

## PATENT ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT																
NATURE OF CONVEYANCE:	SECURITY AGREEMENT																
CONVEYING PARTY DATA																	
<table border="1"> <thead> <tr> <th>Name</th> <th>Execution Date</th> </tr> </thead> <tbody> <tr> <td>Arnold Magnetic Technologies Corporation</td> <td>03/05/2012</td> </tr> <tr> <td>Magnetic Technologies Corporation</td> <td>03/05/2012</td> </tr> <tr> <td>Flexmag Industries, Inc.</td> <td>03/05/2012</td> </tr> <tr> <td>The Arnold Engineering Co.</td> <td>03/05/2012</td> </tr> </tbody> </table>		Name	Execution Date	Arnold Magnetic Technologies Corporation	03/05/2012	Magnetic Technologies Corporation	03/05/2012	Flexmag Industries, Inc.	03/05/2012	The Arnold Engineering Co.	03/05/2012						
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RECEIVING PARTY DATA																	
<table border="1"> <tr> <td>Name:</td> <td>Compass Group Diversified Holdings LLC</td> </tr> <tr> <td>Street Address:</td> <td>61 Wilton Road, Second Floor</td> </tr> <tr> <td>City:</td> <td>Westport</td> </tr> <tr> <td>State/Country:</td> <td>CONNECTICUT</td> </tr> <tr> <td>Postal Code:</td> <td>06880</td> </tr> </table>		Name:	Compass Group Diversified Holdings LLC	Street Address:	61 Wilton Road, Second Floor	City:	Westport	State/Country:	CONNECTICUT	Postal Code:	06880						
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CORRESPONDENCE DATA																	
Fax Number:	(513)361-1201																
Phone:	513.361.1200																
Email:	trademark@squiresanders.com																
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.																	

CH \$280.00 6850140

Correspondent Name:	Jennifer I. Henkel
Address Line 1:	Squire Sanders (US) LLP
Address Line 2:	221 E. Fourth St., Suite 2900
Address Line 4:	Cincinnati, OHIO 45202

ATTORNEY DOCKET NUMBER:	052292.00149
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NAME OF SUBMITTER:	Jennifer I. Henkel
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Total Attachments: 10  
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## EXECUTION VERSION

### INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (as from time to time amended, modified, restated, supplemented and in effect, this "Security Agreement") is entered into as of March 5, 2012, by Arnold Magnetic Technologies Corporation, a Delaware corporation ("AMTC"), Magnetic Technologies Corporation ("MTC"), Flexmag Industries, Inc. ("Flexmag") and The Arnold Engineering Co. ("Engineering," and, together with AMTC, MTC and Flexmag, each a "Grantor" and collectively the "Grantors") to and in favor of Compass Group Diversified Holdings LLC, a Delaware limited liability company ("Secured Party"), pursuant to the terms of (i) that certain Credit Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Secured Party, as lender, AMTC, as borrower, and Arnold Magnetic Technologies Holdings Corporation, a Delaware corporation, as co-borrower ("Co-Borrower"), dated of even date herewith, and (ii) that certain Guarantee and Collateral Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the "Collateral Agreement") among the Secured Party, Grantors and Co-Borrower, and certain other subsidiaries of AMTC party thereto, if any, dated of even date herewith.

Pursuant to the Collateral Agreement, Grantors have granted a security interest in their Collateral (as defined therein) to the Secured Party, which Collateral includes the Trademarks and Patents identified herein.

For good and valuable consideration, the receipt of which is hereby acknowledged, Grantors and Secured Party agree as follows:

Section 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided or provided by reference in the Collateral Agreement.

Section 2. Grant of Security Interest. As security for the full and timely payment, observance and performance of the obligations pursuant to the Collateral Agreement, each Grantor hereby grants to Secured Party a continuing security interest in and a right of setoff against, all of Grantor's right, title and interest in and to the Trademarks and Patents, in each case including, without limitation, those items, if any, listed on Schedule A hereto.

