

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Release of Security Agreement

CONVEYING PARTY DATA

Name	Execution Date
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	09/28/1998
MASSMUTUAL CORPORATE INVESTORS	09/28/1998
MASSMUTUAL PARTICIPATION INVESTORS	09/28/1998

RECEIVING PARTY DATA

Name:	UNIPAC CORPORATION
Street Address:	125 Edward Street
City:	Aurora
State/Country:	ONTARIO
Postal Code:	L45 1W3

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	5004111
Patent Number:	5265745

CORRESPONDENCE DATA

Fax Number: (847)724-4160

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 847-657-4023

Email: menger@itw.com

Correspondent Name: Marzena Enger

Address Line 1: 3600 West Lake Avenue

Address Line 4: Glenview, ILLINOIS 60026

ATTORNEY DOCKET NUMBER:

UNIPAC

NAME OF SUBMITTER:

Marzena Enger

Total Attachments: 65

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PATENT

REEL: 020733 FRAME: 0895

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## TERMINATION AND RELEASE OF SECURITY INTERESTS IN INTELLECTUAL PROPERTY

WHEREAS UNIPAC CORPORATION, an Ontario corporation with offices at 125 Edward Street, Aurora, Ontario, L4S 1W3, CANADA ("Debtor") entered into a Security Agreement dated as of February 9, 1996 (the "Security Agreement") with MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, MASSMUTUAL CORPORATE INVESTORS and MASSMUTUAL PARTICIPATION INVESTORS (collectively the "Secured Parties").

WHEREAS, Debtor granted to the Secured Parties, under the terms of the Security Agreement, a continuing security interest (the "Security Interest") in favor of the Secured Parties in and to, among other things, Intellectual Property Collateral (as defined in the Security Agreement);

WHEREAS Debtor granted the Security Interest to the Secured Parties in order to secure the complete and timely satisfaction of certain Secured Obligations (as defined in the Security Agreement) of Debtor;

WHEREAS all of the Secured Obligations have been completely and timely satisfied, and the Secured Parties are therefore obligated to release the Security Interest;

NOW, THEREFORE, in consideration of the foregoing and intending to be legally bound, the Secured Parties hereby release the Security Interest, hereby waive and relinquish all their rights, powers, privileges and remedies with respect to Debtor and its successors and assigns under the Security Agreement, hereby sell, assign, transfer and set over to Debtor and its successors and assigns any right, title or interest in or to the Intellectual Property Collateral, including without limitation any Intellectual Property Collateral that Debtor may have acquired, and hereby release Debtor, its successors and assigns from all covenants, obligations, liabilities and warranties under the Security Agreement.

Dated as of September 28, 1998

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Nicholas Wenzel

Name: \_\_\_\_\_

**Title:**

## MASSMUTUAL CORPORATE INVESTORS

By: Michael J. Jensen

Name:

**Title:**

## MASSMUTUAL PARTICIPATION INVESTORS

By: Michael J. Roman

Name:

Title:

## PATENT

REEL: 020733 FRAME: 0898

MASSMUTUAL CORPORATE VALUE  
PARTNERS, LIMITED

By: MASSACHUSETTS LIFE INSURANCE  
COMPANY, its investment manager *gm*

By: *Michael Wherman*

Name:

Title:

Acknowledged and accepted

UNIPAC CORPORATION

By: *[Signature]*

Name:

Title:

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**EXHIBIT A**  
**CONTINUATION OF ITEM NO. 4**

**U.S. Patent Nos.**

4,327,147	4,778,698
4,436,213	4,789,074
4,503,123	4,818,577
4,576,297	4,930,646
4,579,240	4,934,544
4,588,099	5,226,281
4,588,465	4,935,273
4,650,082	5,004,111
4,684,554	5,012,946
4,772,650	5,265,745
4,733,786	5,372,268

**U.S. Patent Application Serial Nos.**

07/870,682  
08/017,965  
08/090,910  
08/310,844  
08/672,173  
08/501,714

ds1-308033.1

## SECURITY AGREEMENT

THIS AGREEMENT, dated the 9th day of February, 1996, is by and among UNIPAC CORPORATION, an Ontario corporation, having its principal place of business and chief executive office at 125 Edward Street, Aurora, Ontario L4S 1W3 Canada, (the "Debtor"), MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, MASSMUTUAL CORPORATE INVESTORS and MASSMUTUAL PARTICIPATION INVESTORS (collectively, the "Institutional Investors") (the Institutional Investors and the other holders of the Secured Obligations (as hereinafter defined) are sometimes collectively referred to herein as the "Secured Parties" and each as a "Secured Party").

### WITNESSETH:

WHEREAS, pursuant to those certain Securities Purchase Agreements dated the date hereof (as amended, modified or supplemented from time to time, the "Securities Purchase Agreements") (capitalized terms used herein without definition having the respective meanings ascribed to them in the Securities Purchase Agreements, unless the context clearly requires otherwise), among the Debtor, Unipac, Inc., a Delaware corporation and the owner of all of the outstanding capital stock of the Debtor (the "Holding Company"), and each of the Institutional Investors named therein, the Institutional Investors have agreed to purchase, in addition to certain other securities, the following Notes issued by the Debtor: (a) \$5,300,000 aggregate principal amount of the Senior Secured Term Notes, Tranche A, due February 15, 2002, (b) \$2,000,000 aggregate principal amount of the Senior Secured Term Notes, Tranche B, due February 15, 2004 and (c) \$2,200,000 aggregate principal amount of the Senior Secured Revolving Credit Notes due February 15, 2002; and

WHEREAS, the obligation of the Institutional Investors to purchase any such securities is subject to the condition, among others, that the Debtor execute and deliver this Agreement and grant the Liens hereinafter described;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Security Interest. As security for the Secured Obligations described in section 2 hereof, the Debtor hereby mortgages, hypothecates, charges, pledges and grants and assigns as collateral to the Secured Parties, and creates for the benefit of the Secured Parties a continuing security interest in and Lien on (collectively, the "Security Interest"), all of the tangible and intangible personal property and fixtures of the Debtor (but none of its obligations

with respect thereto to the extent permitted by applicable law), including, without limitation, the property described below but excluding any items subject to purchase money liens permitted by section 14.5(a)(iv) of the Securities Purchase Agreements, whether now owned or existing, or hereafter acquired or arising, wherever located, together with any and all additions, accessions and attachments thereto and substitutions, replacements, proceeds (including, without limitation, insurance proceeds) and products thereof (hereinafter referred to collectively as the "Collateral"):

(a) all inventory, goods, merchandise, raw materials, parts, components, assemblies, supplies, goods or work in process, finished goods and other tangible personal property held by the Debtor for processing, sale or lease or furnished or to be furnished by the Debtor under contracts of service or to be used or consumed in the Debtor's business, including, without limitation, any which is used in connection with the design, development, production, distribution, and marketing of bottle cap lining material (the foregoing items in this clause (a) being sometimes herein referred to collectively as "Inventory");

(b) all accounts, accounts receivable, notes, drafts and acceptances of the Debtor, all rights to receive the payment of money under contracts, franchises, licenses, permits and other agreements, documents or instruments (whether or not earned by performance) or otherwise of the Debtor, and all rights of the Debtor to receive payments from any other source (the foregoing items in this clause (b) being sometimes herein referred to collectively as "Accounts Receivable"), together with all rights of the Debtor in the goods and services which have given rise thereto, including, without limitation, returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights to stoppage in transit;

(c) all of the Debtor's equipment, machinery, fixtures, furniture, furnishings, computers and related equipment, office equipment and supplies, tools, jigs, dies, manufacturing implements, forklifts, trucks, trailers and other vehicles (the foregoing items in this clause (c) being sometimes herein referred to collectively as "Equipment");

(d) all of the Debtor's general intangibles (including goodwill) and other intangible property and all rights thereunder, including, without limitation, all of the following:

(i) all trademarks, trademark applications and registrations and trade names, together with the goodwill appurtenant thereto, owned, held (whether pursuant to a license or otherwise), used or to be used, in whole or in part, in conducting the Debtor's business (the "Trademarks");



(ii) all patents and patent applications of the Debtor, including, without limitation, the inventions and improvements described and claimed therein (the "Patents");

(iii) all copyrights and applications for registration of copyrights of the Debtor and all rights in literary property (the "Copyrights");

(iv) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any Trademarks, Patents and/or Copyrights; all income, royalties, damages and payments now or hereafter due and/or payable with respect to any Trademarks, Patents and/or Copyrights, including, without limitation, damages and payments for past or future infringements thereof; and all rights corresponding to any Trademarks, Patents and/or Copyrights throughout the world;

(v) all rights and interests of the Debtor pertaining to common law and statutory trademark, service marks, trade names, slogans, labels, trade secrets, patents, copyrights, corporate names, company names, business names, fictitious business names, trademark or service mark registrations, designs, logos, trade styles, applications for trademark registration and any other indicia of origin;

(vi) all operating methods, formulas, processes, know-how and the like of the Debtor (the foregoing items in clauses (i) through (vi), inclusive, being sometimes herein referred to collectively as the "Intellectual Property Collateral");

(e) all shares of capital stock and other ownership interests in any Subsidiary of the Debtor or in any other Person, including all interests in any general or limited partnership or any joint venture; and all options, warrants and similar rights to acquire such capital stock or such interests (the foregoing items in this clause (e) being sometimes herein referred to as the "Pledged Stock");

(f) all rights to receive profits or surplus or other dividends or distributions (including, without limitation, income, return of capital or liquidating distributions) from any Subsidiary of the Debtor or from any other Person, including, without limitation, any distributions by any such Person to stockholders, partners or joint venturers (the foregoing items in this clause (f) being sometimes herein referred to collectively as the "Pledged Rights");

(g) all Indebtedness from time to time owing to the Debtor by any Subsidiary of the Debtor or by any other Person, together with all security held by the Debtor with respect to such Indebtedness (the foregoing items in this clause (g) being sometimes herein referred to collectively as the "Pledged Indebtedness") (the Pledged Stock, the Pledged Rights and the Pledged Indebtedness are sometimes hereinafter referred to collectively as the "Pledged Securities");

(h) all contracts, contract rights, leases (including leases of personal property, whether the Debtor is the lessor or the lessee thereunder), franchises, licenses, permits and other agreements and all rights thereunder of the Debtor (except to the extent that the terms of any of the foregoing prohibit the collateral assignment thereof);

(i) all rights granted by others which permit the Debtor to manufacture, distribute, sell or market items of property;

(j) all chattel paper, documents, documents of title, records, negotiable and non-negotiable instruments, hedge contracts and forward purchase contracts of the Debtor;

(k) all property or collateral granted by third party obligors to, or held by, the Debtor with respect to any Accounts Receivable, Pledged Securities, documents, chattel paper, instruments, leases and other items of Collateral and all liens, rights, remedies, privileges, guarantees and other security for any of the foregoing;

(l) all books and records, including, without limitation, books of account and ledgers of every kind and nature, all electronically recorded data (including all computer programs, discs, tapes, electronic data processing media and software used in maintaining the Debtor's books and records), all files and correspondence and all receptacles and containers for the foregoing; all computer software, models, trade secrets, rights in proprietary information, formulas, customer lists, backlogs, orders, royalties, sales material, documents, goodwill, inventions and processes of the Debtor;

(m) all judgments of the Debtor;

(n) all cash, funds and investments, including that maintained in any account (including any collateral account or deposit account) at any bank or financial institution, and all rights with respect thereto;

(o) all tax refunds and abatements of every kind and nature, and all rights and claims related thereto;

(p) all insurance policies (and all rights thereunder) which insure against any loss or damage to any other Collateral;

(q) all other personal property, assets and items of value of every kind and nature, tangible or intangible, absolute or contingent, legal or equitable; and

(r) all proceeds, including, without limitation, insurance proceeds, and products of the items of Collateral heretofore described.

The Debtor has this day delivered to the Secured Parties all certificates evidencing the Pledged Stock of the Subsidiaries of the Debtor, accompanied by one or more undated stock powers executed in blank. If any Subsidiary of the Debtor is organized under the laws of a province of Canada, the Debtor shall also have delivered a certified copy of a resolution of the directors or shareholders, as applicable, of such Subsidiary consenting to the transfer pursuant to the pledge.

2. Secured Obligations. The Lien hereby granted shall secure the due and punctual payment and performance of the following liabilities and obligations of the Debtor (collectively, the "Secured Obligations"):

(a) principal of and premium (including, without limitation, the Make Whole Amount), if any, and interest on (including any interest accruing after the commencement of any action or proceeding under any applicable domestic or foreign federal, state or provincial bankruptcy, insolvency or other similar law, and any other interest that would have accrued but for the commencement of such proceeding, whether or not any such interest is allowed as an enforceable claim in any such proceeding) and fees and other amounts payable with respect to the Senior A Term Notes, the Senior B Term Notes, the Senior Revolving Credit Notes and any Senior Acquisition Notes; and

(b) any and all other indebtedness and obligations of the Debtor under the Securities Purchase Agreements and/or under any of the other Operative Documents, all as amended, modified or supplemented from time to time.

3. Attachment. The parties acknowledge that value has been given; the Debtor has rights in the Collateral; and the parties have not agreed to postpone the time for attachment of the Security Interest.

