

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT3229251

SUBMISSION TYPE:	NEW ASSIGNMENT	
NATURE OF CONVEYANCE:	ASSIGNMENT	
CONVEYING PARTY DATA		
Name		Execution Date
APPLIED SUPERCONDUCTOR LIMITED IN ADMINISTRATION		02/05/2014
RECEIVING PARTY DATA		
Name:	ASG SUPERCONDUCTORS S.P.A.	
Street Address:	CORSO F.M. PERRONE 73/R	
City:	GENOVA	
State/Country:	ITALY	
Postal Code:	16153	
PROPERTY NUMBERS Total: 4		
Property Type	Number	
Patent Number:	8564921	
Patent Number:	8027135	
Patent Number:	8553384	
Patent Number:	8705215	
CORRESPONDENCE DATA		
Fax Number:	(404)252-0970	
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>		
Phone:	4042520900	
Email:	jeff@sladlaw.com	
Correspondent Name:	JEFFREY B. SLADKUS, ESQ.	
Address Line 1:	1827 POWERS FERRY ROAD	
Address Line 2:	BUILDING 6, SUITE 200	
Address Line 4:	ATLANTA, GEORGIA 30339	
NAME OF SUBMITTER:	JEFFREY B. SLADKUS	
SIGNATURE:	/Jeffrey B. Sladkus/	
DATE SIGNED:	02/17/2015	
This document serves as an Oath/Declaration (37 CFR 1.63).		
Total Attachments: 22		
source=Assignment#page1.tif		
source=Assignment#page2.tif		

source=Assignment#page3.tif
source=Assignment#page4.tif
source=Assignment#page5.tif
source=Assignment#page6.tif
source=Assignment#page7.tif
source=Assignment#page8.tif
source=Assignment#page9.tif
source=Assignment#page10.tif
source=Assignment#page11.tif
source=Assignment#page12.tif
source=Assignment#page13.tif
source=Assignment#page14.tif
source=Assignment#page15.tif
source=Assignment#page16.tif
source=Assignment#page17.tif
source=Assignment#page18.tif
source=Assignment#page19.tif
source=Assignment#page20.tif
source=Assignment#page21.tif
source=Assignment#page22.tif

DATED

2014

(1) APPLIED SUPERCONDUCTOR LIMITED (IN ADMINISTRATION).

and

(2) GRAHAM PAUL BUSHBY AND GUY EDWARD BROOKE MANDER.

and

(3) ASG SUPERCONDUCTORS SPA

AGREEMENT FOR THE SALE OF
THE INTELLECTUAL PROPERTY RIGHTS OF
APPLIED SUPERCONDUCTOR LIMITED

SHOOSMITHS

2 Colmore Square
38 Colmore Circus
Queensway
Birmingham
B4 6SH
03700 864000
REF CRW.121195.26

TABLE OF CONTENTS

1	BACKGROUND	3
2	INTERPRETATION	3
3	SALE OF ASSETS.....	6
4	CONSIDERATION	6
5	COMPLETION.....	6
6	TITLE AND RISK	6
7	VALUE ADDED TAX	6
8	EMPLOYEES	7
9	INTELLECTUAL PROPERTY RIGHTS.....	8
10	THIRD PARTY RIGHTS.....	8
11	THIRD PARTY ASSETS.....	8
12	EXCLUSION OF ADMINISTRATORS' PERSONAL LIABILITY AND WARRANTIES	9
13	BUYER'S WARRANTIES	10
14	FURTHER ASSURANCE	10
15	SET-OFF	10
16	INTEREST	10
17	CONFIDENTIALITY AND ANNOUNCEMENTS.....	10
18	NOTICES.....	11
19	INDEMNITIES	11
20	COUNTERPARTS.....	11
21	GENERAL	11
	SCHEDULE 1	13

BETWEEN:-

- (1) **APPLIED SUPERCONDUCTOR LIMITED (IN ADMINISTRATION)** (company number 05284055) whose registered office is c/o Baker Tilly Restructuring and Recovery. The Pinnacle, 170 Midsummer Boulevard, Milton Keynes MK9 1BP ("the Seller") acting by the Administrators; and
- (2) **GRAHAM PAUL BUSHBY and GUY EDWARD BROOK MANDER** of Baker Tilly Restructuring and Recovery LLP, St Phillips Point, Temple Row, Birmingham, B2 5AF ("the Administrators"); and
- (3) **ASG SUPERCONDUCTORS SPA** whose registered office is at Cotso FM Perrone 73r, 16152 Genova, Italy ("the Buyer").

1 BACKGROUND

- 1.1 The Administrators were appointed as joint administrators of the Seller by Octopus Investments Limited on the Date of Appointment, pursuant to paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- 1.2 The Seller (acting by the Administrators) has agreed to sell such right, title and interest as it may have in the Assets (as defined below) with effect from the Transfer Date upon the terms contained in this Agreement and the Buyer is willing to buy the Assets on that basis.
- 1.3 The Buyer is entering into this Agreement in full knowledge and acceptance of the terms of this Agreement and in particular (but without limitation) of the fact that the consideration hereunder is agreed on the acknowledged basis that no assurances, warranties or representations as to the Seller's right, title or interest in the Assets are given and that the risk of good title not passing hereunder to the Buyer is the Buyer's and that since it is contracting with a company in administration the terms hereof are reasonable.
- 1.4 The Administrators are joined as a party to this Agreement merely for the purpose of securing the benefit of the waivers and exclusions of liability and indemnities in their favour contained in this Agreement.

