

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

EPAS ID: PAT6116547

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	LICENSE
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
SHANNON LEHNA	01/15/2019
NATHALIE LAFLAMME	01/15/2019
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	9364-9325 QUEBEC INC.
<b>Street Address:</b>	1-263 BONET STREET
<b>City:</b>	REPENTIGNY
<b>State/Country:</b>	CANADA
<b>Postal Code:</b>	J5Z 4M4
<b>PROPERTY NUMBERS Total: 1</b>	
<b>Property Type</b>	<b>Number</b>
Patent Number:	10575568
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(514)871-8977
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
<b>Phone:</b>	514-877-3053
<b>Email:</b>	uspatents@lavery.ca
<b>Correspondent Name:</b>	LAVERY, DE BILLY, LLP
<b>Address Line 1:</b>	1 PLACE VILLE-MARIE
<b>Address Line 2:</b>	SUITE 4000
<b>Address Line 4:</b>	MONTREAL, CANADA H3B 4M4
<b>ATTORNEY DOCKET NUMBER:</b>	G17003-00002-GB
<b>NAME OF SUBMITTER:</b>	GWENDOLINE BRUNEAU
<b>SIGNATURE:</b>	/GWENDOLINE BRUNEAU/
<b>DATE SIGNED:</b>	05/21/2020
<b>Total Attachments: 25</b>	
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Schedule 1

INVENTION DISCLOSURES

See the attached documents.



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Schedule 2

PATENTS

Ref	Title	Type	Application Number	Priority Date	Filing Date	Inventors

SEARCHED INDEXED  
SERIALIZED FILED  
MAY 19 1964  
FBI - NEW YORK

PATENT

## LICENSE AGREEMENT

THIS AGREEMENT is made and entered in Montreal (Quebec).

BY AND BETWEEN: SHANNON LEHNA, domiciled at 1015, Du Ciné-Parc Street,  
Saint-Ambroise-de-Kildare, Quebec, J0K 1C0;

AND: NATHALIE LAFLAMME, domiciled at 1-263 Bonet Street,  
Repentigny, Quebec, J5Z 4M4;

("Licensor")

AND: 9364-9325 QUÉBEC INC., a company duly incorporated under  
the Quebec Business Corporations Act, having its head office at  
1-263, Bonet Street, Quebec, J5Z 4M4, hereby represented by  
Shannon Lehna, its President, duly authorized for the purpose  
hereof as she so declares;

("Licensee")

### PREAMBLE

WHEREAS the Licensor, Shannon Lehna and Nathalie Laflamme, has developed the  
Technology (as hereinafter defined);

WHEREAS Licensor wishes to grant to Licensee and Licensee desires to obtain from Licensor  
an exclusive license to Use the Technology in the Territory (as hereinafter defined) and within the  
Field of Use (as hereinafter defined) for commercial purposes;

NOW, THEREFORE, in consideration of the covenants contained herein and for other good and  
valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties  
hereto agree as follows:

#### 1. INTERPRETATION

##### 1.1 Definition

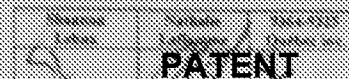
The following terms used in this Agreement shall have the following meanings:

- 1.1.1 "Affiliate" shall mean with respect to any Party, a company or other Entity, whether *de jure* or *de facto*, controlling, controlled by, or under common control with such Party. For these purposes, "control" shall refer to the ownership, directly or indirectly, of more than 50% of the voting securities or other ownership interest of a company or other Entity;

Shannon Lehna	Nathalie Laflamme	9364-9325 Quebec Inc.
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- 1.1.2 "Agreement" shall mean the present License Agreement, including its preamble and Schedules as well as all amendments or restatements, as permitted, and references to "Article" shall mean any article, section or paragraph found in this Agreement;
- 1.1.3 "Calendar Year" shall mean a period of twelve (12) months in the Gregorian Calendar;
- 1.1.4 "Commercialize" and "Commercialization" shall mean to manufacture, make, import, reproduce, Use, promote, market, sell, offer for sale, import, export, lease, distribute or otherwise exploit or commercialize the Products or Services;
- 1.1.5 "Confidential Information" shall mean any and all information, whether written, graphic, electronic, communicated orally or otherwise disclosed by or on behalf of one Party (the "Disclosing Party") to the other Party (the "Recipient") pursuant to this Agreement which at the time of disclosure is reasonably understood as being confidential or proprietary to the Disclosing Party. Such Confidential Information shall specifically include, but shall not be limited to (i) information relating to the Technology, the Products, the Services, the business and research strategies as well as to the scientific practices of Licensee, Licensor, the Inventor, Improvements, copies of sublicenses provided to Licensor by the Licensee, information contained in books and records kept by Licensee as well as any disclosure, independent of the physical medium through which the information is disclosed, made by the Disclosing Party to the Recipient which at the time of disclosure is marked as "Confidential" or "Proprietary". Confidential Information shall exclude information which the Recipient can show by competent evidence: (i) is or becomes public or available to the general public otherwise than through the fault of the Recipient; (ii) is obtained by the Recipient from a third party who is lawfully in possession of such Confidential Information and is not subject to an obligation of confidentiality or non-use owed to the Disclosing Party; (iii) is previously known to the Recipient prior to disclosure to the Recipient by or on behalf of the Disclosing Party under this Agreement and not obtained or derived directly or indirectly from the Disclosing Party; (iv) is independently developed, discovered or arrived at by the Recipient without use of the Confidential Information; or (v) is disclosed by the Recipient pursuant to a requirement of law;
- 1.1.6 "Effective Date" shall mean January 15, 2019;
- 1.1.7 "End-Users" shall mean the ultimate users of a Product or Service;
- 1.1.8 "Entity" shall mean a corporation, an association, a joint venture, a partnership, a trust, a business, a Governmental Body or any entity or organization capable of having independent legal standing;
- 1.1.9 "Fair Market Value" shall mean the highest price, expressed in Canadian dollars, that a property or asset would bring in an open and unrestricted market between a willing buyer and a willing seller who both are knowledgeable, informed, and prudent, and who are acting independently of each other;
- 1.1.10 "Field of Use" shall mean all fields of use;
- 1.1.11 "First Commercial Sale" means, on a Product-by-Product basis, the first sale or other disposition of a Product in any country;