Section 3. Purpose. This Security Agreement has been executed and delivered by each Grantor for the purpose of recording with the United States Patent and Trademark Office ("USPTO") the grant of a security interest in the Trademarks and the Patents pursuant to the Collateral Agreement. The Collateral Agreement (and all rights and remedies of Secured Party thereunder) shall remain in full force and effect in accordance with its respective terms. In the event of any conflict between this Security Agreement and the Collateral Agreement, the Collateral Agreement shall prevail.

Section 4. Acknowledgment. Each Grantor hereby further acknowledges and affirms that the rights and remedies of Secured Party with respect to the security interest in the Trademarks and the Patents granted hereby are more fully set forth in Collateral Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

Section 5.      Filing this Security Interest. The party that files this Security Agreement with the UPTO shall: (i) complete accurately, and include as part of such filing, the UPTO's "Recordation Form Cover Sheet" for trademarks and shall indicate on such cover sheet that the nature of the conveyance is a security interest; (ii) provide the other party hereto with copies of such filings; and (iii) pay all applicable filing fees.

Section 6.      Counterparts. This Security Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

*[Signature pages follow]*

IN TESTIMONY WHEREOF, the Grantor and Secured Party have caused this Security Agreement to be signed and executed by the undersigned officers thereunto duly authorized as of the date first referenced above.

**GRANTOR:**

**ARNOLD MAGNETIC TECHNOLOGIES  
CORPORATION**

By: Michael J. Stachurs  
Name: Michael J. Stachurs  
Title: Chief Financial Officer

STATE OF New York )  
COUNTY OF Wayne ) SS

On this 5 day of March, 2012, there appeared before me Michael J. Stachurs personally known to me, who acknowledged that he signed the foregoing Intellectual Property Security Agreement as his voluntary act and deed on behalf and with full authority of Arnold Magnetic Technologies Corporation.

Susan M. Weise  
Notary Public

My Commission Expires: May 31, 2014

Susan M. Weise  
Notary Public - Wayne County  
State of New York  
Reg. #01WE4804145  
My Commission Expires: May 31, 2014

[Signatures continue on the following page]

[Signature Page to Intellectual Property Security Agreement (Grantor)]

IN TESTIMONY WHEREOF, the Grantor and Secured Party have caused this Security Agreement to be signed and executed by the undersigned officers thereunto duly authorized as of the date first referenced above.

**GRANTOR:**

**MAGNETIC TECHNOLOGIES CORPORATION**

By: Michael J. Stachura  
Name: Michael J. Stachura  
Title: Chief Financial Officer

STATE OF New York )  
COUNTY OF Wayne ) SS

On this 5 day of March, 2012, there appeared before me Michael J. Stachura personally known to me, who acknowledged that he signed the foregoing Intellectual Property Security Agreement as his voluntary act and deed on behalf and with full authority of ~~Arnold Magnetic Technologies~~ the Corporation.

Susan M. Weiss  
Notary Public

My Commission Expires: May 31, 2014

Susan M. Weiss  
Notary Public - Wayne County  
State of New York  
Reg. #01WE4804145  
My Commission Expires: May 31, 2014

[Signatures continue on the following page]

[Signature Page to Intellectual Property Security Agreement (Grantor)]

IN TESTIMONY WHEREOF, the Grantor and Secured Party have caused this Security Agreement to be signed and executed by the undersigned officers thereunto duly authorized as of the date first referenced above.

**GRANTOR:**

**FLEXMAG INDUSTRIES, INC.**

By: Michael J. Stachurski  
Name: Michael J. Stachurski  
Title: Chief Financial Officer

STATE OF New York )  
COUNTY OF Wayne ) SS

On this 5 day of March, 2012, there appeared before me Michael J. Stachurski personally known to me, who acknowledged that he signed the foregoing Intellectual Property Security Agreement as his voluntary act and deed on behalf and with full authority of ~~Arnold Magnetic Technologies~~ the Corporation.