2 INTERPRETATION

- 2.1 In this Agreement and in the Schedules hereto the following expressions shall unless the context otherwise requires have the following meanings:-

"Administrators' Solicitors"	means Shoosmiths LLP of 2 Colmore Square, 38 Colmore Circus Queensway, Birmingham B4 6SH (Reference CRW.121195.26).
"Agreement"	means this Agreement including any schedules and any attachments.
"Assets"	means the assets agreed to be sold and purchased under the terms of this Agreement referred to in clause 3.1 below.
"Assignment of Intellectual Property Rights"	means the assignments of intellectual property rights in the form set out in schedule 2.
"Bank"	means the Bank of England.

"Business Day"	means any normal working day Monday to Friday (inclusive) excluding public holidays.
"Buyer's Solicitors"	means Bond Dickinson LLP, reference JAP.
"Claim"	means any proceeding, litigation, mediation, arbitration, action, claim or demand of any kind (whether actual or contingent or otherwise) which is brought against the Seller and/or the Administrators.
"Completion"	means completion of the sale and purchase of the Assets in accordance with Clause 5 of this Agreement.
"Date of Appointment"	means 20 December 2013.
"Deed of Release"	means the deed of release releasing the Assets from the Security.
"Employees"	means all the employees of the Seller who are engaged in the business of the Seller as at the Transfer Date, within the meaning of the Regulations.
"Excluded Assets"	means such right title and interest as the Seller may have in and to any and all Intellectual Property Rights which have arisen, been generated by, under or pursuant to the Technology Contract or the project known as the Resistive Superconducting Fault Current Limiter Development and Demonstration Project as more particularly described within the Technology Contract.
"FCL"	means the dismantled, Fault Current Limiter prototype being developed for Northern Powergrid situated at the premises of IPH Institut "Prüffeld für elektrische Hochleistungschnik" GmbH, Landsberger Allee 378A D-12681, Berlin.
"Intellectual Property Rights"	<p>any and all of the following owned by the Seller at the Transfer Date and used in connection with the Seller's business or recently used in its Australian subsidiary's business:-</p> <p>(a) patents, trade marks as listed in Schedule 1, service marks, domain names, email addresses, registered designs, utility models, applications for and the right to make applications for any of such rights, inventions, know how, trade secrets, unregistered trade marks and service marks, trade and business names, including rights in any get-up or trade dress, copyrights, (including rights in computer software and in websites) unregistered design rights and other rights in designs and rights in databases and the goodwill therein; and</p> <p>(b) rights under licences, consents, orders statutes or otherwise in respect of any rights of the nature specified in paragraph (a) above.</p> <p>but excluding the Excluded Assets.</p>
"Loss"	means any loss, cost, damage, award, charge, penalty fine, expense and/or any other liability (including legal fees and expenses) which any of the Seller and/or the Administrators have incurred or sustained, or may, directly or indirectly, incur or sustain as a result of any Claim.

"Purchase Price"	means the sum of £ [REDACTED]
"Regulations"	means the Transfer of Undertakings (Protection of Employment) Regulations 2006.
"ROT"	means retention of title.
"Security"	means: <ul style="list-style-type: none"> (a) the debenture granted by the Seller in favour of Octopus Investments Limited dated 8 February 2013; and (b) the debenture granted by the Seller in favour of Octopus Investments Limited dated 2 September 2013.
"Seller's Records"	means all books, documents, files, bought and sold ledgers, purchases and sales day books and invoices and other records of the Seller as at the Transfer Date other than the VAT Records.
"Technology Contract"	means the contract entered into between, inter alia, (1) the Seller and (2) Energy Technologies Institute LLP dated 17 June 2011.
"Third Party Assets"	means any assets held by the Seller (including but not limited to any items of equipment) which are not owned by the Seller or which are subject of a claim to ownership by a third party (including any ROT claim) but which have been used by the Seller.
"Transfer Date"	means the date of this Agreement.
"VAT Records"	means the records relating to VAT referred to in section 49 of the Value Added Tax Act 1994 and which the Seller is required by law to pass to the Buyer.

- 2.2 The references to any statute or statutory provisions shall be construed as references to that statute or provision as respectively amended, extended, consolidated or re-enacted (whether before or after the date hereof and whether with or without modification) from time to time and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- 2.3 Except where otherwise expressly defined in this Agreement words, expressions and phrases used or defined in the Companies Act 2006, the Companies Act 1985, the Insolvency Acts 1986, 1994 and 2000 and the Insolvency Rules 1986 (as amended) or the Enterprise Act 2002 shall bear the same meanings where used in this Agreement.
- 2.4 The masculine gender shall include the feminine and neuter and the singular reference shall include the plural and vice versa and references to persons shall include corporations.
- 2.5 Reference to documents "in the agreed form" are to documents in the form approved between the parties and signed (for the purpose of identification only) by the Administrators' Solicitors and the Buyer's Solicitors prior to the signature of this Agreement.
- 2.6 The headings are inserted for convenience only and shall not affect the construction of this Agreement.

