

IMPERIAL COLLEGE INNOVATIONS LIMITED

and

FOUNDER’S CHOICE LICENCE AGREEMENT

FC Licence Agreement

THIS FOUNDER'S CHOICE LICENCE AGREEMENT is made

BETWEEN

- (1) **IMPERIAL COLLEGE INNOVATIONS LIMITED** (incorporated in England and Wales under registration number 03918307) and whose registered office is Level 1 Faculty Building, C/O Imperial College, Exhibition Road, London SW7 2AZ, United Kingdom (the "**Licensor**"), a wholly-owned subsidiary of Imperial College of Science, Technology and Medicine incorporated by Royal Charter in England and Wales under number RC000231 ("**Imperial College**"); and
- (2) [•] [**LIMITED**] [**PLC**] (registered in [England and Wales] under number [•]) [the registered office of which] [the principal place of business of which] is at [•] (the "**Licensee**").

INTRODUCTION

- (A) The Licensee wishes to acquire a licence under the Licensed Intellectual Property Rights for the development and commercialisation of the Licensed Products and Services in the Field and in the Territory.
- (B) The Licensor, having obtained the necessary development and commercialisation rights from Imperial College, is willing to grant, and the Licensee is willing to take, such a licence on the terms of this Agreement.

AGREED TERMS

1. Schedules and Appendices

- 1.1 This Agreement shall include and incorporate by reference the attached Appendices A to C, and Schedules I to V inclusive as follows:

Schedule I	Definitions and Interpretations used in this Agreement.
Schedule II	<i>Intellectual Property and Scope</i> : A description identifying the Licensed Intellectual Property Rights and the Field and Territory of the rights granted in the Agreement and the identities of the Academic Founders.
Schedule III	<i>Payments</i> : A description of any and all financial or monetary amounts, fees, royalties, payments or their equivalents, to be paid to the Licensor in exchange for the rights granted in the Agreement.
Schedule IV	<i>Diligence and Commercialisation</i> : A description of the plans and objectives required to facilitate the production, creation, design, advancement, or development of the Licensed Products and Services from the rights granted in the Agreement.
Schedule V	<i>Encumbrances</i> : A description identifying the duties and obligations of the Parties required to satisfy any and all legal, financial, ethical, and other encumbrances or obligations required for the Licensor to provide the rights granted in the Agreement. The duties and obligations may be imposed either directly by Imperial College, or indirectly by Imperial College as the consequence Third Party agreements, or by legislation and regulations in existence at the time that applies to Imperial College.

- 1.2 All Schedules I to V inclusive are required to complete this Agreement. The absence of any Schedule shall make this Agreement voidable.
- 1.3 The terms and conditions of this Agreement, its Appendices and Schedules I and V shall control and prevail over any conflicting terms or conditions in Schedules II, III and IV.

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1.4 The terms and conditions of Schedule V shall control and prevail over any conflicting terms or conditions with this Agreement, its Appendices, and all other Schedules.

2. **Grant of Rights, Sublicenses, Reservation of Rights, Encumbrances, Option Agreement, and Assignment Agreement**

2.1 *Licence.* Subject to the terms and conditions of this Agreement, the Licensor hereby grants to the Licensee, and the Licensee hereby accepts a(n) (non)exclusive licence under the Licensed Intellectual Property Rights in the Field and in the Territory described and identified in Schedule II, to develop, manufacture, have manufactured, use, market, sell, have sold, supply and import Licensed Products and Services.

2.2 *Formal licences.* Each Party shall execute such confirmatory formal licences as requested by the other Party which are necessary or appropriate for registration of the rights granted under this Agreement with patent offices and other relevant authorities. Such formal licences shall so far as possible be in the form set out in Appendix A. In the event of any conflict in meaning between any such licence and the provisions of this Agreement, the provisions of this Agreement shall prevail. Prior to the execution of any such formal licences, the Parties shall so far as possible have the same rights and obligations towards each other as if such licences had been granted.

