
MEMORANDUM OF UNDERSTANDING

between

**CONSIGLIO NAZIONALE DELLE RICERCHE
(NATIONAL RESEARCH COUNCIL)**

and

**COMMONWEALTH SCIENTIFIC AND INDUSTRIAL
RESEARCH ORGANISATION**

between:

CONSIGLIO NAZIONALE DELLE RICERCHE of P.le Aldo Moro 7, Rome, Italy, 00185,
("CNR")

and

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION
(ABN 41 687 119 230) a body corporate established by the Science and Industry Research Act 1949
(Cth) of Limestone Avenue, Campbell, ACT, Australia ("CSIRO");

RECITALS

- A. CSIRO has recognised capabilities and expertise in a broad range of advanced technologies and research capabilities in fields that are of potential strategic, tactical or commercial interest to CNR. CSIRO acknowledges that CNR also possesses valuable technical and scientific capabilities and expertise.
- B. By way of augmenting the Arrangement for Scientific and Technological Cooperation between CNR and CSIRO dated 10 April 1991 and the achievements of the Parties under that arrangement, CSIRO and CNR are proposing to implement scientific and technological cooperation in several fields of operation which arise from CNR's core research programs (the "Purpose").
- C. The purpose of this MOU is to describe the relationship between CSIRO and CNR to facilitate the sharing of confidential information and the development of proposals for research and development projects between the two parties. This MOU is intended to set out principles and guidelines to be followed by CSIRO and CNR in discussing and establishing proposals and not itself to set out contractual terms governing the conduct of specific research and development projects.
- D. Whilst CSIRO and CNR have acknowledged that this MOU is not intended to set out contractual terms governing the conduct of specific Research or other Projects ("Research Projects"), it is expected to result in:
- the sharing of relevant information on a confidential basis with the aim of identifying needs and capabilities of both parties;
 - the establishment of a working relationship between the Parties which is targeted to the parties' specific needs;
 - the establishment of research and development projects of interest to both parties;
 - exchange of personnel; and
 - closer linking of strategic planning of both parties.

- E. CSIRO and CNR acknowledge that issues relating to confidentiality are to be set out in separately legally-binding arrangements between CSIRO and CNR shortly after this MOU is signed.
- F. CSIRO and CNR acknowledge that notwithstanding Recital D, each of them is free to undertake research on their own or in conjunction with third persons, and that the parties will co-operate only in circumstances where each of them agrees co-operation is for their individual and/or mutual benefit and each is satisfied that the specific provisions covering that co-operation are appropriate.

1. RECORD OF INTENTIONS

The parties do not intend that this MOU will be in any way binding. It serves only as a record of the parties' separate intentions pending execution of specific agreements for a series of to-be-determined Research Projects as contemplated by clause 3.

2. FIELDS OF RESEARCH

- 2.1 The parties will cooperate to identify Fields of Research of interest to the parties ("Fields of Research").
- 2.2 A Field of Research is one which fulfils the following criteria:
 - (a) it is of sufficient strategic, tactical or commercial interest; and
 - (b) it is within the capacity of each party to carry out its obligations.
- 2.3 The Fields of Research will be in the areas of agriculture, environment and atmospheric research, new materials and industrial automation and any other areas of scientific research and development which CNR wishes to focus on and in which CSIRO wishes to contribute expertise.
- 2.4 Subject to the terms of any Research Agreement each party will have the right, in any Field of Research related to a Research Agreement, or otherwise, to:
 - (a) conduct research independently;
 - (b) continue existing commitments, or make new ones;
 - (c) exploit or otherwise take advantage of its intellectual property;

3. RESEARCH AGREEMENTS

- 3.1 The parties confirm their intention to exchange, to the extent deemed necessary by the Disclosing Party, information on a confidential basis relevant to potential Research Projects within agreed Field(s) of Research. Such an exchange would be subject to a separate, legally binding confidentiality arrangement.
- 3.2 The parties confirm their intention subsequently to develop, in a timely fashion, General Conditions of Contract ("General Conditions of Contract"), for the carrying out of research

and development projects. If the parties identify a project where each agrees they would wish to work in conjunction with the other, it is the intention of the parties to enter into separate Research Agreements for each such field and each agreement will, as appropriate, adopt the relevant General Conditions of Contract and specifically set out any terms and conditions which differ therefrom. Set out in the Attachment in schematic form is an outline of the structure of such documents (the "Research Documentation").

- 3.3 The Research Agreements will include provisions dealing with, amongst other things:
- (a) the provision of a Project Plan ("Project Plan"), pursuant to which the Research Project will be carried out which will include information pertaining to technical objectives, statement of work, deliverables, schedule, decision gates, resource requirements and costs;
 - (b) the funding arrangements for the Research Project;
 - (c) the provision for the parties to hold periodic project review meetings to assess the management and the progress of the Research Project and the status of any expenditure;
 - (d) provisions dealing with intellectual property; and
 - (e) relevant commercial arrangements between CSIRO and CNR.