- 2.7 Any references to clauses, schedules or appendices are references to clauses, schedules or appendices of this Agreement unless otherwise provided for.

3 SALE OF ASSETS

- 3.1 Subject to the terms of this Agreement the Seller shall sell and the Buyer shall buy with effect from the Transfer Date such right title and interest as the Seller may have (if any) in the following assets of the Seller:-
- 3.1.1 the Intellectual Property Rights; and
- 3.1.2 the FCL.
- 3.2 Nothing in this Agreement shall operate to transfer any assets of rights or liabilities or obligations of the Seller other than the Assets.
- 3.3 The Excluded Assets are specifically excluded from the sale effected hereunder as are all other assets such as debts and chattels.
- 3.4 The Buyer will accept without requisition or objection or further investigation such right, title and interest (if any) as the Seller has in the Assets.

4 CONSIDERATION

- 4.1 The consideration for the Assets is the Purchase Price and all other obligations and liabilities assumed by the Buyer under this Agreement.
- 4.2 The Purchase Price shall be paid by the Buyer to the Seller and/or the Administrators in accordance with clause 5.1 below.

5 COMPLETION

- 5.1 Completion of the sale and purchase of the Assets hereby agreed shall take place immediately after the signing of this Agreement by all parties at the office of the Administrators' Solicitors whereupon the Buyer shall pay the Purchase Price in full without any set off, counterclaim, retention or deduction by telegraphic transfer to the Administrators' Solicitors' client account at whose receipt shall be a valid discharge of the Buyers' obligations under this clause 5.1 and clause 4.2 above on behalf of both the Seller and the Administrators.
- 5.2 On Completion the Seller and the Administrators will produce a signed copy of the Assignments of Intellectual Property Rights.
- 5.3 Within 5 business days of receipt by the Seller and/or the Administrators of the Deed of Release signed by Octopus Investments Limited releasing the Assets from the Security the Seller and/or the Administrators will forward to the Buyer a signed original or a certified copy of it.

6 TITLE AND RISK

- 6.1 Such right title and interest as the Seller may have in the Assets shall pass to the Buyer on payment in full of all monies due to the Seller under the terms of this Agreement.
- 6.2 Risk in the Assets shall pass to the Buyer with effect from the date of this Agreement.

7 VALUE ADDED TAX

- 2.7 Any references to clauses schedules or appendices are references to clauses, schedules or appendices of this Agreement unless otherwise provided for.

3 SALE OF ASSETS

- 3.1 Subject to the terms of this Agreement the Seller shall sell and the Buyer shall buy with effect from the Transfer Date such right title and interest as the Seller may have (if any) in the following assets of the Seller:-
- 3.1.1 the Intellectual Property Rights; and
- 3.1.2 the FCL.
- 3.2 Nothing in this Agreement shall operate to transfer any assets of rights or liabilities or obligations of the Seller other than the Assets.
- 3.3 The Excluded Assets are specifically excluded from the sale effected hereunder as are all other assets such as debts and chattels.
- 3.4 The Buyer will accept without requisition or objection or further investigation such right, title and interest (if any) as the Seller has in the Assets.

4 CONSIDERATION

- 4.1 The consideration for the Assets is the Purchase Price and all other obligations and liabilities assumed by the Buyer under this Agreement.
- 4.2 The Purchase Price shall be paid by the Buyer to the Seller and/or the Administrators in accordance with clause 5.1 below.

5 COMPLETION

- 5.1 Completion of the sale and purchase of the Assets hereby agreed shall take place immediately after the signing of this Agreement by all parties at the office of the Administrators' Solicitors whereupon the Buyer shall pay the Purchase Price in full without any set off, counterclaim, retention or deduction by telegraphic transfer to the Administrators' Solicitors' client account at whose receipt shall be a valid discharge of the Buyers' obligations under this clause 5.1 and clause 4.2 above on behalf of both the Seller and the Administrators.
- 5.2 On Completion the Seller and the Administrators will produce a signed copy of the Assignments of Intellectual Property Rights.
- 5.3 Within 5 business days of receipt by the Seller and/or the Administrators of the Deed of Release signed by Octopus Investments Limited releasing the Assets from the Security the Seller and/or the Administrators will forward to the Buyer a signed original or a certified copy of it.

6 TITLE AND RISK

- 6.1 Such right title and interest as the Seller may have in the Assets shall pass to the Buyer on payment in full of all monies due to the Seller under the terms of this Agreement.
- 6.2 Risk in the Assets shall pass to the Buyer with effect from the date of this Agreement.

