

Exhibit 1

Affiliate Licence Terms

SNOMED CT® AFFILIATE LICENCE AGREEMENT

IMPORTANT NOTICE – PLEASE READ THE FOLLOWING CAREFULLY

This is a Licence Agreement between (1) **The International Health Terminology Standards Development Organisation** (forening med begrænset ansvar), an association (foreningen) established under the laws of Denmark, whose principal place of business is at [], Copenhagen, Denmark (the “**Licensor**”) and (2) the person or organisation to which the International Release of SNOMED CT (whether on its own or as part of a Member’s National Release of SNOMED CT) is distributed or otherwise made available (the “**Licensee**”).

By downloading, accessing or using any part of the International Release of SNOMED CT or a Member’s National Release of SNOMED CT, or exercising any rights granted under this Licence Agreement, the Licensee agrees to be bound by the terms of this Licence Agreement.

1. DEFINED TERMS

In this Licence Agreement, terms defined in Appendix A (**Defined Terms**) have the meanings set out in that Appendix.

2. GRANT OF LICENCE

2.1 The Licensor grants the Licensee, subject to the terms of this Licence Agreement, a perpetual (subject to revocation in accordance with **clause 5**), worldwide, non-exclusive, non-transferable licence for the term of this Licence Agreement to:

2.1.1 use, and permit the Licensee’s officers, employees, agents and contractors to use, the International Release;

2.1.2 create Extensions and Derivatives from the International Release and use and modify those Extensions and Derivatives;

2.1.3 incorporate the International Release into Licensee Products, use and modify the International Release in those Licensee Products only, and distribute Licensee Products under a sub-licence in accordance with **clause 2.1.5**;

- 2.1.4 modify the manner of formatting of the copy of the SNOMED CT Core distributed to the Licensee as part of the International Release or as part of a Member's National Release; and
 - 2.1.5 subject to **clause 5.8**, grant sub-licenses of the International Release to End Users to the extent necessary for the End Users to use the Licensee Products.
- 2.2 The Licensee may only use the International Release, and must ensure that its officers, employees, agents and contractors only use the International Release:
- 2.2.1 for the Licensee's internal business purposes (including the creation by the Licensee of Extensions, Derivatives and other Licensee Products along with the licensing and distribution by the Licensee of the Licensee Products);
 - 2.2.2 in the development and operation of the Licensee's information systems;
 - 2.2.3 for the Licensee's research purposes; and/or
 - 2.2.4 in the Licensee's systems (including browsers and data analysis systems) made available to the general public for accessing and/or retrieving any part of the International Release and/or data encoded using the foregoing, provided that users of those systems are not able to extract any substantial portion of SNOMED CT and provided further that no fee is charged for access to those systems except where access is incidental to the provision of training or consulting services.
- 2.3 The Licensee is only permitted under this Licence Agreement to create Extensions from the International Release and to create Derivatives from the International Release and from those Extensions. The Licensee may only create an Extension or a Derivative from any Member's Extension pursuant to a licence agreement with that Member in respect of the Member's National Release.
- 2.4 The Licensee is not permitted to translate any part of the International Release into any other human language without the prior written consent of the Licensor.
- 2.5 Each sub-licence granted by the Licensee under clause **2.1.5** must:
- 2.5.1 not grant the End User any greater rights in respect of the International Release than the Licensee itself has under this Licence Agreement;
 - 2.5.2 not permit the End User to do any act or thing in respect of the International Release that the Licensee is prohibited from doing under this Licence Agreement;
 - 2.5.3 not permit the End User to sub-license or transfer any of its rights under the sub-licence (unless the End User is also an Affiliate, in which case that Affiliate shall be entitled to sub-license further its rights under the sub-licence

with the Licensee, subject to the same restrictions as apply to sub-licensing the International Release under the Affiliate's licence agreement with the Licensor);

2.5.4 terminate automatically upon termination of this Licence Agreement;

2.5.5 provide that the End User may apply directly to the Licensor upon receiving notice that the sub-licence will terminate in accordance with **clause 2.5.4**, and that the Licensor may in such circumstances (but shall not be obliged to):

(a) grant the End User a licence in respect of the International Release for a limited period in order to enable the End User to continue to use the Licensee Products that are subject to the sub-licence during that period; or

(b) give the End User an assurance or undertaking that for a limited period the Licensor will not seek to prevent the End User from using the Licensee Products; and

2.5.6 permit the Licensee to disclose the terms of the sub-licence to the Licensor in accordance with **clause 8**.

