“FAST TRACK” LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this “Agreement”) is made by and between:

University of Saskatchewan, a body corporate continued pursuant to The University of Saskatchewan Act, 1995 of Saskatchewan, having an office for the conduct of its business located at 250 -15 Innovation Boulevard, Saskatoon, Saskatchewan, Canada S7N 2X8 (the “University”); and

____________________, a corporation incorporated under the laws of ___________ having an office located at _______________ [mailing address] ______________ (the “Licensee”),

each said party being referred to hereinafter as a “Party” and both said parties being referred to collectively hereinafter as the “Parties”.

WHEREAS:

A. The University is the holder of certain patents.
B. The Licensee wishes to acquire a grant from the University of rights in and to those patents, and the University is willing to grant such rights, in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by each Party, the Parties covenant and agree as follows:

1. The Parties agree to the terms of a license as set forth herein and in the attached schedules.
2. This Agreement has an Effective Date of: __________________________.
3. This Agreement includes and hereby expressly incorporates the following Schedules attached hereto:
   A. Schedule “A” Licensed Patents
   B. Schedule “B” Terms and Conditions

IN WITNESS WHEREOF the Parties have executed this Agreement under seal and by the hand of their authorized signatories in that behalf, effective as and from the Effective Date.

UNIVERSITY OF SASKATCHEWAN

Per: _____________________________ __________________________
For Chair, Board of Governor
Date

Per: _____________________________ __________________________
For Secretary, Board of Governors
Date

[Licensee Full Name]

Per: _____________________________ __________________________
Date

Name: _____________________________
Title: _____________________________
SCHEDULE “A”

Licensed Patents

1. Instrument
   Filed:
   Application Number:
   Priority Date:
   University ROI File:
   Title:
   Inventors:
SCHEDULE “B”

Terms and Conditions

1. INTERPRETATION

1.1 Definitions. Wherever used in this Agreement including the preamble hereto, unless the context otherwise requires, the following words and terms shall have the respective meanings ascribed to them as follows:

(a) “Affiliate” means any corporation or other entity that controls, is controlled by, or is under common control with, a Party. For the purposes of this definition, control means ownership of at least 50% of the outstanding voting securities of such entity, or in the case of the University, can refer to a statutory corporation created by the Legislature of the Province of Saskatchewan that controls, is controlled by, or is under common control with the University.

(b) “Effective Date” means the effective date of this Agreement as set out in Section 2 of the Agreement.

(c) “Field of Use” means all fields of use.

(e) “Improvements” means any new invention(s) developed, conceived, reduced to practice or otherwise created after the Effective Date during the Term which: (i) University owns or has the right to license, (ii) was developed, conceived, reduced to practice or otherwise created by any employee or student of University, (iii) is not included in the Licensed Patents, (iv) the practice of which would infringe one or more claims of the Licensed Patents, and (v) is substantially disclosed in the description(s) or specification(s) of the patents and patent applications of the Licensed Patents as at the Effective Date.

(f) “Intellectual Property” means any technology, technique, invention, concept, formula, development, computer software (including source code and all related documentation), industrial design, process, know-how, pattern, machine, device, manufacture, composition of material, compilation of information, data, database, patents and patent applications, copyrights, trade-marks, trade secrets, plant varieties, topographies, strains and cultures, nucleic acid sequences, organisms, technical information, prototypes, specifications, discoveries and any other proprietary rights, including any rights to apply for registration or protection under any statutory proceedings available for those purposes;

(g) “Intellectual Property Rights” means any and all legal protection throughout the world recognized by law, whether by statute, common law or otherwise, relating to Intellectual Property including inventions (including the inventions of the Licensed Patents), trade secret and confidential information protection, patents, copyright and copyright registrations, trade-marks and trade-mark registrations, and all other registrations or grants of rights analogous thereto.

(h) “Licensed Patents” means the patents and patent applications described in the attached Schedule “A” hereof together with related inventions disclosed in the patent applications described therein and all rights therein (the “Patent Rights”) and including:

- all patents and patent applications issued/filed in any jurisdiction of the Territory that derive priority from the foregoing;
- all continuations, continuations-in-part, extensions, reissues and divisions of the foregoing;
- all provisional applications disclosing, claiming or derived substantially from all patent applications and patents deriving priority or issuing therefrom;
- all provisional applications disclosing substantially similar technology as, and naming at least one inventor in common with, the foregoing and patent applications and patents deriving priority or issuing therefrom;
- all patents and patent applications disclosing Improvements of the inventions claimed in any of the foregoing.
“Licensed Product” means any product or service:
(i) claimed, in whole or in part, by any Valid Claim; or
(ii) made or delivered by a process, method, or technique claimed by any Valid Claim.

“Patent Costs” means all reasonable costs, fees and disbursements reasonably relating to the filing, prosecution, and maintenance of the Patent Rights, in any territory.

“Patenting” means seeking, acquiring, and maintaining Licensed Patents including, without limitation, preparing patent applications, applying for patent protection, prosecuting patent applications, and maintaining patent applications or issued patents.

“Sublicense” means any grant by Licensee to a third party, including to an Affiliate, of a right to exercise any right or license in or to Licensed Patents and/or Licensed Products.

“Sublicensor” means any third party recipient of a Sublicense including an Affiliate of the Licensee.

“Technology” means the Licensed Patents and Improvements.

“Territory” means the entire world.

“Term” means the term of this Agreement, being the period of time described by Section 8.1.