- 1.1.12 "**Governmental Body**" shall mean (i) any domestic or foreign national, federal, provincial, state, municipal or other government or body; (ii) any international or multilateral body; (iii) any subdivision, ministry, department, secretariat, bureau, agency, commission, board, instrumentality or authority of any of the foregoing governments or bodies; (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or on behalf of any of the foregoing governments or bodies; or (v) any domestic, foreign, international, multilateral or multinational judicial, quasi-judicial, arbitration or administrative court, grand jury, tribunal, commission, board or panel.
- 1.1.13 "**Gross Revenues**" shall mean (i) the gross amount of income received by the Licensee or its Affiliates from the Commercialization of a Product or Service by Licensee or its Affiliates (including but not limited to distributors (e.g. Apple), wholesalers and End-Users of Products or Services), and, (ii) provided that Licensee no longer possesses equity share capital in Licensee, any and all cash and non-cash considerations, including equity share capital, received by Licensee or its Affiliates from the assignment or transfer of this Agreement or any of Licensee's rights hereunder which shall comply with Article 11.1 herein. Equity considerations received by Licensee or its Affiliates from the assignment or transfer of this Agreement or any of Licensee's rights hereunder shall be payable to Licensee in cash or in such equity, at Licensee's discretion.
- 1.1.14 "**Improvements**" shall mean any and all further innovations, inventions, ideas, designs, concepts, discoveries, developments, new derived material and modifications or enhancements related to or concerning the Technology, whether or not patentable, or otherwise protectable as trade secrets or under any other intellectual property regime, which cannot be Used without infringing a Valid Claim and which are brought to practice, conceived, developed or acquired after the Effective Date.
- 1.1.15 "**Intellectual Property**" shall mean any and all intellectual property, including without limitations, designs, reports, results, discoveries, information, analysis, software, models, scientific formulae, devices, processes and protocols, algorithms, methods, patterns, drawings, data, works, inventions (patentable or not), patent applications, patents, know-how, trade secrets and utility models and includes any and all related rights, including copyright.
- 1.1.16 "**Inventor**" shall mean Shannon Lehna and Nathalie Laflamme.
- 1.1.17 "**Inventions**" shall mean:
- (a) the invention entitled "PCI/CA2018/000157: SMART BODY SHAPING SYSTEM" described in the invention disclosure attached hereto in Schedule 1;
- 1.1.18 "**Liability**" or "**Liabilities**" shall mean losses, damages, fines, costs, liabilities and expenses (including but not limited to the reasonable fees, costs and expenses of attorneys and other professional and court costs) based on any civil, criminal, statutory or regulatory claims of liability;
- 1.1.19 "**Licensee's Improvements**" shall have the meaning ascribed to that term in Article 6.1.3;



1.1.20 "Licensor's Improvements" shall have the meaning ascribed to that term in Article 6.1.1;

1.1.21 "Maintenance and Support Services" shall mean the maintenance and support services to be provided by Licensee or its Affiliates to End-Users to correct a defect in the Product. If any fees are charged by Licensee or its Affiliates for such "Maintenance and Support Services", such fees shall exclude any fees payable by the End-Users for the Use of the Product and valued at their Fair Market Value, which shall be considered as Net Sales or Sublicense Revenues;

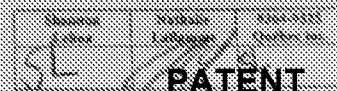
1.1.22 "Net Sales" shall mean the Gross Revenues, less, if applicable, the following items paid by Licensee or its Affiliates with respect to sales of such Product or Service, provided and to the extent that such items are actually incurred or allowed, that such items are documented through proper invoicing or otherwise, that Licensee or its Affiliates have not received, directly or indirectly, a reimbursement by a third party for such items and that such items do not exceed reasonable and customary amounts in the market in which such sales occurred:

- (a) credits or allowances granted for billing errors, damaged, outdated, returned, rejected or recalled Products, retroactive price reductions;
- (b) trade and quantity discounts other than early pay cash discounts actually taken;
- (c) chargebacks and rebates;
- (d) excise taxes, sales taxes, customs duties, customs levies and import fees imposed on the sale, importation, use or distribution of Products or Services, to the extent included and separately stated in the invoice;
- (e) bad debts relating to sales of a Product or a Service that are actually written off in accordance with the Generally Accepted Accounting Principles (GAAP) of Canada or IFRS, consistently applied.

All of the foregoing deductions from the Gross Revenues of Products or Services shall be determined in accordance with the Generally Accepted Accounting Principles (GAAP) of Canada or IFRS. Sales between or among Licensee and its Affiliates shall be excluded from the computation of the Net Sales, but Net Sales shall include the first sales to third parties by any Affiliate;

Where Products are not sold separately, but are sold in combination with or as part of other products ("Combined or Composite products"), Net Sales of the Products so sold will be calculated for the purpose of computing Royalties due by applying to the total Net Sales (as herein defined) of the Combined or Composite products a fractional multiplier having as its denominator the total manufacturing cost of the Combined or Composite products (determined in accordance with Licensee's customary accounting procedures) and as its numerator the manufacturing cost of the included Products (similarly determined);

1.1.23 "Option" shall have the meaning ascribed to that term in Article 6.1.1;





- 1.1.24 "Party" or "Parties" shall mean any of the Licensor or Licensee and, when used in the plural, shall mean Licensor and Licensee.
- 1.1.25 "Patents" shall mean (i) the patents or patent applications claiming the Inventions or the Software, or any part thereof listed in Schedule 2 attached hereto; (ii) any and all patent applications which claim priority from the patents or patent applications referred to in (i) above; (iii) all and any patents granted pursuant to the patent applications referred to in (i) or (ii) above; (iv) any and all extensions of term of the patents referred to in (ii) above (including but not limited to supplementary protection certificates); and (v) any and all reissues, substitutions, continuations, divisions, continuation-in-part, provisional and confirmation applications based on and including any subject matter claimed in any of the aforementioned patent applications and/or patents.
- 1.1.26 "Products" shall mean any method or process, composition, product or part thereof derived from, made with or that otherwise use or incorporate the Technology.
- 1.1.27 "Royalty Period" shall mean each Calendar Year.
- 1.1.28 "Services" means any and all services, activities, jobs, tasks or works or part thereof embodying, prepared with, rendered with, using or covered by, in whole or in part, the Technology. Notwithstanding the foregoing, "Services" shall exclude the Maintenance and Support Services.
- 1.1.29 "Software" shall mean the software described in the invention disclosures attached hereto in Schedule 1 relating to invention "PCT/CA201K/000157: SMART BODY SHAPING SYSTEM", including its Source Code.
- 1.1.30 "Source Code" shall mean the source code of the Software and all technical information and documentation required to enable Licensee to modify and operate the Software.
- 1.1.31 "Sublicensee" shall mean any arm's length individual or Entity to which a sublicense was granted by Licensee or its Affiliates. "Sublicensee" shall exclude an "End-User".
- 1.1.32 "Sublicense Revenues" means any and all payments or other consideration that Licensee or any of its Affiliates receives from Sublicensee in consideration for the grant of a sublicense under the Technology, including (i) royalties on sales of Products and Services within the Territory; (ii) sublicense issue fees; (iii) annual sublicense maintenance fees; (iv) minimum royalty payments; (v) milestone payments; and (vi) equity interest in the sublicensee received by Licensee or its Affiliates. Any non-cash consideration received by Licensee or its Affiliates from any sublicensee will be valued at its Fair Market Value, which shall mutually be determined by Licensee and Licensor. Equity considerations received from a sublicensee shall be payable to Licensor in cash or in such equity, at Licensee's discretion.
- 1.1.33 "Sublicense Royalties" shall have the meaning ascribed thereto in Article 3.2.1;
- 1.1.34 "Term" shall have the meaning ascribed thereto in Article 11.1;
- 1.1.35 "Technology" means the Inventions, the Software and the Patents;
- 1.1.36 "Territory" shall mean all the countries of the world.