2.6 If the Licensee becomes aware of any material error or change or correction needed in the International Release, the Licensee agrees to advise the Licensor promptly of such error, change or correction by following the Licensor's procedures for change notification that the Licensor prescribes by Regulations and notifies to the Licensee from time to time.

2.7 The Licensee shall comply with the Internet security measures that the Licensor prescribes by Regulations and notifies to the Licensee from time to time.

3. EXTENSIONS AND DERIVATIVES

3.1 The Licensee may not create any Standards-Based Extension or any Standards Based Derivative unless it has first been issued with a Namespace Identifier by or on behalf of the Licensor.

3.2 The Licensee may request that the Licensor issue it with a Namespace Identifier, and the Licensor shall not unreasonably refuse to do so taking into account amongst other things quality assurance, governance processes, Standards and Regulations.

3.3 The Licensee shall ensure that all Standards-Based Extensions and Standards Based Derivatives that the Licensee creates under this Licence Agreement are created in accordance with, and comply with, all applicable Standards (including, without limitation, as to the use of Namespace Identifiers).

3.4 Subject to **clauses 3.5** and **3.6**, the Licensee shall own all Intellectual Property Rights in all Extensions and Derivatives that the Licensee creates under this Licence

Agreement. The Licensee may not assign or otherwise transfer those Intellectual Property Rights to any other person unless (i) that person is an Affiliate and, in the case of Standards-Based Extensions or Standards-Based Derivatives, has a Namespace Identifier; and (ii) the transfer is notified in writing to the Licensor within thirty (30) days after the transfer.

- 3.5 The Licensee shall, if requested by the Licensor, transfer to the Licensor or a Member nominated by the Licensor all of its Intellectual Property Rights in such Standards-Based Extensions (or parts thereof) as the Licensor may specify.
- 3.6 The Licensee shall, if requested by the Licensor and agreed by the Licensee in the Licensee's sole discretion, transfer to the Licensor or a Member nominated by the Licensor all of its Intellectual Property Rights in such Standards-Based Derivatives as the Licensor may specify.
- 3.7 Upon the transfer to the Licensor, or to a Member, of the Intellectual Property Rights in any Standards-Based Extension (or part thereof) or Standards-Based Derivative in accordance with **clauses 3.5 or 3.6**:
 - 3.7.1 responsibility for the maintenance and distribution of that Extension (or part thereof) or Derivative shall also transfer from the Licensee to the Licensor or the Member (as the case may be); and
 - 3.7.2 the Licensor hereby grants a licence back to the Licensee from the Licensor or will procure from the Member a licence back to the Licensee (as the case may be) of that Extension (or part thereof) or Derivative, on the same terms as apply to the International Release under **clause 2** of this Licence Agreement, until that Extension (or part thereof) or Derivative becomes part of the International Release or the Member's National Release (as the case may be).

4. MODIFICATIONS TO THE INTERNATIONAL RELEASE

- 4.1 Subject to **clause 2.1.4**, the Licensee may not modify any part of the SNOMED CT Core distributed as part of the International Release or as part of a Member's National Release.
- 4.2 Subject to any express and specific statement to the contrary in the documentation distributed as part of the International Release, the Licensee may not modify any of the documentation (including Specifications) or software (unless provided in source code form) distributed as part of the International Release.
- 4.3 The Licensee may, by written notice, request the Licensor to modify the SNOMED CT Core. Upon receipt of such written notice, the Licensor shall consult with the Licensee and shall give due consideration as to whether the proposed modification should be made based on the Licensor's editorial guidelines and policies. Following due consideration of the matter, including consideration of any information presented

by the Licensee, the Licensor shall inform the Licensee whether the proposed modification shall be made and if the Licensor agrees that the proposed modification should be made, the Licensor shall give a non-binding indication of when, reasonably and in good faith, it anticipates that the proposed modification will be made. If the Licensee would like the content of the proposed modification to be developed more quickly than the Licensor has indicated, the Licensee may itself undertake or procure the undertaking of the development of the content of the proposed modification (outside of any existing Licensor's support services contract). On receipt of the developed content of the proposed modification, the Licensor will then give due consideration as to whether the developed content meets the Licensor's quality assurance, other governance processes, Standards and Regulations. If the developed content meets the Licensor's quality assurance, other governance processes, Standards and Regulations then the Licensor shall incorporate the modification into the SNOMED CT Core according to its schedule which will give due consideration as to when the proposed modification shall be incorporated into the SNOMED CT Core, taking into account other proposals for the modification of the SNOMED CT Core and the work required to include the proposed modification in the SNOMED CT Core.

