

*MODEL CLAUSES REGARDING LICENSING COMPENSATION INCLUDING
ROYALTIES AND THE PAYMENT THEREOF.*

USEFUL DEFINITIONS

"The Product" shall mean all processes and products or parts thereof sold, leased, rented or otherwise disposed of by Licensee embodying or utilizing in whole or in part the Licensed Technology".

"The Licensed Technology" shall mean the technology as covered by the Patents and the corresponding Know-How.

"Patents" shall mean all patents or patent applications cited in Annex A and all patents granted and all patent applications based on the patents or patent applications cited in Annex A.

"The Know-How" or "Background" shall mean all the expertise, practice, experience and technical knowledge of industrial significance built up at Licensor and not in the public domain useful to the Licensee to produce and commercialise the Product.

"Net sales" shall be determined by subtracting from gross sales of Products sold in the Territory by Licensee, the total of (i) ordinary and customary trade, cash and quantity discounts and (ii) excise taxes, other consumption taxes and customs duties.

"Improvements" shall mean any technical advance related to the Product or Licensed Technology.

COMPENSATION

ARTICLE A

Compensation in one or more lump sum payments

As a compensation for the transfer of the Licensed Technology, Licensee shall pay to Licensor a lump sum of US dollar in three instalments:

- (a) % at the signature of this Agreement by both Parties;
- (b) % after completion of the Technology Transfer;
- (c) % after qualification of the Product to be manufactured under the Licensed Technology

Royalty

Clearly defined product is licensed

The licensee shall pay to the licensor for the term of this agreement a royalty of percent of the net sales price of all licensed products sold by the licensee.

Process technology that will be implemented by the licensee in his own production process, is licensed

The licensee shall pay to the licensor for the term of this agreement a royalty of percent of the net sales price of all Products produced by the Licensee using the Licensed Technology.

Fixed amount to be paid for each product sold

The Licensee shall pay a royalty of US \$ for each transfer to a third party by the Licensee of a product containing the licensed technology/of a unit of the Licensed Technology. Said royalty obligation will apply regardless the form under which the transfer took place (sale, lease, ...) and regardless the compensation received by Licensee.

The Product shall be deemed sold, leased, or transferred at the time Licensee, bills, invoices, ships, or receives payment for the Program, whichever event occurs first.

*Supplementary **minimum royalty obligation***

Royalties payable under this agreement shall not be less than the sum of in the first year and of in the second year and of in the third year and each succeeding year or the sum of the royalties payable in respect of the licensee's annual sales in each year whichever is the greater.

If, at the end of each year, the above-mentioned amounts have not been paid the licensor will invoice the licensee for the difference between the amount already received and the above-mentioned minimum amounts.

Alternative clauses

- The Licensee shall pay Licensor during the term of this Agreement a net royalty of 3 % on the net sales of every Product incorporating the Licensed Technology sold or otherwise disposed of by the Licensee with the following maximum royalty due per system:
 - * US \$ per stand-alone system;
 - * US \$ per non-stand-alone system.
- Licensee shall pay to Licensor as a same compensation, a royalty of ...% of the compensation (this is after deduction of all taxes, imposed on payments due to Licensee) due by any of Licensee's licensees for the license granted to them for the selling of products which has been manufactured by Licensee or the licensee by using the Licensed Technology.
- The same royalty will be 80% if the compensation is due to Licensee for the granting by Licensee of an exclusive license.
- The same royalty as determined in articles A, will be due by Licensee to Licensor on sales by or licenses granted by a company affiliated with Licensee.

ACCOUNTS, RECORDS AND PAYMENT

ARTICLE B

1. The licensee shall keep true, detailed and particular records of all royalties accrued and payable and other sums due and payable under this agreement and shall 28 days after the last day of December in each year during which this agreement shall remain in force deliver to the licensor a statement thereof (such statement being certified by the licensee's auditors at the request of the licensor) in respect of the preceding year and shall at the same time pay to the licensor the amount of such royalties as may be shown to be due provided that if this agreement shall terminate otherwise than at the end of December the last account and payment under this agreement shall be rendered and made within 28 days after the termination of this Agreement. All statements will be converted in BEF as per exchange rate of the end of each quarter.

2. The final statement shall include the accounts and records mentioned in Paragraph 1 of this Article and all stock of the Product on which royalties have not yet been paid by the Licensee or any person or company engaged by the Licensee to manufacture or sell the Product held at the date of termination of this Agreement.

3. All royalties are accrued and payable upon sales or disposure by Licensee. Licensor will invoice Licensee after having received the statement described in article B.1 and B.2.

- All invoices will be in (Currency) and are exclusive of any possible tax. All invoices have to be paid within 60 days after the date of issuance.

- Royalties shall be paid quarterly to the Licensor by the Licensee within a period of 60 days after receiving the relevant invoices

4. Should the Licensee make defaulting payments of the royalties and other sums due hereunder within the period specified in Paragraph 3 of this Article the amount due shall bear interest of % for the period starting from the last day of said period until the payment of the amount due is made to the Licensor.

5. Payments of any value added taxes or other taxes is the Licensor's and the Licensee's obligation in their own respective countries. The net royalties or other sum payable to the Licensor shall however never be less than specified in Article A.

AUDIT OF ACCOUNTS

ARTICLE C

1. The Licensee permits, upon reasonable notice and at all reasonable time, any duly authorized representative of the Licensor to inspect and take copies of and extracts from the accounts and records of the Licensee in respect of the manufacture and sale and distribution of the licensed products and shall provide such information, explanations, receipts and vouchers as such representative shall require to verify the statements rendered under the present Agreement.

2. Nothing herein before contained shall prevent the Licensor from employing its own external auditors to verify the said accounts and statements upon reasonable notice being given in writing to the Licensee.

3. The provisions of this clause shall remain in full force and effect notwithstanding the expiry or sooner termination of this Agreement until the settlement of all subsisting claims hereunder.

4. While granting sublicenses to Affiliated Companies and/or subcontractors Licensee will impose upon such parties the right for Licensor to perform audit of accounts and technology under the same conditions as set forth in this Article.

Control of the production process of the licensee

1. The licensee shall allow the licensor or their authorized representative at all reasonable times (or: once every year) to enter the works, warehouses or offices of the licensee to inspect materials, machinery, plant methods and standards of manufacture currently in use for producing the licensed product and the licensee shall at such intervals as the licensor may think fit supply the licensor with samples of currently produced products.

2. If in the sole opinion of the licensor or their authorized representative any licensed product made by the licensee does not conform in every respect with the current specifications and standards of quality laid down by the licensor then the licensee shall not thereafter sell such products under the said trademarks or dispose of them in any way except as the licensor shall approve.

LICENSEE'S IMPROVEMENTS

1. Licensee is entitled to make improvements on the Licensed Technology. The royalty obligations of Article A will also apply to products incorporating the improved Licensed Technology.

2. Licensor is entitled to receive a royalty free, non-exclusive, non-transferable license for internal use only on all modifications and improvements related to the Licensed Technology made by the Licensee.