

Semelab Limited
Terms & Conditions of Service



STANDARD TERMS AND CONDITIONS FOR SUPPLY OF SERVICES

1. Interpretation

1.1 In these Conditions:

“Client”	means the person, firm, company or organisation named on the Proposal for whom the Company has agreed to provide the Services in accordance with these Conditions
“Company”	means Semelab Limited (registered in England and Wales under number 6649272)
“Company’s Background IPR”	means the IPR, Documents or other information or materials of the Company which are relevant to the Services or to the Output Material
“Documents”	means, in addition to a document in writing, any map, plan, graph, drawing or photograph, any film, negative, tape or other device embodying visual images and any disc, tape or other device embodying any other data
“Input Material”	means any Documents, IPR, prototypes or other materials, and any data or other information provided by or belonging to the Client relating to the Services
“IPR”	means patents, utility models, registered trade and other marks, registered designs (and applications for all of the same), copyright, unregistered design right, unregistered trade and business names inventions, discoveries, improvements, designs, techniques, computer programs, confidential information and processes, know-how and all other intellectual property rights, wherever in the world arising
“Output Material”	means any Documents, IPR, prototypes, demonstrators or other materials, and any data or other information resulting from the Company’s performance of the Services
“Proposal”	means the proposal to which these Conditions are appended
“Services”	means the services to be provided by the Company for the Client and referred to in the

Proposal

- 1.2 The headings in these Conditions are for convenience only and shall not affect their interpretation.

2. Supply of the Services

- 2.1 The Company shall provide the Services to the Client subject to these Conditions. Any changes or additions to the Services or these Conditions must be agreed in writing by the Company and the Client.
- 2.2 The Client shall at its own expense supply the Company with all necessary Documents, materials, data, decisions and approvals and any other information relating to the Services, within sufficient time to enable the Company to provide the Services in accordance with the Proposal. The Client shall ensure the accuracy of all Input Material.
- 2.3 The Client shall at its own expense retain duplicate copies of all Input Material and insure against its accidental loss or damage. The Company shall have no liability for any such loss or damage, however caused. All Output Material shall be at the sole risk of the Client from the time of delivery to or to the order of the Client.
- 2.4 The Services shall, subject to these Conditions, be provided in accordance with the Proposal. The Services are offered subject to the availability of the Company's personnel at the time of the issue of the Proposal and in the event that appropriate Company personnel are not available at the time of the Company's receipt and acknowledgement of the Client's acceptance of the Proposal, the Company reserves the right to subcontract the Services to suitably qualified consultants.
- 2.5 The Company may at any time without notifying the Client make any changes to the Services which are necessary to comply with any applicable safety or other statutory requirements, or which do not materially affect the nature or quality of the Services.
- 2.5 The Company will use its reasonable endeavours to provide the Services within the timescale indicated in the Proposal, however, the timescale should be regarded as a provisional timescale and the Company will not be liable for any delay in providing or completing the Services.

3. Charges

- 3.1 Subject to any special terms agreed, an estimate of the Company's charges for each of the Services to be provided will be set out in the Proposal. At the sole discretion of the Company, prior to the provision of any Service detailed in the Proposal, the Client shall pay to the Company a sum equal to the Company's estimate of the costs of providing such Service. In the event that the Company's charges for providing such Service exceed the estimate given in the Proposal, an

invoice shall be issued by the Company on completion of the Service which shall include the difference between the estimate and the Company's actual charges for providing the Service.

- 3.2 All charges quoted to the Client for the provision of the Services are exclusive of any Value Added Tax, for which the Client shall be additionally liable at the applicable rate.
- 3.3 Any sums payable by the Client to the Company shall be paid by the Client (together with any applicable Value Added Tax, and without any set-off or other deduction) within 30 days of the date of the Company's invoice, whether or not payment in advance is required by the company as provided in clause 3.1 above.
- 3.4 If payment is not made on the due date, the Company shall be entitled, without limiting any other rights it may have:
 - 3.4.1 to charge interest on the outstanding amount (both before and after any judgment) at the rate of 3 % above the base rate from time to time of Barclays Bank plc such interest to accrue on a day to day basis from the due date until the outstanding amount is paid in full and the Client shall indemnify the Company against all costs and expenses (including any legal costs and expenses on a full indemnity basis) incurred or sustained by the Company in recovering sums due or in exercising its rights pursuant to this clause 3;
 - 3.4.2 to suspend the provision of any further Services to the Client

In each case without prejudice to any other rights and remedies available to the Company.

