

Axol Bioscience Ltd
Terms and Conditions of Sale

December 2022

Berry Smith LLP
Haywood House
Dumfries Place
Cardiff
CF10 3GA

1. Interpretation

1.1 **Definitions:**

Axol	means Censo Biotechnologies Ltd trading as Axol Bioscience, a company incorporated in England and Wales under company number 08340031 and whose registered office is at Charnock Bradley Building, Easter Bush Roslin, Midlothian EH25 9RG, UK.
Business Day	means a day other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.
Business Hours	means the period from 9.00 am to 5.00 pm on any Business Day (BST).
Commercial Purpose	means, but is not limited to, the sale, lease, license or other transfer of the Products and/or using the Products to produce or manufacture products for general sales.
Conditions	means the terms and conditions set out in this document (including the Limited License Terms to the extent that they are applicable) as amended from time to time in accordance with clause 12.4.
Contract	means the contract between Axol and the Customer for the sale and purchase of the Products in accordance with these Conditions.
Customer	means the person or firm who purchases the Products from Axol.
Delivery Location	has the meaning given in clause 5.3.
Field of Use	the applicable field of use as identified in the Limited Licence Terms
Force Majeure Event	means an event, circumstance or cause beyond a party's reasonable control.
Life Science Research Use	means for use in research and development and not for animal in-vivo use, human clinical therapy or use in diagnostics.
Limited License Terms	means the additional terms that apply to those Products identified in the Schedule.
Premises	Roslin Innovation Centre, Charnock Bradley Building, Easter Bush Campus, Midlothian, Scotland, EH25 9RG or such other location as

Axol may notify the Customer;

Products	means the Products (or any part of them) set out in the Order.
Order	means the Customer's order for the Products, as set out in the Customer's purchase order form, the Customer's written acceptance of Axol's quotation.
Shelf Life	means the minimum period of time that the Product will comply in all material respects with the Specification and commencing of the date that the Product leave's Axol's premises.
Specification	unless otherwise agreed in writing between the parties, means the specification for the Products as provided for by Axol.

1.2 Interpretation:

- 1.2.1 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.2.2 A reference to a party includes its personal representatives, successors and permitted assigns.
- 1.2.3 A reference to legislation or a legislative provision is a reference to it as amended or re-enacted. A reference to legislation or a legislative provision includes all subordinate legislation made under that legislation or legislative provision.
- 1.2.4 Any words following the terms **including, include, in particular, for example** or any similar expression shall be interpreted as illustrative and shall not limit the sense of the words preceding those terms.
- 1.2.5 A reference to **writing** or **written** excludes fax and email.

2. Basis of contract

- 2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by law, trade custom, practice or course of dealing.
- 2.2 The Order constitutes an offer by the Customer to purchase the Products in accordance with these Conditions. The Customer is responsible for ensuring that the terms of the Order and any applicable Specification are complete and accurate and fit for the Customer's intended purpose.
- 2.3 Should the Customer wish to use a preferred transport company for delivery of the Products, that is different to Axol's preferred supplier, then this request

must be included in the Order. In such an event, the Customer will be charged a handling fee, to be confirmed at the time of the Order.

- 2.4 Axol makes no guarantees or assurances that the Products supplied by Axol are fit for the purposes required by the Customer.
- 2.5 The Order shall only be deemed to be accepted when Axol issues a written acceptance of the Order, at which point the Contract shall come into existence.
- 2.6 The Customer waives any right it might otherwise have to rely on any term endorsed upon, delivered with or contained in any documents of the Customer that is inconsistent with these Conditions.
- 2.7 Should the Customer, upon placing the Order provide any other terms and conditions that are inconsistent with these Conditions, then unless otherwise confirmed by Axol in writing, Axol formally rejects these terms and conditions.
- 2.8 Any samples, drawings, descriptive matter or advertising produced by Axol and any descriptions or illustrations contained on Axol's website or in any of Axol's catalogues or brochures are produced for the sole purpose of giving an approximate idea of the Products referred to in them. They shall not form part of the Contract nor have any contractual force.
- 2.9 A quotation for the Products given by Axol shall not constitute an offer. A quotation shall only be valid for a period of 20 Business Days from its date of issue.