7 VALUE ADDED TAX

"Purchase Price"	means the sum of £[REDACTED]
"Regulations"	means the Transfer of Undertakings (Protection of Employment) Regulations 2006.
"ROT"	means retention of title.
"Security"	means: <ul style="list-style-type: none"> (a) the debenture granted by the Seller in favour of Octopus Investments Limited dated 8 February 2013; and (b) the debenture granted by the Seller in favour of Octopus Investments Limited dated 2 September 2013.
"Seller's Records"	means all books, documents, files, bought and sold ledgers, purchases and sales day books and invoices and other records of the Seller as at the Transfer Date other than the VAT Records.
"Technology Contract"	means the contract entered into between, inter alia, (1) the Seller and (2) Energy Technologies Institute LLP dated 17 June 2011.
"Third Party Assets"	means any assets held by the Seller (including but not limited to any items of equipment) which are not owned by the Seller or which are subject of a claim to ownership by a third party (including any ROT claim) but which have been used by the Seller.
"Transfer Date"	means the date of this Agreement.
"VAT Records"	means the records relating to VAT referred to in section 49 of the Value Added Tax Act 1994 and which the Seller is required by law to pass to the Buyer.

- 2.2 The references to any statute or statutory provisions shall be construed as references to that statute or provision as respectively amended, extended, consolidated or re-enacted (whether before or after the date hereof and whether with or without modification) from time to time and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- 2.3 Except where otherwise expressly defined in this Agreement words, expressions and phrases used or defined in the Companies Act 2006, the Companies Act 1985, the Insolvency Acts 1986, 1994 and 2000 and the Insolvency Rules 1986 (as amended) or the Enterprise Act 2002 shall bear the same meanings where used in this Agreement.
- 2.4 The masculine gender shall include the feminine and neuter and the singular reference shall include the plural and vice versa and references to persons shall include corporations.
- 2.5 Reference to documents "in the agreed form" are to documents in the form approved between the parties and signed (for the purpose of identification only) by the Administrators' Solicitors and the Buyer's Solicitors prior to the signature of this Agreement.
- 2.6 The headings are inserted for convenience only and shall not affect the construction of this Agreement.

7.1 The parties agree that VAT shall not be paid to the Seller and Administrators in addition to the Purchase Price on Completion, as the Buyer is incorporated and registered for VAT in Italy under VAT registration number IT 01234890992.

7.2 Notwithstanding clause 7.1 above, if H M Revenue & Customs determines in writing that VAT is payable on the sale of the Assets the party receiving the notification shall promptly notify the other party and, the Buyer will upon receipt of a valid VAT invoice from the Seller and/or the Administrators pay to the Seller and/or the Administrators the amount of VAT chargeable (together with any penalties and interest thereon) within three Business Days of production by the Seller and/or the Administrators of a copy of such assessment and shall indemnify and keep indemnified the Seller and the Administrators and each of them against all Loss in respect of such assessment provided any such Loss is not attributable to any unreasonable delay on the part of the Seller and/or the Administrators.

8 EMPLOYEES

8.1 To the extent that it is established by any competent Court or Tribunal that the Regulations do apply to this transaction in relation to any Employee or former employee of the Seller, the following provisions of this Clause 8 shall apply.

8.2 Subject to clause 8.1, in accordance with the Regulations the Buyer shall from the date it is established by any competent Court or Tribunal that the Regulations apply to any Employees or former employees of the Seller, but with effect from the Transfer Date, take over from the Seller the contracts of employment of each such Employee or former employees of the Seller.

8.3 The Buyer shall indemnify and keep indemnified on a full indemnity basis the Seller and the Administrators from and against all and any Loss in respect of any Claim by the Employee or any former employees of the Seller or their representatives that the Regulations apply to this Agreement and/or the purchase anticipated by it (and, for the avoidance of doubt, the indemnity contained within this Clause 8.3 shall apply whether or not it is established by any competent Court or Tribunal that the Regulations do apply to this Agreement).

8.4 The Buyer confirms that it will not require the Seller and/or the Administrators to provide it with any employee liability information (which shall have the meaning as provided by the Regulations) in accordance with the Regulations and will not complain to an employment tribunal about the failure of the Seller and/or the Administrators to do so.

8.5 The Buyer shall indemnify the Seller and/or the Administrators and each of them from and against all and any Loss arising in connection with either of the following:-

8.5.1 failure of the Seller and/or the Administrators to supply employee liability information (which shall have the meaning as provided by Regulation 11(1) of the Regulations); and/or

8.5.2 failure of the Seller and/or the Administrators to inform or to inform and consult trade unions and/or employee representatives pursuant to the Regulations.

8.6 The Buyer agrees that any claim that the Buyer may have against the Seller pursuant to the Regulations shall be an unsecured claim and shall not be payable by the Seller as an expense of the administration or the Seller pursuant to paragraph 99 of Schedule B1 of the Insolvency Act 1986.

8.7 Where any indemnity contained within this Clause 8 is expressed to be given by the Buyer to the Seller (as opposed to the Administrators), the parties agree that such indemnity shall only

operate so as to indemnify the Seller against any Loss in so far as such Loss constitutes either:-

- 8.7.1 an expense of the administration of the Seller in accordance with Paragraph 99 of Schedule B1 to the Insolvency Act 1986 or Rule 2.67 of the Insolvency Rules 1986; or
- 8.7.2 a preferential claim within the insolvency of the Seller in accordance with Section 386, Section 387 or Schedule 6 of the Insolvency Act 1986.