Susan M. Weise  
Notary Public

My Commission Expires: May 31, 2014

Susan M. Weise  
Notary Public - Wayne County  
State of New York  
Reg. #01WE4804145  
My Commission Expires: May 31, 2014

[Signatures continue on the following page]

[Signature Page to Intellectual Property Security Agreement (Grantor)]

IN TESTIMONY WHEREOF, the Grantor and Secured Party have caused this Security Agreement to be signed and executed by the undersigned officers thereunto duly authorized as of the date first referenced above.

**GRANTOR:**

**THE ARNOLD ENGINEERING CO.**

By: Michael J. Stachurs  
Name: Michael J. Stachurs  
Title: Chief Financial Officer

STATE OF New York )  
 ) SS  
COUNTY OF Wayne )

On this 5 day of March, 2012, there appeared before me Michael J. Stachurs personally known to me, who acknowledged that he signed the foregoing Intellectual Property Security Agreement as his voluntary act and deed on behalf and with full authority of Arnold Magnetic Technologies, Inc. Corporation.

Susan M. Weise  
Notary Public

My Commission Expires: May 31, 2014

Susan M. Weise  
Notary Public - Wayne County  
State of New York  
Reg. #01WE4804145  
My Commission Expires: May 31, 2014

[Signatures continue on the following page]

[Signature Page to Intellectual Property Security Agreement (Grantor)]



**SECURED PARTY:**

**COMPASS GROUP DIVERSIFIED HOLDINGS  
LLC**

By: [Signature]  
Name: James J. Bottiglieri  
Title: CFO

STATE OF Connecticut )  
COUNTY OF Fairfield ) SS  
)

On this \_\_\_\_ day of March, 2012, there appeared before me James J. Bottiglieri, personally known to me, who acknowledged that he signed the foregoing Intellectual Property Security Agreement as his voluntary act and deed on behalf and with full authority of Compass Group Diversified Holdings LLC.

[Signature]  
Notary Public

My Commission Expires: 4/20/2016

[Signature Page to Intellectual Property Security Agreement (Lender)]

**Schedule A**  
**to**  
**Intellectual Property Security Agreement**

**Arnold Magnetic Technologies Corporation**

**PATENTS**

<b>PATENT APPLICATIONS:</b>			
<b><u>Serial Number</u></b>	<b><u>Filing Date</u></b>	<b><u>Country of Application</u></b>	<b><u>Description of Invention</u></b>
11/941,112	11/16/2007	U.S.	Flexible magnets having a printable surface and methods of production
850699	11/14/08	EP	Flexible magnets having a printable surface and methods of production
2008Us835463	11/14/08	PCT	Flexible magnets having a printable surface and methods of production

**TRADEMARKS**

<b>ISSUED TRADEMARKS:</b>					
<b><u>Registration No.</u></b>	<b><u>Serial No.</u></b>	<b><u>Date of Registration</u></b>	<b><u>Country of Issue</u></b>	<b><u>Class</u></b>	<b><u>Mark</u></b>
973,855	72/408,893	11/27/73	U.S.	21	ARKOMAX 800
1,900,505	74/537,924	6/20/95	U.S.	09	ARNOLD
743,323	72/132,890	1/8/63	U.S.	09	ARNOX
3,086,148	78/299,241	4/25/06	U.S.	17	ECONOMAG
2,795,007	78/210,538	12/16/03	U.S.	17	ENVIROMAG
2,416,906	75/646,152	1/2/01	U.S.	17, 9	FLEXMAG
2,797,852	78/212,873	12/23/03	U.S.	9	FLEXMAX
692,753	72/064,721	2/9/60	U.S.	21	PLASTIFORM
1,894,106	74/412,022	5/16/95	U.S.	17	SAFEMAG & DESIGN
2,057,924	74/616,906	4/29/97	U.S.	17	THIN MAG & Design
1,087,752	73/074,741	3/21/78	U.S.	17	ULTRAMAG
651557	651557	6/25/96	Australia	17 Int.	FLEXMAG
221329	221329	8/7/68	Australia	09 Int	PLASTIFORM
651558	651558	10/30/96	Australia	17 Int.	ULTRA-MAG
90710	572358	12/14/71	Benelux	09 Int.	PLASTIFORM
542412	805450	10/27/03	Benelux	17 Int.	SAFEMAG (Stylized)
TMA123082	261891	8/4/61	Canada	09 Int.	PLASTIFORM
TMA459649	742828	6/21/96	Canada	17 Int.	SAFEMAG (Stylized)