3. Products

- 3.1 The Products are described on the Specification.
- 3.2 To the extent that the Products are to be manufactured in accordance with a specification, information or instructions supplied by the Customer, the Customer shall indemnify Axol against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other reasonable professional costs and expenses) suffered or incurred by Axol in connection with any claim made against Axol for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with Axol's use of the specification, information or instructions. This clause 3.2 shall survive termination of the Contract.
- 3.3 Unless otherwise identified in the Limited Licence Terms, the Customer acknowledges and understands that the Products can only be used for Life Science Research Use and cannot be used for any Commercial Purpose other than where stated in these Conditions. However, if the Limited Licence Terms identify a Field of Use, then the Products must only be used in the Field of Use. In the event of a conflict on this point, the Limited Licence Terms will take priority.
- 3.4 Should the Customer require or intend to use the Products outside the scope of Life Science Research Use or Field of Use, then the Customer must

immediately inform Axol and seek their consent. Axol has no obligation to agree to such request and any consent may be subject to additional terms to be negotiated in good faith between the parties.

- 3.5 Axol reserves the right to amend the Specification if required by any applicable statutory or regulatory requirement, and Axol shall notify the Customer in any such event.
- 3.6 In addition to clause 3.3, the Customer may not use the Products for any of the following:
 - 3.6.1 clinical application,
 - 3.6.2 diagnostic purposes,
 - 3.6.3 to sell gift, transfer, or otherwise supply any of the Products or to third parties without written consent from Axol.
 - 3.6.4 to attempt to identify the donor of the primary tissue from which the Products were created; or
 - 3.6.5 publish data which could readily be used to identify the donor of the primary tissue from which the Products.

4. Limited License Terms

4.1 The Limited Licence Terms only apply to the following Products. If the Products which you are purchasing from Axol are not identified below or in the Schedule, then the Limited Licence Terms do not apply to your purchase.

NSC	Astrocytes	Sensories	Motor Neurons	Cardiac
ax0015	ax0665	ax0055 ax0555		ax2505 ax2515
ax0016				
ax0018			ax0078	ax2508 ax2518
ax0111				
ax0112				
ax0113				
ax0114				
ax0211				
			ax0073	
			ax0074	
ax0411				

5. Delivery

- 5.1 All Products are delivered FCA (Incoterms 2020) Axol's Premises.
- 5.2 Axol shall ensure that:
 - 5.2.1 each delivery of the Products is accompanied by a delivery note that shows the shipment date relating to the Order, the type and quantity of the Products (including the code number of the Products, where applicable); and
 - 5.2.2 if Axol requires the Customer to return any packaging materials to Axol, that fact is clearly stated on the delivery note. The Customer shall make any such packaging materials available for collection at such times as Axol shall reasonably request. Returns of packaging materials shall be at Axol's expense.
- 5.3 Axol shall deliver the Products to the location set out in the Order or such other location as the parties may agree (**Delivery Location**) at any time after Axol notifies the Customer that the Products are ready.
- 5.4 Delivery is completed on the completion of loading of the Products onto the courier's transport at Axol's Premises.
- 5.5 Unless otherwise agreed in writing with the Customer, Axol will use a courier of their choice to deliver the Products. In the event a Customer utilizes a courier of their choosing, the Customer is responsible for supplying all applicable documentation and paperwork required to Axol prior to the agreed pick up date, that Axol may require.
- 5.6 The Customer acknowledges and understands that they are solely responsible for payment of any and all taxes, charges, levies, duties, assessments and any other fees in respect of the purchase, sale, importation, exportation or distribution of the Products, sold to them by Axol.
- 5.7 Any dates quoted for delivery are approximate only, and the time of delivery is not of the essence. Axol shall not be liable for any delay in delivery of the Products that is caused by delays in third party courier's, a Force Majeure Event or the Customer's failure to provide Axol with adequate delivery instructions or any other instructions that are relevant to the supply of the Products.
- 5.8 If Axol fails to deliver the Products, its liability shall be limited to the costs and expenses incurred by the Customer in obtaining replacement Products of similar description and quality in the cheapest market available, less the price of the Products. Axol shall have no liability for any failure to deliver the Products to the extent that such failure is caused by a Force Majeure Event or the Customer's failure to provide Axol with adequate delivery instructions or any other instructions that are relevant to the supply of the Products.
- 5.9 If the Customer fails to take or accept delivery of the Products, then, except where such failure or delay is caused by a Force Majeure Event or Axol's

failure to comply with its obligations under the Contract in respect of the Products:

- 5.9.1 delivery of the Products shall be deemed to have been completed at 9.00 am on the Business Day after the day on which Axol notified the Customer that the Products were ready; and
- 5.9.2 Axol may store the Products until actual delivery takes place and charge the Customer for all related costs and expenses (including insurance).
- 5.10 If ten Business Days after the day on which Axol notified the Customer that the Products were ready for delivery the Customer has not taken or accepted actual delivery of them, Axol may resell or otherwise dispose of part or all of the Products and, after deducting reasonable storage and selling costs, account to the Customer for any excess over the price of the Products or charge the Customer for any shortfall below the price of the Products.
- 5.11 If Axol delivers up to and including 5% more or less than the quantity of Products ordered the Customer may not reject them, but on receipt of notice from the Customer that the wrong quantity of Products was delivered, Axol shall make a pro rata adjustment to the invoice for the Products.
- 5.12 Axol may deliver the Products by instalments, which shall be invoiced and paid for separately. Each instalment shall constitute a separate contract. Any delay in delivery or defect in an instalment shall not entitle the Customer to cancel any other instalment.