- 1.1.37 "Use" shall mean any form of practice, utilization, development or exploitation and is not limited to the definition of "use" as is provided under any intellectual property legislation and
- 1.1.38 "Valid Claim" shall mean a claim of (i) a pending patent application, or (ii) an issued and unexpired patent included within the Patents which has not been revoked or held unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, and which decision is not appealable or has not been appealed within the time allowed for appeal, and which claim has not been disclaimed, denied or admitted to be invalid or unenforceable through renunciation, re-examination or disclaimer or similar action or inaction.

### 1.2 Preamble and Schedules

- 1.2.1 The preamble herein and the schedules attached are incorporated into this Agreement by reference and are deemed to be part hereof.

### 1.3 Interpretation Not Affected by Headings of Party Drafting

- 1.3.1 The division of this Agreement into articles, sections, subsections and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this License Agreement", "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

### 1.4 Number and Gender

- 1.4.1 In this Agreement, unless there is something in the subject-matter or context inconsistent therewith (i) words in the singular number include the plural and such words shall be construed as if the plural had been used where the context so requires; (ii) words in the plural include the singular and such words shall be construed as if the singular had been used where the context so requires; and (iii) words importing the use of any gender shall include all genders where the context or Party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

### 1.5 Accounting Principles

- 1.5.1 Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the Generally Accepted Accounting Principles (GAAP) of Canada or PPS.

### 1.6 Language

- 1.6.1 The Parties hereto declare that it is their wish that this Agreement be drawn up in English. Should any notice, document or agreement related to this Agreement be written in a language other than English, the Party who is giving such notice, document or agreement shall provide the other Party with an English translation, certified in writing to



be a true and exact translation by a signed statement of an officer of that Party, at its own cost.

## 1. GRANTS

### 2.1 Grant of License

2.1.1 Subject to the terms and conditions of this Agreement, including the rights reserved described in Article 2.3 hereunder, and in consideration of Royalties and Sublicense Royalties being duly reported and paid in accordance with this Agreement, Licensor hereby grants to Licensee an exclusive license, under the Technology, to Commercialize the Products and the Services in the Territory and in the Field of Use.

2.1.2 The license rights granted to Licensee pursuant to Article 2.1.1 shall extend to Affiliate(s) of Licensee subject to the same terms and conditions hereof, provided that such Affiliate(s) agree(s) in writing to be bound by this Agreement as if it were party to same.

### 2.2 Right to sublicense

2.2.1 The license rights granted under this Agreement shall also include the right for Licensee to grant sublicenses to Sublicensees, subject to the following conditions:

(a) Within thirty (30) days after the execution of a sublicense agreement, as authorized herein, Licensee shall (i) confirm to the Licensor, in writing, that such sublicense was in fact granted and (ii) forward to Licensor a copy of the executed sublicense. If such sublicense is written in a language other than English, Licensee shall provide Licensor with an English translation of the sublicense in accordance with Article 1.6;

(b) Any sublicense granted by Licensee shall impose obligations, responsibilities and standards upon any Sublicensee that, in all material respect, are no less than those imposed on Licensee hereunder. Without limiting the generality of the foregoing, Licensee shall require its Sublicensees to comply with Article 5 of this Agreement, including to keep books and records as set forth in such Article 5 and to make such books and records open for Licensor's inspection. Each sublicense shall specifically make reference to this Agreement as well as to all rights retained by Licensor or required to be granted back to Licensor from Licensee or the Sublicensee;

(c) Unless otherwise agreed between Licensor and Licensee in writing, each sublicense agreement shall include a provision stating that the sublicense agreement shall automatically be modified or terminated, in whole or in part, upon any modification or termination, in whole or in part, of this Agreement. Such modification or termination of the sublicense agreement shall be consistent with and reflect the modifications made, or termination of, this Agreement. Copies of amendments or modifications to a sublicense agreement shall be provided to Licensor in accordance with the provisions herein;

(d) In the case where Licensor has given its prior written consent to the terms and conditions of a sublicense, then said sublicense shall be taken-over directly by Licensor should this Agreement be terminated. For such provision to apply,

Shannon Tehua	Nathalie Leflamand	9064-9325 Quebec Inc.
<i>ST</i>	<i>NL</i>	<i>Q</i>

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Licensee shall provide Licensor with a proposed draft of the sublicense agreement at least thirty (30) days prior to the expected execution date of such sublicense for Licensor's comments and approval, which Licensor's approval may not be unreasonably withheld. In the event that Licensor does not provide its comments and/or approval within a delay of fifteen (15) days following the receipt of such draft, Licensor's approval will be deemed given. Notwithstanding the foregoing, Licensor shall be under no obligation to take-over a sublicense if the termination of this Agreement results from the Sublicensee's default to perform its obligations towards the Licensee, and/or if in Licensor's reasonable opinion, such taking-over of the sublicense by Licensor would be detrimental to Licensor's then current interests.

- (e) Licensee shall be solely responsible for the enforcement of the terms of any sublicense, for collection of sums due thereunder and for inspecting the accounts and records kept by the Sublicensee; and
- (f) No sublicense agreement shall relieve Licensee of any of its obligations under this Agreement, including the obligation to pay any sums due, including the Royalties, pursuant to the terms and conditions of this Agreement.

### 2.3 Rights Reserved

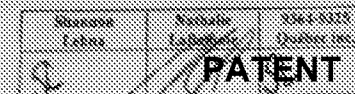
- 2.3.1 Notwithstanding the exclusive license granted herein, the Inventor shall keep their unlimited and royalty free rights to Use the Technology for their own academic and non-commercial purposes only, including teaching, research and continuing research, development testing and all other non-commercial practice or utilization of the Technology, subject to the confidentiality restrictions set forth in Article 10 hereunder.

### 2.4 Source code

- 2.4.1 Licensee and its Affiliates shall not disclose nor distribute the Source Code to any third party, except with the express written consent of Licensor, which shall not be unreasonably withheld and which shall be obtained prior to such disclosure or distribution. Notwithstanding the foregoing, Licensee will be authorized to disclose the Source Code to the Sublicensees, provided that such Sublicensees agree to be bound by the confidentiality obligations set forth herein. Without limiting the generality of the foregoing, in no event shall Licensee or its Affiliates or any Sublicensees disclose or distribute the Source Code to the End-Users.