4. Rights in Input Material and Output Material

- 4.1 The Company warrants that:
 - 4.1.1 the Company is the absolute beneficial owner of the Company's IPR;
 - 4.1.2 to the best of the Company's knowledge and belief the use, exercise and exploitation of the Company's IPR in accordance with these terms and conditions will not result in the infringement of the IPR or other rights of a third party
- and the Company hereby grants to the Client an unconditional, non-exclusive, perpetual, royalty-free, irrevocable, transferable licence with rights to sub-licence throughout the world to use the Company's IPR solely in the exploitation of the Output Material. Subject as above, all of the Company's IPR shall remain vested in the Company as absolute owner.
- 4.2 The Client grants to the Company an unconditional, non-exclusive, non-transferable, royalty free licence including a right to sub-licence to the

Company's sub-contractors to use the Client's IPR for the purpose of performing the Services and for no other purpose. Subject as above, all of the Client's IPR shall remain vested in the Client as absolute owner.

- 4.3 The Client warrants that all Input Material and its use by the Company for the purpose of providing the Services will not infringe the copyright, patent, registered design, unregistered design or other rights of any third party, and the Client shall indemnify the Company against any loss, damages, costs, expenses or other claims arising from any such infringement.
- 4.4 Unless otherwise agreed in writing, all Output Material shall be vested in the Client as absolute owner. Upon completion of the Services and full payment being received by the Company of all sums due to it from the Client, the Company will assign to the Client all rights, title and interest of the Company in and to the Output Material.
- 4.5 Property in the Output Material remains with the Company and shall only pass to the Client from the Company upon full payment being made by the Client of all sums due (on whatever account or grounds) by the Client to the Company. The Client agrees that prior to full payment being made for the Services the Company may at any time repossess any of the Output Material and enter upon the Client's premises and remove such Output Material therefrom (and dispose of the same in any manner it may decide) and that prior to such payment the Client shall keep such Output Material as fiduciary agent and bailee and separate and identifiable for this purpose.
- 4.6 In the event of any part of the Output Material becoming a constituent of or being converted into other products whilst any payment due to the Company is outstanding the Company shall have ownership of and title to such other product (but not by way of a charge) as if they were the Output Material and accordingly this clause 4 shall so far as appropriate apply to such other products subject to the Buyer's right to the surplus of any monies realised by the said products in excess of those due to the Company.

5. Confidentiality

- 5.1 Input Material or other information provided by the Client which is so designated by the Client and any Output Material shall be kept confidential by the Company and the Company will use and disclose such Input or Output Material or other information strictly for the purpose of performing the Services. All information provided by the Company which is so designated by the Company shall be kept confidential by the Client. The foregoing provisions of this clause shall not apply to any Documents or other materials, data or other information which:
 - 5.1.1 are public knowledge at the time when they are so provided by either party or which become public knowledge through no fault of the other party;
 - 5.1.2 either party is required by reason of law to disclose;

- 5.1.3 a party can demonstrate was already in that party's possession prior to receipt from the other party or which is subsequently disclosed to that party by a third party without any obligations of confidence;
- 5.1.4 a party can demonstrate was developed independently of any disclosure by the other party.
- 5.2 Upon completion of the Services and receipt by the Company of all payments due to the Company from the Client, the Company will, at the Client's request, return all Input Material to the Client.

6. Warranties and Liability

- 6.1 The Company warrants to the Client that the Services will be provided using reasonable care and skill and, as far as reasonably possible, in accordance with the Proposal. Where the Company supplies in connection with the provision of the Services any goods (including Output Material) supplied by a third party, the Company does not give any warranty, guarantee or other term as to their quality, fitness for purpose or otherwise, but shall, where possible, assign to the Client the benefit of any warranty, guarantee or indemnity given by the person supplying the goods to the Company.
- 6.2 The Company shall have no liability to the Client for any loss, damage, costs, expenses or other claims for compensation arising from any Input Material or instructions supplied by the Client which are incomplete, incorrect, inaccurate, illegible, out of sequence or in the wrong form, or arising from their late arrival or non-arrival, or any other fault of the Client.
- 6.3 The performance of the Services by the Company will not only depend on the skills of the Company's employees or sub-contractors but also on the Input Material, co-operation of the Client and in some cases third parties and therefore the Company does not warrant that any particular results will be achieved by its performance of the Services nor does the Company give any warranty in respect of the Client's exploitation of any Output Material. In particular, the Company does not warrant that:
 - 6.3.1 results achieved by the provision of any Service will guarantee that a commercially viable end product will be capable of production; or
 - 6.3.2 the exploitation by the Client of any Output Material will not infringe the IPR or other rights of any third party.
- 6.4 Except in respect of death or personal injury caused by the Company's negligence, the Company shall not be liable for any claims, damages, loss or expenses resulting from the Client's exploitation of any Output Material and the Client shall indemnify the Company against any financial liability or loss suffered or incurred by the Company as a result of any third party claim in respect thereof.
- 6.5 Except in respect of death or personal injury caused by the Company's