“Valid Claim” means (a) any claim of any issued and unexpired patent within the Licensed Patents which has not yet been held unenforceable, unpatentable or invalid by a decision of a court or government body of competent jurisdiction in a ruling that is unappealable or unappealed within the time allowed for appeal or which has not been rendered unenforceable due to the irrevocable failure to pay a maintenance fee, or (b) a claim in a pending patent application within the Licensed Patents that has been filed in good faith and has not been abandoned or finally disallowed without the possibility of appeal or refiling; provided that “Valid Claim” shall exclude any such claim in a pending patent application that has not been granted within seven (7) years following the earliest priority filing date for such application (unless and until such claim is granted).

1.2 Grammatic Forms of Words. Where a word or term is defined herein, other parts of speech and grammatic forms of the same word or term shall have a corresponding meaning.

1.3 Headings & Alpha-numeration. The headings and alpha-numeration used in this Agreement are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.

2. LICENSE GRANT

2.1 Grant. Subject to the other provisions of this Agreement, the University hereby grants to the Licensee and the Licensee hereby accepts an exclusive, sublicensable right and license under the Intellectual Property Rights in the Technology to make, use and sell Licensed Products in the Field of Use in the Territory and during the Term only.

2.2 Sublicenses. The Licensee shall be entitled to grant Sublicenses under the license granted to it under Section 2.1 to, and exercise its rights under this Agreement through, Sublicensees; provided the Sublicense is in writing and provides that the Sublicensee shall be bound to the Licensee by terms and conditions that permit the Licensee to satisfy all of its obligations to the University under this Agreement. Each Sublicense shall also:
(a) require that any valuable consideration received by the Licensee from the Sublicensee shall be money consideration only;
(b) contain the Sublicensee’s acknowledgment of the University’s disclaimers of representations and warranties and liability as provided in Section 7;
(c) contain the Sublicensee’s acknowledgment of the University’s reservation of rights as provided in Section 2.4;
(d) provide that upon the expiry or termination of this Agreement for any reason whatsoever, the rights of any Sublicensee under a Sublicense shall terminate;
(e) provide that the Sublicensee shall not grant further sublicenses (i.e., sub-sublicenses);
(f) contain an acknowledgement and agreement of Sections 5.1 and 5.2; and
(g) contain no provisions less favourable to the University than in this Agreement.

The Licensee shall provide to the University a copy of every Sublicense made, promptly after its execution by the parties thereto; provided that each Sublicense may be redacted to omit any information not necessary to determine compliance with the terms of this Agreement.

### 2.3 Agency

Subject to 6.2, nothing in this Agreement shall restrict the Licensee from exercising the rights and license granted it under Section 2.1 in its own name and for its own account through its expressly authorized agents.

### 2.4 Reservation

Notwithstanding Section 2.1, University will retain the right, for itself and for other non-profit academic or public-sector institutions only, to make, reproduce, use and modify the Technology solely for academic, scholarly or research purposes, but not for any commercial purposes nor for the commercial benefit of any third parties. University will retain rights to publish and authorize publication by any such non-profit academic or public-sector institution of academic and scholarly works in relation to the Technology and the exercise of University’s reserved rights in the Technology. The University shall give the Licensee 60 days’ prior written notice of any proposed publication that relates to Improvements or new discoveries to the Technology during which time the University will consult with the Licensee prior to determining whether or not patent applications will be filed with respect to them. If the decision is made by the University that patent applications will be filed, the proposed publication by the University shall not proceed until after such application has been made.

### 2.5 Licensee Negative Covenants

The Licensee shall not:

(a) allow or permit any mortgage, pledge, lien, charge or other encumbrance to attach to, effect or encumber this Agreement or the exclusive license granted hereunder without the prior written consent of the University; or

(b) make, use or sell any Licensed Product or exploit any Licensed Patent except in accordance with the terms of this Agreement.

### 2.6 Acknowledgement

The Parties acknowledge and agree that neither this Agreement nor any supply of materials or information by the University to the Licensee will be determined, by implication, estoppel or otherwise to vest in the Licensee any right, title or interest in the Licensed Patents other than that expressly provided by this Agreement.

### 3. MARKETING & LEGAL REQUIREMENTS

#### 3.1 Diligence

During the Term, Licensee shall use reasonable commercial efforts to research, develop and commercialize the Technology and Licensed Products. The Licensee shall provide reasonable, periodic reports or evidence to the University to demonstrate these efforts.

#### 3.2 Failure to Accomplish Diligence

Should the Licensee fail to meet its diligence obligations as set forth in Section 3.1 for a period of one year, the University may terminate this Agreement as set out in Sections 8.3(a) and 8.4.

#### 3.3 Compliance with Law

In exercising its rights under this Agreement the Licensee shall fully comply with the requirements of any and all applicable laws, regulations, rules and orders of any governmental body having jurisdiction over the exercise of rights under this Agreement.

#### 3.4 Taxes and Governmental Approvals

Licensee shall be solely responsible for the payment of any and all taxes, fees, duties and other payments incurred in relation to the manufacture, use and sale of the
Technology and the Licensed Products. Licensee shall be solely responsible for applying for and obtaining any approvals, authorizations, or validations necessary to effectuate the terms of this Agreement under the applicable national laws of each country of the Territory.

4. PAYMENTS – REPORTS – RECORDS

4.1 Definitions. For the purposes of calculating and reporting of royalties and other amounts payable as set forth in this Section 4, and elsewhere in this Agreement, the following words and phrases shall have the following meanings:

(a) “Sales Revenue” means aggregate gross revenue of the Licensee, its Affiliates and every Sublicensee, excluding NRSI, from the lease, sale or other disposition of Licensed Products. Sales Revenue shall be calculated in accordance with Generally Accepted Accounting Principles (“G.A.A.P.”) as applied in Canada. Sales Revenue includes, without limitation, cash consideration, deferment or abrogation of debt, equity, and other valuable consideration received from recipients of Licensed Products and that constitutes consideration for such receipt or is in lieu of the same.