2.3 *Sub-licensing.* The Licensee may grant sub-licences of its rights under this Agreement, provided that:

- (a) subject to the provisions of clause 2.4, such sub-licence shall be on arm's length commercial terms;
- (b) such sub-licence shall be in writing and include obligations of confidentiality on the Sublicensee which are no less onerous than the obligations of confidentiality on the Licensee under this Agreement, and shall include provisions giving the Licensor the right to enforce such obligations against the Sublicensee;
- (c) each sub-licence shall terminate automatically and immediately upon termination of this Agreement under clause 10.
- (d) subject to:
 - a. this Agreement terminating for any reason other than expiry under Clause 10.1 or 10.3(d);
 - b. the requirements of the United Kingdom National Security and Investment Act 2021 ("NS&I Act") being met and satisfied;
 - c. the Sublicensee not being a Restricted Party;
 - d. this Agreement not having been terminated as a result of the acts or omissions of the Sublicensee including, but not limited to, arrangements or agreements, between the Licensee and Sublicensee or any actions of the Sublicensee that have significantly contributed to the termination of this Agreement; and
 - e. the Sublicensee requesting a licence agreement with the Licensor for same rights granted by the Licensee to the Sublicensee in applicable field, territory, and duration of the rights ("Sublicensee's Rights") at least thirty (30) days after the date of such termination of this Agreement under clause 10 for any reason;

the Licensor shall enter into a licence agreement with such Sublicensee for the field, territory, and duration of the rights granted by the Licensee to the Sublicensee ("Sublicensee Rights Agreement") as permitted under this clause 2.3 provided the Sublicensee acknowledges and agrees the Sublicensee Rights Agreement shall have the same or similar terms and conditions as this Agreement to maintain the Sublicensee's Rights in that:

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- a. the Licensor's liabilities to the Sublicensee in the Sublicensee Rights Agreement shall be no greater than the Licensor's liabilities to the Licensee in this Agreement;
 - b. the Licensor's obligations to the Sublicensee in the Sublicensee Rights Agreement shall be no more extensive than the Licensor's obligations to the Licensee in this Agreement;
 - c. the Sublicensee Rights Agreement shall contain the National Security and Investments Act and Disrepute Avoidance clauses as specified in this Agreement, or their equivalents at the time of execution of the Sublicensee Rights Agreement;
 - d. the Sublicensee shall agree to the same financial duties and obligations to the Licensor as agreed by the Licensee in this Agreement for the applicable field, territory, and duration of the Sublicensee Rights but shall have no obligations towards any financial duties and obligations of the Licensee except those required to maintain the Sublicensee's Rights; and
 - e. the Sublicensee shall assume the responsibilities of the Licensee under Clause 6 Intellectual Property for the applicable field, territory, and duration of the Sublicensee's Rights;
- (e) as soon as reasonably possible, and in any event within thirty (30) days after the grant of any sub-licence, the Licensee shall provide to the Licensor a true copy of it, provided that this paragraph (e) shall not apply to sub-licences that are granted to subcontractors of the Licensee for the sole purpose of allowing such subcontractors to carry out development or manufacturing services for the Licensee;
- (f) subject to the provisions of clause 2.4, such sub-licence shall provide that the Sublicensee is prohibited from granting further sub-licences. This prohibition shall not prevent the Licensee from permitting use of the Licensed Intellectual Property Rights by subcontractors of the Sublicensee for the sole purpose of allowing such subcontractors to provide development or manufacturing services to the Sublicensee; and
- (g) the Licensee shall be responsible for any act or omission of the Sublicensee that, if it were the act or omission of the Licensee would be a breach of this Agreement, as if the act or omission had been that of the Licensee under this Agreement, and the Licensee shall indemnify the Licensor and the other Indemnified Parties against any losses, damages, costs, fees, claims and expenses which are awarded against, or suffered by, the Licensor or any other of the Indemnified Parties as a result of any such act or omission of the Sublicensee.
- 2.4 *Special case of sub-licensing.* The Licensee shall be entitled to grant a sub-licence of its rights under this Agreement to any Affiliate of the Licensee and the requirements of clauses (a) and (e) shall not apply to such sub-licence, provided that (i) such sub-licence shall terminate automatically and immediately upon the sublicensee ceasing to be an Affiliate of the Licensee, (ii) all the requirements of clause 2.3 shall apply to any further sub-licences granted by such Affiliate, and (iii) for the avoidance of doubt, the Licensee shall pay to the Licensor a royalty on all Net Sales and all Net Receipts obtained by such Affiliate in accordance with the provisions of Schedule III.
- 2.5 *Reservation of Rights.* Except as provided under Clause 2.6, the Licensee acknowledges and agrees that the Licensor reserves for Imperial College, its Affiliates, employees, students, and other researchers the perpetual, irrevocable, non-exclusive, royalty-free, fully paid-up, worldwide right to use the Licensed Intellectual Property Rights, and may accept any external sponsorship to exercise such rights, for the purposes of teaching and carrying out research and development and to grant sub-licences to Third Parties for the same purposes.
- 2.6 *Reservation of Rights – Exception for Academic Founders' and the Academic Founder Researchers.* For the term of this Agreement the Licensor and Licensee agree to negotiate in good faith with Imperial College, and to not unreasonably withhold, approvals for Imperial College to accept commercial sponsorship to enable the Academic Founders and the Academic Founder Researchers to exercise their Reservation of Rights under Clause 2.5. For the avoidance of doubt without such