5. TERM AND TERMINATION

- 5.1 This Licence Agreement shall commence on the date on which it comes into effect in accordance with the notice at the beginning of this Licence Agreement, and shall continue until terminated in accordance with this **clause 5**.
- 5.2 Either party may terminate this Licence Agreement if the other party commits a material breach of any of its obligations under this Licence Agreement in accordance with the following procedure:
 - 5.2.1 the party seeking to terminate the License Agreement (the "**Terminating Party**") shall serve an escalation notice (the "**Escalation Notice**") on the other party (the "**Defaulting Party**") requiring the Defaulting Party to nominate a member of its senior management team to meet with a member of the Terminating Party's senior management team to seek to resolve in good faith the matter giving rise to the service of the escalation notice;
 - 5.2.2 The representatives of the parties identified in accordance with clause 5.2.1 shall meet in good faith to seek to resolve the matter. If they are unable to resolve the matter within 45 days of the date of the Escalation Notice the Terminating Party may serve a formal breach notice (the "**Breach Notice**") on the Defaulting Party requiring it to remedy the breach within 90 days.
 - 5.2.3 If the Defaulting Party does not remedy the breach within 90 days of the date of the Breach Notice the Terminating Party may terminate the License Agreement by giving 180 days written notice to the Defaulting Party (the "**Termination Notice**").

- 5.3 The Licensor may not terminate this Licence Agreement except in accordance with **clause 5.2**.
- 5.4 The Licensee may terminate this Licence Agreement by giving up to twelve (12) months' prior written notice to the Licensor at any time between the Licensor giving notice of a variation under **clause 6.3** and that variation becoming effective in accordance with **clause 6.3**.
- 5.5 Upon termination of this Licence Agreement in accordance with this **clause 5**, all licences granted under this Licence Agreement shall automatically and immediately be revoked.
- 5.6 The Licensee shall, by no later than forty five (45) days after termination of this Licence Agreement for any reason, remove all copies of the International Release from its computer systems and destroy all copies of electronic, paper copy and other media containing or representing any part of the International Release. The Licensee shall, if requested by the Licensor, certify in writing to the Licensor that the Licensee has complied with its obligations under this **clause 5.6**.
- 5.7 The Licensee shall, as soon as reasonably practicable following either party giving a Termination Notice for any reason, and in any event by no later than ninety (90) days after such Termination Notice is given, give written notice of such termination to each End User that the Licensee reasonably believes to be a current user of a Licensee Product and to each Member in each Member Territory in which the Licensee has distributed or licensed any Licensee Product.
- 5.8 The Licensee may not grant any new sub-licence under **clause 2.1.5** after either party has given notice under **clauses 5.2** or **5.4**.
- 5.9 The Licensor shall be entitled to publicise the termination of this Licence Agreement to such persons (including Members, other Affiliates of the Licensor and End Users) and in such manner as it sees fit.
- 5.10 **Clauses 5.6, 5.7, 5.8, 5.9, 7, 8** and **10 to 14** inclusive shall survive termination of this Licence Agreement.

6. **NEW VERSIONS AND CHANGES TO LICENCE TERMS**

- 6.1 The Licensor shall notify the Licensee when each new version of the International Release is made available and there shall be a mechanism for Licensees to access or obtain copies of the new version of the International Release. The Licensee shall be liable for any reasonable distribution charge, if applicable, established by the Licensor for each copy of the new version of the International Release.
- 6.2 Within one-hundred and eighty (180) days after the Licensor has notified the Licensee of the release of a new version of the International Release, the Licensee must upgrade the version of the International Release in its own systems and in the

Licensee Products to that new version (or alternatively, if a subsequent version of the International Release is or has been released during the 180-day period, to that subsequent version at the Licensee's option).