(b) “Net Sales Revenues” means Sales Revenues, less the following items, but only insofar as such items actually pertain to the disposition of Licensed Products by the Licensee or a Sublicensee and are included in the Licensee’s calculation of Sales Revenues and are separately invoiced or separately identified on each applicable invoice:

(i) lawfully imposed obligations in the nature of import, export, excise, value-added, and sales taxes, and customs duties;

(ii) quantity and cash discounts to the extent normal and customary in the trade and uniformly applied by the Licensee or a Sublicensee according to objectively ascertainable criteria;

(iii) freight out, postage, shipping, and insurance charges for delivery of Licensed Product;

(iv) rebates, credits, and chargeback payments (or the equivalent thereof) actually granted to wholesalers or to federal, state/provincial, local and other governments, including their agencies, purchasers, and/or reimbursers, or to trade customers; and

(v) credits for returns, allowances or rejection of Licensed Products actually allowed by the Licensee or a Sublicensee and taken by a third party purchaser; but no deduction shall be made for:

(i) any commission paid to any person on account of leases or sales by or on behalf of such person whether such person is an employee of the Licensee or a Sublicensee or an independent contractor; or

(ii) any cost incurred on account of collection or enforcement of a debt;

and Licensed Products shall be considered sold when billed out or invoiced.

For the sake of certainty, Net Sales Revenues shall not include leases or sales of Licensed Products between or among the Licensee, its Affiliates and Sublicensees, except where and to the extent the recipient of Licensed Products under such conveyance is the end user of such Licensed Products.

(c) “Non-Royalty Sublicensing Income” (“NRSI”) means all amounts received by Licensee or its Affiliates as consideration for the grant of a Sublicense in the form of upfront fees, milestone payments and other payments received by Licensee pursuant to the grant of a Sublicense, but excluding (i) royalties received on Net Sales Revenues of Licensed Products, (ii) research and development costs, (iii) payment or reimbursement of patent preparation, filing, prosecution and maintenance expenses, (iv) payments for the purchase of equity or grant of debt to Licensee, or (v) payments in consideration for the grant of rights under Intellectual Property Rights other than the Licensed Patents, as reasonably determined by Licensee.
(d) “Royalty Calculation Date” means December 31 of each and every calendar year during the period in which any amount may be payable hereunder.

4.2 Royalties. As partial consideration for the license grant of Section 2.1, the Licensee agrees to annual royalty payments of 1% of Net Sales Revenues arising from the Technologies (“Royalties”).

4.3 Sublicense Compensation. As partial consideration for the license grant of Section 2.1 the Licensee shall pay to the University fifteen percent (15%) of NRSI received by Licensee.

4.4 Payments. Royalties and the University’s share of NRSI shall be reported, accounted for and paid annually, within the thirty (30) day period after each Royalty Calculation Date. Each such payment shall be calculated in respect of Net Sales Revenues and NRSI for the twelve (12) month period ending on the pertinent Royalty Calculation Date and on a country-by-country basis for each country of the Territory.

In the event of the expiry or termination of this Agreement for any reason, the amount of any Royalties or other amount(s) then accruing due to the University hereunder shall, notwithstanding the preceding provisions of this Section 4.4, become due and payable within thirty (30) days after the date of such expiry or termination or, in the event that the Licensee exercises its rights under Section 8.6(b), within thirty (30) days after the final sale of a Licensed Product thereunder.

4.5 Annual Reports. Within thirty (30) days after the Royalty Calculation Date of each calendar year, the Licensee shall deliver to the University a report pertinent to the Licensee’s obligations arising under this Section 4 for the preceding calendar year, which report shall include details, recitals and descriptions of:

(a) types (distinguishable varieties) of Licensed Products leased or sold by the Licensee and each Sublicensee;
(b) the numbers of each Licensed Product type so leased or sold;
(c) attribution of the said numbers of each Licensed Product type so made, manufactured, leased or sold to the Licensee or a Sublicensee, as the case may be;
(d) Sales Revenues from each Licensed Product type leased or sold by the Licensee and by each Sublicensee, and total Sales Revenues of the Licensee and all Sublicensees from all Licensed Products;
(e) Net Sales Revenues from Licensed Product type leased or sold by the Licensee and by each Sublicensee, and total Net Sales Revenues of the Licensee and all Sublicensees from all Licensed Products;
(f) any deductions from Sales Revenues reported pursuant to Section 4.5(d) pertinent to the calculation of Net Sales Revenues reported pursuant to Section 4.5(e);
(g) a calculation of total Royalties due;
(h) the amounts and sources of all NRSI; and
(i) a calculation of the University’s share of NRSI that is due to University.

4.6 Interest. Royalties and other amounts payable by the Licensee hereunder that are not paid when due and payable shall bear interest from the due date thereof until actually paid at the rate of twelve (12%) per annum, compounded and calculated monthly, both before and after demand, both before and after default and both before and after judgment, or the maximum amount permitted under applicable law, if lower.