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agreement Imperial College will not accept commercial sponsorship to enable the Academic Founders and the Academic Founder Researchers to exercise their Reservation of Rights under Clause 2.5.

2.7 *Encumbrances.* The Licensee acknowledges and agrees that rights expressly granted by clause 2.1 are subject to the legal, financial, ethical, or other encumbrances or obligations as identified in Schedule V. The Licensee acknowledges and agrees to provide reasonable assistance to the Licensor, Imperial College, and its Affiliates in fulfilling the duties and obligations associated with the identified encumbrances and obligations in Schedule V. The Licensee further acknowledges and agrees that the rights expressly granted by clause 2.1 may be voided if an encumbrance or obligation in Schedule V is not met or fulfilled at any time during the term of this Agreement.

2.8 *Option Agreement.* Upon execution of this Agreement, the Parties shall commence the negotiation in good faith, on the basis of this Agreement, of an option agreement for additional Intellectual Property Rights of the Licensor, an example of which is specified in Appendix C.

2.9 *Assignment of Intellectual Property Rights - Requirements to commence the negotiation of Assignment Agreement.* Upon request by the Licensee on either:

- (a) the occurrence of an Exit Event; or,
- (b) the decision of the Licensor and Imperial College to agree with the objective analysis and assessment from the Licensee of the need for an assignment of Intellectual Property Rights to the Licensee based on the critical business needs of the Licensee and the needs of the Licensor and Imperial College to:
 - (i) satisfy all Third Party encumbrances and obligations placed on Imperial College and the Licensor on all Intellectual Property Rights licensed by the Licensor to the Licensee; and
 - (ii) maintain rights identified in this Agreement and any subsequent license agreements between the Parties, including but not limited the Rights of Reservation under Clause 2.5, the decision of the Licensor and Imperial College not to be unreasonably delayed or withheld;

the Licensor and Licensee shall commence negotiations on an Assignment Agreement with the Licensee of the Licensed Intellectual Property Rights granted in Clause 2.1 and any additional Intellectual Property Rights of the Licensor granted to the Licensee pursuant to an option agreement as specified under Clause 2.8.

2.10 *Assignment Agreement for Intellectual Property Rights – Negotiation.* This Agreement shall remain in force and effect throughout any negotiations on an Assignment Agreement commenced under Clause 2.9 and shall continue after the conclusions of negotiations if no Assignment Agreement has been reached between the Parties. The Parties agree that any negotiation of an Assignment Agreement for the Intellectual Property Rights of the Licensor granted to the Licensee in effect at the time of the negotiation shall be on terms and conditions that must consider:

- a) the future commercial value of this Agreement and any subsequent license agreements arising from an option agreement as specified under Clause 2.8 for the Licensor in effect at the time of the negotiation;
- b) the need to satisfy all Third Party encumbrances and obligations placed on Imperial College and the Licensor on all Intellectual Property Rights licensed by the Licensor to the Licensee in effect at the time of negotiation; and
- c) the need for the Licensor and Imperial College to maintain rights identified in this Agreement and in any subsequent license agreements arising from an option agreement as specified under

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Clause 2.8, in whole or in part, including but not limited to, the Rights of Reservation under Clause 2.5.

If no Assignment Agreement has been reached between the Parties the disputed issues shall be referred to an independent expert who shall be appointed and act in accordance with the provisions of Appendix B.

2.11 *Provision of Licensed Know-How.* The Licensor shall, within twenty-eight (28) Business Days after the Effective Date, provide the Licensee with copies of any Licensed Know-How to the extent that the Licensed Know-How identified in Schedule II has not already been provided to the Licensee.