4. Dealings with Collateral. Until the occurrence of an Event of Default which is continuing, the Debtor may sell its Inventory and collect its Accounts in the ordinary course of its business.

5. Exception re Leasehold Interests and Contractual Rights. The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Debtor agrees to stand possessed of such last day in trust for any person acquiring such interest of the Debtor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Parties, and shall assign such agreement, right, license or permit to the Secured Parties forthwith upon obtaining the consent of the other party thereto.

6. Special Warranties and Covenants of the Debtor. The Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties that:

(a) The Debtor is the owner of and has good and marketable title to the Collateral free from any Liens, other than (i) the Liens arising hereunder and under the other Security Documents and (ii) Liens permitted under section 14.9 of the Securities Purchase Agreements, and the Debtor will defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein.

(b) The address shown at the beginning of this Agreement is the chief executive office and principal place of business of the Debtor and the location of all records concerning that portion of Collateral consisting of Accounts Receivable and other general intangibles. The Debtor's only additional places of business and the only additional locations of any Collateral (including Collateral located or stored at warehouses) are listed in Exhibit 6(b) attached hereto (which list includes legal descriptions of all real property sufficient for fixture filings). Except as set forth on Exhibit 6(b) attached hereto, during the five years ended on the date hereof, neither the Debtor nor any of its predecessors-in-interest (including, without limitation, the Sellers) has conducted any business or sold any goods under any name other than its legal name which is correctly set forth at the beginning of this Agreement. The Debtor will not change its chief executive office or principal place of business or any other place of business, or the location of any Collateral (including, without limitation, the records relating thereto), or make any change in its legal name, without, in each such case (i) giving at least 30 days' prior written notice thereof to the Secured Parties and (ii) executing, delivering, filing and recording all necessary financing statements (or amendments thereto) or other instruments and documents in

order to maintain the validity, enforceability, priority and perfection of the Liens arising hereunder and under the other Security Documents.

(c) Except as explicitly permitted by the Securities Purchase Agreements, (i) the Debtor will not sell or otherwise dispose of any of the Collateral or any interest therein (other than sales of Inventory in the ordinary course of business consistent with prudent business practice) and (ii) the Debtor will not create, assume, incur or suffer to exist any Lien of any kind (whether senior, pari passu or subordinate) on the Collateral (including any restrictions on transfer of any Pledged Securities), other than (x) those arising hereunder and under the other Security Documents, (y) those permitted under section 14.9 of the Securities Purchase Agreements, and (z) restrictions on transfer of the Pledged Securities imposed by applicable securities or corporate laws.

(d) The Debtor will keep the Collateral, including, without limitation, all Inventory and Equipment, in good repair, working order and condition and adequately insured at all times in accordance with the provisions of the Securities Purchase Agreements and the other Operative Documents. Each insurance policy pertaining to any of the Collateral shall be in form and substance and shall have such limits and deductibles as shall be reasonably satisfactory to the Required Secured Parties (as defined in section 9) and, without limiting the generality of the foregoing, shall:

(i) name the Secured Parties as loss payees (in the case of property insurance) and additional insureds (in the case of liability insurance) pursuant to a so-called standard mortgagee clause and shall contain the so-called agreed upon replacement cost endorsement and waiver of subrogation;

(ii) provide that no action of the Debtor or any of its Subsidiaries or any tenant or subtenant shall void such policy as to the Secured Parties;

(iii) provide that the Secured Parties shall be notified (and the Debtor shall notify the Secured Parties) of any expiration, cancellation or material amendment of such policy at least 30 days in advance of the effective date thereof and, if applicable, provide that the Secured Parties shall have the right to cure any deficiency resulting in the same;

(iv) provide that the Secured Parties shall receive (and the Debtor shall cause the Secured Parties to receive) annually certificates of insurance (or other appropriate documentation) demonstrating compliance by the Debtor with all provisions of the Operative Documents relating to insurance matters; and

(v) be issued by an insurance company or insurance companies licensed to do business in the jurisdiction in which the Collateral is located and having the highest or second highest claims paying ability rating available from A.M. Best Company or an equivalent Person.

Certified copies of all such insurance policies relating to the Collateral shall be delivered to the Secured Parties upon request by the Required Secured Parties. In the event of any damage or destruction to any material amount of the Collateral, the Debtor shall give prompt written notice to the Secured Parties and shall promptly commence and diligently continue to completion the repair and restoration of the Collateral so damaged or destroyed so as to reconstruct the Collateral in a good and workmanlike manner and in full compliance with all legal requirements and the provisions of this Agreement and the other Operative Documents, free and clear from all Liens, other than (x) the Liens arising hereunder and under the other Security Documents and (y) the Liens permitted under section 14.9 of the Securities Purchase Agreements. The Debtor shall not adjust, compromise or settle any claim for insurance proceeds in excess of \$100,000 without the prior written consent of the Required Secured Parties. Subject to the terms of the Securities Purchase Agreements and so long as no Event of Default shall have occurred and be continuing, the Debtor may apply the proceeds of any insurance to the repair and restoration of any of the Collateral which was the subject of the loss, provided that (i) the cost of repair and restoration shall not exceed \$250,000, (ii) the Debtor continues to be the sole owner of the Collateral subject to the Liens arising hereunder and under the other Security Documents, (iii) the contemplated repair and restoration shall reconstruct the Collateral to substantially its previous condition within 12 months from the date of the damage or destruction to the Collateral, (iv) all sums necessary to effect the repair and restoration over and above any available insurance proceeds shall be at the sole cost and expense of the Debtor, (v) at the request of the Required Secured Parties, the Debtor shall deposit all available proceeds (including insurance proceeds) together with the additional sums referred to in clause (iv) in an escrow account upon terms and conditions satisfactory to the Required Secured Parties and (vi) at all times during any repair and restoration the Debtor shall, at its sole cost and expense, maintain public liability insurance in amounts satisfactory to the Required Secured Parties and in accordance with the provisions of this section 3(d). If at any time the Required Secured Parties determine that the foregoing conditions have not been or cannot be satisfied, then the Required Secured Parties may apply the proceeds of insurance to the prepayment of the Secured Obligations in such order of priority as the Required Secured Parties shall determine. Any insurance proceeds that are received at a time when an Event of Default shall have occurred and be continuing may be applied by the Required Secured Parties to the repayment of the Secured Obligations in such order of priority as the Required Secured Parties shall determine. If the Debtor fails

to provide insurance as required by this Agreement or any of the other Operative Documents, the Required Secured Parties may, at their option, provide such insurance, and the Debtor will on demand pay to the Secured Parties the amount of any disbursement made by the Secured Parties for such purpose (and any unreimbursed amounts shall constitute Secured Obligations for all purposes hereof). Notwithstanding the foregoing, any claim for insurance proceeds of less than \$10,000 may be paid by the insurer directly to the Debtor for use in the repair and restoration of the Collateral which was the subject of the loss.

(e) To the extent required by the Securities Purchase Agreements, the Debtor will pay and discharge promptly as they become due and payable all taxes, assessments and other governmental charges or levies imposed upon it or its income or upon any of its properties, real, personal or mixed, or upon any part thereof, including, without limitation, the Collateral or any part of the Collateral, as well as all claims of any kind (including claims for labor, materials and supplies) which if unpaid might by law become a Lien or charge upon its property.

(f) The Debtor will, without the necessity of any request by the Secured Parties, promptly make, execute, acknowledge and deliver and file and record, to the extent possible in all proper offices and places, including, without limitation, the Canadian Patent and Trade-mark Office and the Canadian Copyright Office, such certificates, collateral agreements and other agreements, documents or instruments as may be necessary to register notice of the Liens arising hereunder and under the other Security Documents, and the Debtor will take all such action as may be deemed necessary or advisable by the Required Secured Parties to carry out the intent and purposes of the Security Documents or for assuring and confirming to the Secured Parties the grant and perfection of the Liens in the Collateral, including, without limitation, the Intellectual Property Collateral. To the extent permitted by law, the Debtor further agrees that a carbon, photographic or other reproduction of a security agreement, financing statement or financing change statement is sufficient as a financing statement or financing change statement.

(g) The Debtor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the Inventory (or any other Collateral), such receipt shall not be negotiable. If, notwithstanding the foregoing, any negotiable warehouse receipts or other negotiable documents are issued with respect to any of the Inventory (or any other Collateral), all such instruments shall be held in trust for the Secured Parties and shall be immediately endorsed to the order of the Secured Parties and delivered to the Secured Parties to be held by the Secured Parties as Collateral hereunder. In addition, the Debtor has notified (and from time to time hereafter will notify) all warehousemen, bailees, agents, processors and other

similar Persons of the Liens created pursuant to the Security Documents and, following the occurrence and during the continuance of an Event of Default, will cause each such Person to hold all Collateral for the account of, and subject to the instructions of, the Secured Parties.

(h) Except in the ordinary course of business or as otherwise explicitly permitted by the Securities Purchase Agreements, without the prior written consent of the Required Secured Parties, the Debtor shall not amend or modify, or waive any of its rights under or with respect to, any of the Accounts Receivable, if the effect thereof would be to reduce the amount payable to the Debtor thereunder, to extend the time of payment thereof, to waive any default by any account debtor or other obligor thereunder, or to waive or impair any remedies of the Debtor or the Secured Parties under or with respect thereto. Upon the occurrence and during the continuance of any Event of Default, the Required Secured Parties may notify or may require the Debtor to notify (and after any such notification the Debtor shall cause) all Persons obligated on the Accounts Receivable to make payment directly to (or in accordance with the instructions of) the Required Secured Parties. From and after the occurrence and during the continuance of any Event of Default, (i) all sums collected or received and all property recovered or possessed by the Debtor in respect of any of the Collateral, including, without limitation, all sums received in respect of any of the Accounts Receivable, shall be received and held by the Debtor in trust for the Secured Parties and shall be segregated from other assets and funds of the Debtor and upon the request of the Required Secured Parties shall be immediately delivered to the Secured Parties (or otherwise in accordance with the instructions of the Required Secured Parties) for application to the payment of the Secured Obligations in such order of priority as the Required Secured Parties shall determine and (ii) the Debtor, upon the request of the Required Secured Parties, shall institute depository, lockbox and other similar credit procedures providing for the direct receipt of such sums.

(i) The Debtor will specifically assign to the Secured Parties all material federal government contracts to the extent permitted by applicable law and will cooperate with the Secured Parties in obtaining consent, if required, to such assignment. The Debtor will cooperate with the Required Secured Parties in providing such further information with respect to material contracts with any governmental authority as the Required Secured Parties may request and will provide such instruments of further assurance with respect to such contracts as the Required Secured Parties may request. As of the date hereof, no contract of the Debtor with any such governmental authority is material to the Debtor. The Debtor will notify the Secured Parties at such time as any such contract shall become material to the Debtor.



(j) The Debtor hereby constitutes and appoints the Required Secured Parties its true and lawful attorneys, with full power, upon the occurrence and during the continuance of any Event of Default, in the name of the Debtor or otherwise, at the expense of the Debtor and without notice to or demand upon the Debtor, to act, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to the Debtor, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Required Secured Parties may deem to be necessary or advisable to protect the interests of the Secured Parties, which appointment is coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of any Event of Default, the Required Secured Parties shall have full power to the extent permitted by applicable law: (i) to demand, collect, receive payment of, receipt for, settle, compromise or adjust, and give discharges and releases in respect of any of the Collateral, including, without limitation, any Pledged Securities and/or any Accounts Receivable; (ii) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect and/or to enforce any other rights in respect of any of the Collateral, including, without limitation, any Pledged Securities and/or any Accounts Receivable; (iii) to defend any suit, action or proceeding brought against the Debtor with respect to any of the Collateral, including, without limitation, any Pledged Securities and/or any Account Receivable; (iv) to settle, compromise or adjust any suit, action or proceeding described in clause (ii) or (iii) above, and, in connection therewith, to give such discharges or releases as the Required Secured Parties may deem appropriate; (v) to endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents, including, without limitation, those relating to any of the Pledged Securities and/or those evidencing or securing the Accounts Receivable or any of them; (vi) to receive, open and dispose of all mail addressed to the Debtor and to notify the post office authorities to change the address of delivery of mail addressed to the Debtor to such address as the Required Secured Parties may designate; (vii) to act as attorney for the Debtor in obtaining, adjusting, settling and cancelling any insurance and endorsing any drafts and retaining any amounts collected or received under any policies of insurance; (viii) to discharge any taxes, assessments or other governmental charges or levies or any other Liens to which any Collateral is at any time subject and (ix) generally to sell, assign, transfer, pledge, make any agreement in respect of or otherwise deal with the Collateral as fully and completely as though the Secured Parties were the absolute owners thereof for all purposes. The Debtor agrees to reimburse each Secured Party on demand for any payments made or expenses incurred by such Secured Party pursuant to the foregoing authorization and any unreimbursed amounts shall constitute Secured Obligations for all purposes hereof.

