

This LICENSE AGREEMENT effective as of the day of *MAY 8*, 1981, between BLISS & LAUGHLIN INDUSTRIES INCORPORATED, a corporation duly organized and existing under the laws of the State of Delaware, U.S.A., with offices at 9501 Granger Road, Cleveland, Ohio, 44125, U.S.A. (hereinafter called "Licensor") and EQUIPMENT ENGINEERING (PTE) LTD, a corporation duly organized and existing under the laws of Singapore with offices at No. 5 Block 1002, Aljunied Avenue, Singapore (hereinafter called "Licensee").

WHEREAS, Licensor is engaged in the manufacture and development in the United States of, among other items, the container products described in Appendix A hereto (hereinafter called the "Products"), in which field it has acquired extensive production know-how and technical experience; and

WHEREAS, Licensor has acquired certain letters patent in the United Kingdom and registered the same in Singapore (which last mentioned country is hereafter called the "Territory"), concerning the production of the Products; and

WHEREAS, Licensee wishes to engage in the manufacture of the Products and in that connection wishes to avail itself of such patent rights and production

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know-how and technical experience as is owned by Licensor;
and

WHEREAS, Licensor is the owner in certain countries of the trademark "NESTAINER" which is used by Licensor in said countries and in other countries in connection with the Products and is about to apply for registration of the said trademark in the Territory;

WHEREAS, Licensor is willing to disclose to Licensee, its agents and employees, such production know-how and technical experience, to extend such patent rights to Licensee, to make the said trademark available to Licensee, and generally to advise and assist Licensee and its technical staff at reasonable times and in reasonable ways to facilitate Licensee's objective as stated above;

NOW, THEREFORE, in consideration of the premises and the faithful performance of the covenants, conditions and agreements herein contained, IT IS AGREED:

1. License. Except as otherwise provided, Licensor hereby grants to Licensee:

(a) An exclusive license to manufacture, have manufactured, use and sell within the Territory the "nestable" and "tierable" containers and other systems relating to the transportation and handling of material



embodying or utilizing the inventions, systems and accessories disclosed in patents, patent applications and non-patented items set forth in Appendix A hereto;

(b) An exclusive license to use the trademark "Nestainer," within the Territory;

(1) Licensor will with assistance of Licensee take the steps necessary to have the trademark "Nestainer" registered in the name of Licensor with the appropriate authorities and agencies in the Territory and to maintain such registration during the term of the license;

(2) Licensee will use its best efforts to be listed with the appropriate authorities and agencies in the Territory as a registered user of the trademark Nestainer, if required by law, and to comply with any other requirements necessitated by law or this Agreement; and

(3) In the event of the termination of this Agreement, Licensor and Licensee agree that they will send notices to the appropriate agencies and authorities in the Territory requesting that any registration of Licensee as registered user of the trademark Nestainer be cancelled.

(4) For as long as Licensee is a registered user of the trademark Nestainer, in the



Territory, Licensor shall have the right to inspect the quality and workmanship of the Products being sold under said trademark in the Territory by Licensee. Licensee agrees that, at its expense; Licensee will at the request of Licensor from time to time ship to Licensor samples taken at random from the Products made, used and sold under the trademark by Licensee, provided that such requests for samples shall not be unnecessarily multiplied.

2. Royalties. The Parties hereto agree as follows:

(a) For the rights and privileges granted hereunder it is during the term of this Agreement agreed as follows:

(1) Licensee shall pay fees to Licensor equal to five percent (5%) of the selling price of all Products the subject of this Agreement manufactured and sold or leased by it subject to Section 2(a)(2) hereof.

(2) Should fee payments under Section 2(a)(1) above not aggregate US\$3,000 for the calendar year period commencing January 1, 1982 and ending December 31, 1982, Licensee shall, in addition to such fees paid during said calendar year period, pay to Licensor on December 31, 1982 the difference between such fee payments and US\$3,000 the minimum annual fee due from Licensee to Licensor for

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said calendar year period. Thereafter the minimum annual fee due from Licensee to Licensor shall, increase annually by US\$500 commencing with the anniversary of the second calendar year of this Agreement, December 31, 1983, and continue thereafter to increase annually at the rate of US\$500 for each calendar year to follow through the term of this Agreement. Thereafter, on December 31st of each calendar year to follow, should fee payments made by Licensee to Licensor during such calendar year period not reach the minimum annual fee then due for that calendar year period, Licensee shall pay to Licensor the difference between the fee payments made during that calendar year period under Section 2(a)(1) above and the minimum annual fee payment then due. Fee payments during any calendar year period in excess of the minimum annual payment due for that calendar year period shall not be credited toward the minimum annual fee payment due for any calendar year period thereafter to follow. Payments under this Section 2(a)(2) shall be subject to payment in accordance with Section 2(c) of this Agreement.