2.12 *Reservation of all other rights.* Except for the rights expressly granted by Clause 2.1, the Licensor reserves all its rights. Without limiting the scope of the preceding sentence, the Licensor grants no rights to any intellectual property other than the Licensed Intellectual Property Rights in the Field and in the Territory described and identified in Schedule II and reserves all rights outside the Field and the Territory.

3. Consideration and Adjustments

3.1 *Monetary consideration.* Any and all payments of financial or monetary amounts, fees, royalties, payments, or their equivalents, to be paid by the Licensee to the Licensor in exchange for the rights granted in this Agreement are specified and described in Schedule III.

3.2 *Non-monetary consideration.* The Licensee shall neither enter into any agreement, nor permit any agreement to be made, under which any non-monetary Net Sales and any non-monetary Net Receipts are obtained or due to be obtained by the Licensee or its Affiliates, except with the prior written consent of the Licensor. Without limiting the scope of the preceding sentence, and without prejudice to clause 2.3, where the Licensor consents to the Licensee or its Affiliates accepting non-monetary Net Receipts in the form of shares, the Licensee shall, if so requested by the Licensor (at the Licensor's sole and absolute discretion), pay the royalty due under this Agreement on such Net Receipts by causing the appropriate percentage number of such shares to be transferred to, and registered in the name of, the Licensor. If the Parties disagree as to the cash value of any non-monetary receipt, such disagreement shall be referred to an independent expert who shall be appointed and act in accordance with the provisions of Appendix B.

3.3 *Combination Products and Bundled Services.* Provided the Licensor obtains timely and sufficient information from the Licensee to enable the Licensor to establish, without undue burden, that the Licensee has used Diligent and Reasonable Endeavours in its actions and decisions, should any Licensed Products and Services sold or supplied by the Licensee or any of its Affiliates be incorporated in, combined with, or sold or supplied as a Combination Product or Bundled Service and the Licensed Products and Services are not priced separately from the Combination Product and/or Bundled Service, the Net Sales of such Licensed Products and Services shall be deemed to be the fair market price at which the Licensed Products and Services are sold or supplied separately in the country of sale or supply. Such fair market price shall be deemed to be:

- (a) the mean average price of all such Licensed Products and Services sold or supplied separately in the relevant country in the twelve (12) months immediately preceding sale or supply of the Combination Product and/or Bundled Services (provided that the volume of Licensed Products and Services so sold or supplied is sufficient to enable a meaningful mean average price to be calculated); or
- (b) where such Licensed Products and Services are not sold or supplied separately in the relevant country, or where the volume of Licensed Products and Services sold or otherwise supplied in the relevant country is not sufficient to enable a meaningful mean average price to be calculated, that proportion of the Net Sales of the Combination Product and/or Bundled Services which can reasonably be attributed to the Licensed Products and Services as agreed by the Parties; or

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- (c) where such Licensed Products and Services are not sold or supplied separately in the relevant country, or where the volume of Licensed Products and Services sold or otherwise supplied in the relevant country is not sufficient to enable a meaningful mean average price to be calculated, and the Parties cannot agree, within a reasonable period, on the proportion of the Net Sales of the Combination Product and/or Bundled Services which is attributable to the Licensed Products and Services, the matter shall be referred to an independent expert who shall be appointed and act in accordance with the provisions of Appendix B and whose decision shall be final and binding on the Parties.

3.4 *Royalty stacking.* Provided the Licensor obtains timely and sufficient information from the Licensee to enable the Licensor to establish, without undue burden, that the Licensee has used Diligent and Reasonable Endeavours in its actions and decisions, should the Licensee (i) reasonably consider it necessary to obtain a licence from any Third Party (a “**Third Party Licence**”) in order to avoid infringing such Third Party’s patents in the course of the Licensee’s development, manufacture or sale of Licensed Products and Services, and (ii) the Third Party Licence provides that the Licensee shall pay such Third Party a royalty calculated as a percentage of the invoiced price of the Licensed Products and Services (a “**Third Party Royalty**”), then the Third Party Royalty payable on each Licensed Products and Services shall be deducted from the royalties payable by the Licensee to the Licensor in Schedule III on the Net Sales of the relevant Licensed Products and/or Services under this Agreement, provided that the Third Party Royalty is commercially reasonable and the amount of royalty payable by the Licensee to the Licensor in Schedule III shall be reduced by no more than the applicable percentage specified in Schedule III (“**Royalty Stacking Percentage**”). The deductions referred to in this clause shall only be made where (and to the extent that) the technology that is the subject of the Licensed Intellectual Property Rights cannot be used without infringing the rights that are the subject of the Third Party Licence (and shall not be made in respect of any other Third Party technology or Intellectual Property Rights that the Licensee chooses to use in the development, manufacture or sale of any Licensed Product).