9 INTELLECTUAL PROPERTY RIGHTS

- 9.1 The Buyer acknowledges that the Intellectual Property Rights may be subject to restrictions or deficiencies that have not been disclosed to the Seller or the Administrators and that it may not be capable of being transferred to the Buyer.
- 9.2 It shall be the sole responsibility of the Buyer to contact and make arrangements with the owners of the appropriate rights in the Intellectual Property Rights.
- 9.3 The Buyer agrees to indemnify and keep indemnified the Seller and the Administrators and each of them from and against all Loss arising directly or indirectly out of the use or possession by the Buyer of any Intellectual Property Rights or the infringement of any person's rights by the Buyer or any person gaining access thereto through the Buyer.

10 THIRD PARTY RIGHTS

- 10.1 The operation of the Contracts (Rights of Third Parties) Act 1999 is hereby excluded.

11 THIRD PARTY ASSETS

- 11.1 Subject to 5.3 above, if it is established by the Seller and/or the Administrators that any one or more items treated as an Asset does not belong to the Seller or is subject to a charge, lien or other encumbrance, then any such item or items shall be treated as part of the Third Party Assets for all purposes and the Purchase Price shall be unaffected and the Buyer shall not be entitled to any refund or allowance or to avoid or rescind this Agreement.
- 11.2 For as long as the Third Party Assets remain the property of a third party, the Buyer shall not:
 - 11.2.1 hold itself out as owner of the Third Party Assets;
 - 11.2.2 create any adverse claim, mortgage, charge encumbrance or interest of any kind whatsoever to arise in relation to any Third Party Assets;
 - 11.2.3 purport to sell, charge or dispose of Third Party Assets.
- 11.3 The Buyer shall hold the Third Party Assets as bailee, keep them in its own possession and at its own expense in as good a repair or condition as they are at Completion (fair wear and tear excepted) and that at either their owner's request or at the discretion of the Administrators, shall allow the owners and/or the Administrators to collect them and to have access to them for that purpose. The Buyer shall (subject strictly to the foregoing), be entitled (but not obliged) to negotiate with the owners of the Third Party Assets to reach an acceptable compromise with those owners, such that the Buyer is entitled to keep possession of the relevant equipment.

7.1 The parties agree that VAT shall not be paid to the Seller and Administrators in addition to the Purchase Price on Completion, as the Buyer is incorporated and registered for VAT in Italy under VAT registration number IT 01234890992.

7.2 Notwithstanding clause 7.1 above, if H M Revenue & Customs determines in writing that VAT is payable on the sale of the Assets the party receiving the notification shall promptly notify the other party and, the Buyer will upon receipt of a valid VAT invoice from the Seller and/or the Administrators pay to the Seller and/or the Administrators the amount of VAT chargeable (together with any penalties and interest thereon) within three Business Days of production by the Seller and/or the Administrators of a copy of such assessment and shall indemnify and keep indemnified the Seller and the Administrators and each of them against all Loss in respect of such assessment provided any such Loss is not attributable to any unreasonable delay on the part of the Seller and/or the Administrators.

8 EMPLOYEES

8.1 To the extent that it is established by any competent Court or Tribunal that the Regulations do apply to this transaction in relation to any Employee or former employee of the Seller, the following provisions of this Clause 8 shall apply.

8.2 Subject to clause 8.1, in accordance with the Regulations the Buyer shall from the date it is established by any competent Court or Tribunal that the Regulations apply to any Employees or former employees of the Seller, but with effect from the Transfer Date, take over from the Seller the contracts of employment of each such Employee or former employees of the Seller.

8.3 The Buyer shall indemnify and keep indemnified on a full indemnity basis the Seller and the Administrators from and against all and any Loss in respect of any Claim by the Employee or any former employees of the Seller or their representatives that the Regulations apply to this Agreement and/or the purchase anticipated by it (and, for the avoidance of doubt, the indemnity contained within this Clause 8.3 shall apply whether or not it is established by any competent Court or Tribunal that the Regulations do apply to this Agreement).

8.4 The Buyer confirms that it will not require the Seller and/or the Administrators to provide it with any employee liability information (which shall have the meaning as provided by the Regulations) in accordance with the Regulations and will not complain to an employment tribunal about the failure of the Seller and/or the Administrators to do so.

8.5 The Buyer shall indemnify the Seller and/or the Administrators and each of them from and against all and any Loss arising in connection with either of the following:-

8.5.1 failure of the Seller and/or the Administrators to supply employee liability information (which shall have the meaning as provided by Regulation 11(1) of the Regulations); and/or

8.5.2 failure of the Seller and/or the Administrators to inform or to inform and consult trade unions and/or employee representatives pursuant to the Regulations.

8.6 The Buyer agrees that any claim that the Buyer may have against the Seller pursuant to the Regulations shall be an unsecured claim and shall not be payable by the Seller as an expense of the administration or the Seller pursuant to paragraph 99 of Schedule B1 of the Insolvency Act 1986.