6. Quality

- 6.1 Axol warrants that on delivery, and for the Shelf Life the Products shall:
 - 6.1.1 conform in all material respects with the Specification; and
 - 6.1.2 be free from material defects in design, material and workmanship.
- 6.2 Subject to clause 6.3, if:
 - 6.2.1 the Customer gives notice in writing to Axol during the Shelf Life within a reasonable time (no later than 72 hours) of discovery that some or all of the Products do not comply with the warranty set out in clause 6.1;
 - 6.2.2 Axol is given a reasonable opportunity of examining such Products; and
 - 6.2.3 the Customer (if asked to do so by Axol) returns such Products to Axol's Premises at the Customer's cost,

Axol shall, at its option, repair or replace the defective Products, or refund the price of the defective Products in full.

- 6.3 Axol shall not be liable for the Products' failure to comply with the warranty set out in clause 6.1 if:
- 6.3.1 the Customer makes any further use of such Products after giving notice in accordance with clause 6.2;
 - 6.3.2 the defect arises because the Customer failed to follow Axol's oral or written instructions as to the storage, commissioning, installation, use and maintenance of the Products or (if there are none) good trade practice regarding the same;
 - 6.3.3 the defect arises as a result of Axol following any drawing, design or specification supplied by the Customer;
 - 6.3.4 the Customer alters or repairs such Products without the written consent of Axol;
 - 6.3.5 the defect arises as a result of fair wear and tear, wilful damage, negligence, or abnormal storage or working conditions; or
 - 6.3.6 the Products differ from the Specification as a result of changes made to ensure they comply with applicable statutory or regulatory requirements.
- 6.4 Except as provided in this clause 6, Axol shall have no liability to the Customer in respect of the Products' failure to comply with the warranty set out in clause 6.1.
- 6.5 The terms implied by sections 13 to 15 of the Sale of Products Act 1979 are, to the fullest extent permitted by law, excluded from the Contract.
- 6.6 These Conditions shall apply to any repaired or replacement Products supplied by Axol.

7. Title and risk

- 7.1 The risk in the Products shall pass to the Customer on completion of delivery.
- 7.2 Title to the Products shall not pass to the Customer until Axol receives payment in full (in cash or cleared funds) for the Products and any other Products that Axol has supplied to the Customer in respect of which payment has become due, in which case title to the Products shall pass at the time of payment of all such sums.
- 7.3 Until title to the Products has passed to the Customer, the Customer shall:
- 7.3.1 store the Products separately from all other Products held by the Customer so that they remain readily identifiable as Axol's property;
 - 7.3.2 not remove, deface or obscure any identifying mark or packaging on or relating to the Products;

- 7.3.3 maintain the Products in satisfactory condition and keep them insured against all risks for their full price from the date of delivery;
- 7.3.4 notify Axol immediately if it becomes subject to any of the events listed in clause 10.1.2 to clause 10.1.4; and
- 7.3.5 give Axol such information as Axol may reasonably require from time to time relating to:
 - 7.3.5.1 the Products; and
 - 7.3.5.2 the ongoing financial position of the Customer.
- 7.4 At any time before title to the Products passes to the Customer, Axol may:
 - 7.4.1 by notice in writing, terminate the Customer's right to resell the Products or use them in the ordinary course of its business; and
 - 7.4.2 require the Customer to deliver up all Products in its possession that have not been resold, or irrevocably incorporated into another product and if the Customer fails to do so promptly, enter any premises of the Customer or of any third party where the Products are stored in order to recover them.