### 2.5 No Further Grant

- 2.5.1 This Agreement shall not be interpreted or construed as granting to Licensee any rights, express or implied, by estoppel or otherwise, to any patents, patent applications, trademarks, copyrights, inventions, methods, technical information, confidential information, proprietary information, expertise, know-how, trade secrets or knowledge not specifically licensed under this Agreement and all rights not expressly granted to Licensee by this Agreement are expressly reserved by Licensor. The words used in this Article are intended to have their broadest possible meanings and are not to be limited by the definitions set forth herein.



- 3.5.2 No license is granted hereunder to Use the Technology for any reason and in any products or services other than in the Products or Services in the Field of Use and in the Territory for which Royalties are payable.

### 3. LICENSE CONSIDERATION

#### 3.1 Earned Royalties and Strategic Competitive Advantage

- 3.1.1 As of the first Royalty Period and while this Agreement is in effect, Licensee shall pay Licensor a royalty of twenty percent (20%) on Net Profits (the "Royalties").
- 3.1.2 Licensee acknowledges and agrees that the license granted under the present Agreement constitutes a strategic competitive advantage for Licensee. Notwithstanding any provision in this Agreement to the contrary, the Parties agree that the obligations of Licensee to pay the Royalties stipulated in Article 3.1.1 shall not cease in a country where there are no Valid Claims.

#### 3.2 Sublicense Royalties

- 3.2.1 In the event that a sublicense is granted to a third party in the manner set forth in Article 2.2, then Licensee shall pay to Licensor twenty percent (20%) on any Sublicense Revenues (the "Sublicense Royalties").

### 4. DILIGENCE AND PERFORMANCE MILESTONES

#### 4.1 Diligence

- 4.1.1 During the Term of this Agreement, Licensee shall use diligent efforts to develop Products and Services and to introduce Products and Services into the commercial market as soon as practicable and consistent with sound and reasonable business practice and judgement, in order to maximise Net Sales. Commercialization shall be achieved, pursuant to Licensee's own diligent programs to exploit the Technology, which may include research, development, manufacturing and marketing programs. Licensee shall notify Licensor, in writing, of the date of the First Commercial Sale.

### 5. ACCOUNTING AND REPORTS

#### 5.1 Books and Records

- 5.1.1 Licensee shall keep at its own expense accurate books of account and records, using accepted accounting principles, detailing all data necessary to calculate and audit any payments due to Licensor under this Agreement.
- 5.1.2 Upon receipt of a five (5) day notice, Licensee's records shall be open for inspection and audit by a duly authorized independent chartered accountant designated by Licensor to ascertain compliance and the accuracy payments under this Agreement. The audit may be performed at any time within the year after the end of any reporting period to which the books of account pertain and shall be performed during normal business hours at Licensee's principal place of business or at such other site as may be agreed upon by Licensor and Licensee.

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5.1.3 Information gained in such an audit and all books of account shall be treated as Confidential Information. Licensor agree to impose a similar requirement of confidentiality on any agent appointed by Licensor to conduct the audit.

5.1.4 Licensee shall keep such books and records available for inspection by a duly authorized certified accountant acting on behalf of Licensor for a period of seven (7) years following the end of the Calendar Year to which such books and records relate.

## 5.2 Costs

5.2.1 The audit referenced in Article 5.1.2 shall be at the expense of Licensor. If the audit shows that Licensee has paid less than required under this Agreement, Licensee shall promptly pay the additional amount due together with interest as required under this Agreement for late payments. If the amount of underpayment exceeds five percent (5%) of the amount due to Licensor, Licensee shall pay the full cost of the audit. Any overpayment amount shall be credited against future Royalties or other consideration owed to Licensor.

## 5.3 Payments & Reports

5.3.1 Each payment made to Licensor shall be accompanied by a written report summarizing financial information in sufficient detail to allow Licensor to verify all payments made and the data used to calculate the amounts paid. Each report pertaining to royalty payments for the applicable Royalty Period shall specifically include the following, as applicable:

- (a) Amount of Net Sales for the relevant Royalty Period;
- (b) Nature and amount of any deductions applicable to each sale of Products to calculate the Net Sales for the relevant Royalty Period;
- (c) Number of Products sold or Services performed with the date, price and currency for each sale or performance;
- (d) Royalties due;
- (e) All income derived from each sublicense, including cash and non-cash Sublicense Revenues;
- (f) All consideration derived from the assignment or transfer of this Agreement or any Licensor's rights hereunder, pursuant to Articles 1.1.13 and 13.1 herein;
- (g) Licensee's Improvements developed or created by Licensee in the preceding year.

5.3.2 Licensee will provide detail on any of the above data which is available to Licensee upon reasonable request from Licensor.

5.3.3 Any amount due to Licensor shall accrue at the time Licensee receives payment for a Product or a Service or receives Sublicense Revenues. All amounts accrued for the



benefit of Licensor shall be deemed held in trust for the benefit of Licensor until payment of such amounts is made pursuant to this Agreement.

- 5.3.4 Unless otherwise specified in this Agreement, all amounts due to Licensor under this Agreement shall be paid to the Licensor, deposited in a bank account designated by Licensor, within sixty (60) days following the end of the Royalty Period in which such payment accrues.
- 5.3.5 All reports submitted by Licensee to Licensor in accordance with the provisions of this Article 5.3 will be deemed Licensee Confidential Information. Licensor may remit a copy of such report to the Inventor as long as they are bound by confidentiality obligations.

#### 5.4 Currency

Licensee shall make payment of amounts due to Licensor under this Agreement in Canadian Dollars. If any payment amount due to Licensor is derived from a currency other than Canadian dollars, said amount will be converted into Canadian dollars using the daily spot rate for that currency as quoted by the Bank of Canada on the last business day of the Royalty Period in respect of which the Royalties are due.

#### 5.5 Taxes

All applicable federal and provincial taxes will be added to any amounts due to Licensor under this Agreement. Notwithstanding the foregoing, Licensor hereby agrees that the taxes due by Licensee for the issuance of the Initial Shares may be payable to Licensor only upon reimbursement to Licensee of such taxes by the authorities, provided that the reimbursement request is made by Licensee to the authorities within a reasonable delay following the issuance of the Initial Shares and that such request is transmitted to Licensor at the same time it is submitted to the authorities.

#### 5.6 Interest

Any amount due to Licensor under this Agreement and made to Licensor more than thirty (30) days after the delay stipulated herein for its payment shall bear interest at a yearly interest rate of three (3) point above the prime business rate of the Bank of Canada (or any successor entity), said interest to be calculated daily, starting on the 31<sup>st</sup> day after the end of said delay until payment to Licensor.