(k) The powers conferred on the Secured Parties by this Agreement and the other Security Documents are solely to protect the interests of the Secured Parties and shall not impose any duty upon the Secured Parties (or any of them) to exercise any such power, and if the Secured Parties (or any of them) shall exercise any such power, such exercise shall not relieve the Debtor of any Default or Event of Default, and the Secured Parties shall be accountable only for amounts actually received as a result thereof. Except as otherwise provided by applicable law, the Secured Parties shall be under no obligation to take steps necessary to preserve the rights in or value of or to collect any sums due in respect of any Collateral against any other Person but may do so at their option. Without limiting the generality of the foregoing, the Secured Parties shall have no duty or liability with respect to any claim or claims regarding the Debtor's ownership or purported ownership, or rights or purported rights arising from, the Pledged Securities or the Intellectual Property Collateral (or any portion thereof) or any use, license, or sublicense thereof, whether arising out of any past, current or future event, circumstance, act or omission or otherwise. All of such duties and liabilities shall be exclusively the obligation of the Debtor. All expenses incurred in connection with the application, protection, maintenance, renewal or preservation of any of the Collateral, including, without limitation, the Intellectual Property Collateral, shall be borne by the Debtor.

(l) The Debtor shall defend, indemnify and hold harmless each Secured Party for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements (including reasonable attorneys' fees) of any kind whatsoever which may be imposed on, incurred by or asserted against such Secured Party in connection with or in any way arising out of or relating to the Collateral or this Agreement.

(m) It is the intention of the parties hereto that none of the Collateral shall become fixtures and the Debtor shall take all reasonable action or actions as may be necessary to prevent any of the Collateral from becoming fixtures. The Debtor will, if requested by the Required Secured Parties, use its best efforts to obtain waivers of Lien, in form and substance satisfactory to the Required Secured Parties, from each Person (including lessors) having any interest in the real property on which any of the Collateral is or is to be located.

(n) The Debtor will promptly notify the Secured Parties of any material loss or damage to any Collateral or any request by any other Person for any material credit or adjustment with respect to any Accounts Receivable other than in the ordinary course of business.

7. Special Provisions Concerning the Pledged Securities. Without limiting the generality of the other provisions of this Agreement, the Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties as follows:

(a) A true and complete list of all Pledged Securities is attached as Exhibit 7(a) hereto and all information set forth thereon is true, correct and complete. As of the date hereof, the Debtor does not own any other securities or other items that would constitute Pledged Securities. If any shares of capital stock, promissory notes or other securities issued by any Subsidiary of the Debtor or issued by any other Person are acquired by the Debtor after the date hereof, the same shall without further action constitute Pledged Securities and shall be deposited and pledged (together with all necessary stock or bond powers and endorsements) with the Secured Parties simultaneously with such acquisition. The Required Secured Parties may at any time, upon an Event of Default, require a transfer into the names of the Secured Parties (or the name or names of their nominees), as pledgees, any Pledged Securities. Any Pledged Securities which are not evidenced by a certificate or other instrument will be registered within five days of the issuance thereof in the names of the Secured Parties, as pledgees, on the records of the issuer thereof, all in form and substance satisfactory to the Required Secured Parties. All Pledged Indebtedness owed by any Subsidiary or other Affiliate of the Debtor shall be on open account and shall not be evidenced by any note or other instrument, unless the Required Secured Parties shall request otherwise, in which event a note or other instrument evidencing such Pledged Indebtedness shall be deposited and pledged with the Secured Parties within five days of such request.

(b) Unless an Event of Default shall have occurred and be continuing, (i) the Debtor shall be entitled, to the extent permitted by the Securities Purchase Agreements and the other Operative Documents, to receive all payments, dividends and distributions on or with respect to the Pledged Securities (except for any such payment, dividend or distribution that constitutes additional Pledged Securities, in which case the same shall be deposited and pledged with the Secured Parties at the time such payment, dividend or distribution is made) and (ii) the Debtor shall be entitled to vote or consent with respect to the Pledged Securities in any manner not inconsistent with the terms of the Securities Purchase Agreements and the other Operative Documents.

(c) Upon the occurrence and during the continuance of an Event of Default, (i) all payments, dividends and distributions on or with respect to the Pledged Securities shall be deposited and pledged (together with all necessary endorsements) with the Secured Parties (or otherwise in accordance with the instructions of the Required Secured Parties) at the time such payment, dividend or

distribution is made and (ii) the Secured Parties shall be entitled, at the election of the Required Secured Parties, to have any or all of the Pledged Securities transferred into their names (or the name or names of their nominees) and/or to vote or consent or take any other action with respect to the Pledged Securities and to exercise any and all other incidents of ownership thereof, including, without limitation, all rights of payment, conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Securities, as if the Secured Parties were the absolute owners thereof, all without liability except to account for amounts actually received; provided that the Secured Parties shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

8. Events of Default. The Debtor shall be in default under this Agreement if any one or more of the following events (each an "Event of Default") shall occur (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), that is to say:

(a) if default shall be made in the performance, satisfaction or observance of any covenant, agreement or condition contained in sections 6(a), 6(b), 6(c) or 6(d) of this Agreement;

(b) if default shall be made in the performance or observance of any other of the covenants, agreements or conditions contained in this Agreement and such default shall have continued for a period of 30 days after the earlier of (i) the Debtor's obtaining actual knowledge of such default or (ii) the Debtor's receipt of written notice of such default;

(c) if any representation or warranty made by or on behalf of the Debtor in this Agreement or in any agreement, document or instrument delivered under or pursuant to any provision hereof shall prove to have been false or incorrect in any material respect on the date as of which made; or

(d) if any other Event of Default as defined in the Securities Purchase Agreements shall occur.

9. Rights and Remedies: Required Secured Parties.

(a) Upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have the following rights and remedies:

(i) all rights and remedies provided by law, including, without limitation, those provided by the Personal Property Security Act (Ontario);

(ii) all rights and remedies provided in this Agreement to the extent permitted by applicable law; and

(iii) all rights and remedies provided in the Securities Purchase Agreements and the other Operative Documents to the extent permitted by applicable law.

(b) Notwithstanding anything to the contrary set forth herein, the holder or holders of more than 50% in aggregate principal amount of each class of Notes at the time outstanding (exclusive of any Senior Notes then owned by the Debtor or any of its Affiliates) (such holder or holders of each class of the Notes being herein referred to as the "Required Secured Parties") shall have the right to exercise on behalf of and for the benefit of all of the Secured Parties, all of the rights and remedies of the Secured Parties relating to the Collateral which arise under or are referred to in this Agreement (whether such rights or remedies arise before or after the occurrence of any Event of Default, and including the exercise of any power of attorney granted herein and the right to enforce this Agreement, by judicial proceedings or otherwise, to foreclose the Liens created hereby, to take possession of and to sell the Collateral (or any part thereof), and/or to direct the time, method and place of conducting any proceeding for any such remedy or exercising any such right) and all such rights and remedies may only be exercised by the Required Secured Parties or by a duly authorized representative (or representatives) appointed by the Required Secured Parties.

10. Right to Dispose of Collateral, etc. Without limiting the scope of section 9 hereof, upon the occurrence and during the continuance of any Event of Default, the Required Secured Parties shall have the right and power to take possession of all or any part of the Collateral and, in addition thereto, the right to enter upon any premises on which all or any part of the Collateral may be situated and remove the same therefrom and the Required Secured Parties may sell, resell, assign and deliver, or otherwise dispose of any or all of the Collateral, for cash and/or credit, in one or more parcels, at any exchange or broker's board, or at public or private sale and upon such terms and at such place or places and at such time or times and to such Persons (including, without limitation, the Secured Parties (or any of them)), to the extent permitted by law, as the Required Secured Parties deem expedient, all without demand for performance by the Debtor or any notice or advertisement whatsoever except as may be explicitly required by this Agreement or by law. The Required Secured Parties may require the Debtor to make all or any part of the Collateral (to the extent the same is moveable) available to the Required Secured Parties at a place to be designated by the

Required Secured Parties which is reasonably convenient to the Required Secured Parties and the Debtor. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Required Secured Parties will give the Debtor at least fifteen days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. After deducting all costs and expenses of collection, storage, custody, preparation for sale, sale or other disposition and delivery (including legal costs and reasonable attorneys' fees) and all other charges against the Collateral, the residue of the proceeds of any such sale or disposition shall be applied to the payment of the Secured Obligations in such order of priority as the Required Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). In the event the proceeds of any sale, lease or other disposition of the Collateral hereunder are insufficient to pay all of the Secured Obligations in full in cash or cash equivalents, the Debtor will be liable for the deficiency, including interest thereon at a rate per annum equal to 2.00% above the highest rate borne by any of the Secured Obligations until paid, and the cost and expenses of collection of such deficiency, including, without limitation, reasonable attorneys' fees, expenses and disbursements. Without limiting the generality of the foregoing or the scope of section 7 hereof, upon the occurrence and during the continuance of any Event of Default, any amount owing by the Secured Parties (or any of them) to the Debtor may, without regard to the value of the Collateral, be offset and applied toward the payment of the Secured Obligations as aforesaid, whether or not the Secured Obligations, or any part thereof, shall be then due.

11. Right to Use the Collateral, etc. Without limiting the scope of section 9 hereof, upon the occurrence and during the continuance of any Event of Default, but subject to the provisions of the Personal Property Security Act (Ontario) or other mandatory provisions of applicable law, the Required Secured Parties shall have the right and power to take possession of all or any part of the Collateral, and to exclude the Debtor and all Persons claiming under the Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, the Required Secured Parties, from time to time, at the Debtor's expense, may (but shall not be obligated to) make all such repairs, replacements, alterations and improvements to any of the Collateral and may manage and control the Collateral and carry on the business and exercise all rights and powers of the Debtor in respect thereto as the Required Secured Parties shall deem best, including, without limitation, the right to enter into any and all such agreements with respect to the use of the Collateral or any part thereof as the Required Secured Parties may see fit (including, without limitation, licensing agreements related to the Intellectual Property Collateral); and the Required Secured Parties shall be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of so

holding, storing, using, operating, managing and controlling the Collateral, and of conducting any business related thereto, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Secured Parties (or any of them) may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which the Secured Parties (or any of them) may be required or authorized to make under any provision of this Agreement or any of the other Operative Documents (including legal costs and reasonable attorneys' fees). The remainder of such rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Secured Obligations in such order of priority as the Required Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). Without limiting the generality of the foregoing (and without derogating from any other provision in this Agreement or any of the other Operative Documents), upon the occurrence and during the continuance of an Event of Default the Required Secured Parties shall have the right to have (and the Debtor hereby consents to the same) a trustee, liquidator, receiver, manager or similar official (each of which is hereinafter referred to as a "Receiver") appointed to enforce the rights and remedies of the Secured Parties hereunder or under any of the other Operative Documents. Any Receiver appointed by the Required Secured Parties may be any Person or Persons, and the Required Secured Parties may remove any Receiver so appointed and appoint another or others instead. Any Receiver appointed shall act as agent for the Secured Parties for purposes of taking possession of the Collateral, and (except as provided below) as agent for the Debtor for all other purposes, including without limitation the occupation of any premises of the Debtor and in carrying on the Debtor's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Parties as they may determine in their discretion. The Debtor agrees to ratify and confirm all actions of the Receiver acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions. Any Receiver so appointed shall have the following powers:

- (a) to enter upon, use, and occupy all premises owned or occupied by the Debtor;
- (b) to take possession of the Collateral;
- (c) To carry on the business of the Debtor;
- (d) to borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and in the discretion of such Receiver, to charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed;

(e) to sell, lease, or otherwise dispose of the Collateral or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its discretion;

(f) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Debtor; and

(g) to exercise any rights or remedies which could have been exercised by the Secured Parties against the Debtor or the Collateral.

12. Waivers, Remedies Cumulative, etc.

(a) Except as otherwise specifically provided in this Agreement and to the extent permitted by applicable law, the Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise explicitly provided herein, all other demands and notices in connection with this Agreement or the enforcement of any of the rights and remedies of the Secured Parties hereunder or in connection with any Secured Obligations or any Collateral; consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to the Debtor or any other Person (including any account debtor in respect of any Account Receivable), or the substitution, release or surrender of any Collateral, the addition or release of Persons primarily or secondarily liable on any Secured Obligation (or any Account Receivable or other Collateral), the acceptance of partial payments on any Secured Obligation (or any Account Receivable or other Collateral) and/or the settlement or compromise thereof. To the extent permitted by law, the Debtor also hereby waives any rights and/or defenses the Debtor may have under any anti-deficiency laws or other laws limiting, qualifying or discharging the Secured Obligations and/or any of the remedies of the Secured Parties against the Debtor. The Debtor further waives, to the extent permitted by law: (i) any right it may have under any applicable law, to notice (other than any requirement of notice explicitly provided herein) or to a judicial hearing prior to the exercise of any right or remedy provided by this Agreement or any of the other Operative Documents and any right to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing; (ii) any right to damages occasioned by any exercise by the Secured Parties (or any of them) of any right or remedy hereunder or referred to herein, including any damages arising as a result of any taking of possession of the



Collateral, except to the extent caused by the negligence or wilful misconduct of the Secured Parties; (iii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Secured Parties' rights hereunder; and (iv) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Secured Parties shall not be required to marshal any Collateral (or any part thereof) or to resort to the Collateral (or any part thereof) in any particular order. To the extent permitted by law, the Debtor hereby agrees it will not invoke any right it may have under any law to require the marshaling of Collateral or any other right under any law which might cause delay in or impede the enforcement of the rights of the Secured Parties under any of the Security Documents or any of the other Operative Documents, and the Debtor hereby irrevocably waives the benefits of all such laws. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Debtor therein and thereto, and shall be a perpetual bar both at law and in equity against the Debtor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under the Debtor.