4.7 Records and Audit Rights. The Licensee shall maintain at its place of business proper, full and complete books of accounts and other records sufficient to permit the inspection and auditing of same in relation to any and all obligations of the Licensee hereunder. Said records shall be maintained at the Licensee’s office for at least five (5) years after the end of the calendar year to which they pertain and they shall be made accessible, during ordinary business hours upon the University’s request, to the University and to an independent public accountant selected by the University (unless the Licensee has some reasonable objection to such selection) for inspection, audit and the making of excerpts therefrom as may be
necessary to verify or determine the Licensee's performance of any obligation referable to this Agreement; provided that University may conduct no more than one (1) such inspection or audit per calendar year. The costs of any such inspection and audit of the Licensee’s records by said independent public accountant shall be borne by the University unless the same results in a determination that any amount due to be paid to the University was understated or underpaid by more than five percent (5%), in which case the University’s full out-of-pocket costs of the inspection and audit shall be reimbursed by the Licensee forthwith upon the Licensee’s receipt of an invoice from the University therefore. For the sake of certainty, in the event that the University undertakes an inspection and audit of the Licensee’s records, the amount any payment(s) made to the University that is paid in arrears and after the University announces such inspection and audit may be applied to a determination of the above-said five percent (5%). Should such inspection or audit lead to the discovery of any overpayment to the University, the Licensee shall have a credit in the amount of such overpayment that may be applied against any future amount payable to the University.

5. INTELLECTUAL PROPERTY

5.1 Licensed Patents – Ownership. The Licensee acknowledges that the University shall retain ownership of the Technology. Neither this Agreement nor any supply of materials or information by the University to the Licensee will be determined, by implication, estoppel or otherwise to vest in the Licensee any right, title or interest in the Licensed Patents other than that expressly provided by this Agreement.

5.2 Licensee Negative Covenant. The Licensee acknowledges and endorses the ownership rights of University in and to the Technology and the validity of the Licensed Patents, and agrees to neither contest the ownership or the validity of the Licensed Patents, directly or indirectly, nor to initiate or voluntarily participate in any interference application involving the Licensed Patents.

5.3 Licensee Improvements. The Licensee agrees to assign and transfer to the University on its written demand any improvements on any of the Technology, designed or otherwise obtained by the Licensee during the continuance of this Agreement. Provided, however, that an invention of a more substantial nature that has the effect of significantly changing the Technology and that may be the subject of a new patent, shall belong to the Licensee. Other than as expressly provided for in this Agreement, neither Party shall claim any right, title or interest in any inventions discovered, developed, conceived, reduced to practice or otherwise created by or for the other Party or disclosed in any Confidential Information provided by such other Party as the Discloser thereof.

5.4 Patenting.

(a) Patent Prosecution. The Parties will in good faith choose a mutually acceptable patent agent to file, prosecute and maintain the Patent Rights, and the Parties shall consult on patenting strategy and will keep each other apprised on such subject filings, prosecutions and maintenance. University shall not abandon or allow the abandonment of any filed patent application or issued patent in the Patent Rights without express prior written approval from Licensee.

(b) Cooperation. Licensee will be given reasonable opportunities to advise University in the filing, prosecution, and maintenance of Patent Rights and will cooperate with University in such filing, prosecution, and maintenance. At Licensee’s request and expense, Licensee shall be provided with copies of all prosecution documents relating to Patent Rights so that Licensee may have the opportunity to offer comments and remarks thereon, such comments and remarks to be given full consideration by University.

(c) Patent Costs. During the Term and subject to Section 5.4(d), payment of all Patent Costs are the responsibility of Licensee. Licensee must pay all such fees and costs within thirty (30) days of receipt of an invoice for the same.

(d) Further Support. If Licensee provides University with written notification that it will no longer
support the filing, prosecution, or maintenance of a specified patent(s) and/or patent application(s) within the Patent Rights, then Licensee’s responsibility for Patent Costs related to the filing, prosecution, and maintenance of such subject Patent Rights will terminate thirty (30) days after University’s receipt of written notification; provided, however, in such instances, thirty (30) days after University’s receipt of written notification, such patents and/or patent applications will no longer be included in the Licensed Patents (and Schedule A is deemed to be so amended accordingly), and Licensee surrenders all rights under this Agreement to such patents, patent applications, and any patents issuing therefrom (“Surrendered Patent Rights”). University may elect to continue prosecution and maintenance of such Surrendered Patent Rights, at its sole cost, but agrees to not take any action that is materially inconsistent with any actions taken by Licensee with respect to the Patent Rights.

5.5 Defence of Claims of Infringement of Third Party Rights. If the direct or indirect manufacture, use, leasing or sale of Licensed Products pursuant to this Agreement results in any claim of patent infringement, the Licensee shall promptly notify the University of such claim and all particulars thereof in writing. As between the Parties the Licensee shall have the first and primary right and responsibility to, at its own expense, defend and control the defence of any such claim using counsel of its own choice. It is understood that any settlement, consent judgment or other voluntary disposition of any action arising in relation to such claim must be approved by the University, such approval not being unreasonably withheld. Subject to the approval of the Board of Governors of the University, the University agrees to cooperate with the Licensee in any reasonable manner deemed necessary by the Licensee in defence against such claim, and the Licensee shall reimburse the University for any out-of-pocket expenses incurred by providing such assistance.

5.6 Right to Prosecute Third-Party Infringement. In the event that any Licensed Patent is determined by either Party to be infringed by the acts of a third party, the Party will promptly notify the other Party. The Licensee shall have the exclusive right, but not the obligation, to institute, prosecute and control any action or proceeding in relation to such infringement by counsel of its own choice. It is understood that any settlement, consent judgment or other voluntary disposition of any action arising in relation to such claim must be approved by the University, such approval not being unreasonably withheld. Subject to the approval of the Board of Governors of the University, the University agrees to cooperate with the Licensee in any reasonable manner deemed necessary by the Licensee in defence against such claim, and the Licensee shall reimburse the University for any out-of-pocket expenses incurred by providing such assistance.