- 6.3 The Licensor may vary the terms of this Licence Agreement by giving written notice to the Licensee. Any such variation shall take effect not less than ninety (90) days after the notice is given, as specified in the notice. If the Licensee does not wish this Licence Agreement to continue subject to the variation, the Licensee may terminate this Licence Agreement in accordance with **clause 5.4**, and if the Licensee does so then the variation shall not take effect.
- 6.4 The College of American Pathologists, as originator of Intellectual Property Rights in the International Release, shall as a licensee have a specific exception to the Licensor's rights in Clause 6.3 in specific circumstances and for a specific fixed term period to be agreed with the Licensor, and the terms of such special exemption shall be deemed part of such licensee's Affiliate Licence Terms. The Licensor will publish the terms of the special exemption with the Articles.

7. LICENCE FEES

- 7.1 The Licensee shall pay the Licence Fees to the Licensor in respect of the Licensee's activities in Non-Member Territories. The Licence Fees shall be payable six-monthly in arrear, and each annual fee set out in Appendix B shall be payable in two equal six-monthly instalments.
- 7.2 All Licence Fees and other amounts payable to the Licensor under this Agreement are exclusive of value added tax and any other tax of a similar nature, which shall be payable by the Licensee at the prevailing rate in addition to those amounts.
- 7.3 The Licensee shall, by no later than fourteen (14) days after 1st January and 1st July in each calendar year, submit a statement of account to the Licensor in such manner and form as the Licensor may prescribe, setting out the Licensee's activities in Non-Member Territories in the preceding six-month period, and the Licensee's calculation of the Licence Fees and other amounts payable to the Licensor in respect of that period. If the Licence Fees for any period are less than \$1,000 (one thousand United States dollars), a statement shall nevertheless be due but no payment shall be due until the period in which the accumulated Licence Fees of \$1,000 or greater are due, at which time the Licensee shall be liable to pay the accumulated Licence Fees.
- 7.4 The Licensee shall provide the Licensor with such information as the Licensor may reasonably request for the purpose of verifying any statement of account submitted to the Licensor under **clause 7.3**.
- 7.5 The Licensor shall, following receipt of a statement of account from the Licensee under **clause 7.3**, submit an invoice to the Licensee setting out the Licence Fees and other amounts payable by the Licensee in respect of the period to which the

statement of account relates. The Licensee shall pay to the Licensor all amounts set out on each invoice submitted under this **clause 7.5** within thirty (30) days of receipt of that invoice. The Licensee shall make payment under this **clause 7.5** by wire transfer or by such other means as the Licensor may make available to the Licensee for time to time.

7.6 Interest shall accrue on any outstanding Licence Fees and other amounts at the rate of the lesser of (a) 500 basis points above the European Inter-Bank Offer Rate (EURIBOR), calculated daily from the date on which payment was due and compounding at the end of each calendar month or (b) the maximum amount allowed under applicable law.

8. **PROTECTION OF THE LICENSOR'S INTELLECTUAL PROPERTY**

8.1 Nothing in this Licence Agreement transfers to the Licensee any right, title or interest in or to the Intellectual Property Rights in the International Release or any part of it, except as expressly set out in **clause 2**.

8.2 The Licensee shall not:

8.2.1 use any trademark or service mark (or any registrations thereof) other than the Association's trademarks, in any name that includes the word "SNOMED" or that is confusingly similar to SNOMED CT or any other similar trademark;

8.2.2 apply for any trade mark or service mark (or any registrations thereof) in any name that includes the word "SNOMED", or that is confusingly similar to SNOMED, SNOMED CT or any other similar trade mark;

8.2.3 abbreviate the marks SNOMED or SNOMED CT; or

8.2.4 do anything with respect to the foregoing trade marks that damages or could reasonably be deemed to reflect adversely on the Licensor or such trade marks.

8.3 The Licensee shall:

8.3.1 include the following notice on all media on which the Licensee Products are distributed and on the documentary form of each sub-licence granted by the Licensee under **clause 2.1.5**:

"This material includes SNOMED Clinical Terms® (SNOMED CT®) which is used by permission of the International Health Terminology Standards Development Organisation (IHTSDO). All rights reserved. SNOMED CT®, was originally created by The College of American Pathologists. "SNOMED" and "SNOMED CT" are registered trademarks of the IHTSDO."

8.3.2 specify in all media on which the Licensee Products are distributed the version and date of the International Release contained in the Licensee Product.