(b) The Debtor hereby covenants and agrees with the Secured Parties that, with respect to any restriction imposed on any of the Pledged Securities which will in any way affect or impair any pledge of Pledged Securities hereunder or the exercise by the Secured Parties of any right granted hereunder (including, without limitation, the right of the Secured Parties to dispose of the Pledged Securities in accordance with the terms hereof), the Debtor will, and will cause each issuer of any Pledged Securities to, take all necessary action which the Required Secured Parties may reasonably request in order that the Secured Parties may obtain and enjoy the full rights and benefits granted to the Secured Parties by this Agreement free of any such restrictions.

(c) To the extent permitted by law, the obligations of the Debtor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired by (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Debtor, or of any other Person; (ii) any exercise or nonexercise, or any waiver, by the Secured Parties (or any of them), of any right, remedy, power or privilege under or in respect of any of the Secured Obligations or any of the Collateral or any other security therefor; (iii) any amendment to or modification of this Agreement or any of the other Operative Documents; or (iv) the taking of additional security for or any guarantee of any of the Secured Obligations or the release or discharge or termination of any security or

guarantee for any of the Secured Obligations; and whether or not the Debtor shall have notice or knowledge of any of the foregoing.

(d) No remedy conferred herein or in any of the other Operative Documents upon the Secured Parties is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any of the other Operative Documents or now or hereafter existing at law or in equity or by statute or otherwise. No course of dealing between the Debtor or any Affiliate of the Debtor and the Secured Parties and no delay in exercising any rights hereunder or under any of the other Operative Documents shall operate as a waiver of any right of the Secured Parties. No waiver by the Secured Parties of any default shall be effective unless made in writing and otherwise in accordance with the terms of section 19 of the Securities Purchase Agreements and no such waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon.

13. Termination. This Agreement and the Liens on the Collateral created hereby shall terminate when all of the Secured Obligations have been paid and finally discharged in full in cash (and all commitments of the Secured Parties (or any of them) to lend any additional amounts to the Debtor shall have been terminated). Upon termination as aforesaid, the Secured Parties shall execute and deliver such releases and discharges as the Debtor may reasonably request. The aforesaid termination and the obligation of the Secured Parties to execute and deliver such releases and discharges is conditional upon the receipt by the Secured Parties of a statutory declaration made by a responsible officer of the Operating Company sworn at the time of the request for such releases and discharges, to the effect that Revenue Canada has not raised an issue with the Operating Company (whether orally or by a written communication) that questions whether the interest payable on the Notes (or on any one or more of the classes of Notes) qualifies for the withholding tax exemption contained in subparagraph 212(1)(b)(vii) of the *Income Tax Act* (Canada) or any successor provision thereto. In the event that such a statutory declaration is not produced by reason of such issue having been raised by Revenue Canada, the Secured Parties shall retain such portion of the Liens on the Collateral as is reasonably necessary in the circumstances to secure the liability of the Operating Company under Section 22 of the Securities Purchase Agreements. In substitution for the reasonably necessary Liens on the Collateral, there may be substituted a letter of credit issued by a bank chartered under Schedule 1 of the *Bank Act* (Canada) or other security acceptable to the Secured Parties, all for the purpose of securing the obligations of the Operating Company under Section 22 of the Securities Purchase Agreements, notwithstanding that an assessment or assessments may not at the time have been issued by Revenue Canada against the holders of the Notes or one or more classes of the Notes.

14. Reinstatement. Notwithstanding the provisions of section 11 to the contrary and notwithstanding anything else to the contrary contained herein, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by any Secured Party in respect of the Collateral or in respect of the Secured Obligations is rescinded, annulled or must otherwise be restored or returned by any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Debtor or any of its Affiliates or any guarantor of all or any part of the Secured Obligations, or upon the appointment of an intervenor, receiver or conservator of, or trustee or similar official for, the Debtor or any such Affiliate or guarantor, or any substantial part of their respective properties or assets, or otherwise, all as though such payment had not been made.

15. Consents, Approvals, etc. Upon the exercise by the Required Secured Parties of any power, right, privilege or remedy pursuant to this Agreement or any of the other Operative Documents which requires any consent, approval, registration, qualification or authorization of, or declaration or filing with, or other action by, any other Person, including, without limitation, any governmental authority or instrumentality, the Debtor will execute and deliver, or will cause the execution and delivery of, all such agreements, documents, applications, certificates, instruments and other documents and papers and will take, or will cause to be taken, such other action that may be required to obtain such consent, approval, registration, qualification or authorization of or other action by such other Person and/or that may be reasonably requested by the Required Secured Parties in connection therewith.

16. Certain Definitions. In addition to the descriptions contained in section 1 hereof, the items of Collateral referred to therein shall have all of the meanings ascribed to them in the Personal Property Security Act (Ontario) as in effect from time to time.

17. Amendments. All amendments of this Agreement and all waivers of compliance herewith shall be in writing and shall be effected in compliance with the provisions of section 19 of the Securities Purchase Agreements.

18. Communications. All communications provided for herein shall be mailed by certified mail (return receipt requested) at the addresses referred to and shall be effective at the time specified in section 23 of the Securities Purchase Agreements.

19. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Secured Parties and the Debtor, successors to the Debtor and the successors and assigns of the Secured Parties, and, in addition, shall inure to the benefit of and be enforceable by each holder from time to time of any of the Notes who, upon acceptance of any such Notes, shall, without further action, be entitled to enforce the provisions and enjoy the benefits hereof and thereof, whether or not an express assignment to such holder of rights hereunder and thereunder has been made.

20. Governing Law; Jurisdiction. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, and all amendments and supplements hereof and all waivers and consents hereunder, shall be construed in accordance with and governed by the laws of the Province of Ontario, Canada and the laws of Canada applicable therein which apply to contracts made and to be performed entirely in Ontario.

21. Miscellaneous. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement (together with the other Operative Documents) embodies the entire agreement and understanding between the Secured Parties and the Debtor and supersedes all prior agreements and understandings relating to the subject matter hereof. Each covenant contained herein and in each of the other Operative Documents shall be construed (absent an express provision to the contrary) as being independent of each other covenant contained herein and therein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. If any provision in this Agreement or in any of the other Operative Documents refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable, whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision. In case any provision in this Agreement or in any of the other Operative Documents shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby. If any provision of this Agreement conflicts with a provision in the Securities Purchase Agreements, such provision of the Securities Purchase Agreements shall control. This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts but all such counterparts shall together constitute but one and the same instrument.

22. Copy of Agreement. The Debtor acknowledges receipt of an executed copy of this Agreement.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the Debtor and the Institutional Investors have executed this Agreement as a sealed instrument as of the date first above written.

UNIPAC CORPORATION

By *[Signature]* (Title)  
*President*

MASSACHUSETTS MUTUAL LIFE  
INSURANCE COMPANY

By \_\_\_\_\_ (Title)

MASSMUTUAL CORPORATE INVESTORS

By \_\_\_\_\_ (Title)

The foregoing is executed on behalf of MassMutual Corporate Investors, organized under a Declaration of Trust, dated September 13, 1985, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

IN WITNESS WHEREOF, the Debtor and the Institutional Investors have executed this Agreement as a sealed instrument as of the date first above written.

UNIPAC CORPORATION

By \_\_\_\_\_  
(Title)

MASSACHUSETTS MUTUAL LIFE  
INSURANCE COMPANY

By Michael P. Hermser  
Second Vice President (Title)

MASSMUTUAL CORPORATE INVESTORS

By Hamlin C. Wilson  
Vice President (Title)

The foregoing is executed on behalf of MassMutual Corporate Investors, organized under a Declaration of Trust, dated September 13, 1985, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

MASSMUTUAL PARTICIPATION  
INVESTORS

By Harline C. Wilson  
Via President (Title)

The foregoing is executed on behalf of  
MassMutual Participation Investors, organized  
under a Declaration of Trust dated April 2,  
1966, as amended from time to time. The  
obligations of such Trust are not personally  
binding upon, nor shall resort be had to the  
property of, any of the Trustees, shareholders,  
officers, employees or agents of such Trust, but  
the Trust's property only shall be bound.

**Places of Business**  
**Location of Collateral: Names**

1. **Additional Places of Business and Locations of Collateral**

145 Edward Street, Aurora, Ontario  
125 Edward Street, Aurora, Ontario

110-113 Connaught Avenue, Aurora, Ontario

Marlborough Liners Limited, Robins Park, The Butts,  
Loddiswell, Nr. Kingsbridge, Devon TQ7, 4SL, England

Unipac Limited, Warrington Road, High Legh, Nr. Knutsford, U.K.

Unipac Limited c/o Wardell Group, Barley Castle Lane,  
Appleton, Warrington, WA4 4RD, U.K.

Ste. 5300, Commerce Court West, Toronto, Ontario (minute books)

2. **Names (including all fictitious business and trade names)**

Universal Insulations Company Limited  
Insulec Sales Limited  
Universal Insulations Sales of Canada Limited  
UNI - Holing Limited  
Insulec  
Unipac Corporation  
Unipac



Exhibit 7(a)

Pledged Stock of the Subsidiaries of the Debtor

All of the issued and outstanding shares of Unipac Limited, a United Kingdom corporation.

ds1.239577.5

## **ASSIGNMENT AND LICENSE AGREEMENT**

This Agreement, effective as of the 1st day of October, 1996, (the "Effective Date") is by and between Unipac Corporation, an Ontario Corporation whose address is 125 Edward Street, Aurora, Ontario, Canada L4G 1W3 ("Unipac") and **MINNESOTA MINING AND MANUFACTURING COMPANY**, a Delaware corporation whose address and principal place of business is 3M Center, Saint Paul, Minnesota, U.S.A. 55144 ("3M").

### **RECITALS:**

Whereas 3M manufactures cap closure liners and innerseals and distributes them throughout the world;

Whereas Unipac desires to buy from 3M and 3M desires to sell to Unipac certain assets related to 3M's cap closure liner and innerseal business under that certain **ASSET SALE AGREEMENT** between 3M and Unipac dated September 25, 1996;

Whereas this **ASSIGNMENT AND LICENSE AGREEMENT** is incorporated into said **ASSET PURCHASE AGREEMENT** as Exhibit E-1 thereto;

Whereas, in the normal course of Unipac's business, Unipac conducts a business similar to the business Unipac will conduct with the rights transferred hereunder. Accordingly, Unipac and its agents possess such knowledge and experience in financial and business matters and in entering into an agreement of this type that it is capable of evaluating the merits and risks of entering into this Agreement;

Whereas, Unipac and its agents have evaluated and conducted due diligence of the patents, patent applications, trademarks, and proprietary information that is the subject of this Agreement. Unipac is entering into this Agreement on the basis of its and its agent's investigation, analysis, and expertise, and in reliance on its and its agent's investigation, analysis, and expertise as well as the representations, warranties, covenants, and agreements expressly set forth in this Agreement. Unipac and its agents have been furnished access to the records of 3M relating to the intellectual property that is the subject of this Agreement and such additional information and documents as Unipac and its agents have requested and have been afforded an opportunity to ask questions of and receive answers from representatives of 3M concerning the intellectual property;

Whereas Unipac desires to buy from 3M and 3M desires to sell to Unipac certain assets, including specified patents, patent applications, and trademarks related to 3M's cap closure liner and innerseal business;

Whereas Unipac desires to obtain from 3M and 3M desires to grant to Unipac a limited exclusive license under specified proprietary information related to 3M's cap closure liner and innerseal business; and

Whereas 3M desires to obtain from Unipac and Unipac desires to grant to 3M certain rights under those patents sold to Unipac.

In consideration of these premises and of the mutual promises set forth below, the Parties to this Agreement agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

For the purposes of this Agreement, the terms defined in this Article shall have the meaning specified and shall be applicable both to the singular and plural forms.

1.1 "Party" shall mean Unipac or 3M, as applicable.

1.2 "Affiliate" shall mean any legally-distinct corporation, firm, partnership, proprietorship or other form of business entity, in whatever country organized or resident, as to which the control of the business shall be exercised by a Party, and any corporation, firm, partnership, proprietorship or other form of business organization in which a Party has at least a fifty percent (50%) ownership interest.

1.3 "Patent Rights Licensee" shall mean 3M, any 3M Affiliate, or any sub-licensee of 3M under the rights herein provided, as applicable.

1.4 "Patent Rights" shall mean those patent applications (including any continuation, continuation-in-part, division or substitution thereof) and patents (including any reissue or reexamination thereof), in any country, listed on attached Exhibit A.

1.5 "Top-Tabbed", when used herein to describe a product, shall mean a product comprising a membrane and a sheet, a part of the sheet being bonded to the membrane and another part of the sheet being free so as to form a tab.

1.6 "Sealing Member" shall mean a Top-Tabbed sealing member intended to be sealed to a container without a secondary cap applied to the container at the time of sealing; such secondary cap may be, but is not required to be, applied to the container after the sealing member is sealed thereto.

1.7 "Licensed Product" shall mean a Top-Tabbed Sealing Member whose shape, composition, manufacture or use is described or claimed in the Patent Rights.