8.7 Where any indemnity contained within this Clause 8 is expressed to be given by the Buyer to the Seller (as opposed to the Administrators), the parties agree that such indemnity shall only

operate so as to indemnify the Seller against any Loss in so far as such Loss constitutes either:-

8.7.1 an expense of the administration of the Seller in accordance with Paragraph 99 of Schedule B1 to the Insolvency Act 1986 or Rule 2.67 of the Insolvency Rules 1986; or

8.7.2 a preferential claim within the insolvency of the Seller in accordance with Section 386, Section 387 or Schedule 6 of the Insolvency Act 1986.

9 INTELLECTUAL PROPERTY RIGHTS

9.1 The Buyer acknowledges that the Intellectual Property Rights may be subject to restrictions or deficiencies that have not been disclosed to the Seller or the Administrators and that it may not be capable of being transferred to the Buyer.

9.2 It shall be the sole responsibility of the Buyer to contact and make arrangements with the owners of the appropriate rights in the Intellectual Property Rights.

9.3 The Buyer agrees to indemnify and keep indemnified the Seller and the Administrators and each of them from and against all Loss arising directly or indirectly out of the use or possession by the Buyer of any Intellectual Property Rights or the infringement of any person's rights by the Buyer or any person gaining access thereto through the Buyer.

10 THIRD PARTY RIGHTS

10.1 The operation of the Contracts (Rights of Third Parties) Act 1999 is hereby excluded.

11 THIRD PARTY ASSETS

11.1 Subject to 5.3 above, if it is established by the Seller and/or the Administrators that any one or more items treated as an Asset does not belong to the Seller or is subject to a charge, lien or other encumbrance, then any such item or items shall be treated as part of the Third Party Assets for all purposes and the Purchase Price shall be unaffected and the Buyer shall not be entitled to any refund or allowance or to avoid or rescind this Agreement.

11.2 For as long as the Third Party Assets remain the property of a third party, the Buyer shall not:

11.2.1 hold itself out as owner of the Third Party Assets;

11.2.2 create any adverse claim, mortgage, charge encumbrance or interest of any kind whatsoever to arise in relation to any Third Party Assets;

11.2.3 purport to sell, charge or dispose of Third Party Assets.

11.3 The Buyer shall hold the Third Party Assets as bailee, keep them in its own possession and at its own expense in as good a repair or condition as they are at Completion (fair wear and tear excepted) and that at either their owner's request or at the discretion of the Administrators, shall allow the owners and/or the Administrators to collect them and to have access to them for that purpose. The Buyer shall (subject strictly to the foregoing), be entitled (but not obliged) to negotiate with the owners of the Third Party Assets to reach an acceptable compromise with those owners, such that the Buyer is entitled to keep possession of the relevant equipment.

- 11.4 If any items included within the Assets is discovered after the Transfer Date not to have belonged to the Seller in the sole opinion of the Administrators then the Seller and/or the Administrators may withdraw such asset from the sale and the Buyer shall forthwith deliver up such asset to the Administrators. In that event, in respect of such asset the Buyer shall not be entitled to any refund or allowance, the Purchase Price payable hereunder shall be unaffected and no right to rescission or to avoid this Agreement in any way shall arise.
- 11.5 The Buyer shall indemnify the Seller and the Administrators against any Loss (including all legal expenses) arising after the Transfer Date out of the giving of possession, use or control to the Buyer of the Third Party Assets by the Seller.

12 EXCLUSION OF ADMINISTRATORS' PERSONAL LIABILITY AND WARRANTIES

- 12.1 The Administrators have entered into and signed this Agreement as agents for or on behalf of the Seller and neither they, their firm, members, partners, employees, advisers, representatives or agents shall incur any personal liability whatever in respect of any of the obligations undertaken by the Seller or in respect of any failure on the part of the Seller to observe, perform or comply with any such obligations or under or in relation to any associated arrangements or negotiations or under any document or assurance made pursuant to this Agreement. The Administrators are party to this Agreement in their personal capacities only for the purpose of receiving the benefit of the exclusions, limitations, undertakings, covenants and indemnities in their favour contained in this Agreement.
- 12.2 All representations (whether made innocently, negligently or otherwise but not fraudulently), warranties, conditions and stipulations, express or implied, statutory, customary or otherwise in respect of the Assets or any of the rights, title and interest transferred or agreed to be transferred pursuant to this Agreement are expressly excluded (including without limitation, warranties and conditions as to title, quiet possession, quality, fitness for the purpose and description).
- 12.3 Unless otherwise required by law (and then only to that extent), the Seller and the Administrators and each of them shall not be liable for any loss or damage of any kind whatsoever, consequential or otherwise arising out of or due or caused by any defect or deficiencies in the Assets.
- 12.4 The Buyer agrees that the terms of this Agreement and exclusion of the limitations contained in it are fair and reasonable having regard to the following:
- 12.4.1 that this is a sale by an insolvent company in circumstances where it is usual that no representations and warranties can be given by or on behalf of the Seller and/or the Administrators and that the Administrators' knowledge of the Assets is limited; and
- 12.4.2 that the Buyer has agreed to purchase the Assets "as seen" in their present state and condition for a consideration which takes into account the risk to the Buyer represented by the parties' belief that the said exclusions and limitations are or would be recognised by the courts.
- 12.5 The Buyer acknowledges that:
- 12.5.1 whenever and wherever in this Agreement it has agreed to indemnify any person it shall also indemnify any firm, member, partner and/or employee, agent, advisor or representative of such person to the same extent and in the same regard;

12.5.2 for the avoidance of doubt, the statutory charge in paragraph 99 of Schedule B1 to the Insolvency Act 1986 shall not apply to any breach by the Seller of any of its obligations under this Agreement.