- 8.4 The Licensee shall be entitled to use the “SNOMED” and “SNOMED CT” trade marks only on the Licensee Products distributed and modified in accordance with this Licence Agreement and any services relating thereto but not otherwise and subject to the trade mark utilisation Regulation developed by the Licensor and published by the Licensor from time to time. All use by the Licensee of the “SNOMED” and “SNOMED CT” trade marks, and all goodwill resulting from that use, shall inure to the Licensor’s benefit.
- 8.5 The Licensee shall maintain quality standards with respect to modifying, supplementing, marketing and distributing the Licensee Products, and any services relating thereto, that are in accordance with applicable law and are at least as stringent as the Regulations developed by the Licensor and published by the Licensor from time to time.
- 8.6 Upon reasonable written notice from the Licensor, the Licensee shall provide the Licensor with representative samples of materials, software products, advertising, agreements for use of the Licensee Products (other than the terms of those agreements that are unrelated to the Licensor’s rights and obligations under this License Agreement) and/or other written materials relating to the Licensee’s use of the International Release and the Licensor’s trade marks to enable the Licensor reasonably to ascertain the Licensee’s compliance with its obligations under this Licence Agreement. In the absence of circumstances giving the Licensor reasonable grounds to suspect a breach of this Licence Agreement, the Licensor may not give notice under this **clause 8.6** more frequently than once per year.
- 8.7 If any use of the International Release (including without limitation use through a Licensee Product) is reasonably determined by the Licensor to be below the standards of quality required under this Licence Agreement, the Licensor shall notify the Licensee of such deficiency in writing. Upon receipt of such notice, the Licensee shall take all necessary steps to correct such deficiency (including such steps as the Licensor may reasonably specify).
- 8.8 The Licensee shall maintain a complete, accurate and up-to-date register of all sub-licences granted by the Licensee under **clause 2.1.5**, and shall make that register available for inspection during normal business hours by the Licensor and its representatives upon the Licensor giving not less than fourteen (14) days’ prior written notice. The register maintained by the Licensee under this **clause 8.8** shall at a minimum contain the following information in respect of each sub-licence: the name and registered office of the sub-licensee; the Licensee Product subject to the sub-licence; and the version of the International Release included in that Licensee Product. In the absence of circumstances giving the Licensor reasonable grounds to suspect a breach of this Licence Agreement, the Licensor may not give notice under this **clause 8.8** more frequently than once per year.

9. COMPLIANCE WITH LOCAL REQUIREMENTS IN MEMBER TERRITORIES

9.1 The Licensee may only exercise its rights under this Licence Agreement in a Member Territory in accordance with such conditions as the Member for that territory may prescribe from time to time.

9.2 Conditions prescribed by a Member under **clause 9.1** may:

9.2.1 include, without limitation, a requirement that the Licensee notify the Member before exercising its rights under this Licence Agreement in that Member's territory and a requirement that the Licensee enter into a licence agreement with the Member in respect of that Member's National Release; and

9.2.2 relate to the International Release, the Member's National Release or any part of either of them.

10. AFFILIATE STATUS

10.1 During the term of this Licence Agreement the Licensee shall be an Affiliate.

10.2 As an Affiliate, the Licensee shall be entitled to participate in the Licensor's Affiliates Forum, which is a forum in which the Licensee and other Affiliates may communicate with the Licensor and with each other. The Licensor may make Regulations from time to time governing the Licensee's participation in the Affiliates Forum. New Regulations that the Licensor shall make from time to time governing participation in the Affiliates Forum shall not remove the Licensee's right to participate in that forum.

11. REPRESENTATIONS AND WARRANTIES

11.1 To the extent permitted by law, the Licensor excludes all representations, warranties and conditions that would otherwise be implied by law in this Licence Agreement (including, without limitation, all implied warranties of merchantability or fitness for a particular purpose).

11.2 Without limiting **clause 11.1**, the Licensor does not represent or warrant that the International Release or any part of it will satisfy any of the Licensee's requirements, operate in combinations selected by the Licensee or be free from defects or errors.

12. LIMITATION OF LIABILITY

12.1 The Licensor shall not be liable to the Licensee or to any other person, whether in contract, tort (including negligence), misrepresentation, breach of statutory duty or otherwise, for any of the following arising under or in connection with this Licence Agreement (including, without limitation, in respect of the Licensee's use of or inability to use the International Release or any part of it):

12.1.1 indirect or consequential loss;

12.1.2 special or punitive damages;

12.1.3 loss of profits, loss of savings and loss of revenue;

12.1.4 loss of business, loss of reputation and loss of goodwill; and

12.1.5 loss of data.