1.8 "Licensed Field" shall mean all applications other than edible oil, milk, water, juice, catsup, spreadable foods, motor oil, and salsa applications.

1.9 "Proprietary Information" shall mean that information or data identified on attached Exhibits B and C.

1.10 "Restricted Proprietary Information" shall mean that Proprietary Information identified on attached Exhibit C that relates to the composition of certain components of innerseals being offered for sale by 3M as of the Effective Date of this Agreement.

1.11 "Trademark Rights" shall mean the registrations and applications to register the trademarks "SAFE-GARD" and "CAP-SEAL" listed on attached Exhibit D, and whatever common-law rights exist in the trademarks "SAFE-GARD" and "CAP-SEAL."

1.12 "Transferred Product Line" shall mean those cap closure liners and innerseals offered for sale by 3M immediately prior to the Effective Date listed on attached Exhibit E.

## ARTICLE II

### ASSIGNMENTS AND LICENSE GRANT

2.1 Assignment of Patent Rights. 3M hereby sells, assigns and transfers to Unipac the entire right, title and interest owned by 3M in the Patent Rights.

2.2 Proprietary Information License Grant. 3M hereby grants to Unipac an exclusive, world-wide, fully paid-up, royalty-free, irrevocable license to use the Proprietary Information, including the right to sublicense, to make, have made, import, use, offer for sale, and sell, in roll form and/or in converted form, cap closure liners and innerseals (a) described or claimed in the Patent Rights; and/or (b) of the type in the Transferred Product Line and the normal progression of the Transferred Product Line; and/or (c) Top-Tabbed Sealing Members for use outside the

**Licensed Field.** This license to use the Proprietary Information is expressly limited to cap closure liners and innerseals described or claimed in the Patent Rights and/or of the type in the Transferred Product Line and the normal progression of the Transferred Product Line and/or Top-Tabbed Sealing Members for use outside the Licensed Field. This license includes the right for customers (ultimate or in privity or other) of Unipac, its Affiliates, and its sublicensees to use and/or sell the products so made.

The Parties agree that the normal progression of the Transferred Product Line shall be deemed to include, but not be limited to, products of the type in the Transferred Product Line intended to be sealed to a bottle without a secondary cap applied to the container at the time of sealing; such secondary cap may be, but is not required to be, applied to the container after the sealing member is sealed thereto; provided, however that the normal progression of the Transferred Product Line shall not include products of the types offered by sale by 3M as of the Effective Date as (i) SCOTCHPAK™ film; or (ii) SCOTCHTAB™ closures, film, or tapes.

Unipac acknowledges that a certain proprietary tab laminating process used by 3M in making Top-Tabbed products in the Transferred Product Line is not included in the Proprietary Information.

**2.3 Patent License Grant.** Unipac and Unipac Affiliates hereby grant to 3M a fully paid-up, royalty-free, irrevocable, exclusive license under the Patent Rights, including the right to sublicense, to make, have made, import, use, offer for sale, and sell Licensed Products for use in the Licensed Field throughout the world. This license includes the right for customers (ultimate or in privity or other) of any Patent Rights Licensee to use and/or sell in the Licensed Field the Licensed Products so made, provided, however, that Patent Rights Licensees shall not sell Licensed Products to cap manufacturers and distributors.

**2.4 Assignment of Trademark Rights.** 3M hereby assigns to Unipac the Trademark Rights as-is without any warranty, express or implied, together with the good will of the business symbolized by the Trademark Rights.

**2.5 Trade Name and Trademark Restrictions.**

**2.5.1** This Agreement does not transfer to Unipac the right to use 3M's trade names or trademarks (i) "3M" alone, or (ii) any 3M corporate logo alone, or (iii) any of

the marks (i) and (ii) in combination with any other mark or symbol except for the limited rights set forth in Section 2.5.2.

2.5.2 Unipac shall not use 3M's trade names or trademarks (i) "3M" alone, or (ii) any 3M corporate logo alone, or (iii) any of the marks (i) and (ii) in combination with any other mark or symbol except for a period of 30 days following closing Unipac shall be permitted to use such marks on products, sales literature, product packaging and labeling, created prior to closing.

2.6 Nonassertion of Other Rights. 3M agrees that with respect to: (i) any patent which, on the Effective Date, it owns or which it otherwise has the right to assert, or (ii) any patent which may later issue on a pending application which, on the Effective Date, it owns or otherwise has the right to assert, or (iii) on a patent which may later issue which claims an invention conceived of no later than the Effective Date, which invention, on the Effective Date, it owns or has the right to own, it will not assert against Unipac, its agents, affiliates, successors and assigns, and the customers (ultimate or in privity or other) of Unipac, any claim for infringement based on the manufacture, importation, use, offer for sale, or sale of any product in the Transferred Product Line. Provided, however, that with respect to Top-Tabbed products, this Article 2.6 shall apply only to the extent such Top-Tabbed products are made under that certain Sublicense Agreement between 3M and Unipac executed on even date herewith, or under a license which may be later executed granting Unipac substantially similar rights.

2.7 Nothing in this Agreement shall be construed as limiting Unipac's right to use Proprietary Information that Unipac can show (a) was in Unipac's possession before receipt from 3M; (b) is or becomes available to the public through no fault of Unipac; (c) is received in good faith by Unipac from a third party and is not subject to an obligation of confidentiality owed to the third party; or (d) is developed by Unipac independent of the Proprietary Information, provided, however, that Proprietary Information shall not be deemed within the foregoing exceptions if it is specific information and is merely embraced by more general information in the public domain or in Unipac's possession.

**ARTICLE III**  
**WARRANTY AND CONFIDENTIALITY**

**3.1 Warranties of 3M**

**3.1.1 No conflicting agreements by 3M.** Subject to Sections 7.1 and 7.2 below, 3M warrants that neither 3M nor any 3M Affiliate has or will have any agreement with any third party that conflicts in any way with their obligations under this Agreement, including but not limited to the assignments of Articles 2.1 and 2.4 above and the license grant of Article 2.2 above.

**3.1.2 Noninfringement.** 3M warrants that to the best of its knowledge and belief, without representing that any investigation has been conducted, that it has not received written notice or claim from any third party that any patents, published patent applications, trademarks, or trademark registrations in any country, which are owned, controlled by or licensed to any such third party, have been or would be infringed by the exploitation of the Patent Rights, Trademark Rights, and Proprietary Information as exploited by 3M in the conduct of its cap closure liner and innerseal business. 3M warrants that to the best of its knowledge and belief, 3M is not currently involved in any litigation that includes a claim that the sale of any product in 3M's cap closure liner and innerseal business and/or 3M's use of the Trademark Rights infringes upon the intellectual property rights of others. Except as otherwise provided herein, 3M does not warrant that the exploitation of the rights transferred under this agreement does not infringe upon the intellectual property rights of others.

**3.1.3** Subject to Sections 7.1 and 7.2 below, 3M has and will convey to Unipac as of the Effective Date title to the Patent Rights and Trademark Rights, free of any liens, easements, or encumbrances of any kind.

**3.1.4** 3M has title to the Proprietary Information free of any liens, easements, or encumbrances of any kind.

**3.1.5** The Proprietary Information in Exhibit B is the documentation as kept in 3M's ordinary course of business with respect to the product formulations and manufacturing processes used by 3M to manufacture the Transferred Product Line except

for: (i) a certain proprietary tab laminating process used by 3M in making Top-Tabbed products in the Transferred Product Line; and (ii) product formulations and manufacturing processes used by 3M to manufacture Scotchpak (TM) films that are components of certain products of the Transferred Product Line. Nothing in this Agreement shall be deemed a representation or warranty by 3M as to any party's ability to use the Proprietary Information to manufacture products in the Transferred Product Line.

3.1.6 No other warranty. Except as explicitly set forth in Articles 3.1.1, 3.1.2, 3.1.3, 3.1.4, and 3.1.5, 3M disclaims all other warranties relating to intellectual property sold or licensed pursuant to this Agreement.

### 3.2 Warranties of Unipac.

3.2.1 No conflicting agreements by Unipac. Unipac warrants that neither Unipac nor any Unipac Affiliate has or will have any agreement with any third party that conflicts in any way with their obligations under this Agreement, including but not limited to the license grant of Article 2.3 above.

3.2.2 Experience. In the normal course of Unipac's business, Unipac conducts a business that is similar to the business that Unipac will conduct with the rights transferred hereunder. Accordingly, Unipac and its agents possess such knowledge and experience in financial and business matters in making an agreement of this type that it is capable of evaluating the merits and risks of entering into this Agreement. Unipac is able to bear the economic risks of entering into this Agreement and exploiting the rights transferred hereunder.

3.2.3 Due Diligence Review. Unipac acknowledges that it has an affirmative obligation to seek out information concerning the intellectual property and rights under the intellectual property transferred under this agreement. Accordingly, Unipac and its agents have evaluated and conducted a thorough due diligence of the intellectual property, including but not limited to all information and files related to the intellectual property provided by 3M to Unipac. Unipac is entering into this agreement on the basis of its and its agent's investigation, analysis, and expertise, and in reliance on its and its agent's investigation, analysis, and expertise as well as in reliance on those representations,



warranties, and covenants of 3M expressly set forth in this Agreement. Unipac and its agents have been furnished such information as Unipac and its agents have requested and have been afforded an opportunity to ask questions of and receive answers from representatives of 3M concerning the intellectual property.

3.2.4 Representation by Counsel. Unipac and its agents have been represented by intellectual property counsel and general counsel in the conduct of such due diligence, the preparation and negotiation of this agreement, and the consummation of the transactions contemplated hereby.

3.3 Confidential Information. Unipac agrees to protect the Restricted Proprietary Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure of the Restricted Proprietary Information, as it uses to protect its own confidential information of a like nature and not to disclose the Restricted Proprietary Information to any third party except as may be expressly provided for herein. Section 3.3 imposes no obligation upon Unipac with respect to information that (a) was in Unipac's possession before receipt from 3M; (b) is or becomes available to the public through no fault of Unipac; (c) is received in good faith by Unipac from a third party and is not subject to an obligation of confidentiality owed to the third party; or (d) is developed by Unipac independent of the Restricted Proprietary Information, provided, however, that Restricted Proprietary Information shall not be deemed within the foregoing exceptions if it is specific information and is merely embraced by more general information in the public domain or in Unipac's possession.

#### ARTICLE IV

#### CONSIDERATION

4.1 Patent Rights. In full consideration for the assignment of Patent Rights of Article 2.1 above, on the Effective Date, Unipac shall pay to 3M a total payment of \$2,200,000. (U.S. dollars).

4.2 Proprietary Information. In full consideration for the license of Proprietary Information of Article 2.2 above, on the Effective Date, Unipac shall pay 3M a total payment of \$100,000. (U.S. dollars).

4.3 Trademark Rights. In full consideration for the assignment of Trademark Rights of Article 2.4 above, on the Effective Date, Unipac shall pay to 3M a total payment of \$100,000. (U.S. dollars).

## ARTICLE V

### UNLICENSED COMPETITION AND LITIGATION

5.1 Legal action by Unipac. Except as provided in Articles 5.2 and 5.3, Unipac shall have the exclusive right to enforce the Patent Rights and the Trademark Rights, and any decision on the institution or continuation of any litigation thereunder shall be Unipac's. Unipac shall provide reasonable notice to 3M prior to instituting such a lawsuit, and shall advise 3M periodically during the course of the lawsuit of any developments in the litigation, to facilitate a determination that the lawsuit can be instituted and continued without providing significant legal exposure to 3M which cannot be totally compensated for by the indemnification of Article 5.4. If Unipac prosecutes a legal action to enforce the Patent Rights or the Trademark Rights, then the costs of such prosecution shall be at Unipac's own expense and it will receive for itself any recovery obtained in such action. 3M will render without charge reasonable assistance to Unipac in prosecuting such action.

5.2 Legal Action by 3M. If any unlicensed third party shall make, import, use, offer for sale or sell products which are Licensed Products intended for use in the Licensed Field in competition with any Patent Rights Licensee in any country in which there is an actionable right against such third party under the Patent Rights, and further provided that such manufacture, use, or sale is not otherwise actionable under Patent Rights except as being a Licensed Product intended for use in the Licensed Field, then 3M shall have the exclusive right to enforce the Patent Rights against such activity, and any decision on the institution or continuation of any litigation thereunder shall be 3M's. If 3M shall prosecute any such legal action, such prosecution shall be at their own expense and it will receive for itself any recovery obtained in such action. Unipac shall

render reasonable assistance to 3M in so enforcing the Patent Rights without charge. If 3M desires, Unipac shall join 3M as a party in any such action at 3M's expense. At Unipac's option, Unipac shall be entitled to be represented therein by its own counsel at its own expense. The proceeds of any recovery obtained in any such action shall be paid first to 3M to reimburse 3M for the aforesaid expenses and then to Unipac for any unreimbursed expenses reasonably incurred by Unipac in joining the Patent Rights Licensees as a party to such action and thereafter participating therein. Any remaining proceeds shall be paid to 3M.