### 6. IMPROVEMENTS

#### 6.1 Ownership of Improvements and Grant of Licenses

- 6.1.1 All improvements made the Inventor shall be the sole and exclusive property of the Inventor (subject to third parties' rights) ("Licensor's Improvements"). Licensor hereby grants to Licensee the exclusive option to obtain a license to Use and commercially exploit any and all Licensor's Improvements under the same terms and conditions as in this Agreement (the "Option").
- 6.1.2 Licensor agrees to notify Licensee in writing of each Licensor's Improvement promptly following creation or development thereof. Upon the written request of Licensee (the "Written Request") which shall be made within thirty (30) days following



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the reception by Licensee of Licensor's aforementioned notice, Licensor shall deliver to the Licensee a description of the Licensor's Improvement in question and a copy of data and specifications concerning such Licensor's Improvement which are within its possession. Licensee shall have ninety (90) days from receipt by it of the aforementioned description, data and specifications to signify Licensor by written notice that it wishes to exercise the Option (the "Acceptance Notice"). Following the Acceptance Notice, the said Licensor's Improvement shall, provided that the assignment set forth in Article 6.1.1 has occurred, be exclusively licensed to Licensee under the same terms and conditions as in this Agreement and such Licensor's Improvement shall be deemed to be covered by the definitions of "Technology", "Products" and "Services" under this Agreement and any patent application filed or patent issued with respect thereto shall be covered by the definition of "Patents" without the need to further amend this Agreement. It is understood and agreed that if the Licensee does not make the Written Request or does not send the Acceptance Notice within the aforementioned delay, then the Option shall automatically terminate and Licensor shall be authorized, without any restrictions whatsoever, to enter into any agreement with third parties with respect to such Licensor's Improvement, including for the assignment or license of such Licensor's Improvement.

6.1.3 All Improvements made by Licensee (the "Licensee's Improvements") shall be the sole and exclusive property of Licensee. Licensee acknowledges and agrees that the Licensee's Improvement shall, for the purpose of Article 3, be covered by the definitions of "Technology", "Products" and "Services" under this Agreement and, consequently, Licensor shall receive Royalties and Sublicense Royalties for the Commercialization of such Products and Services, without the need to further amend this Agreement. For clarity purposes, Licensee shall be responsible of the management, including filing, prosecution, maintenance and defense, of any patents or patents applications claiming a Licensee's Improvement, and of the payment of any costs and expenses incurred in relation to such management.

6.1.4 Licensee and Licensor acknowledge the Inventor shall have the right to Use the Licensor's Improvements and the Joint Improvements for their own academic and non-commercial purposes only, including teaching, research and continuing research, development testing and all other non-commercial practice or utilization of the Licensor's Improvements and the Joint Improvements, subject to the confidentiality obligations set forth in Article 10 hereunder.

## 7. PATENT COSTS & MAINTENANCE

### 7.1 Patent Filings and Maintenance

7.1.1 During the Term, Licensor shall (i) confer, consult and give due consideration to Licensee's comments as to appropriate protection and decisions for the Patents within the Field of Use; and (ii) furnish or have furnished to Licensee copies of documents and disclose information relevant to the same in due time, so that Licensee may review and provide input thereto to Licensor. Licensor shall select and retain the services of a reputable firm of patents agents for the filing, prosecution and maintenance of the Patents ("Patent Management") and shall give the instructions to such patent agents regarding any decision concerning such Patent Management. In the case of any disagreement between the Parties with respect to the Patent Management,



**PATENT**



such disagreement will be ultimately decided by Licensor, at Licensor's sole discretion.

7.1.2 Upon execution of the Agreement and during the Term of this Agreement, Licensee shall assume all costs and expenses incurred in relation to the Patent Management (including annual maintenance fees) of the Patents ("Patent Costs") and shall pay such Patent Costs to Licensor within thirty (30) days following receipt of the request and copy of the supporting documents thereof (such as invoices for the Patent Costs). Without limiting the foregoing, Licensee agrees and undertakes to assume all Patent Costs relating to the filing, prosecution, and maintenance of the Patents within the Field of Use in at least the United States and Canada.

7.1.3 If during the prosecution or the maintenance of the Patents, Licensee does not wish to assume Patent Costs relating to a Patent in the Field of Use, Licensee shall notify Licensor no less than sixty (60) days prior to any patent prosecution bar date so that Licensor may assume the Patent Costs for the continued prosecution or maintenance of that Patent. If Licensor so elects, Licensee will, at Licensor's request and costs, provide to Licensor all information, documentation and assistance which Licensor may reasonably require to enable it to continue the aforementioned prosecution and/or maintenance. Licensee agrees that such Patent will be excluded from the license granted herein.

## 8. INFRINGEMENT

### 8.1 Third Party Claims

8.1.1 Should Licensor or Licensee become aware that a third party has made or threatens to make a claim (i) that the Technology or any material part thereof, infringes its Intellectual Property rights, or (ii) challenging validity or ownership of a Patent (each a "Third Party Claim"), then Licensor and Licensee agree that (i) they shall each give the other Party prompt written notice detailing as many facts as possible concerning the Third Party Claim, and (ii) shall consult with each other to decide which action, if any, should be taken in respect of the Third Party Claim.

8.1.2 Notwithstanding the foregoing, Licensee shall, during the Term have the first right, but shall not be obliged, to take such action, legal or otherwise (including but not limited to commencing and conducting court proceedings in its own name or in the joint names of the Parties) as it may deem appropriate and commercially reasonable in the circumstances to defend any Third Party Claim at its own expense.

8.1.3 Licensor shall, upon Licensee's request and at the expense of the Licensee, provide Licensee with all reasonable information, documentation and assistance (including but not limited to executing documents and be a party to a procedure) which Licensee may reasonably require to enable Licensee to take any action or commence or conduct any proceedings pursuant to Article 8.1.2.

8.1.4 Licensee will at all times keep Licensor informed as regards progress of any Third Party Claim which the Licensee has, pursuant to Article 8.1.2, elected to pursue. Licensee will (provided that Licensee has confirmed to Licensor in writing that all costs relating to the



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settlement, including but not limited to sums to be paid to third parties as compensation, costs or damages, of the relevant action or proceedings, will be borne by Licensee) have sole discretion in relation to the conduct and settlement of any Third Party Claim, except where any settlement involves an admission of wrongdoing on the part of the Licensor in which case Licensee will not settle the relevant proceedings without the prior written consent of Licensor.

8.1.5 Licensee shall be entitled to all amounts recovered in consequence of any action taken or proceedings conducted pursuant to Article 8.1.2. Should Licensee elect not to take any action to defend any Third Party Claim within sixty (60) days of the written notice pursuant to Article 8.1.1 herein, Licensor shall have the right, but not the obligation, to defend such Third Party Claim at its own expense, in which case, notwithstanding anything to the contrary herein contained, Licensor shall be entitled to all amounts recovered in such action. Licensor will at all times keep Licensee informed as regards progress of any action taken or proceedings raised by Licensor against a third party pursuant to this Article 8.1.5. Should Licensee elect not to take any action to defend such Third Party Claim, the license rights granted to Licensee through this Agreement for the country in the Territory to which the Third Party Claim relates may, at Licensor's discretion, either be terminated or become non-exclusive rights for such country.

