13.1.4. shall be deemed to have been duly given or made if addressed in the aforesaid manner.

- (a) If delivered by hand, upon delivery;
- (b) if posted by first class courier at the sixth business day after posting;
- (c) if sent by facsimile, when a complete and legible copy of the communication has been received at the appropriate address,

provided that if any notice or other communication would otherwise become effective on a non business day or after 5 p.m. on a business day, it shall instead be deemed to be given at 10 a.m. on the next business day.

13.2. The initial details for the purpose of Subclause 13.1.3 are in the case of the Assignor:

The Company secretary for RENOLD PLC, RENOLD HOUSE, Styal Road, Wythenshabe, Manchester, M22 5WL, United Kingdom, Tel Fax +44 161 437 77 82

and in the case of the Assignee:

Mr. Klaus Hahn, Director Product Line Belt and Chain Drive, Schaeffler KG, Industriestraße 1 – 3, 91074 Herzogenaurach, Germany, Tel Fax +49 - 9132 - 82-45 15 09

14. COUNTERPARTS

This Agreement may be executed in more than one counterpart, each of which when executed and delivered shall be deemed to constitute an original. This Agreement shall become effective when one or more counterparts have been signed by each of the Parties and such counterparts (so signed) have been delivered to each of the Parties.

15. SPA

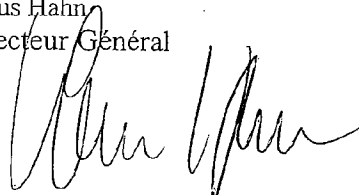
If any of the provisions, terms and/or conditions of this Agreement is in conflict with the provisions, terms and/or conditions of the SPA, including the Annexes thereto, the provisions in the SPA shall prevail and supersede this Agreement.

RENOLD PLC

SCHAEFFLER CHAIN DRIVE SYSTEMS SAS

By : Robert Davies
Title : Proxy holder

By : Klaus Hahn
Title : Directeur Général



Schedule 2.1

Intangible Renold Assets

<u>No.</u>	<u>Country</u>	<u>Appl.No.</u>	<u>Pat.No.</u>	<u>Renewal</u>	<u>Client's reference</u>	<u>M&C File</u>
1.	Great Britain		EP (GB) 1092103	06-29-2006	Active chain tensioner	P03367
2.	Germany		DE 69902544.3	06-29-2007		P03367
3.	France		EP (FR) 1092103	06-29-2007		P03367
4.	USA		US 6746352	12-08-2007		P88178
5.	Germany		EP (DE) 1197679	10-05-2006	Annular ratchet tensioner	P03660
6.	Great Britain		EP (GB) 1197679	10-05-2006		P03660
7.	USA		US 6849012	08-01-2008		P88753
8.	Germany		EP (DE) 1184593	08-24-2006	Profiled chain drive I & II	P03607
9.	Great Britain		EP (GB) 1184593	08-24-2006		P03607
10.	USA		US 6652402	05-25-2007	Chain drive profiled plates	P88716
11.	Germany		EP (DE) 1184594	08-24-2006	Sulphurised plates	P03610

No.	Country	Patent No.	Issue Date	Priority Date	Patent No.	Issue Date	Priority Date	Patent No.	Issue Date	Priority Date	Patent No.
12.	Great Britain			EP (GB) 1184594	08-24-2006						P08616
13.	USA			US 6539699	10-01-2006						P88715
14.	Germany			DE 19961815.1	12-21-2006						P88317
15.	USA			US 6656071	06-02-2007						P88317
16.	Germany			DE 69705793.3	10-01-2006						P02531
17.	USA			US 5993339	07-30-2007						P87809
18.	Great Britain	0601845.1									P90088
19.	Great Britain			GB 2375157	05-05-2007						P88890
20.	Europe	03257424.6									P04556
21.	Great Britain			GB 2259964	09-14-2006						P86643

NO.	COUNTRY	APP. NO.	EP. NO.	EXPIRY DATE	DESCRIPTION	PAT. NO.
22.	Great Britain		EP(GB) 1215415	12-03-2006	Tensioner with grooved thread	P03716
23.	Germany		EP(DE) 1215415	12-03-2006		P04769
24.	Europe	04254162.3		07-13-2006	Tensioner with grooved plunger	P89436
25.	USA	10/886429		None yet		
26.	USA	10/959.815		None yet	Silent chain with refined grain steel	P89494
27.	Great Britain	0323418.4		None yet		P89494
28.	Great Britain	0607775.4		None yet	CIP tensioner	P90109

Patents (including foreign patents)

1.	Germany		EP (DE) 1184593		filed chain drive I & II	P03607
2.	Great Britain		EP (GB) 1184593			P03607
3.	USA		US 6652402		chain drive profiled plates	P88716
4.	Germany		EP (DE) 1184594		profiled plates	P03610
5.	Great Britain		EP (GB) 1184594			P03610
6.	USA		US 6539699			P88715
7.	USA	10/959,815			Sheet chain with refined grain steel	P89494
8.	Great Britain	0323418,4			None yet	P89494
9.	Japan	2003-421022			Chain for continuously variable transmission, corresponding continuously variable transmission and engine	
10.	USA	10/736781				
11.	France	Dep No 147183			Chain for continuously variable transmission with swivel axis and globally triangular section	

RECEIVED
JAN 28 1968
FBI - NEW YORK

PATENT

REEL: 019118 FRAME: 0538

RECORDED: 04/05/2007