negligence, or as expressly provided in these Conditions, the Company shall not be liable to the Client by reason of any representation (unless fraudulent), or any implied warranty, condition or other term, or any duty at common law, or under the express terms of the contract, for any loss of profit or any indirect, special or consequential loss, damage, costs, expenses or other claims (whether caused by the negligence of the Company, its servants or agents or otherwise) which arise out of or in connection with the provision of the Services or their use by the Client, and the entire liability of the Company under or in connection with the contract shall not exceed the amount of the Company's charges for the provision of the Services, except as expressly provided in these Conditions.

- 6.6 The Company shall not be liable to the Client or be deemed to be in breach of the Contract by reason of any delay in performing, or any failure to perform, any of the Company's obligations in relation to the Services, if the delay or failure was due to any cause beyond the Company's reasonable control.

7. Termination

- 7.1 Either party may terminate the Contract at any time by giving not less than seven days written notice to the other party.
- 7.2 Either party may (without limiting any other remedy) at any time terminate the Contract by giving written notice to the other if the other commits any breach of these Conditions and (if capable of remedy) fails to remedy the breach within thirty days after being required by written notice to do so, or if the other goes into liquidation, or (in the case of an individual or firm) becomes bankrupt, makes a voluntary arrangement with his or its creditors or has a receiver or administrator appointed.
- 7.3 Promptly upon termination of the Contract the Company shall deliver to the Client:-
- 7.3.1 An invoice in respect of any Services provided prior to such termination calculated on a time and materials basis accompanied by a refund of any monies paid by the Client to the Company in accordance with Clause 3.1 above in excess of the amount of the invoice;
- 7.3.2 Any Input Material supplied by the Client for the purpose of supplying the Service; and
- 7.3.3 Any Output Material subject to the provisions of clause 4.3 above.

8. Force Majeure

The Company shall not be liable to the Client for any loss or damage which may be suffered by the Client as a direct or indirect result of the supply of Output Material by the Company being prevented, hindered, delayed or rendered uneconomic by any cause whatsoever beyond the Company's control and in particular, but without prejudice to the generality of the foregoing, by act of God, war, riot, civil commotion, Government controls, restrictions or prohibitions or any other Government act or omission whether

local or national, fire, flood, subsidence, sabotage, accident, breakdown of plant or machinery, strikes or lock-out, trade dispute or labour disturbance or difficulty or increase expense in obtaining workmen, materials or transport or other circumstances affecting the supply of the Output Material or raw material therefor by the Company's normal source of supply or the production of the Output Material by the Company's normal means or the delivery of Output Material by the Company's normal route or means of delivery.

9. Safety Instructions

The Client undertakes with the Company that it will ensure compliance so far as is reasonably practicable by its employees, agents, licensee and customers with any instructions given by the Company for the purpose of ensuring that the Output Material will be safe and without risk to health when properly used and will take any other steps or precautions as having regard to the nature of the Output Material are necessary to preserve the health and safety of the persons handling, using or disposing of it.

10. Export Control

The Client acknowledges that the Output Material is or may be subject to export control restrictions applicable to the Company and/or the Client under UK or foreign laws or regulations. The Client will not do or omit to do anything that would place the Company in breach of the said laws or regulations. They Client shall obtain all such necessary Governmental authorisations and consents for the export of the Output Material or re-export of the Input Material.

11. General

11.1 These Conditions (together with the terms set out in the Proposal) constitute the entire agreement between the parties, supersede any previous agreement or understanding and may not be varied except in writing between the parties. All other terms and conditions, express or implied by statute or otherwise, are excluded to the fullest extent permitted by law.

11.2 Any notice required or permitted to be given by either party to the other under these Conditions shall be in writing addressed to the other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

11.3 No failure or delay by either party in exercising any of its rights under these Conditions shall be deemed to be a waiver of that right, and no waiver by either party of any breach of these Conditions by the other shall be considered as a waiver of any subsequent breach of the same or any other provision.

11.4 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected.

11.5 Any agreement to which these Terms and Conditions apply shall be governed and

construed in accordance with English Law, and the parties agree to submit to the exclusive jurisdiction of the English Courts.