4. **Payment Terms, Mechanisms, Exchange Controls, Statements, and Records**

4.1 *Payment frequency.* All payments, fees, royalties shall be paid as specified in Schedule III in respect of all Net Sales generated and all Net Receipts received during such time period and under such conditions as specified in Schedule III.

4.2 *Payment mechanism.* All sums due under this Agreement:

- (a) are exclusive of Value Added Tax, or equivalent sales tax, which where applicable will be paid by the Licensee to the Licensor in addition;
- (b) shall be paid in pounds sterling in cash by transferring an amount to the account specified in writing by the Licensor, and in the case of Net Sales generated and Net Receipts received by the Licensee in a currency other than pounds sterling, the royalty shall be calculated in the other currency and then converted into equivalent pounds sterling at the buying rate of such other currency as quoted by National Westminster Bank plc in London (UK) as at the close of business on the last Business Day prior to the royalty payment being made by the Licensee;
- (c) shall be made without deduction of income tax or other taxes charges or duties that may be imposed, except insofar as the Licensee is required to deduct the same to comply with applicable laws. The Parties shall cooperate and take all steps reasonably and lawfully available to them to avoid deducting such taxes and to obtain double taxation relief. If the Licensee is required to make any such deduction it shall provide the Licensor with such certificates or other documents as it can reasonably obtain to enable the Licensor to obtain appropriate relief from double taxation of the payment in question; and
- (d) shall be made by the due date, failing which the Licensor may charge interest on any outstanding amount from the due date onwards on a daily basis at a rate equivalent to five percent (5.0%) per annum above the National Westminster Bank plc base lending rate then in force in London

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(UK), provided in each case that the Licensor has notified the Licensee in writing of such non-payment.

- 4.3 *Exchange controls.* If at any time during the term of this Agreement the Licensee is prohibited from making any of the payments required hereunder by a governmental authority in any country then the Licensee shall within the prescribed period for making the said payments in the appropriate manner use its Diligent and Reasonable Endeavours to secure from the proper authority in the relevant country permission to make the said payments and shall make them within seven (7) Business Days of receiving such permission. If such permission is not received within twenty-eight (28) Business Days of the Licensee making a request for such permission then, at the option of the Licensor, either the Licensee shall deposit the royalty payments due in the currency of the relevant country in a bank account designated by the Licensor within such country or such royalty payments shall be made to an associated company of the Licensor designated by the Licensor and having offices in the relevant country designated by the Licensor.
- 4.4 *Royalty statements.* At the same time as each royalty payment is due as specified in the Payment Frequency clause in Schedule III, the Licensee shall send to the Licensor a written statement setting out, in respect of the period to which the royalty payment relates and in respect of each territory in which Licensed Products and Services are manufactured, sold or supplied, and Net Receipts are received, the types of Licensed Products and Services manufactured, sold or supplied, the quantity of each type manufactured, sold or supplied, and the total Net Sales and the total Net Receipts in respect of each type, together with all other details of Net Receipts and together with sufficient information to enable the Licensor to ascertain whether any Milestone Payments have become due or if any Development & Exploitation Milestone have been achieved, expressed both in local currency and pounds sterling and showing the conversion rates used, during the calendar quarter to which the royalty payment relates. The Licensee shall ensure that all Sublicensees which pay royalties on the invoiced price of Licensed Products and Services pay such royalties to the Licensee on the same payment schedule as specified in the Payment Frequency clause in Schedule III,
- 4.5 *Records.* The Licensee shall:
- (a) keep at its normal place of business detailed, accurate and up-to-date records and accounts showing the quantity, description and value of Licensed Products and Services sold or supplied by it, its Affiliates and its and their respective Sublicensees and the amount and basis of Net Receipts received by it and its Affiliates on a country-by-country basis, and being sufficient to ascertain the payments due under this Agreement;
 - (b) make such records and accounts available, on reasonable notice, for inspection during business hours by an independent chartered accountant nominated by the Licensor for the purpose of verifying the accuracy of any statement or report given by the Licensee to the Licensor under this clause 4. The accountant shall be required to keep confidential all information learnt during any such inspection, and to disclose to the Licensor only such details as may be necessary to report on the accuracy of the Licensee's statement or report. The Licensor shall be responsible for the accountant's charges unless the accountant certifies that there is an inaccuracy of more than five (5.0%) percent in any royalty statement provided under clause 4.4, in which case the Licensee shall pay his/her charges in respect of that inspection. Such right of inspection may only be exercised once in any Year; and
 - (c) ensure that the Licensee has the same or similar rights as those set out in this clause in respect of its Affiliates and any person that is sub-licensed under any of the Licensed Intellectual Property Rights to enable the Licensee to provide to Licensor records and accounts in respect of its Affiliates and all Sublicensees to ensure the Licensee fully complies with the requirements of clauses 4.5 (a) and 4.5(b) including, but not limited to, the accuracy requirements for all royalty statements.

