

27 January 2020

Between
Water Research Centre Limited
and
McCormack Innovation Ltd.

Licence to use
“Fine to Flush” and Mark (logo)

V3 13.01.20

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This licence is dated 24 January 2020.

Parties

- (1) WATER RESEARCH CENTRE LIMITED incorporated and registered in England and Wales with company number 11172223 whose registered office is at Frankland Road, Blagrove, Swindon SN5 8YF (**WRc**); and
- (2) MCCORMACK INNOVATION LTD. incorporated and registered in United Kingdom with company number SC 530115 whose registered office is at Cairnfield, 14 School Road, Balmullo, St Andrews, Fife, KY16 0BD (the **Licensee**).

Background

- (A) Water UK, the trade association for the UK water sector, has created a certification trade mark for use by manufacturers of wipes which meet standards of flushability defined by Water UK.
- (B) By an agreement dated 15 August 2019 between Water UK and WRc, WRc has been permitted to enter into licences on behalf of Water UK to permit the use of that mark.
- (C) The Licensee wishes to receive and WRc is willing to grant to the Licensee a licence on the terms and conditions set out in this licence to reproduce the mark on an Approved Product (as defined below).

Agreed terms

1. Interpretation

The following definitions and rules of interpretation apply in this licence.

1.1 Definitions:

Approved Product: a product in respect of which a current, valid Certificate applies as listed in Schedule 3.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Certificate: a certificate issued by WRc either to the Licensee or a manufacturer indicating that the product set out in the schedule attached to such certificate has been assessed as meeting the Standard including the one issued on 24 January 2020 with reference FF/011/0120, a subsequent certificate issued pursuant to this licence or a certificate notified to WRc under clause 2.2.

Core Change: any change to the fibre type or ratio, additives or formulations or method of production of an Approved Product.

Effective Date: the date on which this agreement was entered into.

Mark: the mark shown in Schedule 1 which is the subject of UK Certification Mark No. 3385920

Regulations: the regulations on the basis of which the Mark has been granted, as filed with the Trade Mark Registry at the Intellectual Property Office.

Standard: the standard set out in Water Industry Specification 4-02-06.

Term: the period of 3 years from the Effective Date as such period may be extended under clause 7.1.

- 1.2 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.3 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.4 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.5 A reference to **writing** or **written** includes email.
- 1.6 Any words following the terms **including** and **include** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. Grant

- 2.1 WRc hereby grants to the Licensee a non-exclusive licence to:
 - 2.1.1 reproduce the Mark on the packaging of Approved Products; and
 - 2.1.2 to use the Mark on advertising and marketing material for Approved Products, in each case for the Term, subject to, and in accordance with, the terms of this licence and the Certificate.
- 2.2 The products initially appearing in Schedule 3 may be added to following receipt by WRc of notification from the Licensee that it wishes to add further products to which a Certificate has been granted to the scope of this licence.
- 2.3 Following expiry of the Term or termination of this licence (if earlier), the Licensee will and will procure that its employees, officers, agents, advisers, distributors and sub-contractors will not use or reproduce the Mark on packaging, advertising and marketing material, in websites or other electronic media or in any other way, except in the course of selling Approved Products manufactured before the date of such expiry or termination.
- 2.4 The Licensee shall ensure that the Mark shall be applied without modification to Approved Products or to advertising or marketing materials for such products and that any reproduction of the Mark complies with the specification set out in Schedule 2.

- 2.5 The Licensee shall not reproduce the Mark:
- 2.5.1 other than as permitted under this Licence; or
 - 2.5.2 so as to cause any confusion as to any endorsement or approval by WRc of any product other than an Approved Product.

3. Quality control and marking

- 3.1 The Licensee shall ensure that each Approved Product complies with the Standard.
- 3.2 Without prejudice to clause 3.1, the Licensee shall not make any Core Changes without complying with the requirements of this clause 3.
- 3.3 Where a Core Change is proposed by the Licensee, the Licensee shall inform WRc before making the change and explain the nature and implications of the change before applying the Mark to the altered product and shall not apply to the Mark to the altered product without the express written approval of WRc.
- 3.4 WRc reserves the right, depending on the nature of the proposed changes, to retest or require the re-testing of the product. Initially this would require a repeat of the Drainline Disintegration Test but the exact tests required will be specified based on the nature of the change.
- 3.5 If the results demonstrate that the Standard continues to be complied with, no further tests will be required. If the tests indicate that the product does not meet the Standard, the Licensee shall not be permitted to apply the Mark to the product in question.
- 3.6 The Licensee shall pay the costs of any testing that may be reasonably be required by WRc to satisfy itself that an approval may properly be granted under clause 3.3.
- 3.7 The Licensee shall allow WRc or a third party approved by WRc to access the Licensee's personnel, its premises and if different, the premises in which the Approved Product is manufactured and such relevant records as may be reasonably required in order to undertake verification that the Approved Product continues to comply with the Standard and that all obligations of the Licensee are being performed in accordance with this licence.
- 3.8 The issue and continued use of a Certificate shall be subject to the terms of the Regulations and the Licensee shall comply with such obligations as they may impose.
- 3.9 Where after exercising its rights under this licence or the Regulations, WRc determines that a product purporting to be an Approved Product does not meet the Standard, this shall be considered a material breach of contract and WRc shall be entitled to serve notice on the Licensee under clause 7.2.1.
- 3.10 The Licensee shall only use the Mark in connection with the sale of products for use in stoma care and haemorrhoid cleansing. The indication of such permitted use shall

appear in prominent lettering on the packaging for such products in a form previously approved in writing by WRc, such approval not unreasonably to be withheld.