(b) "Selling price" as used in this Section 2 shall mean the invoice price of the Products actually billed to customers by Licensee, exclusive of taxes, packing, shipping costs and special agents' commissions if and to the extent included in the invoice price. If any of the Products are held for lease or rental by Licensee then the selling price of each of such Products shall mean the

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invoice price at which customers are billed in the usual course of business by Licensee for identical or substantially identical products. If any of the Products are sold to or used by a Related Person (as hereinafter defined), the selling price of each of such Products shall mean the invoice price at which customers which are not Related Persons are billed in the usual course of business by Licensee for identical or substantially identical products, or, if the sale to a Related Person is for resale to a customer who is not a Related Person, the selling price of such Products shall mean the invoice price actually billed to such customer by such Related Person. "Related Person" shall mean, with respect to a party to this Agreement, (i) any person or company which directly or indirectly owns or controls more than 15% of the voting power of such party, (ii) any company in which such party directly or indirectly owns or controls more than 15% of the voting power, and (iii) any company which is directly or indirectly under common control with such party.

(c) Within 30 days after the end of each calendar quarter, Licensee shall deliver to Licensor an accurate written account of the number of Products that have been sold by Licensee during the preceding calendar quarter and shall pay to Licensor concurrently therewith the full amount of the license fee computed as provided in Sections 2(a) and (b) which are payable with respect to such sales during said preceding quarter. A sale shall be

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deemed completed for the purpose of computing the license fees on the day each of the Products is shipped to the customer; provided, however, that quarterly adjustments may be made for returned or replaced items. All payments by Licensee to Licensor shall be made to Licensor at Cleveland, Ohio, U.S.A., in United States funds, based on the middle exchange rate between United States dollars and Singapore dollars in effect at the Continental Illinois National Bank and Trust Company of Chicago at the opening of business on the last day of the calendar quarter within which Licensee made the sale to which each payment relates. Licensor shall inform Licensee in writing of the said exchange rate verified by the said Bank.

(d) Licensor will be permitted to audit the operations of Licensee and make performance evaluations. In this connection, Licensee shall keep comprehensive and detailed records and accounts of all Products that are manufactured, used or sold for appropriate financial management under this Agreement. Upon request Licensee shall make available to Licensor (or one or more persons designated by Licensor for this purpose, including public auditors) all books of account and records in respect of all transactions relating to this Agreement. All such books and records shall be available to Licensor for inspection during business hours. Additionally, for purposes of this Section (2)(d) Licensee shall preserve all



records relating to any calendar year for a period of five (5) years after expiration of such calendar year.

3. With respect to the providing of any information and/or services by Licensor concerning the license granted hereunder, this Agreement shall become effective only after its validation and approval by the appropriate agencies or governmental authorities of the Territory which shall assure Licensor of the right to repatriate the amounts payable to its pursuant to Sections 2(a) and (b) of this Agreement, and the receipt of such assurances, licenses or approvals as may be required under United States law concerning the export of data from the United States or re-export from foreign countries.

4. Upon the effective date and thereafter during the term of this Agreement, Licensor shall make available to Licensee such know-how including the full and complete technical information possessed on Licensor on the date of this Agreement relating to the Products.

(a) Licensor shall not during the term of this Agreement disclose to any other person, firm, or corporation in the Territory other than Licensee, any of the know-how possessed by Licensor relating to the subject matter of this Agreement.

(b) Nothing contained in this Agreement



shall be construed to require Licensor to disclose to Licensee any information which Licensor shall have acquired from others if the disclosure thereof to Licensee would breach any of the then existing obligations of Licensor.

(c) Licensee shall not use or disclose any information received from Licensor under this Agreement for any purpose other than the manufacture in the Territory by Licensee of the Products or any other purpose not expressly provided herein. Licensee shall not knowingly disclose any information received from Licensor under this Agreement to any person except persons in Licensee's employ to whom it shall be necessary in Licensee's opinion to make any such disclosure to enable Licensee to obtain the benefit of such information in the manufacture in the Territory by Licensee of Products which are included within the subject matter of this Agreement.

(d) Know-how when used in this Agreement shall mean and include the following:

Technical data, designs, plans specifications, methods, processes, systems, and any other information and documentation whether patentable or not, relating to the licensed Products owned or controlled by Licensor which will, when properly utilized by one skilled in the art, enable Licensee to manufacture the Licensed Products.



5. The term of this Agreement shall be for so long as any of the patent rights of Licensor set forth on Appendix A are still subsisting and for so long thereafter as Licensee shall continue to employ the know-how furnished by Licensor under the terms of this Agreement in the manufacture of products identical or substantially identical to the Products the subject of this Agreement; provided further that if all validations and approvals required under the terms of this Agreement have not been obtained within one year of the date of this Agreement, this Agreement shall be of no force and effect and all rights, duties and obligations of the parties hereunder shall cease to exist.