If the Licensee elects to seek to enforce a Licensed Patent against a perceived third-party infringer then:

(a) any settlement, consent judgment or other voluntary disposition of such action or proceeding must be approved by the University, such approval not to be unreasonably withheld;

(b) if the Licensee recovers monetary damages in the form of lost profits from a third-party infringer, the Licensee shall pay to the University royalties on the recovered profits as if such recovered profits constitute Net Sales Revenue;

(c) if Licensee recovers monetary damages in the form of a negotiated or juridically determined reasonable royalty, then the Licensee shall remit to the University such proportion of said damages that would be payable to the University if the infringer were a Sublicensee hereunder; and

(d) notwithstanding the foregoing, it is understood that reimbursement of all of the Licensee’s costs of prosecuting an action or proceeding for the purpose of such enforcement, and realizing any consequent remedy, shall be a first charge against any damages, award or settlement.

If the Licensee elects not seek to enforce a Licensed Patent against a perceived third-party infringer:

(a) the Licensee shall, upon the request of the University, provide all reasonable assistance, including signing all documents necessary to enable the University to, in the name of the Licensee, at the University’s own expense and subject to its sole control take steps to enforce such Licensed Patent, and the University shall reimburse the Licensee for any out-of-pocket expenses incurred by providing such assistance; and
(b) any damages, award or settlement recovered pursuant to such enforcement shall accrue to the sole benefit of the University’s account, after first reimbursing any costs incurred by Licensee in connection with such enforcement.

Notwithstanding the foregoing in every legal action or proceeding involving a Licensed Patent the Parties shall consult with each other and provide each other with all reasonable cooperation.

6. CONFIDENTIALITY

6.1 Definition. For the purposes of this Agreement, “Confidential Information” means information disclosed by a Party (the “Discloser”) to the other Party (the “Recipient”) that is directly or indirectly connected with the subject matter of this Agreement and that:

(a) is the subject of efforts by the Discloser that are reasonable under the circumstances to maintain its confidential nature; and

(b) is marked as confidential at the time of disclosure or designated as such within thirty (30) days of disclosure or that can be understood by the Recipient to be confidential through the exercise of reasonable business judgment,

including any trade secret, formula, design, prototype, specification, program, method, technique, process or data, business plans, financial information, customer or sales information or any compilation of the same, and any expression of the same, regardless of media or form.

6.2 Covenants. Subject to the exceptions set out in sections 6.3 and 6.4, the Recipient shall:

(a) receive and treat Confidential Information of the Discloser in confidence using at least the same degree of care as the Recipient uses to protect its own confidential information of a like nature, but in any event a reasonable degree of care, during the period from the date of disclosure until five (5) years after the expiry or termination of this Agreement;

(b) use Confidential Information of the Discloser solely for the purposes contemplated in this Agreement including fulfilling its obligations and exercising its rights;

(c) ensure that governors, directors, officer, employees, agents, consultants and professional advisors are provided Confidential Information of the Discloser only on a need to know basis and provided that Recipient first requires that each such person agree, prior to any such disclosure, to be bound to by obligations of confidence equivalent to those hereof, and any breach of such obligation by any such person shall be deemed a breach of this Agreement by Recipient; and

(d) except in respect of any information, report or document expressly required to be provided to Recipient by an express term of this Agreement, upon the request of the Discloser on or after the date of expiry or termination of this Agreement, it shall immediately return to the Discloser all materials, including all copies in whatever form, containing the Discloser’s Confidential Information, or any part thereof, which are in the possession or control of the Recipient or any person for whom the Recipient is legally responsible hereunder or otherwise.

6.3 Exceptions. Notwithstanding section 6.2, nothing in this Agreement is intended to restrict or impair the right of a Recipient to use, disclose or otherwise deal with any information aforesaid that:

(a) is or becomes a matter of public knowledge by means other than a breach of this Agreement;

(b) is received by the Recipient from a third party who did not require the Recipient to hold it in confidence and who did not acquire it from the Discloser under a continuing obligation of confidence known to, or reasonably knowable by, the Recipient;

(c) can be proven through documentary evidence to have been independently developed by the Recipient without reference to or use of Confidential Information disclosed by the Discloser hereunder;

(d) is disclosed by the Recipient after its receipt of the Discloser’s written consent; or
(e) is required to be disclosed pursuant to a governmental, administrative or judicial process provided that, in such circumstance, the Recipient shall promptly and prior to any such disclosure notify the Discloser and provide the Discloser assistance with any reasonable effort to obtain confidential treatment for such disclosure.

6.4 Additional Exceptions. Notwithstanding the foregoing, the Licensee may disclose Confidential Information of the University without prior written approval under the following circumstances:

(a) to its Affiliates, provided that the Affiliate agrees to protect the confidentiality of the Confidential Information as if it were a party to this Agreement;

(b) to potential Sublicensees for the purpose of enabling their determination of interest in entering into a Sublicense, but only if the Licensee first makes with each such third party a confidentiality and non-use agreement with terms equivalent to the other terms of this Section 6;

(c) to Sublicensees who are bound by confidentiality and non-use agreements with terms equivalent to the other terms of this Section 6; and

(d) to governmental authorities and regulatory bodies as may be required for the purpose of securing authorizations, privileges, and licenses for the commercial exploitation of the Technology or Products, and only to the extent reasonably required.