5.3 Other Legal Action. If any unlicensed third party shall make, import, use, offer for sale or sell products which are Licensed Products intended for use in the Licensed Field in competition with any Patent Rights Licensee in any country in which there is an actionable right against such third party under the Patent Rights, and if such manufacture, use, or sale of is also otherwise actionable under Patent Rights, then Unipac shall have the right to enforce the Patent Rights against such activity. Unipac shall provide reasonable notice to 3M prior to instituting such a lawsuit, and shall advise 3M periodically during the course of the lawsuit of any developments in the litigation. If Unipac shall prosecute any such legal action, such prosecution shall be at its own expense and it will receive for itself any recovery obtained in such action. If 3M desires, 3M shall join Unipac as a party in any such action and in such event 3M shall be entitled to be represented therein by its own counsel at its own expense. The proceeds of any recovery obtained in any such action shall be paid first to Unipac to reimburse Unipac for the aforesaid expenses and then to 3M for any unreimbursed expenses reasonably incurred by 3M in joining as a party to such action and thereafter participating therein. Any remaining proceeds shall be paid 50:50 to Unipac and 3M. If Unipac does not prosecute such legal action, then 3M shall have the right to enforce the Patent Rights against such activity and any decision on the institution or continuation of any litigation thereunder shall be 3M's. If 3M shall prosecute any such legal action, such prosecution shall be at its own expense and it will receive for itself any recovery obtained in such action. Unipac shall render reasonable assistance to 3M in so enforcing the Patent Rights without charge. If 3M desires, Unipac shall join 3M as a party in any such action at 3M's expense. At Unipac's option, Unipac shall be entitled to be represented therein by its own counsel at its own expense. The proceeds of any recovery obtained in any such action shall be paid first to 3M to reimburse 3M for the aforesaid expenses and then to Unipac for any

unreimbursed expenses reasonably incurred by Unipac in joining the Patent Rights Licensees as a party to such action and thereafter participating therein. Any remaining proceeds shall be paid to 3M.

5.4 Indemnification. Unipac shall indemnify 3M and hold 3M harmless in respect to any damages or other costs of any type, reasonably related to the intellectual property rights being enforced under Article 5.1 or solely by Unipac under Article 5.3 (but not related to any counterclaim for infringement by 3M), payable to third parties as a result of litigation pursuant to Article 5.1 or Article 5.3.

5.5 Indemnification. 3M shall indemnify Unipac and hold Unipac harmless in respect to any damages or other costs of any type, reasonably related to the intellectual property rights being enforced under Article 5.2 or solely by 3M under Article 5.3 (but not related to any counterclaim for infringement by Unipac), payable to third parties as a result of litigation pursuant to Article 5.2 or solely by 3M pursuant to Article 5.3.

5.6 Legal action or claims against a Patent Rights Licensee. If any third party shall make a claim or bring an action against any Patents Rights Licensee for alleged infringement of any patent or rights thereunder of such third party, by reason of the manufacture, use or sale of any Licensed Product by a Patent Rights Licensee in any country wherein there are Patent Rights, 3M shall promptly give written notice to Unipac of such claim or action. Patents Rights Licensee shall defend, settle, or terminate any such claim or action in its sole discretion.

5.7 Notification. Each Party shall promptly advise the other of any threatened or actual infringement of the Patent Rights it may become aware of.

## ARTICLE VI

### PATENT APPLICATIONS, PATENTS, APPLICATIONS TO REGISTER TRADEMARKS, AND TRADEMARK REGISTRATIONS

6.1 Mechanism. Unipac and 3M desire that a mechanism be established to handle their respective rights and responsibilities for the filing, prosecution, and maintenance of all patent applications and patents that are part of the Patent Rights and all trademark registrations and

applications that are part of the Trademark Rights of this Agreement. This Article VI is intended to establish such a mechanism.

6.2 Fees and charges. Unipac shall pay for all costs due and payable after the Effective Date for the preparation, filing, prosecution and maintenance of any patent applications and patents that are part of the Patent Rights and any trademark registrations and applications to register trademarks that are part of the Trademark Rights.

6.3 Waiver by Unipac. Unipac waives all claims and causes of action against 3M, and against 3M employees personally and in their capacities as 3M employees, arising out of the Patent Rights and Trademark Rights, in any country or jurisdiction in the world, specifically but not limited to claims for any wrongful act or omission in the preparation, filing, maintenance, or other handling of the Patent Rights and Trademark Rights, subject to those representations and warranties expressly set forth in this Agreement.

6.4 Waiver by 3M. 3M waives all claims and causes of action against Unipac, and against Unipac employees personally and in their capacities as Unipac employees, arising out of the Patent Rights, in any country or jurisdiction in the world, specifically but not limited to claims for any wrongful act or omission in the preparation, filing, maintenance, or other handling of the Patent Rights, subject to those representations and warranties expressly set forth in this Agreement.

6.5 Abandonment or lapse. If Unipac intentionally elects to allow any patent application or patent in the Patent Rights to become abandoned or lapse, Unipac shall give 3M written notice of such election at least two months prior to the first date that action must be taken to avoid such intentional abandonment or lapse. Upon written notice to Unipac, 3M shall have the right to take over at its sole expense the filing, prosecution or maintenance of any such patent application or patent, and to have whole ownership thereof, provided that Unipac may retain ownership of such patent application or patent by providing 3M written notice of such intent within thirty days of receiving notice from 3M of 3M's intent to take over the patent application or patent. In the event that 3M takes over ownership of any such patent application or patent, 3M shall not be liable to Unipac any way in respect to 3M's handling of or the results obtained from such filing, prosecution or maintenance or any failure of 3M to so file, prosecute or maintain. In addition, in such event Unipac shall provide such reasonable assistance and shall

execute such documents as are reasonably necessary to file, continue prosecution or maintenance of, or enforce such patent application or patent. Furthermore, 3M shall grant to Unipac a non-exclusive license under any such patent or application or patent.

## **ARTICLE VII**

### **PRIOR LICENSE RIGHTS**

7.1 Existence of Prior License Rights. Unipac is aware that the Patent Rights and Trademark Rights are subject to certain license agreements between 3M and certain 3M Affiliates.

7.2 Termination of Prior License Rights. 3M shall terminate any licenses under the Patent Rights and Trademark Rights between 3M and 3M Affiliates, and shall endeavor to do so within 120 days of the Effective Date. 3M shall notify Unipac when all such license rights are terminated.

## **ARTICLE VIII**

### **MISCELLANEOUS**

8.1. Applicable law. This Agreement shall be construed in accordance with the laws of the state of New York, irrespective of the legal theory asserted. This choice of applicable state law shall in no way be deemed to indicate any preference or intent of the Parties that disputes should or should not be decided by a New York tribunal.

8.2 Force majeure. Neither Party shall be considered in default or be liable for any delay in performance or for any nonperformance caused by circumstances beyond the reasonable control of such Party, including but not limited to acts of God, explosion, fire, flood, accident, strike or other labor disturbance, war (whether declared or not), sabotage, order or decree of any court or action of any governmental authority, or other causes, whether similar or dissimilar to those specified, that cannot reasonably be controlled by the Party who failed to perform.

8.3 Separability. The provisions of this Agreement shall be deemed separable. Therefore, if any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity or enforceability of the remainder of this Agreement unless the part or

parts that are void, invalid or unenforceable as aforesaid shall substantially impair the value of the whole agreement to either Party.

8.4 Notices. Any and all communications required as provided for in this Agreement shall be in writing and sent by first class mail, postage prepaid, and addressed to the last known address of the Party to be served therewith. Notices sent by Registered or Certified mail, Return Receipt Requested, shall be presumed to have been received. Any notice to be given to Unipac shall be addressed to:

President, Unipac Corporation  
125 Edward Street  
Aurora, Ontario  
Canada L4G 1W3

With a copy to:

David Schulman  
Dechert, Price & Rhoads  
4000 Bell Atlantic Tower  
1717 Arch Street  
Philadelphia, PA 19103

Any notice to be given to 3M shall be addressed to:

Vice President  
Identification and Converter Systems Division  
Minnesota Mining and Manufacturing Company  
3M Center, Building 220-7W-03  
St. Paul, Minnesota USA 55144

With a copy to:

Chief Intellectual Property Counsel  
3M Office of Intellectual Property Counsel  
3M Center, Building 220-12W-01  
St. Paul, Minnesota USA 55144

Any change of address of a Party shall be promptly communicated in writing the other Party.

8.5 Integration, amendment and assignment. This Agreement sets forth the entire agreement between the Parties relating to the subject matter contained herein and may not be modified, amended, assigned or discharged except as expressly stated in this Agreement or by a

written agreement signed by the Parties hereto. This Agreement, and the rights and obligations hereunder, shall be freely assignable in its entirety by Unipac. This Agreement, and the rights and obligations hereunder, shall be freely assignable by 3M.

8.6 Succession. This Agreement and the rights and obligations granted and undertaken thereunder shall be binding upon and inure to the benefit of the Parties hereto, and their successors, trustee(s) or receiver(s) in bankruptcy and permitted assigns.

8.7 No Implied License. Nothing in this Agreement shall be construed as granting any licenses other than those explicitly granted herein.

8.8 Headings. The article and section headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

8.9 Guarantee of performance. Each Party hereby guarantees the performance of its Affiliates under this Agreement.

8.10 Dispute Resolution

8.10.1 Unaided Negotiations. All disagreements or disputes between the Parties, irrespective of the legal theory asserted, other than where a Party is seeking injunctive relief, shall be settled by the procedures specified in Article 8.10.

If one Party believes the other Party has breached this Agreement, notice thereof shall be promptly be given to the other in writing. The receiving Party shall respond in writing to any such notice within fourteen (14) business days after receipt. If the dispute is not promptly resolved, there shall follow within fourteen (14) business days a meeting of the principals, including specifically 3M's Vice President, Identification and Converter Systems Division and Unipac's President. The purpose of such meeting shall be to discuss and negotiate in good faith a resolution to any outstanding dispute. The location of such meeting shall be chosen by the Party responding to the first notice.

8.10.2 Mediation. Should the procedure of Article 8.10.1 fail to bring about a prompt resolution of the Parties' disagreement or dispute, then within thirty (30) days following the meeting of the principals, the Parties shall, irrespective of the legal theory asserted, initiate a voluntary, non-binding mediation conducted by a mutually-agreed mediator in a mutually agreed upon location. The



Parties shall bear equally the costs and expenses of the mediation and endeavor in good faith to resolve their differences, provided that each Party shall be responsible for the fees and expenses of its own counsel, accountants, and other experts and witnesses and its own costs of preparation and presentation of evidence. Such mediation shall occur within ninety (90) days of notice from one Party to the other of a dispute.

8.10.3 Arbitration. In the event the Parties are unable to resolve any outstanding dispute as provided above within sixty (60) days following commencement of arbitration, irrespective of the legal theory asserted, then such outstanding dispute shall be determined by arbitration conducted in Minneapolis, Minnesota, in accordance with the then current Rules for Non-Administered Arbitration of Business Disputes of the CPR Institute for Dispute Resolution. The decision of the arbitrator shall be binding on the Parties and judgment upon the award may be entered in any court having jurisdiction thereof. The expenses of arbitration shall be shared equally by 3M and Unipac, provided that each Party shall be responsible for the fees and expenses of its own counsel, accountants, and other experts and witnesses and its own costs of preparation and presentation of evidence. Each of 3M and Unipac agrees to sign all documents and do all other things necessary to submit any matter to arbitration in accordance with this Agreement, and further agrees to, and hereby does, waive any and all rights it may at any time have to revoke its agreement hereunder to submit to arbitration and abide by the decision rendered therein.

8.10.4 Personal Jurisdiction. The Parties agree that the State of Minnesota has a substantial relationship to this transaction and each Party consents that Minnesota may properly exercise personal jurisdiction over them in the courts thereof. Accordingly, any and all dispute resolution, including without limitation litigation, shall be brought in the courts of the State of Minnesota.

8.10.5 Waiver of Jury Trial. Each of 3M and Unipac acknowledges the time and expense required for a bench trial and hereby waive, to the extent permitted by law, trial by jury, irrespective of the legal theory asserted.

**8.10.6 Damages.** 3M and Unipac each agree to waive any right to receive punitive damages relating in any way to this Agreement, irrespective of the legal theory asserted.

**8.10.7 Individual Representatives.** No claims relating to the subject matter of this Agreement may be brought by Unipac against any director, officer, or employee of 3M in his or her individual capacity, irrespective of the legal theory asserted.

**8.11 Indemnification.**

**8.11.1 Survival of Representations and Warranties.** The representations and warranties of 3M in Article 3.1 and of Unipac in Article 3.2 shall survive for a period of one year after the Effective Date, and shall thereafter automatically expire, except for the warranty of title of Article 3.1.3 with respect to the Patent Rights which shall survive for each patent application or patent for so long as each respective patent application or patent remains unexpired.

**8.11.2 Indemnification by 3M.** 3M shall indemnify and hold harmless Unipac for any and all liabilities losses, damages, claims, costs, and expenses, interest, awards, judgments and penalties (including, without limitation, legal costs and expenses and interest on the amount of any loss from the date suffered or incurred) arising out of, resulting from, or caused by: (a) any inaccuracy or misrepresentation in or breach of any of the representations or warranties made expressly by 3M in this Agreement; or (b) any covenants or agreements of 3M contained in this Agreement.