6. Licensee shall maintain adequate manufacturing facilities and equipment to manufacture the Products to Licensor's highest standards, and to satisfy market demand for the Products. Licensor shall have the right at all times to inspect Licensee's plant, equipment, and finished goods and to determine, in its sole discretion, whether the proper standards of manufacture are being followed. If Licensor specifies certain methods, practices, and procedures to be followed in the manufacture of the Products, Licensee shall not vary such methods, practices, and procedures without prior written authorization from Licensor. Licensee shall at all times provide Licensor full details in writing of any proposed variations in Licensee's procedures approved by Licensor and in effect.



7. (a) Licensor shall have a right to terminate any license granted hereunder on any one of the following grounds:

(1) If Licensee shall fail to deliver any statement or report or to pay any license fee or any installment thereof within forty-five (45) days after receiving written notice from Licensor of a failure to file or pay as required by the terms of this Agreement;

(2) If a petition be filed by or against Licensee for its liquidation, which petition is not withdrawn within thirty (30) days, or if an order for compulsory winding-up of the Licensee shall be made or a resolution for voluntary winding-up of the Licensee shall be passed, or should Licensee make an offer of composition to its creditors;

(3) If Licensee fails or refuses to repair any breach of this Agreement within forty-five (45) days after receiving written notice from Licensor of the specific provision of this Agreement which Licensee has failed to keep or perform.

(b) Licensee shall have the right to terminate any license granted to it hereunder if Licensor fails or refuses to repair any breach of this Agreement



within forty-five (45) days after receiving written notice from Licensee of the specific provision of this Agreement which Licensor has failed to keep or perform.

(c) Except as otherwise provided in this Agreement, the party terminating any license pursuant to Section 7(a) and (b) shall give written notice of termination to the other party, setting forth the ground of the termination. The termination shall be effective forty-five (45) days after the notice is mailed.

(d) Any termination of a license hereunder shall not affect either party's obligations fixed prior to the effective date of termination and particularly Licensee's obligation under this Agreement to pay any license fees that may be due or owing to Licensor as of the effective date of termination.

(e) Any failure of either party to enforce rights or seek remedies in the event of a default or breach by the other shall not be deemed a waiver of any subsequent breach or default.

8. Upon termination of this Agreement as herein provided Licensee shall forthwith surrender and return to Licensor all written materials relating to the production know-how and technical experience and patents the subject of this Agreement as provided by Licensor to Licensee



including all written materials generated by Licensee in respect to production know-how and technical experience provided by Licensor to Licensee shall immediately cease to use such production know-how and technical experience and forthwith dispose of its inventory in the Products and account to Licensor for all payments due Licensor on account of said Products as provided under the terms of this Agreement.

9. Any improvement, invention or patent application thereon relating to the function of, or design for, a receptacle manufactured of steel tubing for nesting or tiering in a container not requiring movable elements therein for attainment of tiering and nesting in a way that the units remain in substantially like relationship to each other when nested or tiered, which has heretofore and shall hereafter come into the control of either party hereto or any Related Person to Licensee by virtue of the invention activity of any of their officers or employees shall be deemed within the scope of this Agreement and subject to all its terms and conditions. Any such invention improved or applied by Licensee or any Related Person shall become the property of the Licensor; provided, however, that the Licensee shall have a royalty-free, non-cancellable, exclusive license to manufacture, use and sell in the Territory any Product embodying or utilizing such invention, during the life of the proprietary right of any such invention.

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10. Licensee admits the validity of the patents now issued, and the validity of any patent which shall be granted on any applications now or hereafter filed by Licensor, which are the subject of this license and of the interest of Licensor therein agrees not to contest the same during the life of the patent or patents.

11. (a) All suits brought by others in the Territory against Licensor and/or Licensee for infringement arising out of the manufacture, use or sale of Products by Licensee shall be jointly defended by the parties hereto. Licensor shall furnish such technical information and material pertinent to the defense of such suit or suits as is requested by Licensee. Except as otherwise provided herein, the parties hereto shall equally share the expenses of the defense, including attorney fees, of said suit or suits together with any judgments, decrees, damages and costs which are entered in such suit or suits; provided, however, in no event shall Licensor be required to pay or contribute an amount in excess of 50% of the total license fees from the use by Licensee of the patent or patents involved in the litigation received by Licensor from Licensee in the two years next preceding the date of the judicial judgment or decree finally disposing of said suit.

(b) Licensor warrants that on the date of execution of this Agreement Licensor is not aware of any



pending or contemplated litigation relating to the items licensed under this Agreement.