<b>ISSUED TRADEMARKS:</b>					
<u>Registration No.</u>	<u>Serial No.</u>	<u>Date of Registration</u>	<u>Country of Issue</u>	<u>Class</u>	<u>Mark</u>
3234416	3234416	10/8/04	EC	17 Int.	ENVIROMAG
1127380	1127380	2/5/01	EC	09 Int.	FLEXMAG
3208014	3208014	1/25/05	EC	09 Int.	FLEXMAX
292193	292193	7/8/99	EC	09 Int.	ARNOLD
1341455	INPI779876	2/5/86	France	09 Int.	PLASTIFORM
1629264	INPI251420	10/24/00	France	09 Int.	PLASTIFORM
93495072	93495072	12/3/93	France	17 Int.	SAFEMAG
776656	L9 379/9 Wz	8/29/63	Germany	09 Int.	PLASTIFORM
2077762	F43 240/9 Wz	9/16/94	Germany	09 Int.	SAFEMAG
819071	819071	4/5/61	Great Britain	09 Int.	PLASTIFORM
1551459	1151459	11/4/94	Great Britain	17 Int.	SAFEMAG (Stylized)
1452005	MI2001C001205	7/21/11	Italy	9 Int.	PLASTIFORM
1046461	MI2003C011741	4/30/07	Italy	06 Int.	SAFEMAG (Stylized)
4846012	2003-044511	3/11/05	Japan	17	ENVIROMAG
611231	3239/61	5/9/63	Japan	1, 17	PLASTIFORM
454806	187812	3/18/94	Mexico	17 Int.	SAFEMAG
102844	1961/01297	5/25/62	Sweden	6, 9	PLASTIFORM

### Magnetic Technologies Corporation

#### PATENTS

<b>ISSUED PATENTS:</b>				
<u>Registered Patent No.</u>	<u>Issue Date</u>	<u>Country of Issue</u>	<u>Description of Invention</u>	<u>Notes</u>
6,850,140	2/1/05	U.S.	Layered magnets and methods for producing same	

**Flexmag Industries, Inc.****PATENTS**

<b>ISSUED PATENTS:</b>				
<b><u>Registered Patent No.</u></b>	<b><u>Issue Date</u></b>	<b><u>Country of Issue</u></b>	<b><u>Description of Invention</u></b>	<b><u>Notes</u></b>
5,428,332	6/27/95	U.S.	Magnetized material having enhanced magnetic pull strength and a process and apparatus for the multipolar magnetization of the material	12 <sup>th</sup> year maintenance fee paid

**The Arnold Engineering Co.****PATENTS**

<b>ISSUED PATENTS:</b>				
<b><u>Registered Patent No.</u></b>	<b><u>Issue Date</u></b>	<b><u>Country of Issue</u></b>	<b><u>Description of Invention</u></b>	<b><u>Notes</u></b>
6,737,451	5/18/04	U.S.	Thermally stable, high temperature, samarium cobalt molding compound	4 <sup>th</sup> year maintenance fee and surcharge paid
5,716,460	2/10/98	U.S.	Methods for making magnetic strips	8 <sup>th</sup> year maintenance fee paid
5,611,872	3/18/97	U.S.	Magnetic strips and methods for making same	8 <sup>th</sup> year maintenance fee paid
5,527,399	6/18/96	U.S.	Magnetic strips and methods for making same	12 <sup>th</sup> year maintenance fee and surcharge paid
69725497.6	10/15/03	Germany	Methods for making magnetic strips	N/A
806486	10/15/03	EP	Methods for making magnetic strips	