5. Diligence and Commercialisation

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- 5.1 *Diligence.* The Licensee shall use Diligent and Reasonable Endeavours to develop and commercially exploit the Licensed Products and Services in the Field and the Territory for the term of this Agreement.
- 5.2 *Development plan.* The Licensee shall provide at least annually to the Licensor a written report on progress (each, a "Development Plan"), setting out in reasonable detail both the activities undertaken within the preceding twelve (12) month period and those planned to be undertaken by the Licensee, its Affiliates and/or its or their respective Sublicensees within the subsequent thirty-six (36) months, to develop and commercially exploit the Licensed Products and Services in the Field and in the Territory. The Licensor's receipt of any such Development Plan and/or any updates shall not be taken to waive or qualify the Licensee's obligations under clause 5.1. The Licensor shall have the right to meet the Licensee, and the Licensee shall make available such of its representatives as the Licensor may request, at least once per Year to discuss the subject matter of the Development Plan. The initial Development Plan is provided in Schedule IV.
- 5.3 *Remedial action.* If the Licensor considers at any time that the Licensee has failed to comply with this clause, the Licensor shall notify the Licensee of the same, detailing any remedial actions that are required by the Licensor, and provide the Licensee with ninety (90) days or such other time as is agreed between the Licensee and the Licensor (acting reasonably) to implement such remedial actions necessary to comply with this clause. If the implementation of the remedial actions is in dispute the disputed issues shall be referred to an independent expert who shall be appointed and act in accordance with the provisions of Appendix B. The Licensor may terminate this Agreement in accordance with clause 10.3 for the Licensee's failure to comply with final and binding determination of the Expert as specified in Appendix B.
- 5.4 *Quality.* The Licensee shall ensure that all of the Licensed Products and Services supplied by it and its Affiliates or by its or their respective Sublicensees are of satisfactory quality and comply with all applicable laws and regulations in each part of the Territory in which such Licensed Products and Services are marketed or supplied.
- 5.5 *Insurance.* The Licensee acknowledges and agrees to take out with a reputable insurance company, and maintain, adequate insurance cover in respect of its obligations under this Agreement, and any and all product, professional, and public liability insurance and insurance against all loss of and damage to property (whether real, personal or intellectual) and injuries to persons (including death). The Licensee shall make its insurance policy and renewal receipts available to the Licensor on request from time to time. The Licensee shall ensure that such insurance continues in force throughout the term of this Agreement and shall continue to ensure coverage against any subsequent claim, including any subsequent claim made during the statute of limitations period, or its legal equivalent in the jurisdiction, related to the last sale or supply of any Licensed Products and Services by it or any of its Affiliates or its or their respective Sublicensees.