8. Price and payment

- 8.1 The price of the Products shall be the price set out in the Order, or, if no price is quoted, the price set out in Axol's published price list in force as at the date of delivery.
- 8.2 Axol may, by giving notice to the Customer at any time before delivery, increase the price of the Products to reflect any increase in the cost of the Products that is due to:
 - 8.2.1 any factor beyond Axol's control (including foreign exchange fluctuations, increases in taxes and duties, and increases in labour, materials and other manufacturing costs);
 - 8.2.2 any request by the Customer to change the delivery date(s), quantities or types of Products ordered, or the Specification; or
 - 8.2.3 any delay caused by any instructions of the Customer or failure of the Customer to give Axol adequate or accurate information or instructions.
- 8.3 The price of the Products:
 - 8.3.1 excludes amounts in respect of value added tax (**VAT**), which the Customer shall additionally be liable to pay to Axol at the prevailing rate, subject to the receipt of a valid VAT invoice;

- 8.3.2 excludes the costs and charges of packaging, insurance and transport of the Products, which shall be invoiced to the Customer; and
- 8.3.3 excludes any amounts in respect of export / import taxes, charges, duties or levies that may be payable on the Product.
- 8.4 Axol may invoice the Customer for the Products on or at any time after the completion of delivery.
- 8.5 The Customer shall pay each invoice submitted by Axol:
 - 8.5.1 within 30 days of the date of the invoice unless separate payment terms have been established/agreed directly with Axol in writing;
 - 8.5.2 in full and in cleared funds to a bank account nominated in writing by Axol, and time for payment shall be of the essence of the Contract.
- 8.6 If the Customer fails to make a payment due to Axol under the Contract by the due date, then, without limiting Axol's remedies under clause 10, the Customer shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. Interest under this clause 8.6 will accrue each day at 4% a year above the Bank of England's base rate from time to time, but at 4% a year for any period when that base rate is below 0%.
- 8.7 All amounts due under the Contract shall be paid in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

9. Limitation of liability

- 9.1 The restrictions on liability in this clause 9 apply to every liability arising under or in connection with the Contract including liability in contract, tort (including negligence), misrepresentation, restitution or otherwise.
- 9.2 Nothing in the Contract limits any liability which cannot legally be limited, including liability for:
 - 9.2.1 death or personal injury caused by negligence;
 - 9.2.2 fraud or fraudulent misrepresentation;
 - 9.2.3 breach of the terms implied by section 12 of the Sale of Products Act 1979; or
 - 9.2.4 defective products under the Consumer Protection Act 1987.
- 9.3 Subject to clause 9.2, Axol's total liability to the Customer shall not exceed the amount of the applicable Order under which the liability arose.
- 9.4 Subject to clause 9.2, the following types of loss are wholly excluded:

- 9.4.1 loss of profits;
- 9.4.2 loss of sales or business;
- 9.4.3 loss of agreements or contracts;
- 9.4.4 loss of anticipated savings;
- 9.4.5 loss of use or corruption of software, data or information;
- 9.4.6 loss of or damage to goodwill; and
- 9.4.7 indirect or consequential loss.

9.5 This clause 9 shall survive termination of the Contract.

10. Termination

- 10.1 Without limiting its other rights or remedies, Axol may terminate this Contract with immediate effect by giving written notice to the Customer if:
 - 10.1.1 the Customer commits a material breach of any term of the Contract and (if such a breach is remediable) fails to remedy that breach within 30 days of that party being notified in writing to do so;
 - 10.1.2 the Customer takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), obtaining a moratorium, being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction;
 - 10.1.3 the Customer suspends, threatens to suspend, ceases or threatens to cease to carry on all or a substantial part of its business; or
 - 10.1.4 the Customer's financial position deteriorates so far as to reasonably justify the opinion that its ability to give effect to the terms of the Contract is in jeopardy.
- 10.2 Without limiting its other rights or remedies, Axol may suspend provision of the Products under the Contract or any other contract between the Customer and Axol if the Customer becomes subject to any of the events listed in clause 10.1.2 to clause 10.1.4, or Axol reasonably believes that the Customer is about to become subject to any of them, or if the Customer fails to pay any amount due under this Contract on the due date for payment.
- 10.3 Without limiting its other rights or remedies, Axol may terminate the Contract with immediate effect by giving written notice to the Customer if the Customer fails to pay any amount due under the Contract on the due date for payment.

- 10.4 On termination of the Contract for any reason the Customer shall immediately pay to Axol all of Axol's outstanding unpaid invoices and interest and, in respect of Products supplied but for which no invoice has been submitted, Axol shall submit an invoice, which shall be payable by the Customer immediately on receipt.
- 10.5 Termination or expiry of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination or expiry, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry.
- 10.6 Any provision of the Contract that expressly or by implication is intended to come into or continue in force on or after termination or expiry of the Contract shall remain in full force and effect.

