



“Prozomix Biocatalysis Enzyme Toolkit” Terms and Conditions [Draft 1.4; 15-12-11]

General information:

This document is not a legal document, but sets out the general terms and conditions that the “Prozomix Biocatalysis Enzyme Toolkit” (hereafter “Toolkit”) will be available under. The final Agreement is currently in the process of being constructed legally and will not differ fundamentally from what is detailed below.

The philosophy and other general information about the Toolkit can be found here:

<http://www.prozomix.com/about/Biocatalysis-enzyme-toolkit-concept>. A key feature of the Toolkit is that the enzymes are ALL unique (i.e. not mutants or evolved in any other way), where no member exhibits greater than 80 % identity to any other enzyme in the kit, and where primary sequence diversity is in general much greater than this. The enzymes have also been carefully selected as to evenly sample natural substrate diversity, thus offering catalysts capable of transforming a very wide diversity of compounds. Another key feature is that the Toolkit is provided on free-of-charge basis to qualifying customers, where a simple “hit-fee” becomes owing only when an enzyme of interest is identified.

The physical Toolkit will comprise the following components for each enzyme:

Component	Quantity per enzyme per kit
Freeze-dried CFE	1 x 50 - 100 mg
Expression plasmid	1 x 0.1 µg

The current Toolkit composition and its envisaged development trajectory over the next 3-18 months are illustrated as follows:

Panel	Now	3-6 months	12-18 months
KRED	53	150	500
P450	12	50	125
NHase	4	25	>50
Nitrilase	9	100	150
Lipase	0	20	>20
Transaminase	0	50	100
Oxynitrilase	0	15	>15
Ene-reductase	0	100	200
Aldolase	0	25	100
Others	4	>4	>4

Terms and Conditions:

1. The contents of this document are **confidential** and should not be disclosed to any third party. If you are not the intended recipient, please notify us immediately. You should not copy this document nor disclose its contents to any other person outside your organisation.
2. The Toolkit comprises an expanding number of biocatalyst panels (see above), where 50-100 mg of each enzyme is provided as a freeze-dried powder/cake and optionally the corresponding *E. coli* expression plasmid.
3. The Toolkit materials are supplied for research purposes only, in the first instance, for the discovery of biocatalysts of interest to the customer (or their customers, etc).
4. The Toolkit materials are strictly not for re-sale.
5. Toolkit materials, or related information supplied, must not be used in any way to reverse engineer the biocatalysts developed by Prozomix, or to simply copy them, by the employment of any method involving the natural gene sequence, a synthetic gene sequence, or otherwise, either in-house or via any third party.
6. It is the responsibility of the customer that their use of the enzymes included in the Toolkit does not infringe any third party rights with respect to the enzymes; protein/DNA sequences are provided for each Toolkit enzyme component, and it is thus the sole responsibility of the customer to use this information to determine whether their specific use of that enzyme will infringe any third party rights.
7. Toolkit materials are provided strictly for use by the authorised customer only, and should not be passed to anyone outside the intended organisation without prior written (email, fax or letter) approval from Prozomix. Components may be passed within the intended organisation *ad libitum*, provided the recipient(s) is(are) fully apprised with respect to the terms and conditions of use. However, it is recommended that additional kits be requested for this purpose if significant additional users are envisaged, and such additional kits will generally be supplied free-of-charge.
8. The compositions of the panels of enzymes that comprise the Toolkit are not static, and will grow over time reflecting the expansion of the DNA database. The enlarged panels will appear in real time on the Prozomix website, and existing holders of the Toolkit will be informed of such developments by email every three months, when they will also be offered the additional enzymes, that will also be supplied free-of-charge.
9. Holders of the Toolkit are entitled to one new full kit (or specified components) on request on each anniversary of taking the Toolkit. This kit will be supplied free-of-charge. However, should a customer have held the Toolkit for two years and not found a "hit", Prozomix reserves the right to charge regular catalogue prices for further kit components if requested (i.e. as displayed on www.prozomix.com), though this will generally not be the case.
10. The "hit-fee" is 3000 USD (exclusive of VAT).
11. Where more than one "hit-fee" becomes owing in any one year, the "hit-fee" reduces by 100 USD each hit, until it reaches 2000 USD, at which point the hit fee remains at 2000 USD for all subsequent hits within that year (a "year" begins on the purchase order date of the first hit).
12. "Hit-fees" are notified by placing a purchase order, where the enzyme(s) in question is(are) identified by their catalogue number (i.e. PRO-AKR139). The customer will then be invoiced with 30 days terms applied. No other details regarding the application of the enzyme are required, and after notification and subsequent payment of the "hit fee", no further reference will need to be made regarding any future use of the enzyme in question in conjunction with that specific application.
13. Definition of scenarios where the "hit-fee" becomes payable:
 - (i) when an enzyme of interest is identified and the plasmid is used (either in-house or via a third party) to scale-up production of that enzyme to any level beyond that simply required to establish that the enzyme is likely to be suitable for the particular "application" in question (i.e. small quantities of additional enzyme can be produced using the plasmid for more detailed characterisation studies only, or to establish expression yields, etc, but the enzyme produced can be used for no other purpose unless a "hit fee" is paid to Prozomix). Should the same enzyme at any time in the future be

identified against another “application”, a further “hit-fee” becomes owing for that any every subsequent different “application”.

(ii) when an enzyme of interest is identified, but for whatever reason it is elected to develop the enzyme/expression system further, either in-house or via a third party (other than Prozomix), rather than using the Prozomix plasmid as-is for further production. In this scenario, only a single “hit-fee” is paid, regardless of the future number of applications the enzyme is used in, so long as significant development work was actually required (i.e. sub-cloning into an alternative vector would not be considered as significant development, but optimisation via forced evolution or development of a Pichia strain (i.e. to increase yields), etc, would be).

(iii) when it is desired to identify any characteristic of a Toolkit enzyme in the public domain, i.e. via scientific publication or in a patent, etc.

(iv) scaling of production and inclusion of an enzyme(s) in a commercial kit does not trigger an initial “hit-fee”. However, where such a Toolkit enzyme is purchased in “bulk” from such a commercial kit, a “hit-fee” becomes payable. Moreover, all subsequent bulk purchases by different customers for the same enzyme also trigger additional “hit fees”. However, repeat bulk purchase(s) by the same customer would NOT trigger a further “hit-fee”.

(v) if a proposed use of the Toolkit does not fit into the above “hit-fee” scenarios, Prozomix should be consulted.

- 14.** Notice periods - Prozomix reserves the right to give 2 years notice to any customer using the Toolkit, that the Agreement’s terms and conditions are being altered. Where enzymes have been incorporated into a customer’s own commercial kit, the above notice period will be extended to 3 years in this instance. A customer has the right to end its agreement with Prozomix at any time, subject to all existing “hit fees” being settled in full, and all Toolkit materials (and any derivative materials) either being returned to Prozomix (at Prozomix’s expense), or being destroyed by the customer (the method of choice to be advised by Prozomix at the time).