7. REPRESENTATIONS, WARRANTIES, INDEMNITIES

7.1 University Representations and Warranties – Intellectual Property. The University does not warrant the validity of any patent included in the Licensed Patents or that practice under such patents shall be free of infringement; however, the University represents and warrants to the Licensee that, as at the Effective Date and in respect of any Licensed Patent, the University is, to the best of its knowledge, the owner of the entire right, title and interest in the Licensed Patent and that it has the authority to issue the Licence granted herein. The University further represents and warrants that, as of the Effective Date and in respect of any Licensed Patent, it is not aware of a claim of infringement or breach of the Intellectual Property Rights of a third party, nor has the University actual knowledge that the exploitation and uses of the Licensed Patents contemplated hereunder would infringe the Intellectual Property Rights of any third party.

7.2 Disclaimer of Representations and Warranties. Except as otherwise expressly set forth in this Agreement, the University disclaims all warranties and representations in relation to the materials, information, product(s) and service(s) provided or licensed under this Agreement, including all representations and warranties, expressed or implied, of merchantability or fitness for any particular purpose or absence of defects. Notwithstanding any other provision of this Agreement, the University additionally disclaims all obligations and liabilities on the part of the University, its governors, officers, employees, agents and students for damages, including direct, indirect, special, and consequential damages, attorneys’ and experts’ fees, and court costs, (even if the University has been advised of the possibility of such damages, fees or costs), arising out of or in connection with the manufacture, use, lease or sale of the product(s) and service(s) licensed under this Agreement. The Licensee on behalf of itself, its directors, officers, employees, agents, Sublicensees and customers assumes all responsibility and liability for loss or damage caused by a product and/or service manufactured, used, leased or sold by the Licensee or its Sublicensee(s) which is a Licensed Product(s).

7.3 Disclaimer of Liability. The University shall not be liable for any loss, claim, damages, liability or costs of the Licensee, its Sublicensees, customers or other transferees of Licensed Products arising from the receipt, storage, use, disposition or reliance on any information, material or thing sold or otherwise provided hereunder or derived therefrom, or related to the exercise of any right or license provided hereunder by anyone whatsoever. The Licensee acknowledges that it has and shall continue to govern
itself and to make its own decisions respecting the subject matter of this Agreement and the Licensee hereby releases the University of and from any and all such liability.

7.4 Indemnity. The Licensee shall at all times, both during this Agreement and thereafter, indemnify, defend and save harmless the University its governors, directors, officers, employees, agents and students, against any and all claims, causes of action, actions, proceedings, charges, debts, demands and liabilities of any kind whatsoever, consequential or otherwise, and costs and expenses, including legal fees and disbursements as invoiced, (collectively, “Liabilities”) suffered or borne by any of the foregoing whatsoever and arising out of the exercise by the Licensee, directly or indirectly through agents, Sublicensees or otherwise indirectly, of any entitlement, right, or benefit conferred under this Agreement or the direct or indirect violation of any law, order, rule or regulation by the Licensee, its directors, officers, employees, agents, and Sublicensees.

7.5 Insurance. Licensee shall maintain in force and at its sole cost and expense, with a reputable insurance company(ies), general liability insurance and products liability insurance coverage in an amount reasonably sufficient to protect against its activities in relation to this Agreement, including Liabilities arising under Section 7.4, and the University shall have the right to require from time to time proof that such coverage exists, such right to be exercised in a reasonable manner.

7.6 Licensee Duly Authorized. The Licensee represents that by its by-laws and articles, and by its board of directors, it is duly authorized to make this Agreement.

7.7 Limitation of Liability. Except for a breach of Section 6, or claims of a third party that are subject to indemnification under section 7.4, or for the negligence or willful misconduct of such party, neither party shall be liable to the other party with respect to any subject matter of this agreement, whether under any contract, negligence, strict liability or other legal or equitable theory, for any incidental, indirect, special, exemplary, punitive, multiple or consequential damages, including without limitation, lost profits, loss of use, damage to goodwill or loss of business.

7.8 Disclaimer. The University expressly disclaims any and all representations or warranties with respect to the commercial potential of the Technology. The Licensee acknowledges and agrees that it has and shall continue to rely exclusively upon its own diligent inquiries and assessments of the Technology to determine the commercial potential thereof.

8. TERM AND TERMINATION

8.1 Term. The term of this Agreement (the “Term”) shall commence on the Effective Date and, unless earlier terminated in accordance with this Section 8, shall continue until the expiration date of the last of the Licensed Patents to expire (including, without limitation, by expiry or being held unenforceable or invalid by a decision of a court or government body of competent jurisdiction in a ruling that is unappealable or unappealed within the time allowed for appeal or which has been rendered unenforceable for any reason including the irrevocable failure to pay a maintenance fee).

8.2 Termination Without Cause. Notwithstanding any other provision of this Agreement, this Agreement will automatically terminate on the occurrence of any one of the following events, namely:
(a) if the Parties consent in writing to such termination;
(b) upon the expiry of ninety (90) days after delivery of written notice to so terminate this Agreement by the Licensee to the University.