12. (a) All claims and suits for infringement by others in the Territory shall be brought by Licensor when in its opinion such infringement is substantial. In the event Licensor's suit is successful, the amount recovered by judgment, settlement, order or decree shall belong to Licensor. In the event Licensor refuses to bring such action after a written demand to do so by Licensee, then Licensee may bring such suit in the names of both Licensor and Licensee. In the event Licensee's suit is successful, the amount recovered by judgment, settlement, order or decree shall be equally shared between Licensor and Licensee after deduction of Licensee's litigation expenses and attorney fees which shall first be reimbursed to Licensee. If the recovery in such successful infringement suit is less than the cost of Licensee's litigation expenses and attorney fees incurred in processing said suit, then Licensee shall be entitled to retain the full amount recovered.

(b) In any infringement suit brought by Licensee under this section, Licensee shall have no authority to consent to any agreement or to any judgment or decree which adversely affects the validity of any patent or trademark(s) licensed under this Agreement.



13. This Agreement shall not be assigned, nor shall any further license or sub-license of the rights obtained hereunder by Licensee be granted by Licensee without the prior written consent of Licensor. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of Licensor and the approved assigns of Licensee.

14. As additional consideration for the payment of the fees hereinbefore provided for, Licensor will furnish to, as reasonably requested by Licensee, the technical information and training relating to the design and construction of special tools, production machinery and equipment for the manufacture and fabrication of the Products. Said information and training will be imparted by Licensor to Licensee's technical personnel at Licensor's Nestaway Division in the United States. There will be no additional charge for this information and training but Licensee will be responsible for living, travel and wage expenses of its employees. Licensor also agrees to make available, upon reasonable request in writing in advance by Licensee, at Licensee's plant in the Territory, an employee of Licensor to advise Licensee with respect to the manufacture of the Products, and Licensee shall pay the living and travel expenses of such employee and, if the employee renders advice for more than 12 working days in any 12-month period, the wage expense of such employee. Prints, sketches, specifications and other pertinent

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material will be furnished in reasonable amounts by Licensor and mutual developments or experiences in this field will be exchanged by the parties.

15. In the event that income taxes, or taxes in the nature of income taxes and so recognized by the United States Treasury Department, are imposed on Licensor with respect to the payments by Licensee to Licensor under this Agreement, such taxes will be paid by Licensor and Licensor hereby authorizes Licensee to withhold from such payments and to pay promptly to the appropriate tax authorities the amount of such taxes so imposed on Licensor provided that Licensee shall furnish Licensor satisfactory proof of such payment sufficient to enable it to claim a credit against United States taxes.

16. All disputes, controversies and differences which may arise between the parties out of or in connection with this Agreement shall be finally settled by arbitration. The arbitration shall be held at the city of Chicago, Illinois, U.S.A., and shall be conducted in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with such Rules.

17. The parties agree that this Agreement shall be construed under and governed by the laws of the State of Illinois, U.S.A.

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18. In the event of regulations or exchange controls by any country or political subdivision preventing the payment in United States funds by Licensee to Licensor in respect of any and all sums due and owing to Licensor under this Agreement, Licensee shall promptly and fully inform Licensor of the impediment to said payment of United States funds and Licensee shall make payment thereof to the person or legal entity, in the funds of such country and at such location and time as Licensor shall direct in writing.

19. Anything contained in this Agreement to the contrary notwithstanding, the obligations of each of the parties to this Agreement are and shall be subject to all laws, both present and future of the governments of the Territory and the United States and of and other government having jurisdiction over the parties hereto, and to regulations, orders, directions or requests of any such government or governments, or any department, agency or corporation thereof, and the parties hereto shall be excused for any failure to perform obligations hereunder to the extent such failure is caused by any such laws, regulations, orders, directions or requests.

20. Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to be sufficiently delivered if sent by registered mail, postage prepaid, addressed, if given to Licensor, to such address as Licensor shall have last furnished in writing to



Licensee for that purpose, or, if such address shall not have been so furnished, then to Licensor at its address set forth in this Agreement; or, if given to Licensee, to such address as Licensee shall have last furnished in writing to Licensor for that purpose or, if such address shall not have been so furnished, then to Licensee at its address set forth in this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by and on behalf of Licensee and Licensor by their properly authorised representatives as of the date first above written.

BLISS & LAUGHLIN INDUSTRIES
INCORPORATION (Licensor)

By

Joseph W. Stone

Title

Vice President

EQUIPMENT ENGINEERING (PTE) LTD
(Licensee)

By

~~SPH~~ LOH PONG TUAN

Title

DIRECTOR

SPH
gtr

Product Description

Nestainer - Storage Rack Frame

Nestainer Trademark

Patent No.

U.K. 1,369,727

Republic of Singapore
Registration No. 336/1975

U.K. 1,058,034

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