12.2 Neither the Licensor nor any Member shall be liable to the Licensee or any other person for any failure by the Licensor or the Member (as the case may be) to maintain or distribute any Extension (or part thereof) or Derivative transferred to the Licensor or the Member (as the case may be) in accordance with **clauses 3.4 or 3.5**.

12.3 The liability of the Licensor arising in any year under or in connection with this Licence Agreement, whether in contract, tort (including negligence), misrepresentation, breach of statutory duty or otherwise, shall not in any event exceed the Licence Fees paid by the Licensee in respect of that year.

12.4 Nothing in this Licence Agreement excludes or limits the liability of either party for:

12.4.1 fraud (including fraudulent misrepresentation);

12.4.2 death or personal injury caused by the negligence of that party;

12.4.3 any breach of its obligations implied by section 12 of the Sale of Goods Act 1979; or

12.4.4 any other liability that by law cannot validly be excluded or limited (but only to the extent that the liability cannot validly be excluded or limited).

13. **ASSIGNMENT**

13.1 The Licensee may not assign, novate or otherwise transfer any of its rights or obligations under this Licence Agreement to any person without the prior written consent of the Licensor not to be unreasonably withheld.

13.2 The Licensor may transfer all of its rights and obligations under this Licence Agreement to any person to whom the Licensor transfers the Intellectual Property Rights in respect of which the licences under this Licence Agreement are granted.

14. **GENERAL PROVISIONS**

14.1 This Licence Agreement contains the entire agreement between the parties relating to the subject matter of this Licence Agreement, supersedes all previous agreements between the Parties relating to that subject matter and sets out the entirety of the Licensee's rights in respect of the International Release.

- 14.2 Each party acknowledges that, in entering into this Licence Agreement, it has not relied on any representation, warranty, collateral contract or other assurance made by or on behalf of the other party before the date of this Licence Agreement.
- 14.3 Except as provided in **clause 6.3**, this Licence Agreement may not be varied except in writing signed by both parties and expressed to vary this Licence Agreement.
- 14.4 Nothing in this Licence Agreement shall give either party the ability to act or incur obligations or liability on behalf of the other party or constitutes a joint venture, agency, partnership or employment relationship between the parties.
- 14.5 If any term of this Licence Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the legality, validity or enforceability in that jurisdiction of any other term of this Licence Agreement, or the legality, validity or enforceability in any other jurisdiction of that or any other term of this Licence Agreement.
- 14.6 The Licensee agrees that the Licensor may appoint third parties to process personal data provided by the Licensee to the Licensor under or in connection with this Licence Agreement (including without limitation payment details provided in connection with the payment of Licence Fees). In connection with any such appointment, personal data provided by the Licensee may be transferred to, and processed in, a country outside the European Economic Area (EEA). The laws governing the processing of personal data may be less stringent in such a country than in the member countries of the EEA.

15. **GOVERNING LAW AND JURISDICTION**

- 15.1 This Licence Agreement shall be governed by, and construed in accordance with, English law.
- 15.2 The English courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Licence Agreement (including a dispute regarding its existence, validity or termination).
- 15.3 **Clause 15.2** is for the benefit of the Licensor only. As a result, the Licensor shall not be prevented from taking proceedings relating to any dispute in any other courts with jurisdiction. To the extent permitted by law, the Licensor may take concurrent proceedings in any number of jurisdictions.

Appendix A

Defined Terms

In this Licence Agreement, the following defined terms have the following meanings:

Affiliate	an affiliate of the Licensor in accordance with the Licensor's Articles of Association (vedtægter);
Cross-Map	a work consisting of (i) SNOMED CT Content and (ii) content of another nomenclature, classification or knowledge structure, together with a set of relationships between (i) and (ii);
Data Analysis System	a computer system that is used to analyse records or other data that is encoded using SNOMED CT, but not if that system is also a Data Creation System;
Data Creation System	a computer system that is used to create records or other data that is encoded using SNOMED CT;
Derivative	a work consisting of (a) SNOMED CT Content, from the SNOMED CT CORE or an Extension; together with (b) either (i) additional properties and/or information about such SNOMED CT content; and/or (ii) any set of relationships between that SNOMED CT Content and Content of other nomenclature, classification or knowledge structure, and includes a Cross-Map and a Sub-Set;
End User	a third party user of a Licensee Product;
Extension	A work consisting of SNOMED CT Content alone that is supplementary to the SNOMED CT Core and that depends on the SNOMED CT Core;
Intellectual Property Rights	patents, trade marks, service marks, copyright (including rights in computer software), moral rights, database rights, rights in designs, trade secrets, know-how and other intellectual property rights, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect in any jurisdiction;
Hospital	a health care facility consisting of multiple Practices

and providing in-patient care;