13 BUYER'S WARRANTIES

13.1 The Buyer warrants that:

13.1.1 it has full authority to enter into this Agreement;

13.1.2 all the disclosures required to be made in respect of this transaction have been made; and

13.1.3 all approvals required to be obtained by it whether under the provisions of the Companies Act 1985 or Companies Act 2006 or any other enactment have been duly obtained and that it is in a position to enter into the transaction.

13.2 The Buyer agrees and undertakes to indemnify the Seller and the Administrators on a full indemnity basis from and against all and any Loss arising as a result of any breach of this warranty.

14 FURTHER ASSURANCE

14.1 Subject to clause 14.2 below the Administrators or any of them (in so far as they are still in office whether as administrators or liquidators) and the Seller shall execute such further deeds and documents as may reasonably be necessary to vest such right title and interest that the Seller may have in the Assets in the Buyer. All such deeds or documents shall be in a form acceptable to the Administrators acting reasonably.

14.2 The Buyer shall bear the legal and other costs of the preparation and execution of such deeds and documents, including any reasonable legal fees of the Administrators' advisers in dealing with them.

15 SET-OFF

The Buyer shall not be entitled to set off any claim it might have against the Seller or the Administrators or either of them or exercise any liens whatsoever against any monies, bills of exchange, cheques or other negotiable instruments payable to the Seller and the Administrators or any of them pursuant to the provisions of this Agreement but such monies, bills of exchange, cheques or other negotiable instruments shall be paid forthwith in full upon the same being due in accordance with the provisions of this Agreement.

16 INTEREST

In default of payment on its due date of any sum payable hereunder the Buyer shall pay interest to and/or the Administrators and/or the Seller (in each case, as applicable) on the amount outstanding for the time being at the rate of 4% per annum above the base rate of the Bank for the time being in force from the date on which sum became due until payment of such sum in full.

17 CONFIDENTIALITY AND ANNOUNCEMENTS

17.1 Subject to the provisions of clause 17.2 below the Seller and the Buyer shall keep the terms of this Agreement strictly confidential.

- 17.2 Save for any announcement in the agreed form no announcement regarding this transaction or the terms thereof, whether to the public, the press, the trade or otherwise, except to employees or in accordance with requirements of the Stock Exchange shall be made by any of the parties without the express consent in writing of the others, save where either party is obliged to under statute or where the Administrators shall be at liberty to disclose the terms of this Agreement to the holder of any security over the Seller's assets and to any liquidator and to show appropriate figures in their administration records, accounts, returns and statutory reports.

18 NOTICES

- 18.1 Any notice required to be given in writing shall be served by first class post addressed in the case of the Buyer to its Registered Office and in the case of the Seller to the offices of the Administrators and will be effectively served:-

18.1.1 on the day of receipt where any hand-delivered letter, any facsimile message is received on a Business Day during normal working hours;

18.1.2 on the following Business Day, where any hand-delivered letter, any facsimile message is received either on a Business Day after normal working hours or on any other day; or

18.1.3 on the second Business Day following the day of posting from within the United Kingdom of any letter sent by post office inland first class mail postage prepaid.

- 18.2 Delivery of any notice by email will not constitute effective service for the purposes of this Agreement.

19 INDEMNITIES

- 19.1 Where any indemnity contained within this Agreement is expressed to be given by the Buyer to the Seller (as opposed to the Administrators) the parties agree that such indemnity shall only operate so as to indemnify the Seller in respect of any claim and/or loss which:

19.1.1 constitutes an expense of the administration of the Seller in accordance with Paragraph 99 of Schedule B1 to the Insolvency Act 1986 or Rule 2.67 of the Insolvency Rules 1986; or

19.1.2 constitutes a preferential debt within the meaning of Schedule 6 of the Insolvency Act 1986; or

19.1.3 would have the effect of reducing any prescribed part payment payable to unsecured creditors.

20 COUNTERPARTS

- 20.1 This Agreement may be executed in hard copy by signed fax or by pdf copy in any number of counterparts, and by each of the parties in separate counterparts each of which so executed and delivered will be an original, but all counterparts will together constitute one and the same Agreement.