8.1.6 The Parties may elect in writing, without being obliged to do so, to defend any Third Party Claim jointly in which case the Parties will share in the amounts recovered in the same proportion (*pro-rata*) as to the amounts invested by same Parties in order to cover the costs and expenses related thereto.

## 8.2 Prosecution of Infringement Claims

8.2.1 Should either Party become aware of any infringement, misappropriation or violation or potential infringement of the Technology (the "Infringement"), such Party shall give the other Party prompt written notice thereof detailing as many facts as possible with respect thereto.

8.2.2 Licensee shall, at its own expense, have the first right, provided that the action is brought by Licensee within a delay of six (6) months following the notice of infringement set out in Article 8.2.1: (i) to bring suit for Infringement within the Field of Use in its own name or, if required by law, jointly with Licensor, at Licensee's expense and on its own behalf; (ii) in any such suit to enjoin Infringement, to collect damages, profits and awards of whatever nature recoverable for such Infringement; and (iii) to settle any claim or suit for Infringement by granting the infringing party a sublicense as authorized by this Agreement, except where any settlement involves an admission of wrongdoing on the part of the Licensor in which case Licensee will not settle the relevant proceedings without the prior written consent of Licensor. For the monies recovered upon the final judgment or settlement of any suit to enforce any Patents in the Field of Use, such monies shall be considered as Sublicense Revenue and Licensee shall pay to Licensor the amount due in accordance with Article 3.2. Licensee shall at all times keep Licensor informed as regards progress of any action taken or proceedings instituted by Licensee against a third party pursuant to this Article 8.2.2.

8.2.3 Should Licensee decide not to bring an action against the infringer pursuant to Article 8.2.2, Licensor shall have the right, but not the obligation, at its own expense and for its benefit, to bring any action it deems necessary to stop the Infringement and recover any

Shannon Lefors	Nathan Lefors	Shannon Lefors
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

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damages, profits, and awards which might be obtained. Additionally, should Licensor decide not to bring such Infringement action, any exclusive license rights granted to Licensee through this Agreement for the country in the Territory to which such Infringement relates shall automatically become non-exclusive rights, and thereafter, Licensor shall have the exclusive right to grant license rights to the Technology in such country to third parties.

- 8.2.4 Each Party shall, on the request and at the expense of the other Party, provide to such other Party with all reasonable information, documentation and assistance (including but not limited to executing documents) which may reasonably be required by such other Party to enable it to take any action or commence or conduct any proceedings pursuant to Articles 8.2.2 or 8.2.3.
- 8.2.5 Nothing in this Agreement shall be construed as obliging Licensor to institute, prosecute or defend legal actions or other proceeding against a third party.
- 8.2.6 The Parties may elect in writing, without being obliged, to bring an action against a potential infringer jointly in which case the Parties will share in the amounts recovered in the same proportion (*pro-rata*) as to the amounts invested by same Parties in order to cover the costs and expenses related thereto.

## 9. REPRESENTATIONS, WARRANTIES AND COVENANTS

### 9.1 Mutual Representations and Warranties

- 9.1.1 Licensor hereby represents and warrants for itself to Licensee, and Licensee hereby represents and warrants to Licensor, that (a) it has full power and authority to enter into and perform its obligations pursuant to this Agreement; (b) the person signing this Agreement on its behalf has the authority to do so and to bind that Party to the terms of this Agreement; (c) its entering into this Agreement and the transactions contemplated herein do not violate, breach or constitute a default under any of its contractual obligations relevant to this Agreement.

### 9.2 Licensee's Representations, Warranties and Undertakings

- 9.2.1 Licensee represents and warrants the following to Licensor:
- (a) this Agreement constitutes a valid and binding obligation of Licensee, enforceable in accordance with its terms, and each document to be executed by Licensee pursuant hereto, when executed and delivered in accordance with the provisions hereof, shall be a valid and binding obligation of Licensee, enforceable in accordance with its terms, except, in each case, to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application related to the enforcement of creditors' rights generally and general principles of equity;
- (b) the Initial Shares issued to Licensor will be issued in compliance with all applicable legislation and applicable Canadian securities laws, and such offer, issuance and sale are exempt from the prospectus requirements of applicable Canadian securities laws;



(c) upon the issuance of the Initial Shares, there will exist no:

(i) outstanding security held by any person which is convertible or exchangeable into shares, securities or rights in the capital of Licensee;

(ii) outstanding subscription, option, warrant, call, pre-emptive right, commitment or agreement of any nature whatsoever, written or verbal (other than this Agreement) obligating Licensor to issue, sell, purchase or transfer shares or securities which in any way relate to the authorized or issued capital of Licensee;

(iii) agreement, commitment or understanding of any nature whatsoever, written or verbal (other than this Agreement) which grants to any person the right to purchase or otherwise acquire or have a claim against issued and outstanding shares or securities of Licensee;

(iv) pre-emptive right to any person.

9.2.2 Licensee undertakes and agrees to have an unanimous shareholders agreement prepared and signed on or before January 15, 2019.

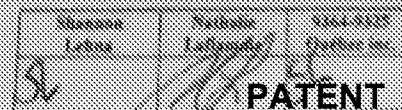
### 9.3 No Warranties

9.3.1 The Technology is licensed on an "AS IS" basis. Except for the limited representations and warranties given in the present Article 9, Licensor does not make any warranties or representations, legal, express, implied or otherwise with respect to the Technology, including with respect of patentability, validity, the scope of claims within Patents or whether or not the exercise of the rights licensed under this Agreement will result in the infringement of any Intellectual Property held by third parties. Licensee acknowledges that it has been advised by Licensor to undertake its own due diligence with respect to the Technology and any supporting scientific data. Nothing in this Agreement shall be interpreted as a warranty that the Technology will satisfy the need of Licensee or that use of the Technology shall lead to specific results, that use of the Technology will be error-free or uninterrupted, or that all defects or programming errors can be detected or corrected. All implied warranties of merchantability, fitness for a particular purpose and non-infringement of third party rights are expressly disclaimed and excluded. The entire risk as to the results and performance of the Technology and any Products or Services is assumed by Licensee.

## 10. CONFIDENTIALITY

### 10.1 Acknowledgement

10.1.1 The Parties may be required to disclose one to the other Confidential Information. In the protection of the confidentiality of such information, each Party shall use at least the same degree of care as it customarily uses to protect its own Confidential Information of like kind. The Parties agree to take reasonable actions and precautions to prevent the unauthorised use and disclosure of, and keep confidential, all such Confidential Information. In the interest of promoting open discussions between the Parties, it is recognized that oral Confidential Information will be communicated. To the extent



possible, the Disclosing Party shall provide the Recipient with a written summary of such oral Confidential Information within thirty (30) days of such disclosure. It is understood, however, that failure of either Party to reduce said oral Confidential Information to writing shall, in no way, alter the confidentiality obligations of the Recipient under this Agreement. The Parties agree that the specific terms and conditions of this Agreement shall be considered Confidential Information unless otherwise required by law or ordered by a Court of law. Notwithstanding the above, Licensee agrees to the disclosure of the existence of this Agreement in Licensor's activity reports made available to the public through its website and printed materials.