8.3 Events of Default. It is an event of default hereunder (a “Default”) if:
(a) a Party fails to observe, perform or carry out any of that Party’s obligations hereunder and such failure continues for ninety (90) days after the Party not in default (the “Non-Defaulting Party”) has in writing demanded that such failure be cured;
(b) if a Party files an assignment in bankruptcy or commits and act of bankruptcy or insolvency or if an
application is made for the reorganization, readjustment, rearrangement or other similar proceeding in respect of the business of the Party under any law or governmental regulation relating to bankruptcy or insolvency of any jurisdiction;

(c) a receiver, receiver-manager, monitor or other similar custodian is appointed in respect of all or substantially all of the property of a Party;

(d) a Party makes any assignment for the benefit of creditors;

(e) any proceedings for the winding-up of a Party’s business or existence are instituted by or against the Party;

(f) except as permitted by Section 11.10, a Party disposes, by conveyance, transfer, lease, assignment or otherwise, of all, or substantially all of its property; or

(g) a Party ceases carrying on business.

8.4 Rights of Non-Defaulting Party. Notwithstanding any other provision of this Agreement, in the event of a Default, the Non-Defaulting Party may do any of the following:

(a) pursue any remedy available to it in law or in equity, it being acknowledged by the Parties that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a Default;

(b) waive the Default provided, however, that a waiver of any particular Default will not operate as a waiver of any subsequent or continuing Default; or

(c) immediately terminate this Agreement by delivering notice in writing to that effect to the Defaulting Party.

8.5 Damages Inadequate. Each Party acknowledges and agrees that damages at law may be an inadequate remedy for a breach or threatened breach of the confidentiality or intellectual property provisions of this Agreement by a Party and each Party hereby agrees that, in the event of a breach of any such provision hereof by a Party, notwithstanding Section 9, the other Party’s rights and the obligations of the Party so in breach hereunder shall be enforceable in a court of competent jurisdiction by specific performance, injunction, or other equitable remedy.

8.6 Effect of Termination. Without limiting the generality of the foregoing, upon any termination of this Agreement:

(a) subject to the other provisions of this Section 8.6, the rights and license granted to the Licensee pursuant this Agreement shall automatically terminate and be of no further force or effect as at the date of said termination and all rights whatsoever granted or accruing to the Licensee hereunder shall automatically revert to the University;

(b) unless this Agreement is terminated by the University pursuant to Section 8.4 the Licensee and Sublicensees may:

(i) during the six month period beginning on the date of such expiry or termination, complete the making or manufacturing of Licensed Products which it or they began to make or manufacture prior to the date of such expiry or termination, if the Licensee provides prompt notice of such election to the University; and/or

(ii) sell those inventories or stocks of Licensed Products possessed or controlled by them on the date of such expiry or termination and inventories or stocks of Licensed Products described in Section 8.6(b)(i) if the Licensee provides prompt notice of such election to the University;

(c) the Licensee’s obligations to make royalty payments and reports hereunder shall survive with respect to all sales of Licensed Products made by itself and Sublicensees pursuant to Section 8.6(b) that may occur after the date of such expiry or termination, and the Licensee shall make such payments and reports as required by the other provisions of this Agreement with respect to such sales pursuant to Section 8.6(b) notwithstanding such expiry or termination;
(d) neither Party shall be relieved of any obligation on its part hereunder that has accrued prior to the effective date of such expiry or termination and neither Party shall be denied any right or remedy (whether under statute, at common law or in equity) that has arisen prior to the date of such expiry or termination;

(e) except as provided by Sections 8.6(b) the Licensee shall cease forthwith to make, manufacture, use or sell Licensed Products;

8.7 **Survival.** Upon any expiration or termination of this Agreement, the following provisions shall survive:

(a) Licensee’s obligation to pay Royalties accrued or accruable;

(b) any cause of action or claim of either party, accrued or to accrue, because of any breach or default by the other party; and

(c) the provisions of Sections 2.4, 6, 7.4, 9 and any other provisions that by their nature are intended to survive either to facilitate the interpretation or application of the surviving provisions, or to govern the winding up of the relationship between the parties created by this Agreement.

9. **DISPUTE RESOLUTION**

9.1 **Dispute Resolution.** The Parties recognize that *bona fide* disputes as to certain matters, or questions which relate to either Party’s rights and/or obligations under this Agreement (“Disputes”), may arise from time to time during the term of this Agreement. The Parties acknowledge, agree, and desire that any Dispute arising between them should be settled amicably. Therefore, any Dispute shall be identified by a Party to the other Party by delivery of a notice in writing, and the Parties shall employ their best and good faith efforts to resolve the Dispute by negotiation. If the Parties are unable to resolve the Dispute within the thirty (30) day period from the date of the above-said notice, then a Party may, by written notice to the other Party, refer the Dispute for final and exclusive resolution by binding arbitration in accordance with Section 9.2.

9.2 **Arbitration.** All disputes arising out of or in connection with this Agreement, or in respect of any legal relationship associated with or derived from this Agreement, shall be arbitrated and finally resolved, pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. The place of arbitration shall be Saskatoon, Saskatchewan, Canada; the number of arbitrators shall be one (1); and the language of arbitration shall be English.

9.3 **Preliminary Injunctions.** Nothing in this Agreement shall prevent either Party from seeking provisional measures from any court of competent jurisdiction in order to prevent immediate and irreparable injury, loss, or damage on a provisional basis, pending the decision of the arbitrator(s) on the ultimate merits of any Dispute.

9.4 **Patent Disputes.** Notwithstanding anything in this Agreement to the contrary, any and all issues regarding the scope, construction, validity, and enforceability of any patent in a country shall be determined in a court or other governmental authority of competent jurisdiction under the applicable patent laws of such country.

10. **NOTICES**

10.1 **Notices.** Any notice, report or other communication required or permitted to be delivered to a Party hereunder shall be in writing and any such communication and any payment required to be made hereunder may be delivered by hand, post, licensed commercial courier or electronic transmission or facsimile addressed the respective Party at the address noted on page 1 of the Agreement.