21 GENERAL

- 21.1 The provisions of this Agreement insofar as they have not been performed or are capable of taking effect after the Transfer Date shall remain in full force and effect and capable of so operating notwithstanding Completion and shall not merge on Completion.
- 21.2 No waiver by the Buyer or the Seller respectively of any of the requirements hereof or of any of its respective rights hereunder shall have effect unless given in writing and signed by a director of the Buyer or the Administrators (or a subsequently appointed liquidator) on behalf of the Seller.
- 21.3 Each party shall, subject as otherwise expressly provided in this Agreement, pay its own legal, accountancy and other costs, charges and expenses incurred in connection with this Agreement.
- 21.4 This Agreement, together with the documents in the agreed form and any document expressly referred to in any of its terms or warranties, forms the entire agreement between the parties relating to the subject matter covered. No oral explanation or oral information given by any party shall alter the interpretation of this Agreement.
- 21.5 No amendment, change or addition to this Agreement shall be binding on any party unless it is in writing and has been signed by all the parties or their authorised representatives.
- 21.6 This Agreement is personal to the parties and shall not be capable of assignment.
- 21.7 The Clause headings used in this Agreement are for ease of reference only and do not affect the construction of any of its provisions.
- 21.8 The part of this Agreement headed "Interpretation" shall be operative.
- 21.9 This Agreement is governed by and is to be construed in accordance with English Law.
- 21.10 The parties accept the exclusive jurisdiction of the appropriate Court of law in England in relation to all matters, claims and disputes arising out of or in connection with this Agreement.
- 21.11 The Buyer agrees that if any of the provisions in this Agreement is held to be invalid but would be valid if part of the wording were deleted or modified then such provision shall apply with such modification as may be necessary to make it enforceable.
- 21.12 No failure to exercise nor any delay in exercising, on the part of any party any right or remedy under the terms of this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent its further exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law and nothing in this Agreement shall operate to restrict or affect in any way any right of the Administrators to be indemnified or to exercise a lien whether under the Insolvency Act 1986 or otherwise howsoever.

IN WITNESS WHEREOF the parties have executed this Agreement as a deed the day and the year first before written

SCHEDULE 1

Domain name: www.apsuli.com

Trademark:

Proprietor's name : Applied Superconductor Limited
Our reference : 2007513276
Customer reference : ASLTM
Trade mark number : 2474717
Filing date : 6 December 2007
Mark text : Applied Superconductor Limited

Patents:

Inductive limiter technology - Australia

Patent No.	Description
------------	-------------

WO2009/067746	High voltage fault current limiter having immersed phase coils Oil immersed closed core FCL using a superconducting solenoid to provide the saturating flux. Granted 11/2010 Active in Brazil Canada Europe US
---------------	---

AU2009/230887	A fault current limiter Oil immersed open core FCL using a superconducting solenoid to provide the saturating flux. Granted 04/2010 Active in Austria Brazil Canada Switzerland Denmark Europe US
---------------	--

AU2012/000090	Fault current limiter with shield and adjacent cores FCL with electromagnetic shield around the cores/primary windings. Awaiting Examination - Due 02/17 Applications in Canada Europe US
---------------	--

GB1109743.3	Compact permanent magnet fault current limiter Oil immersed open core FCL using permanent magnets to provide the saturating flux. Awaiting National Phase Entry - Due 12/2014 Applications in UK & via PCT
-------------	---

GB1109741.7	Fault current limiter Oil immersed open-core FCL using conventional solenoid(s) to provide the saturating flux. "mFCL" Awaiting National Phase Entry - Due 12/2014 Applications in UK & via PCT
-------------	--

AU2011905130	Fault current limiter Oil immersed closed core mFCL using conventional solenoid(s) to provide the saturating flux. Awaiting National Phase Entry - Due 06/2014 Application via PCT
--------------	---

AU2012901269v	A fault current limiter Oil immersed closed core mFCL with permanent magnets to provide the saturating flux. Awaiting National Phase Entry - Due 06/2014 Application via PCT
---------------	---

Resistive Limiter technology – UK (Highlighted Patents are ETI arising IP)

Patent No. Description

WO/2009/153583

Apparatus for automatic disconnection of current limiter

Vacuum circuit-breaker mechanically opened by a pressure rise resulting from excessive boiling of a liquid cryocoolant, protecting an FCL from thermal damage.
Granted, in National Phase Entry in UK Germany and France

SCHEDULE 2
IPR Assignment

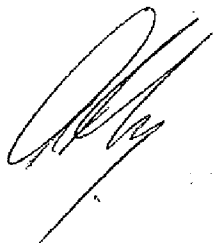
8

SIGNED and delivered as a deed by)

The Seller acting by)

one of its joint Administrators for and on behalf of)

the Seller acting as agent and without personal liability)



in the presence of:

Witness



Name

C R COOKE FCCA.

Address

170 MIDSUMMER RD, MILTON KEYNES, MK9 1BP.

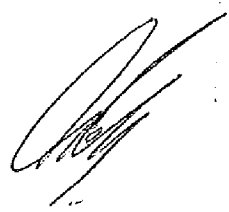
Occupation

ACCOUNTANT

SIGNED and delivered as a deed by)

one of the Administrators on behalf of)

both of them in the presence of:



Witness



Name

C R COOKE FCCA.

Address

170 MIDSUMMER RD, MILTON KEYNES, MK9 1BP.

Occupation

ACCOUNTANT

EXECUTED and delivered as a Deed by

the Buyer acting by its proper officer

.....
Director
.....

