

Introduction

A change is proposed to Clause 13, “Termination and expiration”, of the ILP Standard License Agreement (SLA). The proposed amendment is intended to apply to future SLA agreements only. It is not intended to amend License Agreements that have already entered into force.

Proposed amendment to Clause 13 paragraph 8 of the Standard License Agreement

The proposed amendment concerns the provision in Clause 13 paragraph 8 dealing with the consequences of termination and, in particular, the right of the Licensee and its Affiliates to sell or deliver remaining stock and crops in the ground following a premature termination where the Agreement has not been terminated by the Licensor because of a material breach by the Licensee.

The proposed wording is:

“Upon termination of this Agreement Licensee and its Affiliates shall immediately cease all acts that are covered by the License. However in case of premature termination, and in case this Agreement is not terminated by Licensor because of a material breach of this Agreement by Licensee, Licensee and its Affiliates are entitled to sell or deliver the remainder of its stock of Licensed Products, and any crops that are in the ground for a period of twelve months, ~~using the same commercial conditions as up till then for a period of twelve months~~ notwithstanding the obligation to pay the royalties in accordance with clause 3.”

Accordingly, the proposed amendment removes the words “using the same commercial conditions as up till then for a period of twelve months”. The remainder of the quoted provision is unchanged. The proposed amendment apply to clause 13 paragraph 8 of **Annex I** and to clause 13 paragraph 8 of **Annex II** of the Internal Regulations.

Amendments to be approved by the General Meeting

Article 10.2 of the Internal Regulations dated 12 December 2023 reads as follows:

“With the exception of article 10.3, a resolution of the General Meeting to amend the following provisions of the Internal Regulations shall require unanimous votes, or can be adopted in accordance with article 32.1 of the Articles of Association:

- i. the definition of Vegetable as referred to in article 1.1;*
- ii. the Standard License Agreement as referred to in article 1.1;*
- iii. article 2.2 and 2.4 (obligations);*
- iv. the non-asserts under article 8.*

For the avoidance of doubt, any amendment to the Standard License Agreement thus resolved upon, shall not affect any License Agreement already entered into force before the date of such amendment of the articles of association.”

Because the proposed change modifies the wording of Clause 13 of the Standard License Agreement, it constitutes an amendment to the Standard License Agreement referred to in Article 1.1 of the Internal Regulations. Article 10.2 therefore applies.



On the basis of Article 10.2, the Board cannot adopt this proposed amendment to Clause 13 under the ordinary amendment procedure on its own. The proposed amendment should be submitted to the General Meeting and requires unanimous votes.

Request to the Board

The Board is invited to review and comment on the proposed amendment to Clause 13.8 of the Standard License Agreement and, if it agrees with the proposed wording, to endorse the proposal for submission to the General Meeting for approval in accordance with Article 10.2 of the Internal Regulations.

=====