## 10.2 Use of Names and Publicity

10.2.1 Except as otherwise required by law, Licensor and Licensee shall not issue a press release or make any other public disclosure with regard to the existence of this Agreement or the terms thereof without the prior written approval of the other Party to such press release or public disclosure. Licensor and Licensee each agree that they shall submit any such press release or public disclosure to the other Party, and the receiving Party shall expeditiously review and approve any such press release or public disclosure, which approval shall not be unreasonably withheld. If the receiving Party does not respond within thirty (30) days of receipt of such submission, the press release or public disclosure shall be deemed to have been approved. Notwithstanding the above, Licensee agrees to the display of its logo and name in Licensor's activity reports made available to the public through the website and printed materials.

10.2.2 In the event a public disclosure is required by law, including without limitation in a filing with any securities and exchange commission, the disclosing Party shall use commercially reasonable efforts to secure confidential treatment of any Confidential Information of the other Party contained in such release (whether through protective orders or otherwise), prior to its disclosure. Licensor and Licensee, may disclose the terms of this Agreement to their actual or prospective investors or corporate partners and to their accountants, lawyers and other professional advisors provided that nothing in this Article 10.2 shall permit Licensor or Licensee, to release any information which is subject to an obligation of confidentiality pursuant to this Agreement or to jeopardize the trade secrets of the other Party.

## 11. TERM AND TERMINATION

### 11.1 Term of Agreement

11.1.1 The term of this Agreement (the "Term") shall commence on its Effective Date and, unless sooner terminated as provided hereunder, shall expire on the last of the following dates (the "Expiry"):

- a) The date on which there is no longer any Valid Claim;
- b) 20 years after the Effective Date.

### 11.2 Right to Termination

11.2.1 For cause. Upon giving a formal written notice of termination to the other Party, this Agreement may be terminated by a Party if the other Party commits a breach of any of the material terms of this Agreement and fails to cure such breach within thirty (30) days

Shantanu Laha	Nathana Laljiwani	5364-9325 Dorlier Inc.
SL		SL

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after being given a written notice containing full particulars of the breach and requiring it to be remedied.

11.2.2 **Falsification** Licensor may terminate this Agreement immediately by giving written notice to Licensee if Licensee or any agent acting for Licensee falsifies any report that is due to Licensor pursuant to this Agreement.

11.2.3 **Termination on Business Failure.** In the event Licensee ceases conducting business in a normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to, any proceeding under the federal *Bankruptcy and Insolvency Act* or any other statute of any province, state or country relating to insolvency or the protection of creditor rights, this Agreement shall automatically terminate at the occurrence of any such event.

11.2.4 **Challenge of Licensor's Patents.** The Licensor may immediately terminate this Agreement by giving written notice to Licensee if at any time during the Term the Licensee opposes or knowingly assists a third party (including an Affiliate or a Sublicensee) to oppose the issuance of any of the Patents or disputes or knowingly assists a third party to dispute the validity or ownership of any of the Patents or any of the claims contained in any of the Patents ("Patent Challenge"). Where Licensor decides to maintain the Agreement despite a Patent Challenge, Licensee shall thereafter pay to Licensor any Royalties due under this Agreement at a rate that is three times (3x) the rate specified under this Agreement, the whole starting in the Royalty Period during which the Patent Challenge commenced.

11.2.5 **Force Majeure.** Any delays in or failure of performance by either Party under this Agreement will not be considered a breach of this Agreement if and to the extent that such delay or failure is caused by occurrences beyond the reasonable control of that Party including, but not limited to, acts of god, acts, regulations and laws of any government, strikes or other concerted acts of workers, fire, floods, explosions, riots, wars, rebellion, and sabotage; and any time for performance hereunder will be extended by the actual time of delay caused by any such occurrence. If either Party is prevented from carrying out any of its material obligations under this Agreement for a continuous period of six (6) months, the other Party may terminate this Agreement by giving thirty (30) days prior written notice to the Party prevented from carrying out its obligations provided always that at the date on which the termination becomes effective the Party which was prevented from carrying out its obligations under this Agreement remains so prevented.

### 11.3 Effect of Termination

11.3.1 Expiry or termination of this Agreement shall not release Licensee or Licensor from any obligation or liability to the other, which shall have matured prior to termination, nor shall termination rescind or require repayment of any payment or consideration made or given by either Party, except as otherwise provided herein. If the terms of this Agreement expressly state that a right or obligation shall survive termination of this Agreement, such right or obligation shall survive termination to the degree necessary to allow complete fulfillment or discharge of the right or obligation. Articles 1, **Erreur ! Source du renvoi introuvable.**, 3.1, 5, 9, 10, 11, 12 and 13 of this Agreement shall survive termination or Expiry of this Agreement.

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- 11.3.2 Should this Agreement be terminated for any reason, Licensee shall cease all Use of the Technology and all Commercialisation of the Products and Services.
- 11.3.3 Except as specifically set out in Article 2.2.1(d), Licensor and Licensee both acknowledge that should this Agreement be terminated for any reason whatsoever or expire, all sublicenses entered into prior to the date of termination or Expiry of this Agreement will either also terminate or be taken over directly by Licensor, at Licensor's sole discretion.

## 12. INDEMNIFICATION AND LIMITATIONS OF LIABILITY

### 12.1 Limitations of liability

- 12.1.1 Licensor shall not incur any Liability resulting from this Agreement and in all cases Licensor shall not incur any indirect, incidental, special, or consequential Liabilities of any kind, including without limitation, lost business, lost savings, lost data, and lost profits, regardless of the cause and whether arising in contract (including fundamental breach), tort (including negligence), or otherwise, even if advised of the possibility of such Liabilities, in respect of its rights and duties under this Agreement.

### 12.2 Indemnification and Insurance

- 12.2.1 Licensee shall indemnify and hold harmless Licensor, its limited and general partners, as well as their respective directors officers, employees, faculty, students and agents, including the Inventor, (collectively, the "Licensor Indemnitees") from any claim, proceeding, loss, expense, and Liability of any kind whatsoever (including, but not limited to, those resulting from death, personal injury, illness or property damage and including legal expenses and reasonable attorneys' fees) brought by any person or entity (collectively, "Claims") against one or more of the Licensor Indemnitees arising out of, resulting from or related to the present Agreement, including the exercise by Licensee of any right granted herein, including the Use of the Technology, the breach of any Licensee's obligations, representations or warranties under this Agreement, and the Commercialization of any Products or Services, provided however, that (i) Licensor promptly notify Licensee in writing of any Claim brought against Licensor in respect of which indemnification may be sought and, to the extent allowed by law, shall reasonably cooperate with Licensee, at the latter's costs, in defending or settling any such Claim or suit; and (ii) Licensee has sole control of the defence and all related settlement negotiations.
- 12.2.2 Immediately following the First Commercial Sale, Licensee shall secure and maintain comprehensive general liability insurance including product liability, contractual liability, personal injury, and insurance against claims regarding the development, delivery, storage and handling and use of Products under this Agreement, in such amounts as it customarily maintains for similar products and activities in accordance with prudent insurance practice, but in no event less than five (5) millions dollars per occurrence and in the aggregate per year. Failure to maintain such insurance coverage shall be considered a material breach of this Agreement and Licensor shall have the right to terminate the Agreement in accordance with Article 11.3.1. Licensee shall on request furnish Licensor with certificates of insurance demonstrating compliance with its obligations pursuant to this Article 12.2.2.