Any payment, notice, report or other communication aforesaid, if delivered by post shall be deemed given on the fifth (5th) day after posting, and if delivered by hand or licensed commercial courier shall be deemed given on the day of such delivery, and if delivered by electronic transmission or facsimile shall be deemed given on the first business day after transmission if a confirmation of delivery is provided by the delivering Party.
A Party may change its address for service to another North American address from time to time by notice given in accordance with the foregoing.

11. GENERAL

11.1 Further Assurances (General). The Parties will execute and deliver all such further documents, do or cause to be done all such further acts and things, and give all such further assurances as may be reasonably necessary to give full effect to the provisions and intent of this Agreement.

11.2 Regulatory Approval. Licensee shall, at its own expense, be responsible for seeking any necessary regulatory approvals to manufacture, market and sell the Licensed Products; provided that University shall cooperate with Licensee in seeking such approvals, including by providing all necessary data and documentation in its possession with respect to the Technology. Licensee shall reimburse University for all reasonable direct costs of the University incurred in providing such cooperation.

11.3 Non-Use of Names. Neither Party shall use the names or trademarks of the other Party, or any adaptation thereof, or the names of any of its governors, directors, officers, employees, students or agents for any advertising, promotional sales purpose without the prior written consent of the other Party and said individual(s), as the case may be and in each case, except the Licensee may state that it is licensed by the University in respect of the Licensed Patents and Licensed Products.

11.4 Relationship of Parties. The Parties expressly disclaim any intention to create a partnership or joint venture, and nothing in this Agreement shall constitute the Parties as general partners or joint venturers or constitute either Party the agent of the other. No Party shall have any authority to act for or assume any obligations and responsibility on behalf of the other Party.

11.5 Force Majeure. For the purposes of this Section “Force Majeure Event” means adverse weather conditions, fire, explosion, flood, earthquake, eruption, computer or communication disruption (including software and hardware problems) and the consequences thereof, war, rebellion, insurrection, riot, vandalism, civil commotion or disobedience (lawful or unlawful), acts of terrorism, strike, lockout, differences with workers or other labour disputes, failures of carriers to transport or furnish facilities for transportation, any order, step, action, proceeding, law, regulation or requisition of any government or other authority, any judicial action or decision, Acts of God, or any other cause whatsoever beyond the reasonable control of a Party, excluding only lack of finances and the consequences thereof.

No Party is deemed to be in default of any provision of this Agreement or liable to the other Party for any delay, error, failure in performance or interruption of performance resulting directly or indirectly from a Force Majeure Event. If a delay or failure to perform an obligation is caused due to a Force Majeure Event, the Party affected by that event shall be granted an extension of time to perform the obligation on the following conditions:

(a) it notifies the other Party as soon as reasonably practicable of that event and of the expected period of delay of performance of its obligation; and

(b) it takes reasonable steps to avoid or limit the effects of such event.

11.6 Waiver. No waiver of any provision of this Agreement will constitute a waiver of any other provision (whether or not similar), nor will any waiver constitute a continuing waiver unless otherwise expressly agreed in writing. No consent or waiver, express or implied, by a Party to or of any breach or default by the other Party in the performance by the other Party of any obligation on its part hereunder will be deemed or construed to be a consent or waiver to or of any other breach or default of such obligation or a consent or waiver to or of any other obligation of that other Party.

11.7 Provisions Severable. If any term of this Agreement is to any extent held or rendered invalid, unenforceable or illegal, then the remainder of this Agreement shall not be affected thereby and shall continue to be applicable and enforceable to the fullest extent permitted by law. The Parties will engage
in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which approximates as much as possible the invalid or unenforceable provision which it replaces.

11.8 **Currency & Payments.** All payments are to be made in Canadian dollars except where specifically stated otherwise. Licensee will be responsible for all goods and services tax, duties and similar charges relating to the distribution sale of Products under the License, and shall be able to deduct any such payments made thereunder from Net Sales Revenue.

11.9 **Governing Law & Venue.** This Agreement will be governed by and construed in accordance with the laws of the Province of Saskatchewan, without reference to its conflict of laws provisions, and the laws of Canada applicable therein.

11.10 **Assignment.** This Agreement shall inure to the benefit of the University, its successors and assigns. Licensee shall have the right to assign the Agreement with the prior written consent of University not to be unreasonably withheld, but such consent shall not be required for any assignment to an Affiliate or incident to a sale or any other transfer of all or substantially all of the assets of Licensee to which the Agreement relates if, rather, the Licensee provides to University notice of such assignment within a reasonable period of time after the effective date of such assignment.

11.11 **Entire Agreement.** The provisions herein contained constitute the entire agreement between the Parties and supersede all previous communications, representations, and agreements, whether oral or written, between the Parties with respect to the subject matter hereof, there being no representations, warranties, terms, conditions, undertakings, or collateral agreements (express, implied, or statutory), between the Parties other than as expressly set forth in this Agreement.

11.12 **Amendment.** Except as herein otherwise provided, no subsequent alteration, amendment, change, or addition to this Agreement will be binding upon the Parties unless reduced to writing and duly executed by the Parties.

11.13 **Independent Legal Advice.** Each Party has been advised to obtain independent legal advice with respect to this Agreement and has done so or has considered doing so and, in its sole judgment, decided that it is not necessary.

11.14 **Electronic Delivery.** Delivery of a copy of an executed counterpart of this Agreement by electronic transmission of facsimile or other means of electronic communication capable of producing a printed copy shall be deemed to be execution and delivery of this Agreement as of the date of such delivery. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.