8.11.2(i) Notwithstanding anything to the contrary provided elsewhere in this Agreement, the obligations of 3M under this Agreement to indemnify Unipac with respect to any claim pursuant to Article 8.11.2, other than with respect to a loss relating to a breach of the warranty of title of the Patent Rights under Article 3.1.3, shall be of no force and forever barred unless Unipac has given 3M written notice of such claim prior to the first annual anniversary of the Effective Date.

8.11.2(ii) Notwithstanding anything to the contrary provided elsewhere in this Agreement, in no event shall 3M be liable to Unipac for amounts payable

under Article 8.11 to the extent such amounts exceed Seventy-Five Percent (75%) of the Consideration of Article IV.

8.11.3 Indemnification by Unipac. Unipac shall indemnify and hold harmless 3M for any and all liabilities losses, damages, claims, costs, and expenses, interest, awards, judgments and penalties (including, without limitation, legal costs and expenses and interest on the amount of any loss from the date suffered or incurred) arising out of, resulting from, or caused by: (a) any inaccuracy or misrepresentation in or breach of any of the representations or warranties made by Unipac; or (b) any covenants or agreements of Unipac contained in this Agreement.

8.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate as of the date and year first above written.

MINNESOTA MINING AND  
MANUFACTURING COMPANY

By: *Richard B. Sullivan*

Title: Vice President, Identification and  
Converter Systems Division

UNIPAC CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A TO ASSIGNMENT AND LICENSE AGREEMENT**  
**PATENT RIGHTS\***

**1. U.S. Patents**

<i>Application No.</i>	<i>Patent No.</i>
266,140	4,327,147
439,638	4,436,213
524,873	4,503,123
742,131	4,576,297
669,882	4,579,240
727,149	4,588,099
464,120	4,588,465
768,488	4,650,082
722,822	4,684,554
937,744	4,772,650
928,803	4,733,786
030,730	4,778,698
072,136	4,789,074
087,666	4,818,577
305,412	4,930,646
314,393	4,934,544
809,839	5,226,281
305,476	4,935,273
314,392	5,004,111
546,669	5,012,946
017,964	5,265,745
865,691	5,372,268
07/870,682	
08/017,965	
08/090,910	
08/310,844	
08/672,173	
08/501,714	

\* The listing of a patent or application on this schedule is for inventory purposes only and does not constitute a representation or warranty as to any matter, including, but not limited to, title, claim scope, validity, enforceability, filing date, priority date, status (pending, abandoned, opposed, granted, expired) or relationship to any other patents or applications, listed or otherwise.

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**EXHIBIT A TO ASSIGNMENT AND LICENSE AGREEMENT  
PATENT RIGHTS (CONTINUED)<sup>\*</sup>**

**2. Foreign Patents**

<u>Country</u>	<u>Application No.</u>	<u>Patent No.</u>
AUS	84038/82	548985
BRA	PI 82.02949	PI 82.02949
CAN	400537	1192798
EPO	82.302616.6	67559
FRA	82.302616.6	67559
GEW	82.302616.6	67559
ITA	82.302616.6	67559
JAP	86361/82	1591869
MEX	192809	159512
UNK	82.302616.6	67559
CAN	446388	1224398
CAN	465681	1264303
CAN	503723	1278322
CAN	615797	1324172
CAN	571529	1302347
EPO	88.306262.2	298762
FRA	88.306262.2	298762
GEW	88.306262.2	298762
JAP	170766/88	1812615
UNK	88.306262.2	298762

<sup>\*</sup>The listing of a patent or application on this schedule is for inventory purposes only and does not constitute a representation or warranty as to any matter, including, but not limited to, title, claim scope, validity, enforceability, filing date, priority date, status (pending, abandoned, opposed, granted, expired) or relationship to any other patents or applications, listed or otherwise.

<u>Country</u>	<u>Application No.</u>	<u>Patent No.</u>
ARG	309113	245916
AUS	79846/87	595649
BRA	PI 87.05940	PI 87.05940
CAN	548754	1319644
EPO	87.309086.4	266924
FRA	87.309086.4	266924
GEW	87.309086.4	266924
ITA	87.309086.4	266924
JAP	280856/87	
KOR	87-12415	
MEX	9119	165824
NEZ	222024	222024
NEZ	236306	236306
PHI	36046	23477
SOA	87/7436	87/7436
SPA	87.309086.4	266924
SWE	87.309086.4	266924
SWI	87.309086.4	266924
TAI	76-105949	NI-37638
UNK	87.309086.4	266924
AUS	53403/90	641151
AUT	90.905290.4	534949
BEG	90.905290.4	534949
BRA	PI 90.07164	PI 90.07164
CAN	2046927	
DEN	90.905290.4	534949
EPO	90.905290.4	534949
FRA	90.905290.4	534949
GEW	90.905290.4	534949
ITA	90.905290.4	534949

<u>Country</u>	<u>Application No.</u>	<u>Patent No.</u>
JAP	505208/90	
KOR	91-700997	
MEX	19516	167356
NET	90.905290.4	534949
NEZ	232232	232232
NOR	91.3369	
PCT	US90/00316	
SOA	90/0738	90/0738
SPA	90.905290.4	534949
SWE	90.905290.4	534949
SWI	90.905290.4	534949
TAI	78-101989	NI-37856
UNK	90.905290.4	534949
AUS	78080/91	640234
AUS	46217/93	663220
CAN	2042822	
EPO	91.305282.5	
JAP	138892/91	
KOR	91-9566	
AUS	49595/90	639438
AUT	90.902433.3	459996
BEG	90.902433.3	459996
BRA	PI 90.07166	PI 90.07166
CAN	2046864	
DEN	90.902433.3	459996
EPO	90.902433.3	459996
FRA	90.902433.3	459996
GEW	90.902433.3	459996
ITA	90.902433.3	459996
JAP	502482/90	

A-4

<u>Country</u>	<u>Application No.</u>	<u>Patent No.</u>
KOR	90-702349	
MEX	19518	172110
NET	90.902433.3	459996
NEZ	232233	232233
NOR	91.3370	
PCT	US90/00335	
SOA	90/0737	90/0737
SPA	90.902433.3	459996
SWE	90.902433.3	459996
SWI	90.902433.3	459996
TAI	78-101987	NI-37499
UNK	90.902433.3	459996
AUS	52675/90	639449
AUT	90.904511.4	
AUT	95.109467.1	
BEG	90.904511.4	
BEG	95.109467.1	
BRA	PI 90.07165	PI 90.07165
CAN	2047173	
DEN	90.904511.4	
DEN	95.109467.1	
EPO	90.904511.4	
EPO	95.109467.1	
FRA	90.904511.4	
FRA	95.109467.1	
GEW	90.904511.4	
GEW	95.109467.1	
ITA	90.904511.4	
ITA	95.109467.1	
JAP	504592/90	
KOR	91-700991	

A-5



<u>Country</u>	<u>Application No.</u>	<u>Patent No.</u>
MEX	19517	177046
NET	90.904511.4	
NET	95.109467.1	
NOR	91.3371	
PCT	US90/00341	
SPA	90.904511.4	
SPA	95.109467.1	
SWE	90.904511.4	
SWE	95.109467.1	
SWI	90.904511.4	
SWI	95.109467.1	
TAI	78-101988	NI-35334
UNK	90.904511.4	
UNK	95.109467.1	
CAN	2015922	
JAP	189624/90	
JAP	17673/93	
JAP	81889/93	
KOR	93-5768	
KOR	93-5429	
BEG	93.913868.1	
CAN	2136431	
EPO	93.913868.1	
FRA	93.913868.1	
GEW	93.913868.1	
ITA	93.913868.1	
JAP	520309/93	
MEX	933216	
NET	93.913868.1	

<u>Country</u>	<u>Application No.</u>	<u>Patent No.</u>
PCT	US93/04549	
SOA	93/3688	
SPA	93.913868.1	
SWE	93.913868.1	
SWI	93.913868.1	
UNK	93.913868.1	
PCT	US96/10659	

**EXHIBIT B TO ASSIGNMENT AND LICENSE AGREEMENT  
PROPRIETARY INFORMATION**

**Standards Books  
For The  
Closure Liner Business**

**Products for which standards books are included:**

**Safe Gard™75M, Safe Gard™90, Safe Gard™100, Safe Gard™101, Safe Gard™102, Safe Gard™104A, Safe Gard™108, Safe Gard™573/634, Safe Gard™602, Safe Gard™PS113, Safe Gard™518, Safe Gard™522, Safe Gard™523, Safe Gard™529, Cap-Seal™ SA66, Cap-Seal™W77.**

**Contents of Standards Books For Above Products Except SA66 and W77:**

- Product and Release Standards and Run Conditions**
  - Wax laminating**
  - Adhesive bonding to Chip Board**
  - Slitting**
- Adcote Adhesive Mixing Procedure**
- Ink Mixing Procedure and Listing of Inks Used**
- Wax Laminating Threadup**
- Internally Used Printing Plates**
- Coating Roll Maintenance Procedure**
- Raw Material Testing Procedures**
- Output Stock Number Listing**

**Contents of Standards Books For SA66 and W77:**

- Product and Release Standards and Run Conditions**
  - Slitting**
- Slitting Threadup**
- Raw Material Testing**
- Output Stock Numbers**

CLOSURE LINER BUSINESS RAW MATERIAL LISTING	
11 DIGIT STOCK NUMBER	PRODUCT DESIGNATION
11-0000-0210-2	Toluene, Nitrelion Grade
11-0000-2119-3	Methyl Ethyl Ketone
11-0000-2763-8	N-Propyl Alcohol (Ink Grade)
11-0001-6745-9	"Adcote 503A" Adhesive
11-0001-7178-2	Catalyst F
11-0002-0620-3	Ethyl Acetate
11-0003-4780-4	0.020" Valcour EPS" Foam Closure Lining Material
11-0003-4928-9	"Victory" Amber Microcrystalline Wax
11-0003-7995-5	"Adcote 550" Adhesive
11-0003-9078-8	S/G 104 A Facing 0.001" #1235-0 Dead Soft Aluminum Laminated to 20 lb. MG Bleached Paper. Printed "Sealed for Your Protection" White FGN-3556, 20-25"
11-0004-0141-1	SG-104A Facing 0.001" #1235-0 Dead Soft Aluminum Laminated to 20 lb. MG Bleached Paper, Unprinted, 24.00"
11-0004-0919-0	SG-634/SG-573 Facing
11-0004-1001-6	Laminate 0.0015" 1145-0 Aluminum Dead Soft/35 lb. Kraft Bleached Sulphite Paper "Unprinted", 20.25"
11-0004-1039-6	Ink Red No-Tox Flexo FGN-2992 NT20
11-0004-1181-6	"Foldcote" Butcherchip 0.010" Solid Bleached Sulphate, 20 3/8"
11-0004-2145-0	Laminate 0.0015" 1145-0 Aluminum Dead Soft/80 lb. Kraft Bleached Paper Unprinted, 20.25"
11-0004-2175-7	Ink Gold No-Tox Flexo FGN-3003 NT15
11-0004-2539-4	S/G 104A Facing 0.001" #1235 Dead Soft Aluminum laminated to 20 lb. MG Bleached Paper, Unprinted, 20.25"
11-0004-2547-7	Ink-Red No-Tox Flexo FGN-2993 NT05
11-0004-2748-1	SA-66 - Facing. 40.5"
	SG 100 - Facing Unprinted, 20.25"

11-0004-2749-9	SG 100 - Facing, Printed/Sealed for Your Protection/in White, 40.50"
11-0004-2750-7	SG 100 - Facing Printed/McNeil Pharmaceutical/in White, 40.50"
11-0004-2751-5	SG 100 - Facing, Printed/Safety Seal/in White 40.50"
11-0004-2752-3	SG 101 - Facing, Unprinted, 20.25"
11-0004-2753-1	SG 101 - Facing, Printed/Safety Seal/in White 40.50"
11-0004-2754-9	SG 101 - Facing, Printed/Sealed for Your Protection/in White 40.50"
11-0004-3013-9	SG 100 - Facing Unprinted, 40.5" wide
11-0004-3014-7	SG 100 - Facing, Printed/McNeil Pharmaceutical/in White, 20.25"
11-0004-3015-4	SG 100 - Facing, Printed/Safety Sealed/in White 20.25"
11-0004-3016-2	SG 100 - Facing, Printed/Sealed for Your Protection/in White 20.25"
11-0004-3017-0	SG 101 - Facing, Unprinted, 40.5"
11-0004-3018-8	SG 101 - Facing, Printed/Safety Sealed/in White, 20.25"
11-0004-3019-6	SG 101 - Facing, Printed/Sealed for Your Protection/in White 20.25"
11-0004-3827-7	SG 102 - Facing, 20.25"
11-0004-5174-7	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/Pull Tab/Bleached, 24"
11-0004-5635-7	Ink, Green No-Tox Flexo FGN-3447 NTO5
11-0004-6534-1	SG 90 - 001" #1235-0 Dead Soft Aluminum laminated to a 0.0005" Dupont 50 OL Polyester Film, Unprinted 40.50"
11-0004-6535-8	SG 75M - Facing Printed/Sealed for Your Protection/in White 40.50"
11-0004-6536-6	SG 75M - Facing Unprinted, 40.5"
11-0004-6623-2	SG 75M - Facing Unprinted, 20.25"
11-0004-6652-1	Ink, Black No-Tox FGN-3103 NTO5 - Solvent Based
11-0004-6685-1	Ink, Green No-Tox FGN-3615 NT23 - Water Based
11-0004-6686-9	Ink, Blue No-Tox FGN-3198 NT23 - Water Based
11-0004-6687-7	Ink White No-Tox FGN-3356 NT23 - Water Based
11-0004-6688-5	Ink, Black No-Tox FGN-3358 NT23 - Water Based
11-0004-6711-5	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/Pull Tab (7.5 pt.) Bleached 2000 yds., White with Red Print, 24"
11-0004-6712-3	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/S.T.P. Pull Tab/Bleached, 24"