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SL	SL	SL

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### 13. GENERAL PROVISIONS

#### 13.1 Assignment

Licensee shall not have the right to assign this Agreement nor any interest or rights hereunder, nor give them as a security interest or otherwise transfer them, without obtaining the prior written consent from Licensor which shall not be unreasonably withheld. Without limiting the generality of the foregoing, Licensee may not assign nor transfer this Agreement or any rights or obligations under this Agreement to any Affiliate, purchaser of all or substantially all of Licensee's assets or the assets of a business unit or division of Licensee or to a successor in interest of Licensee, or as part of a corporate reorganization, consolidation or merger.

#### 13.2 Disputes

The Parties hereto shall use reasonable efforts to settle amicably any dispute, controversy and claims arising out of this Agreement. Disputes, controversies and claims which cannot be settled through good faith negotiations, shall, unless by their nature they need to be brought immediately before the courts, be submitted, when permitted by law, to mediation by a mediator whose expertise appears relevant to the matter in question. Such mediator shall be chosen jointly by the Parties involved and the costs associated with mediation shall be shared equally by the Parties to this Agreement. If after ninety (90) days, the dispute or controversy has not been resolved by mediation or if no mediator can be agreed upon by the Parties, such dispute or controversy shall be exclusively resolved in the courts of Montreal, Quebec, Canada.

#### 13.3 Successors and Assigns

Subject to Article 13.1 hereof, the terms and provisions of this Agreement shall inure to the benefit of and be binding upon Licensee, Licensor and their respective successors and permitted assigns.

#### 13.4 Independence of Parties

Licensor and Licensee are independent entities engaged in independent businesses and neither Party nor any agent or employee of either Party shall be regarded as an agent or employee of the other. Nothing herein shall be construed as providing to either Party with the right to control the other in the conduct of its employees or business nor the authority to make any promise, guarantee, warranty or representation which will create any obligation or liability whatsoever, whether express or implied, on behalf of the other. Licensor and Licensee are not joint venturers or partners.

#### 13.5 Entire Agreement

This Agreement constitutes the entire agreement and understanding between Licensor and Licensee with respect to the Patents, Improvements and Intellectual Property related thereto, and any modification to this Agreement shall be in writing and shall be signed by a duly authorised representative of both Licensor and Licensee. This Agreement supersedes all prior written agreements and any and all representations that may have been made prior to this Agreement with respect to the subject matter of this Agreement.



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### 13.6 Further Assurances

Each of the Parties hereby agrees to duly execute and deliver or cause to be duly executed and delivered, such further instruments and to do and cause to be done such further acts and things, including, without limitation, the execution of documents required to enable the registration of the rights granted to Licensee pursuant to this Agreement in relevant patent offices and the filing of such additional assignments, agreements, documents and instruments that may be necessary or as the Parties may at any time reasonably request in connection with this Agreement or to carry out more effectively the provisions or purposes of or to better assure and confirm unto the Parties their rights and remedies under this Agreement.

### 13.7 Governing law

This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by and construed exclusively in accordance with the laws of the Province of Quebec and applicable Canadian laws, without giving effect to principles of conflicts of law.

### 13.8 Severability of Clauses

If any provision of this Agreement is determined to be illegal, against public order or otherwise unenforceable, it shall not in any way defeat, invalidate or render unenforceable any other provision of this Agreement and each such provision shall at all times be considered separate and severable in this Agreement.

### 13.9 Waiver

No waiver by either of the Parties of any breach of any provision hereof shall constitute a waiver of any other breach of any provision hereof.

### 13.10 Notices

Any notice, request, claim, demand, communication required by this Agreement shall specifically reference this Agreement, shall be in writing and may either be delivered in hand, by reputable courier service or be mailed with postage prepaid by certified or registered mail, return receipt requested, to the addresses set forth below or such other address for itself as any of the Parties may from time to time specify in writing to the other Party in accordance with this Article. Notice shall be deemed to have been given, in the case of delivery by hand or by reputable courier service, upon receipt, in the case of delivery by certified or registered mail, five (5) business days after posting and in the case of facsimile, on confirmation of receipt. For the purposes of this Article 13.10, a "working day" will be a day on which businesses are generally open for business in Canada but excluding Saturdays, Sundays and all bank and public (both regional and national) holidays.

If to Licensor: **Nathalie Laflamme**  
1-263 Bonet Street  
Repentigny, Quebec  
J5Z 4M4

And



**PATENT**

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Shannon Lehna,  
1015, Du Cimet-Pare Street,  
Sainte-Ambroise-de-Kildare, Quebec  
J0K 1C0

If to Licensee: 9364-9325 QUEBEC INC.  
1-263 Bonet Street  
Repentigny, Quebec  
J5Z 4M4

Attention of: Shannon Lehna, President

**13.11 Execution in Counterparts**

This Agreement may be executed in counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same instrument.

**13.12 Compliance with Law**

Each Party hereto shall comply with all applicable statutes, ordinances, rules, regulations, permits and orders imposed by any governmental authority on any activity of either Party hereunder.

**13.13 Exclusion of third party rights**

This Agreement does not create any legal rights, benefits or causes of action for any party other than the Licensor and Licensee.

[The remainder of this page was intentionally left blank.  
Signatures are on the following page.]

Shannon Lehna	Veronique Lefebvre	Quebec Inc.
<i>SL</i>	<i>VL</i>	<i>QL</i>

**SIGNATURE**

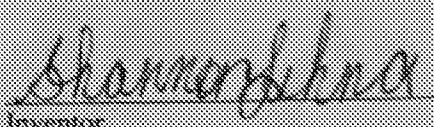
IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed in two (2) originals on its behalf by a duly authorized officer on the Effective Date.

(Licensor)

Nathalie Laffamme

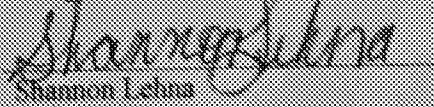
Per:   
Inventor

Shannon Lehma

Per:   
Inventor

(Licensee)

9364-9325 QUEBEC INC

Per:   
Shannon Lehma  
President

Shannon Lehma	Nathalie Laffamme	9364-9325 Quebec Inc
		

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