11. Force majeure

Neither party shall be in breach of the Contract or otherwise liable for any failure or delay in the performance of its obligations if such delay or failure results from a Force Majeure Event. The time for performance of such obligations shall be extended accordingly. If the period of delay or non-performance continues for 3 months, the party not affected may terminate the Contract by giving 14 days' written notice to the affected party.

12. General

12.1 Assignment and other dealings.

12.1.1 Axol may at any time assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with all or any of its rights or obligations under the Contract.

12.1.2 The Customer may not assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract without the prior written consent of Axol.

12.2 Confidentiality.

12.2.1 Each party undertakes that it shall not at any time during the Contract and for a period of two years after termination or expiry of the Contract, disclose to any person any confidential information concerning the business, assets, affairs, customers, clients or suppliers of the other party, except as permitted by clause 12.2.2.

12.2.2 Each party may disclose the other party's confidential information:

12.2.2.1 to its employees, officers, representatives, contractors, subcontractors, or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under the Contract. Each party shall ensure that its employees, officers,

representatives, contractors, subcontractors or advisers to whom it discloses the other party's confidential information comply with this clause 12.2; and

12.2.2.2 as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

12.2.3 Neither party shall use the other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with the Contract.

12.3 **Entire agreement.**

12.3.1 The Contract constitutes the entire agreement between the parties.

12.3.2 Each party acknowledges that in entering into the Contract it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Contract. Each party agrees that it shall have no claim for innocent or negligent misrepresentation negligent misstatement based on any statement in the Contract.

12.4 **Variation.** No variation of this Contract shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

12.5 **Waiver.**

12.5.1 A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.

12.5.2 A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not waive that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy.

12.6 **Severance.** If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of the Contract. If any provision of the Contract is deemed deleted under this clause 12.6 the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

12.7 Notices.

12.7.1 Any notice given to a party under or in connection with the Contract shall be in writing and shall be:

12.7.1.1 delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or

12.7.1.2 sent by email to the address provided by either party to the other upon submitting a quotation or Order.

12.7.2 Any notice shall be deemed to have been received:

12.7.2.1 if delivered by hand, at the time the notice is left at the proper address;

12.7.2.2 if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; or

12.7.2.3 if sent by email, at the time of transmission, or, if this time falls outside Business Hours in the place of receipt, when Business Hours resume.

12.7.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

12.8 Third party rights.

Unless it expressly states otherwise, the Contract does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract.

12.9 **Governing law.** The Contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

12.10 **Jurisdiction.** Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation.

The Schedule

Limited License Terms

The following Products are subject to the Limited Licence Terms.

NSC	Astrocytes	Sensories	Motor Neurons	Cardiac
ax0015	ax0665	ax0055 ax0555		ax2505 ax2515
ax0016				
ax0018			ax0078	ax2508 ax2518
ax0111				
ax0112				
ax0113				
ax0114				
ax0211				
			ax0073	
			ax0074	
ax0411				

PLEASE READ THESE LIMITED LICENSE TERMS SET FORTH BELOW. YOUR PURCHASE OF PRODUCTS FROM THIS LIST SHALL CONSTITUTE ACKNOWLEDGMENT AND ACCEPTANCE OF THESE LIMITED LICENSE TERMS.

Part A

The following terms also apply if your Products contain any of the Licensed Patents set out in Appendix A.

- 1) The Products must only be used for research purposes in the Field of Use.
- 2) For the purpose of this Part A, the Field of Use is defined as
“the provision (including manufacture, offer, sale, putting into market, use, import, possession) of terminally differentiated somatic iPSC-derived cells and related services to Third Party Clients for such Third Party Client’s use within the scope of the applicable licensed patents, independent of cell type and disease setting. The Field of Use is explicitly excluding resell and the use or provision of iPSCs and propagating progenitor cells for disease modelling.”
- 3) For the purpose of this Part A, Third Party Client is defined as:
means any third party that is purchasing terminally differentiated somatic iPSC-derived cells and related commercial services from you under terms that include the clause stipulating use restrictions for iPSCs and propagating progenitor cells as set out in this Part A.

4) You agree to indemnify and hold harmless Axol from any liability, loss, damage, fines, penalties, actions, claims and/or expenses (including attorney's fees) arising from any third party claim relating to (ii) the exercise by you of any rights granted to you under these Limited License Terms (including but not limited to the use, import, development or export of cell products); (iii) your use of the Products outside of the scope of these Limited License Terms; and (iii) the breach of these Limited License Terms by you.