- 3.11 Where Approved Products are marketed or sold by the Licensee for any other purposes, the Licensee shall not use the Mark on or in connection with the products in question or on any advertising or marketing materials related to those products.
- 3.12 In its marketing and advertising materials for the Approved Product, the Licensee shall indicate, in a form previously approved in writing by WRc, such approval not unreasonably to be withheld, that disposal in the WC is only permissible where the product has been contaminated with human faecal material or urine.

4. Protection of the Mark

- 4.1 The Licensee shall immediately notify WRc in writing giving full particulars if any of the following matters come to its attention:

- 4.1.1 any actual, suspected or threatened infringement of the Mark;

- 4.1.2 any claim made or threatened that the Mark infringes the rights of any third party; or

- 4.1.3 any other form of attack, charge or claim to which the Mark may be subject.

- 4.2 In respect of any of the matters listed in clause 4.1:

- 4.2.1 WRc shall, at its absolute discretion, decide what action to take, if any;

- 4.2.2 WRc shall have exclusive control over, and conduct of, all claims and proceedings;

- 4.2.3 the Licensee shall not make any admissions other than to WRc and shall provide WRc with all assistance that WRc may reasonably require in the conduct of any claims or proceedings; and

- 4.2.4 WRc shall bear the cost of any proceedings and shall be entitled to retain all sums recovered in any action for its own account.

- 4.3 Nothing in this licence shall constitute any representation or warranty that the exercise by the Licensee of rights granted under this licence will not infringe the rights of any person.

5. Indemnity and payments

- 5.1 The Licensee shall indemnify WRc and Water UK 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 costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by WRc or Water UK arising out of or in connection with:

- 5.1.1 the Licensee's exercise of its rights granted under this licence;
 - 5.1.2 the Licensee's breach or negligent performance or non-performance of this licence;
 - 5.1.3 any product liability claim relating to an Approved Product manufactured or supplied by the Licensee;
 - 5.1.4 the enforcement of this licence; or
 - 5.1.5 any claim made against WRc or Water UK by a third party for death, personal injury or damage to property arising out of or in connection with a defective Approved Product, to the extent that the defect in the Approved Product is attributable to the acts or omissions of the Licensee, its employees or agents.
- 5.2 Where any payment due from the Licensee under this licence is subject to tax (whether by way of direct assessment or withholding at its source), the recipient shall be entitled to receive from the Licensee such amounts as shall ensure that the net receipt, after tax, to the recipient is the same as it would have been were the payment not subject to tax.

6. Assignment and other dealings

- 6.1 The Licensee shall not assign, transfer, mortgage, charge, sub-license, sub-contract, delegate, declare a trust over or deal in any other manner with any or all of its rights and obligations under this licence without the prior written consent of WRc.
- 6.2 No person other than the parties shall have any rights to enforce any provision of this licence other than Water UK pursuant to clause 5.

7. Term and termination

- 7.1 The licence shall be effective for an initial period of three years from the Effective Date and may be extended by the Licensee on written application to WRc before the expiry of that period or any period of extension, subject to the Licensee:
 - 7.1.1 demonstrating to the reasonable satisfaction of WRc that the Approved Product or Products continue to comply with the Standard;
 - 7.1.2 paying such fees as may then be applied by WRc for extensions of the licence; and
 - 7.1.3 paying the costs of any testing that may be reasonably be required by WRc to satisfy itself that an extension may properly be granted under this clause.
- 7.2 WRc may terminate this licence before the expiry of the Term by notice with immediate effect if the Licensee:

- 7.2.1 commits a material or persistent breach of the licence and (if such a breach is remediable) fails to remedy that breach within 30 days of receipt of notice in writing of the breach;
 - 7.2.2 the Licensee suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;
 - 7.2.3 the Licensee commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors other than for the sole purpose of a scheme for a solvent amalgamation of the Licensee with one or more other companies or the solvent reconstruction of the Licensee;
 - 7.2.4 a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Licensee other than for the sole purpose of a scheme for a solvent amalgamation of the Licensee with one or more other companies or the solvent reconstruction of the Licensee;
 - 7.2.5 an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is given or if an administrator is appointed, over the Licensee;
 - 7.2.6 the holder of a qualifying floating charge over the assets of the Licensee has become entitled to appoint or has appointed an administrative receiver;
 - 7.2.7 a person becomes entitled to appoint a receiver over all or any of the assets of the Licensee or a receiver is appointed over all or any of the assets of the Licensee;
 - 7.2.8 a creditor or encumbrancer of the Licensee attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Licensee's assets and such attachment or process is not discharged within 14 days;
 - 7.2.9 any event occurs, or proceeding is taken, with respect to the Licensee in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 7.2.2 to clause 7.2.8 (inclusive);
 - 7.2.10 the Licensee suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or
 - 7.2.11 there is a change of control of the Licensee (within the meaning of section 1124 of the Corporation Tax Act 2010).
- 7.3 Any provision of this licence that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this licence shall remain in full force and effect.

