

23 AUGUST 1996

SETTLEMENT AND PATENT LICENCE AGREEMENT

THIS AGREEMENT is made the 23rd day of August 1996.

BETWEEN:

- (1) HOECHST AKTIENGESELLSCHAFT, a company incorporated under the laws of the Federal Republic of Germany and whose registered office is situated at D65926 Frankfurt am Main, Germany ("the Licensor"); and
- (2) SCANCHEM (UK) LIMITED, a company incorporated under the laws of the United Kingdom and whose registered office is situated at 16 Jordengate, Macclesfield, Cheshire SK10 1EW (" the Licensee").

WHEREAS:

- A. The Licensor is the registered proprietor of United Kingdom Patent No 1568875 granted in respect of "IMPROVEMENTS IN AND RELATING TO SWEETENERS", in particular the combination of Acetosulphame (Acesulfame K) with another Intense Sweetener;
- B. The Licensee has sold the said Acetosulphame for use in combination with another Intense Sweetener which the Licensor alleges infringe the said Patent. The Licensee denies the Licensor's allegations of infringement but wishes to continue to sell the said Acetosulphame for use, inter alia, in combination with another Intense Sweetener.
- C. The said Patent is endorsed licences of right and the Licensee is prepared to pay a reasonable licence fee. It is only for this reason that the Licensor is willing to grant to the Licensee a Licence under the said

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2. Release

- 2.1 The parties to this Agreement agree that the rights and obligations granted and undertaken pursuant to this Agreement are in settlement of the Licensor's claims of infringement of the Patent brought in the High Court of England and Wales under legal action number CH 1995 -H- No 7924, and any claims for costs incurred in that litigation.
- 2.2 On the execution of this Agreement the parties to it shall procure the delivery to Bird & Bird (as Solicitors to the Licensor) of a notice of discontinuance of the litigation with no order as to costs in the form of

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the document set out in Schedule 1 hereto and signed by their respective Solicitors. The Licensor shall procure that Bird & Bird file the notice of discontinuance with the Court.

3. Licence

- 3.1 The Licensor hereby grants to the Licensee with effect from 1st January 1996 the full and non-exclusive right and licence under the Patent and within the Licensed Territory to sell or otherwise dispose of, and offer for sale or disposal, the Licensed Product.

4. Duration of Agreement

- 4.1 This Agreement shall come into force on the Date of this Agreement and subject as hereinafter provided shall continue thereafter until the expiry of the Patent.

5. Payments by Licensee

- 5.1 In consideration of the rights granted under Clause 3, the Licensee shall pay to the Licensor a non-refundable royalty of 10% of the Net Invoice Price of each kg (kilogramme) of Licensed Product sold or otherwise disposed of in the Licensed Territory. As the most usual use that Acetosulphame is put to is to combine it with an Intense Sweetener, all sales or disposals by the Licensee of Acetosulphame will be deemed to be sales or disposals of Licensed Product, unless the Licensee shows by competent evidence the contrary to be the case in accordance with the provisions of this Clause.
- 5.2 Royalty shall become payable by the Licensee hereunder when Licensed Product is invoiced or paid for or delivered to a customer, whichever first occurs.