5) Use restrictions for iPSCs and propagating progenitor cells:

“Certain drug screening, target validation and toxicity testing methods that utilize in-vitro differentiated disease models may be covered by one or more patents controlled by Evotec International GmbH. Those patents include EP2270196B1, EP1745144B1 and EP3070174B1 and corresponding foreign patents and pending applications. The purchase or transfer of this product is not intended, either expressly or by implication, to grant any right or license to practice under Evotec International GmbH's patents. Purchasers are advised to contact Evotec International GmbH's regarding a license to practice under such patents.”

Appendix A

Licensed Patents

Patent family WO 2005/108598 "Assay for drug discovery based on in vitro differentiated cells"

Country Code	Application No.	Publication No.
EP	04 011 214.6	
WO	PCT/EP2005/005087	WO 2005/108598
EP	05 740 642.3	EP 1745144
AT	05 740 642.3	EP 1745144
BE	05 740 642.3	EP 1745144
CH/LI	05 740 642.3	EP 1745144
DE	05 740 642.3 (60 2005 025 106.5)	EP 1745144
DK	05 740 642.3	EP 1745144
ES	05 740 642.3	EP 1745144
FI	05 740 642.3	EP 1745144
FR	05 740 642.3	EP 1745144
GB	05 740 642.3	EP 1745144
IT	05 740 642.3 (502011901912433)	EP 1745144
NL	05 740 642.3	EP 1745144
SE	05 740 642.3	EP 1745144
EP	10 010 425.6	EP 2270196
AT	10 010 425.6	EP 2270196
BE	10 010 425.6	EP 2270196
CH/LI	10 010 425.6	EP 2270196
DE	10 010 425.6 (60 2005 049 110.4)	EP 2270196
DK	10 010 425.6	EP 2270196

ES	10 010 425.6	EP 2270196
FI	10 010 425.6	EP 2270196
FR	10 010 425.6	EP 2270196
GB	10 010 425.6	EP 2270196
IE	10 010 425.6	EP 2270196
IT	10 010 425.6 (502016000062885)	EP 2270196
NL	10 010 425.6	EP 2270196
SE	10 010 425.6	EP 2270196
EP	16 165 848.9	EP 3070174
AT	16 165 848.9	EP 3070174
BE	16 165 848.9	EP 3070174
CH/LI	16 165 848.9	EP 3070174
DE	16 165 848.9 (60 2005 056 403.9)	EP 3070174
DK	16 165 848.9	EP 3070174
ES	16 165 848.9	EP 3070174
FR	16 165 848.9	EP 3070174
GB	16 165 848.9	EP 3070174
IE	16 165 848.9	EP 3070174
IT	16 165 848.9 (502020000010069)	EP 3070174
NL	16 165 848.9	EP 3070174
SE	16 165 848.9	EP 3070174
CA	2,565,858	CA 2,565,858
JP	JP 4814875	
US	11/596262	US 8,318,488
US	14/996641	US 9,726,662

US	14/996622	
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(B) Patent family WO 2005/098425 "Non-invasive, in vitro functional tissue assay system"

Country Code	Application No.	Publication No.
EP	04 008 497.2	
WO	PCT/EP2005/003662	WO 2005/098425
EP	05 730 755.5	EP 1740945
AT	05 730 755.5	EP 1740945
BE	05 730 755.5	EP 1740945
CH/LI	05 730 755.5	EP 1740945
DE	05 730 755.5 (60 2005 054 634.0)	EP 1740945
DK	05 730 755.5	EP 1740945
ES	05 730 755.5	EP 1740945
FI	05 730 755.5	EP 1740945
FR	05 730 755.5	EP 1740945
GB	05 730 755.5	EP 1740945
IE	05 730 755.5	EP 1740945
IT	05 730 755.5 (502018000037967)	EP 1740945
NL	05 730 755.5	EP 1740945
SE	05 730 755.5	EP 1740945
JP	2007-506726	JP 5074921
US	11/547871	US 9,945,840
US	15/954413	US 2018/0299426 A1

Part B

The following terms apply if your Products contain any of the Licensed Patents set out in Appendix B

Licensed Differentiated Cells (including Licensed Services)

I. Definitions;

1. Axol Bioscience: Axol Bioscience Limited
2. iPS-AJ: iPS Academia Japan, Inc.
3. User: The person or entity which purchased Product(s) from Axol Bioscience or its authorised distributor.
4. Product: Cells which are differentiated from iPS cells (iPSCs) by Axol Bioscience, and which Axol Bioscience sells or transfers under the patent license agreement between iPS-AJ and Axol Bioscience.