CSIRO acknowledges that, in relation to particular Research Projects, CNR may seek to include in the relevant Research Agreement provisions which give CNR ownership (either solely or jointly with CSIRO) of the intellectual property produced in connection with those Research Projects or provisions which grant to CNR an exclusive licence in relation to that intellectual property. Such provisions will be subject to agreement between the parties and may necessitate consequential variations to the fees payable by CNR in relation to the relevant Research Project.

- 3.4 CSIRO acknowledges that for any Research Agreement made on or after the date of this MOU to be binding on CNR, it must be in writing and signed by a duly authorised representative of CNR. CNR acknowledges that for any Research Agreement made on or after the date of this MOU to be binding on CSIRO, it must be in writing and signed by a duly authorised representative of CSIRO.
- 3.5 The parties acknowledge and agree that nothing in clauses 3.4 affects any kind of agreements, arrangements or understandings, made between the parties prior to the date of this MOU.

4. FUNDING

- 4.1 Without limiting the operation of clause 3.2, the parties will agree on a budget and Project Plan for each Research Project which will be incorporated into the relevant Research Agreement.
- 4.2 It is agreed all costs and expenses of CSIRO and CNR in negotiating, and finalising, Research Documentation, and the adoption thereof in respect of any Research Agreement will be borne by the Party incurring the cost or expense.

5. CLIENT SERVICE TEAM MANAGERS

- 5.1 For the term of this MOU, each party may appoint one of its senior officers to act as its representative in relation to this MOU (each such representative being a "Client Service Team Manager" (CST Manager)). Each party shall promptly upon appointment of its CST Manager notify the other of the identity of its CST Manager from time to time.
- 5.2 The CST Manager of an appointing party shall be responsible for:
- (a) managing, overseeing or coordinating that party's relationship with the other party;
 - (b) identifying any commercial issues that arise between the parties and referring those issues to the appropriate person within the CST Manager's organisation.
 - (c) discussing with the CST Manager of the other party issues arising out of this MOU or any Research Agreement;
 - (d) providing to the CST Manager of the other party non-confidential information known to the CST Manager and which may be of interest to the other party, including information about activities; and
 - (e) raising as a standard agenda item at review meetings between the parties any actual or potential conflicts of interest identified by the CST Manager, and if required by the other party's CST Manager, discussing with the other party's CST Manager the terms of any precautions necessary to mitigate or avoid any conflict so identified.

6. TERMINATION AND AMENDMENT

- 6.1 This MOU will continue for a period of thirty six (36) months from 1 January 2004 to 31 December 2006 or until the earlier happening of the following:
- (a) the parties mutually agree to abandon the CSIRO/CNR discussions;
 - (b) a party gives one (1) months written notice to the other party that it wishes to terminate the CSIRO/CNR Discussions.
- 6.2 The termination of this MOU shall not affect any Research Agreements entered into pursuant to Clause 3 of this MOU.
- 6.3 The termination of this MOU shall not affect any legally binding obligations of Confidentiality entered into between the two parties, which obligations will continue in full force and effect.

7. AMENDMENT

- 7.1 This MOU may only be amended by an agreement in writing or by subsequent MOU between the parties but not otherwise.

8. GENERAL


- 8.1 It is the parties' intention that each Research Agreement will include provisions giving effect to the provisions of this MOU which relate to Research Agreements, and that any conflicts of

interest identified pursuant to Clause 8.2 will be an agenda item for discussion in respect of any Research Agreement negotiated between the parties.

- 8.2 The parties acknowledge that, in the interests of promoting a good working relationship between them, it is desirable to avoid conflict in relation to activities contemplated by clause 2.4. To assist in this the parties shall seek through their CST Managers continuously to improve their respective internal systems for identifying their own and the other party's areas of interest in the development of new technologies.
- 8.3 Although the parties intend to enter into separate Research Agreements by virtue of discussions arising out of this MOU, neither party represents that it will enter into any such Research Agreements.
- 8.4 Any doubt or ambiguity as to the interpretation of this MOU will be resolved by mutual negotiations between the parties

EXECUTED BY THE PARTIES:

SIGNED for and on behalf of **COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION** in the presence of:

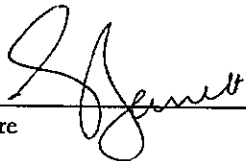


Signature of Witness

SALLY WILSON

Print Name

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Signature

G. GARRETT

Print Name

SIGNED for and on behalf of **CONSIGLIO NAZIONALE DELLE RICERCHE** in the presence of:

Signature of Witness

Print Name

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)

Signature

Print Name