International Release	the release produced and distributed by or on behalf of the Licensor, consisting of the SNOMED CT Core, the Specifications and the Licensor's Derivatives and other documents and software;
Licence Fees	the licence fees set out in Appendix B (Licence Fees in Non-Member Territories);
Licensee Products	products distributed or licensed by the Licensee that include the International Release (or any part of it) and/or any Extensions or Derivatives created by the Licensee under this Licence Agreement;
Member	a member of the Licensor;
Member Territory	a territory that is represented by a Member (as published by the Licensor from time to time);
Namespace Identifier	a code or that part of a code that identifies the organisation responsible for creating and maintaining a Standards-Based Extension or a Standards-Based Derivative and is used as an element of SNOMED CT Identifiers;
National Release	in respect of each Member, the release produced and distributed by the Member, consisting of the International Release, the Member's Extensions, the Member's Derivatives and other documents and software;
Non-Member Territory	a territory that is not a Member Territory;
Practice	a single department of a Hospital, or any health care facility that provides principally out-patient care, including without limitation a pharmacy, an optician's facility, a physiotherapy centre, a general medical practice or a family medical practice;
Qualifying Research Project	a discrete research project that meets all of the following criteria: (a) it is supported by a formal proposal that has been peer reviewed; (b) it has been ethically approved in accordance with

the prevailing legislation, regulations and guidelines in effect in the relevant territory;

(c) it is conducted within a definite timeframe; and

(d) the results of the research are offered for publication in peer-reviewed public journals and are provided to the Licensor free of charge;

Relationship

a relationship, of a kind defined by the Licensor in Specifications, between concepts (which may be, without limitation, a hierarchical or an associative relationship) or between a concept and a description;

SNOMED CT

the concept-based work of clinical nomenclature and classification with multiple hierarchies and semantic definitions known as SNOMED Clinical Terms (SNOMED CT);

SNOMED CT Content

terminological content, consisting of concepts, descriptions and Relationships, each of which is identified using a SNOMED CT Identifier;

SNOMED CT Core

the SNOMED CT Content that is controlled, maintained and distributed by the Licensor from time to time;

SNOMED CT Identifier

a code, of a kind defined by the Licensor in Specifications, for identifying concepts, descriptions and Relationships;

Specification

specifications promulgated by the Licensor for products and processing relating to SNOMED CT, including specifications of the internal logic of SNOMED CT, editorial policies, guidelines and characteristics;

Sponsored Territory

a Non-Member Territory that has been recognised and designated by the Licensor as a sponsored territory (as published on the Licensor's web site);

Standard

a Specification that is formally adopted by the Licensor; and

Standards-Based

in respect of an Extension or a Derivative, an Extension or Derivative the creation of which is the

subject of one or more Standards;

Sub-Set

a sub-set of SNOMED CT Content that is grouped together for one or more purposes.

Appendix B

Licence Fees in Non-Member Territories

1. Introduction

- 1.1 This Appendix B sets out the licence fees payable by the Licensee in respect of its activities in Non-Member Territories.
- 1.2 The licence fees set out in this Appendix B do not apply in respect of the Licensee's activities in any Non-Member Territory if that Non-Member Territory is a Sponsored Territory or was a Sponsored Territory at the time when the Licensee's activities in that Non-Member Territory were carried out.
- 1.3 The Licensor may, in its sole discretion, waive the Licensee's obligation to pay any or all of the licence fees set out in this Appendix B if the Licensor considers that the Licensee's activities in any Non-Member Territory are in support of charitable or humanitarian causes in that Non-Member Territory. Any waiver by the Licensor under this paragraph 1.3 may be revoked by the Licensor at any time, shall be without prejudice to any of the Licensor's other rights and remedies under this Licence Agreement and shall not relieve the Licensee of any of its other obligations under this Licence Agreement.
- 1.4 Beginning in 2009, license fees payable by the Licensee in respect of its activities in Non-Member Territories for each financial year shall be adjusted by the same percentage as the General Assembly agrees to adjust the Aggregate Annual Fee relative to fees in the previous year.