II User Restrictions;

1. User may use the Product for internal research including but not limited to screening potential drug compounds for efficacy and safety, and for the provision of such services to third parties. No other right is granted to User whether expressly, by implication, by estoppel or otherwise. In particular, the purchase of the Product does not include nor carry any right or license to use, develop or otherwise exploit the Product commercially, and no right are conveyed to User to use the Product for any other purpose.
2. User **agrees** to use the Product in compliance with all applicable statutes and regulations, but not to use the Product for application and use for human/animal therapeutic, diagnostic and/or prophylactic purposes including but not limited to clinical applications, cell therapy, transplantation, and/or regenerative medicine without appropriate license.
3. In case that User transfers Product to a third party. User shall convey the User Restriction set forth herein to such third party.

Licensed iPSCs (including Licensed Services)

I. Definitions;

1. Axol Bioscience: Axol Bioscience Limited
2. iPS-AJ: iPS Academia Japan, Inc.

3. User: The person or entity which purchased Product(s) from Axol Bioscience or its authorized distributor.
4. The iPSC cells (iPSCs) or kits to generate iPSCs which Axol Bioscience provides and are claimed in the patents and patents applications mentioned below.
5. Pluripotent Cells: iPSCs regenerated or derived by User from the Product provided by Axol Bioscience.
6. Progeny: derivatives from the Pluripotent Cells created by User which retain the ability to self-replicate, retain ability to differentiate into cell types from all three germ layers and remain in an undifferentiated state whether or not said cells are genetically modified and cloned cell lines so long as the cells retain the ability to self-replicate, retain ability to differentiate into cell types from all three germ layers and remain in an undifferentiated state.
7. Modification: cells which are created by User or created through the use of the Pluripotent Cells or Progeny, but which (i) do not differentiate into cell types from all three germ layers and (ii) are not in an undifferentiated state.
8. Materials: Pluripotent Cells, Progeny and Modification.
9. Commercial Use: any activity by a User consisting of at least one of following activities:
10. use of the Pluripotent Cells or Progeny, for the manufacture of related products distributed and/or sold to a third party including but not limited to culture medium and equipment,
11. use of the Pluripotent Cells, Progeny or Modifications to provide a service, information or data to a third party for financial gain, provided, however, that in case a not-for-profit organization provides a service, information or data on behalf of a third party having an appropriate license from AI, such not-for-profit organization's activity shall not be considered Commercial Use (ii).
12. use of the Pluripotent Cells, Progeny or Modifications for screening small molecular compounds, antibodies, proteins, peptides, and large-molecular compounds as potentially marketable compounds, provided, however, that (1) use of the Pluripotent Cells, Progeny or Modifications for target discovery, target validation or assay development are not considered Commercial Use (iii), and (2) use of the Pluripotent Cells, Progeny or Modifications for screening by a not-for-profit organisation solely for its internal research use for non-commercial purposes shall not be considered as Commercial Use (iii),
13. sale, lease, distribution or transfer of Pluripotent Cells, Progeny or

Modification to third party(ies) for financial gain, provided, however, that transfer of Pluripotent Cells, Progeny or Modifications by a not-for-profit organization to other not-for-profit organization solely for its internal research purposes is not Commercial Use (iv), or

14. sale, lease, distribution or transfer of Pluripotent Cells or Progeny to for-profit organizations not for financial gain.
15. Note: "financial gain" here means any financial benefit, gain, consideration or revenue of a transaction which exceeds its cost of operating the transaction.

II User Restrictions:

1. The creation and/or use of the Product is/are covered by one or more of US Patents Nos. 8048999; 8058065; 8129187; 8530238 and corresponding foreign patents and/or other pending US Patents and corresponding foreign patent applications to which iPS-AJ has been granted the license rights with sub-licensable right. The purchase of the Product conveys to User the limited, non-exclusive and non-transferable right (without the right to sell, repackage, or further sub-license) to use the purchased amount of the Product and the derivatives of the Product in internal research conducted by User (whether User is not-for-profit organisation or for for-profit organisation). No other right is granted to User whether expressly, by implication, by estoppel or otherwise. In particular, the purchase of the Product does not include nor carry any right or license to use, develop or otherwise exploit the Product commercially, and no rights are conveyed to User to use the Product for any other purpose.
2. User may use Materials for its internal research, provided however that Commercial Use of Materials by User shall be restricted and require an appropriate license from iPS-AJ. For clarity, in case that User is a not-for-profit organisation, including academia, governmental body and other not-for-profit organization, internal research use of Materials by User for academic, educational and the other non-commercial purpose and transfer of Materials between non-for-profit organizations for non-commercial purposes is not restricted.
3. User shall not administer the Materials in human or animal subjects for human/animal therapeutic, diagnostic and/or prophylactic purposes including but not limited to clinical applications, cell therapy, transplantation, and/or regenerative medicine without appropriate license.
4. User may transfer the Materials to a third party; provided that User shall convey the User Restriction set forth herein to such third party.
5. For information on purchasing a license to the patent rights for purposes other than

those permitted **above**, please directly contact with Axol Bioscience:
(operations@axolbio.com) or iPS-AJ at (license@ips-ac.co.jp).