11-0004-6864-2	SG 90 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0005" Dupont 50 OL Polyester Film, Unprinted, 20.25"
11-0011-2268-5	SG 75M - Facing, Printed/ Marion M"/in White, 40.50"
11-0011-2271-9	SG 75M-Facing, Printed/ 3/4 Led Oct, 40.50"
11-0011-2271-9	SG 75M - Facing, Printed "Lederle, 3/4" Octagon" in White, 40.50"
11-0011-2272-7	SG 75M - Facing, Printed "Rorer Seal" in Red, 40.50"
11-0011-2272-7	SG 75-Facing, Printed Red Rorer, Seal, 40.50"
11-0011-2531-6	S/G 104A Facing - 40.5"
11-0011-2784-1	SG 602 Facing 1 20.25"
11-0011-2784-1	SG 602 Facing - .002" #1235-0 Dead Soft Aluminum Laminated to 3M Scotchpak 313 Film, 20.25"
11-0011-2938-3	SG 75M-Facing, Blue Exxon, 40.50"
11-0011-2938-3	SG 75M - Facing, Printed "Exon" in Blue, 40.50"
11-0011-3146-2	SG 102 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.002" Polystyrene Film, Tricite 8002, Printed "GW" in Blue FGN-3189, 20.25"
11-0011-3147-0	SG 102-Facing, Printed Red G/W, 20.25"
11-0011-3147-0	SG 102 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.002" Polystyrene Film, Tricite 8002, Printed "GW" in Red FGN-2992, 20.25"
11-0011-3148-8	SG 102 - Facing, Printed White G/W, 20.25"
11-0011-3148-8	SG 102 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.002" Polystyrene Film, Tricite 8002, Printed "GW" in White FGN-3356, 20.25"
11-0011-3579-4	Ink, Orange No-Tox FGN-3503 NT15 - Solvent Based
11-0011-3756-8	SG 90 - .001" #1235-0 Dead Aluminum Laminated to a 0.0005" DuPont 50 OL Polyester Film, Printed "Sealed For Your Protection" in Red, FGN - 2992, 40.5"
11-0011-3756-8	SG 90 - Facing, Printed Red SEYD, 40.50"
11-0011-3820-2	SG 102 - Facing, Printed "Sterling Health" in White, 20.25"
11-0011-3821-0	SG 102 - Facing, Printed "Sterling Health" in Red, 20.25"
11-0011-3826-9	SG 102 - Facing, Unprinted, 20.25"
11-0011-3827-7	SG 102 - Facing, 20.25"
11-0011-3827-7	SG 102 - Facing, Printed White SFYD, 20.25"
11-0011-4030-7	SG 75M - Facing, Printed White MMD, 40.50"
11-0011-4030-7	SG 75M - Facing, Printed "MDM", 40.50"

11-0011-4540-5	SG 75M - .001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed/-Sunkist-/in Orange FGN-3503, 40.50"
11-0011-4541-3	SG 90 -0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0005" DuPont 50 OL Polyester Film, Printed "Sealed for Your Protection", in White, FGN - 3356, 40.5"
11-0011-4962-1	SG 602 Facing - .002" #1235 O Dead Soft Aluminum Laminated to 3M Scotchpak 313 Film, 40.5"
11-0011-5352-4	SG 75M - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed/ "ESSO" /in Red FGN 2992, 40.50"
11-0011-5353-2	SG 75M - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed/ "RPR" /in White FGN 3556, 40.50"
11-0011-5354-0	SG 75M - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed/French/English "Sealed for Your Protection"/in Black FGN-3358, 40.50"
11-0011-5355-7	SG 75M - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed/ "CPC" /in Black FGN-3358, 40.50"
11-0011-5375-5	Ink, Maroon No-Tox Flexo FGN-3980 NT20
11-0011-5599-0	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Unprinted Bleached, 24"
11-0011-5732-7	SG 100 - Facing, Printed Green G/W, 40.50"
11-0011-5732-7	SG 100 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0015" Polyethylene Film, MD-30 Visqueen, Printed/"GW"/in Green FGN-3615, 40.50"
11-0011-6130-3	Ink, Black No-Tox Flexo FGN-4075 NTO5
11-0011-6510-6	0.035" F2211" White Lined, Pulpboard, 40.75"
11-0011-6611-2	SG 75M - .001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed/Sealed for Your Protection/in Black FGN-3358, 40.50"
11-0011-6612-0	SG 102 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.002" Polystyrene Film, Tricite 8002, Printed/French - English "Sealed for Your Protection", in Black FGN-3358, 20.25"
11-0011-6613-8	SG 102 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.002" Polystyrene Film, Tricite 8002, Printed/"SHAKLEE"/in Blue FGN-3356, 20.25"
11-0011-6695-5	0.035" "F2211" White Lined, Pulpboard, 20.375"
11-0011-6755-7	SG 522 - Facing, 20.25"
11-0011-6819-1	SG 90 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0005" Dupont 50 OL Polyester Film, Printed "Sealed for Freshness" in White FGN - 2992, 40.5"

11-0011-6913-2	0.020" "F2211" White Lined, Pulpboard, 20.375"
11-0011-6914-0	0.020" "F2211" White Lined, Pulpboard, 40.75"
11-0011-7419-9	SG 75M - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed "Safety Squeeze" in White FGN-3356, 40.50"
11-0011-7455-3	"Victory" Amber Microcrystalline Wax, 320 pound drums
11-0011-7522-0	SG 523 - Facing, 20.25"
11-0011-7619-4	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/Safety Seal Pull Tab/Bleached, 24"
11-0011-7620-2	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed (Separate Lines) "Wish Bone" "Dressing" "Quality Seal" Green/Printed "Pull Tab" Red on White 24"
11-0011-7738-2	SG 102 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.002" Polystyrene Film, Tricite 8002, Printed/ "Tums" in Black FGN-3358, 40.5"
11-0011-7897-6	SG 75M - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.0020" 3M Scotchpak 107 Film, Printed "Quaker State" in Green FGN-3615, 40.50"
11-0011-7969-3	SG 102 - 0.001" #1235-0 Dead Soft Aluminum Laminated to a 0.002" Polystyrene Film, Tricite 8002, Printed "Shaklee" in Green FGN-3615, 20.25"
11-0011-8348-9	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/Easy Open Seal/Bleached, 24"
11-0011-9888-3	Laminate 75M Facing: Aluminum 0.001 i235.0/Polyester 0.0005/Printed "Lederle 5/8" Octagon Logo "White on Gray, 40.5 in.
11-0011-9888-3	SG 75M - Facing, Printed 'Lederle' in Blue, 40.50
11-0011-9968-3	SG 102 - Facing, Printed 'Sealed for Your Protection' in White, 40.5"
11-0011-9969-1	SG 102 - Facing, Printed 'Shaklee' in Green, 40.5"
11-0011-9970-9	SG 102 - Facing, Printed 'Shaklee' in Blue, 40.5"
11-0011-9971-7	SG 102 - Facing, Printed 'Sealed for Your Protection' in Black, 40.5"
11-0011-9972-5	SG 102 - Facing, Printed 'Bayer Corporation' in Blue, 40.5"
11-0011-9973-3	SG 102 - Facing, Printed 'Bayer Corporation' in Red, 40.5"



11-0011-9974-1	SG 102 - Facing, Printed 'Bayer Corporation' in White, 40.5"
11-0011-9975-8	SG 100 - Facing, Printed 'Bayer Corporation' in Blue, 40.5"
11-0011-9976-6	SG 100 - Facing, Printed 'Bayer Corporation' in White 40.5"
11-0011-9977-4	SG 100 - Facing, Printed 'Bayer Corporation' in Green 40.5"
11-0018-0096-7	SG 75M - Facing, Printed w/shell Logo 40.50"
11-0018-0160-1	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/"Pull Tab" Blue on White & FGN-4429 "Tirer Languette" Red on White FGN-4426/Bleached, 24"
11-0018-0161-9	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/"Merck" Green FGN-4427/Bleached, 24"
11-0018-0390-4	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/"Remove Foil Complete/Bleached, 24"
11-0018-0947-1	W77 - Laminate 0.0036 Kraft Paper 57#/3000 SF/Adcote 503A/Polyester Film 0.00051 Sharon Lis/White, 40.5 in.
11-0018-1000-8	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/Japanese-Pull Up Here/Bleached, 24"
11-0018-1001-6	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/Japanese-Pull Up Here & Peel Off/ Bleached, 24"
11-0018-1242-6	Paper 20#/3000 SF 84600 Hi Form MG Foil Mounting Printed/Japanese-YL/Bleached, 24"
11-0018-1887-8	SG 75M - Facing, Printed White Bayer, 40.50"

**EXHIBIT C TO ASSIGNMENT AND LICENSE AGREEMENT  
RESTRICTED PROPRIETARY INFORMATION**

[composition of facing layer of certain SCOTCHPAK films]

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**EXHIBIT D TO ASSIGNMENT AND LICENSE AGREEMENT  
TRADEMARK RIGHTS\***

<b>Safe-Gard</b>	<u>Country</u>	<u>Registration or Application No.</u>
	Australia	667781
	Benelux	463641
	Brazil	815348266
	Canada	761,669
	Chile	311.153
	Colombia	179938
	Costa Rica	11075
	Hong Kong	95 09836
	Hungary	134707
	Japan	79242/95
	Korea	95-29021
	Mexico	241365
	New Zealand	173398
	Panama	77661
	United Kingdom	n.a. (authorized foreign associate to file)
	United States	1248369
<b>Cap-Seal</b>	<u>Country</u>	<u>Registration or Application No.</u>
	Australia	668303
	Benelux	090739
	Brazil	815348282
	Canada	200-50757
	Colombia	181324
	Costa Rica	(filed, application number not yet available)
	Finland	40789
	Germany	779515
	Italy	442502
	Mexico	505302
	Panama	77663
	Philippines	n.a. (authorized foreign associate to file)
	Spain	0186442
	United States	592,277
	United States	592,433

\* The listing of a registration or application on this schedule is for inventory purposes only and does not constitute a representation or warranty as to any matter, including, but not limited to, title, validity, enforceability, filing date, priority date, status (pending, abandoned, opposed, granted, expired) or relationship to other applications or registrations, listed or otherwise.

**EXHIBIT E TO ASSIGNMENT AND LICENSE AGREEMENT  
TRANSFERRED PRODUCT LINE**

<u>Designation</u>	<u>Description</u>
KBN 0021	WAXED PULPBOARD
KBN 0518	518 TOP TAB INNERSEAL
KBN 0522	522 TOP TAB INNERSEAL
KBN 0523	523 TOP TAB INNERSEAL
KBN 0529	529 TOP TAB INNERSEAL
KBN 518P	518 TOP TAB W/PULP
KBN 522P	522 TOP TAB W/PULP
KBN 523P	523 TOP TAB W/PULP
KBN 529P	529 TOP TAB W/PULP
KBM 3227	SA66 CLOSURE LINERS TO MISCELLANEOUS BACKINGS
KBM 3420	MISCELLANEOUS-W77 CLOSURE LINERS
KBO 5000	75M FACING
KBO 5027	75M TO MISCELLANEOUS BACKINGS
KBO 5200	18EP FACING
KBO 5227	SG 18EP TO MISCELLANEOUS BACKINGS
KBO 5827	SG 90 TO MISCELLANEOUS BACKINGS
KBO 6027	PRINTED 75M TO MISCELLANEOUS BACKINGS
KBO 6527	SG102 PRINTED TO MISCELLANEOUS BACKINGS
KBO 6827	SG90 PRINTED TO MISCELLANEOUS BACKINGS
KBO 7127	SG634 TO MISCELLANEOUS BACKINGS
KBO 7427	SG573 TO MISCELLANEOUS BACKINGS
KBO 7527	SG 101 TO MISCELLANEOUS BACKINGS
KBO 7627	SG 101 PRINTED TO MISCELLANEOUS BACKINGS
KBO 7727	SG100 TO MISCELLANEOUS BACKINGS
KBO 7827	SG 100 PRINTED TO MISCELLANEOUS BACKINGS
KBP 4970	PS 113 PLN POLY FOAM
KBP 5600	SAFEGARD 108
KBP 6370	PS 113 PRINTED POLY FOAM
KBP 6600	S/GARD 108 PRINTED
KBP 7227	S/G 104A PRINTED TO MISCELLANEOUS BACKINGS

E-1

RECORDED: 12/09/1996

RECORDED: 04/02/2008

PATENT  
REEL: 020733 FRAME: 0962