6. Intellectual Property

- 6.1 *Prosecution of Licensed Patents.* From the Effective Date the Licensee shall, at the Licensee's expense:
- (a) be responsible for the filing, prosecution and maintenance of the Licensed Patents (in the name of the Licensor) for the maximum available period (including, where possible, by applying for supplementary protection certificates and other forms of extension), all in accordance with the provisions of this clause 6.1;
 - (b) consult and agree with the Licensor in advance from time to time a patent filing, prosecution and maintenance strategy in respect of the Licensed Patents;
 - (c) consult with the Licensor in advance in relation to all material changes to the patent claims or specifications intended to be made by the Licensee that would have the effect of reducing or limiting the scope of the Licensed Patents, and the Licensee shall not make any such changes

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without the prior written consent of the Licensor. Such consent shall not be unreasonably withheld or delayed provided that the Licensor has been given:

- (i) as much written notice as is practicable, and in any event no less than forty-two (42) Business Days' notice (or such shorter period for response dictated by the relevant patent office) of such proposed changes; and
 - (ii) an opportunity to file divisionals, continuations and/or such other types of protection to cover any claims or subject matter that the Licensee intends to remove from the scope of the Licensed Patents. If the Licensor fails to respond before the end of the forty-two (42) Business Day period (or such shorter period for response dictated by the relevant patent office), the Licensee may proceed with the proposed changes to the patent claims or specifications;
- (d) ensure that the Licensor promptly receives notification of all official correspondence in respect of the Licensed Patents, including electronic or physical copies of all documents enclosed with such correspondence; and
- (e) subject to clause 6.2, pay all fees in respect of all Licensed Patents by their due date and take all other actions necessary to obtain grant of and maintain Licensed Patents having the broadest reasonable scope.

6.2 *Abandonment of Licensed Patents.* If the Licensee wishes to abandon any Licensed Patent, including electing not to pursue patent protection in any of the available territories under a PCT patent application or other territorial patent or patent application, or electing not to maintain any granted patent or patent application, it shall give the Licensor no less than three (3) months' written notice of its intention together with all information necessary to enable the Licensor to determine whether to maintain such patent or patent application. From the date of expiry of such notice, the Licensee shall cease to be licensed under the patents and/or patent applications identified in the notice and such patents and/or patent applications shall be deemed to be removed from the definition of Licensed Patents.

6.3 *Infringement.* Each of the Parties shall notify the other promptly if it becomes aware of any infringement or potential infringement of the Licensed Patents or Licensed Software or the misappropriation or potential misappropriation of any of the Licensed Know-How and the Parties shall consult with each other to agree how to respond. If the Parties fail to agree on a joint programme of action, including how the costs of any such action are to be borne and how any damages or other sums received from such action are to be distributed, then:

- (a) the Licensee shall be entitled to take action against the Third Party at its sole expense and in its sole discretion, subject to clause 6.5; and
- (b) all damages or other sums received from such action including any settlements, after deduction of the reasonable costs incurred by the Licensee directly in connection with taking the action, will be considered Net Sales and the Licensee shall pay royalties on such Net Sales at the higher of the alternative Net Sales royalty rates in accordance with this Agreement.

If the Licensee does not take action against the Third Party within one hundred and eighty (180) days of the Licensee first becoming aware of the infringement or potential infringement of the Licensed Patents or Licensed Software or the misappropriation or potential misappropriation of the Licensed Know-How (as the case may be), the Licensor shall be entitled to take action against the Third Party at its sole expense and in its sole discretion, and shall have the right to retain any damages or other sums received from such action.

6.4 *Challenge to the Licensed Intellectual Property Rights.* Each of the Parties shall notify the other promptly if it becomes aware of:

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- (a) any opposition, re-examination, interference, or action for revocation or declaration of non-infringement, or other similar action alleging the invalidity, unenforceability, or non-infringement of any Licensed Patents; or
- (b) any action or proceedings relating to the Licensed Software or Licensed Know-How; and

the Parties shall consult with each other to determine the best way to respond to such action. If the Licensor notifies the Licensee that it does not wish to defend such action then the Licensee shall be entitled to defend such action at its sole expense and in its sole discretion subject to clause 6.5, and in such circumstances the Licensee shall have the right to retain any costs awarded in relation to such action.

6.5 *Response to infringement of or challenge.* In respect of any action taken by the Licensee under clause 6.3 or 6.4, the Licensee shall before starting any such action, consult with the Licensor as to the advisability of the action or settlement, its effect on the good name of Imperial College and the Licensor, the public interest, and how the action should be conducted.