2. Data Creation Systems

- 2.1 The Licensee shall pay the following fees in respect of each hospital or Practice in a Non-Member Territory in or to which the Licensee:
 - (a) deploys the International Release in a Data Creation System, unless that Data Creation System is used exclusively in connection with a Qualifying Research Project; or
 - (b) distributes or licenses a Licensee Product that is or includes a Data Creation System, unless that Licensee Product is used exclusively in connection with a Qualifying Research Project.

Hospital in Band A Territory	US\$ 1,500 per annum baseline fee adjusted as per paragraph 1.4
Hospital in Band B Territory	US\$ 1,000 per annum baseline fee

	adjusted as per paragraph 1.4
Hospital in Band C Territory	US\$ 500 per annum baseline fee adjusted as per paragraph 1.4
Practice in Band A, B or C Territory	US\$ 500 per annum baseline fee adjusted as per paragraph 1.4
Hospital or Practice in other territory	As per paragraph 6.2.

2.2 The total fees payable by the Licensee in respect of a number of Practices in a single hospital shall not exceed the fee applicable to the hospital itself.

3. Data Analysis Systems

3.1 The Licensee shall pay the fees set out in paragraph 3.4 if the Licensee:

- (a) deploys the International Release in a Data Analysis System in a Non-Member Territory, unless that Data Analysis System is used exclusively in connection with a Qualifying Research Project; or
- (b) distributes or licenses a Licensee Product that is or includes a Data Analysis System in a Non-Member Territory, unless that Licensee Product is used exclusively in connection with a Qualifying Research Project.

3.2 The fees set out in paragraph 3.4 apply in respect of each deployment, distribution or licence of a Data Analysis System, and vary according to the Non-Member Territory in which the deployment, distribution or licensing takes place.

3.3 If any Data Analysis System to which the fees in paragraph 3.4 apply consists of more than one database, the fees applicable to that Data Analysis System shall be multiplied by the number of databases in that Data Analysis System.

3.4 The fees under this paragraph 3 are as follows:

Band A Territory	US\$ 1,500 per annum baseline fee adjusted as per paragraph 1.4
Band B Territory	US\$ 1,000 per annum baseline fee adjusted as per paragraph 1.4
Band C Territory	US\$ 500 per annum baseline fee adjusted as per paragraph 1.4
Other territory	As per paragraph 6.2.

4. Derivative or Third Party Extension Development

The Licensee shall pay a baseline fee of US\$ 500 per annum adjusted as per paragraph 1.4 if its activities are limited to either of the following activities in one or more Non-Member Territories:

- (a) the creation of Derivatives or Third Party Extensions; and/or
- (b) the distribution or licensing of Licensee Products that consist solely of one or more Derivatives or Third Party Extensions.

5. Other Activities

5.1 The Licensee shall notify the Licensor in writing before deploying the International Release or distributing or licensing Licensee Products (in each case, other than exclusively in connection with Qualifying Research Projects) in any Non-Member Territory in a manner that does not fall within paragraphs 2 to 4 of this Appendix B, explaining the Licensee's proposed activities.

5.2 Upon receiving notice from the Licensee under this paragraph 5, the Licensor may request, and the Licensee shall provide, such additional information in relation to the Licensee's proposed activities as the Licensor considers reasonably necessary to determine an appropriate licence and reasonable fee in respect of the Licensee's proposed activities.

5.3 The Licensee shall be liable to pay such licence fees as the Licensor may determine in accordance with this paragraph 5.

6. Non-Member Territory Bandings

6.1 The allocation of a Non-Member Territory into Band A, Band B or Band C shall be as determined by the Licensor (based on the Non-Member Territory's relative Gross National Income (GNI) or other measure adopted by the Licensor) and published by the Licensor on its web site.

6.2 The Licensee shall notify the Licensor in writing before carrying out any activity of a kind described in paragraphs 2 or 3 of this Appendix B in a Non-Member Territory that has not been allocated by the Licensor under paragraph 6.1. Upon receiving notice from the Licensee under this paragraph 6.2, the Licensor shall allocate the Non-Member Territory as described in paragraph 6.1.