Appendix B
Licensed Patents

.AJ No.	Country	Application No.	Patent No.
AJ001	Japan	2005-359537	
AJ001	WIPO	PCT/JP2006/324881	
AJ001	Japan	2007-550210	5098028
AJ001	Japan	2008-131577	4183742
AJ001	Japan	2009-056747	4411362
AJ001	Japan	2009-056750	4411363
AJ001	Japan	2009-056748	5248371
AJ001	Japan	2009-056749	5467223
AJ001	Japan	2011-088113	5603282
AJ001	Japan	2013-167725	
AJ001	USA	12/086,479	8048999
AJ001	USA	12/213,035	8278104
AJ001	USA	12/289,873	
AJ001	USA	12/457,356	8058065
AJ001	USA	12/656 907	8129187
AJ001	USA	12/656,908	
AJ001	USA	13/585,729	
AJ001	EP	06834636.0	1970446
AJ001	Austria	AT20060834636	E 518883
AJ001	Belgium	06834636.0	1970446
AJ001	Bulgaria	06834636.0	BG/EP1970446
AJ001	Denmark	06834636.0	DK/EP1970446

AJ001	Finland	06834636.0	1970446
AJ001	France	06834636.0	1970446
AJ001	Germany	602006023569.0	1970446
AJ001	Ireland	06834636.0	1970446
AJ001	Italy	06834636.0	1970446
AJ001	Lichtenstein		
AJ001	Netherlands		1970446
AJ001	Portugal	06834636.0	PT1970446
AJ001	Spain	06834636.0	ES2367525
AJ001	Sweden	06834636.0	1970446
AJ001	Switzerland		1970446
AJ001	Turkey	06834636.0	TR2011 10232T4
AJ001	UK	06834636.0	1970446
AJ001	EP	10154821.2	
AJ001	EP	101S4819.6	
AJ001	EP	10154817.0	
AJ001	Australia	2006325975	2006325975
AJ001	Brazil	PI0619794-9	
AJ001	Canada	2632142	2632142
AJ001	China	200680048227.7	200680048227.7
AJ001	China	201010126185.2	
AJ001	China	201310015158.1	201310015158.1
AJ001	China	201410006027.1	
AJ001	Egypt	PCT9S5/2008	
AJ001	Eurasia	200870046	014166

AJ001	Eurasia	201000858	018039
AJ001	Hong Kong	09102406.5	1125131
AJ001	Hong Kong	09103541.9	112S961
AJ001	India	3S64/CHENP/2008	
AJ001	Israel	191903	191903
AJ001	Korea	10-2008-7017015	101420740
AJ001	Mexico	MX/A/2008/007654	294224
AJ001	Mexico	MX/A/2011/013772	
AJ001	New Zealand	569530	S69530
AJ001	S. Africa	2008/04,673	2008/04,673
AJ001	Singapore	200804231-9	143419
AJ001	UAE	583/2008	
AJ005	USA	61/071,508	
AJ005	USA	61/136,246	
AJ005	USA	61/136,615	
AJ005	USA	61/193,363	
AJ005	WIPO	PCT/JP2009/0S8873	
AJ005	Japan	2010-506477	5346925
AJ005	USA	13/572,593	
AJ005	EP	09738908.4	
AJ005	Canada	2695522	
AJ005	China	200980100078.8	ZL200980100078.8
AJ005	India	485/KOLNP/2010	
AJ005	Korea	10-2010-7002311	
AJ005	Singapore	201000582-5	

AJ018	USA	61/232,402	
AJ018	USA	61/307,306	
AJ018	WIPO	PCT/JP2010/063733	
AJ018	Japan	2012-523493	5376478
AJ018	USA	13/389,359	8900871
AJ018	USA	14/533080	
AJ018	EP	10806584.8	
AJ018	China	201080035155.9	ZL201080035155.9
AJ018	Korea	10-201207004663	
AJ018	India	384/KOLNP/2012	
AJ018	Canada	2770412	
AJ018	Australia	2010279913	
AJ018	Singapore	201200686-2	