8. Governing law

This licence 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.

9. 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 this licence or its subject matter or formation.

This licence has been entered into on the date stated at the beginning of it.

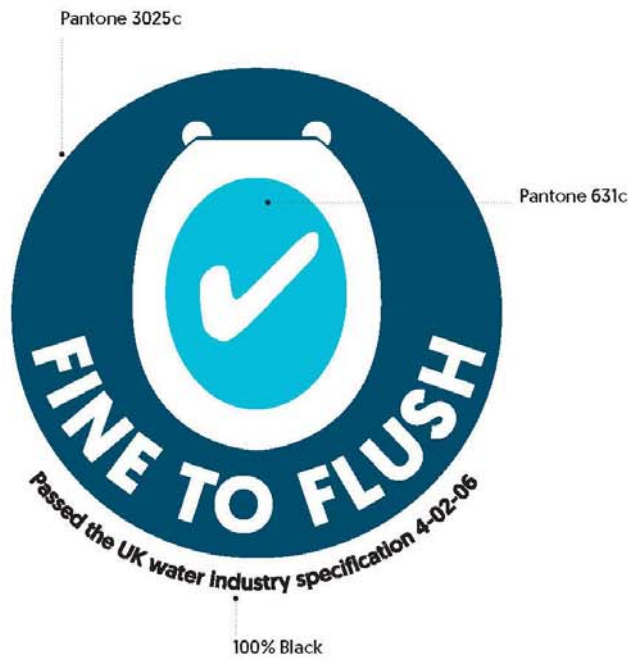
Schedule 1
The mark



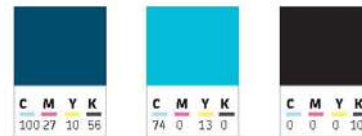
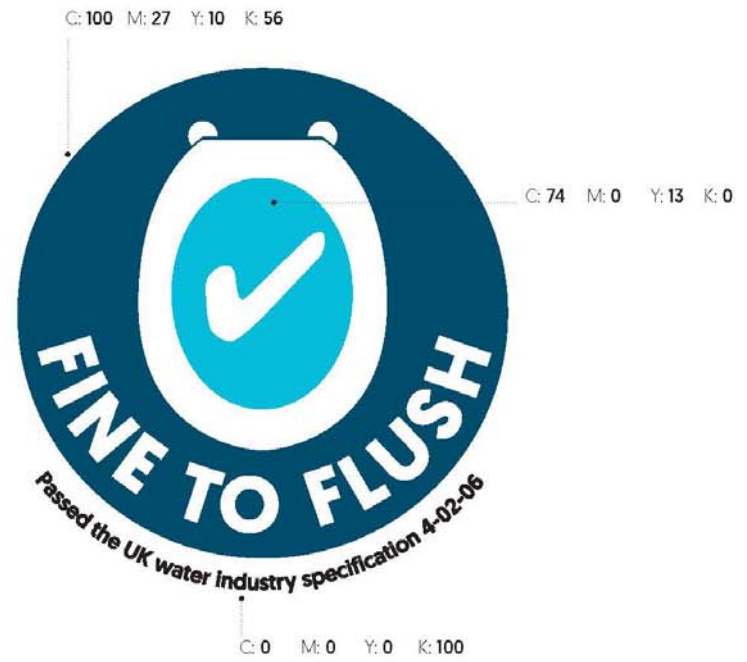
Schedule 2
Specification for use of the Mark

Fine to Flush logo colour breakdown

SPOT COLOUR



CMYK



Schedule 3
List of Approved Products

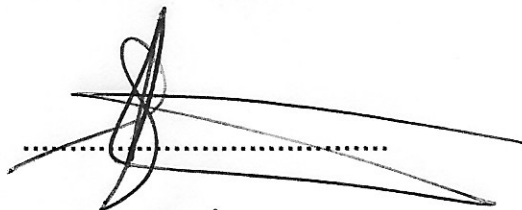
McCormack Innovation Ltd 'Flushaway' Wipe (Fine to Flush reference: FF/011/0120)

Signed by Water Research Centre
Limited

M. M. Hart

.....

Signed by McCormack Innovation Ltd
[LICENSEE]

A handwritten signature in black ink, appearing to be 'G. Crighton', is written over a dotted line. The signature is stylized and somewhat obscured by several horizontal lines drawn across it.

G. Crighton
Director.