6.6 *Licensor's costs and damages in an action or proceeding.*

- (a) If requested by the Licensee, the Licensor shall agree to be joined in any suit to enforce or defend the Licensed Intellectual Property Rights subject to the Licensor being indemnified and secured in a reasonable manner by the Licensee as to any costs, damages, expenses, or other liability arising out of such suit including the costs of the Licensor's counsel and involvement in any such proceedings, or
- (b) the Licensor may, at its discretion, at any time, take an active part in any proceedings concerning the Licensed Intellectual Property Rights which have been brought or defended by the Licensee, and shall have the right to be separately represented by its own counsel and the Licensor shall bear the costs of its own counsel and involvement in any such proceedings; or
- (c) if the Licensor is required by law to be joined in an action or proceeding concerning the Licensed Intellectual Property Rights, the Licensor shall be indemnified by the Licensee and secured in a reasonable manner as to any costs, damages, expenses, or other liability arising out of such suit including the costs of the Licensor's counsel and involvement in any such proceedings.

6.7 *Infringement of Third Party rights.* If any warning letter or other notice of infringement is received by a Party, or legal suit or other action is brought against a Party, alleging (i) infringement of Third Party rights through the manufacture, use, sale or supply, or importation of any Licensed Product; or (ii) misappropriation or misuse of Third Party know-how in the course of the manufacture, use, sale or supply, or importation of any Licensed Product, that Party shall promptly provide full details to the other Party, and the Parties shall discuss the best way to respond. The Licensee shall have the right but not the obligation to defend such suit and shall have the right to settle with such Third Party, provided that if any action or proposed settlement involves the making of any statement concerning the validity of any Licensed Patent or any statement which may have an effect on the good name of Imperial College or the Licensor, the prior written consent of the Licensor must be obtained before taking such action or making such settlement and the Licensor shall not unreasonably withhold or delay such consent.

6.8 *Non delegation.* Without prejudice to clause 12.5, the Licensee may not assign, sub-license or delegate its rights or obligations in this clause 6 without the prior written consent of the Licensor.

6.9 *Marking of Licensed Products and Services.* Wherever possible and practical, the Licensee shall ensure that the Licensed Products and Services and the packaging associated with them are marked with the numbers of any applicable Licensed Patents (whether patent applications or granted patents) and/or any applicable copyright or trademark notices.

7. Confidential Information and Permitted Disclosures for Imperial College

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- 7.1 *Confidentiality obligations.* Each Receiving Party undertakes:
- (a) to maintain as secret and confidential all Confidential Information of the other Party and take all reasonable precautions to prevent the unauthorised disclosure of it;
 - (b) not to disclose or permit the disclosure of any Confidential Information of the other Party, in whole or in part, to any person, except in accordance with the provisions of this Agreement;
 - (c) not to use the Confidential Information of the other Party for any purpose except the purposes of performing its obligations and enjoying its rights under this Agreement (together the “**Purpose**”); and
 - (d) to inform the other Party immediately if it becomes aware of the possession or use of any of the Confidential Information of the other Party by any unauthorised person, and to provide all reasonable assistance to the other Party in relation to such unauthorised possession or use.

- 7.2 *Exceptions to confidentiality obligations.* The obligations set out in clause 7.1 shall not apply to that part of the Confidential Information of the other Party which the Receiving Party can demonstrate by reasonable, written evidence:

- (a) was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party without any obligations of confidence; or
- (b) is subsequently disclosed to the Receiving Party, without any obligations of confidence, by a Third Party who is entitled to disclose it without breaching any confidentiality obligations to the Disclosing Party; or
- (c) is or becomes generally available to the public through no fault of the Receiving Party or its Affiliates or Sublicensees or its or their Representatives; or
- (d) is independently developed by or on behalf of the Receiving Party, as evidenced by written records, without reference to the Confidential Information of the Disclosing Party.

Specific aspects or details of Confidential Information shall not be deemed to be generally available to the public or in the possession of the Receiving Party merely because the Confidential Information is covered or embraced by a more general class of information generally available to the public or in the possession of the Receiving Party. Any combination of information shall not be considered to be generally available to the public or in the possession of the Receiving Party merely because individual elements of such information are generally available to the public or in the possession of the Receiving Party.

- 7.3 *Required disclosure.* The Receiving Party will not be in breach of its obligations under clause 7.1 to the extent that it is required to disclose any Confidential Information of the other Party by or to a court or other public body that has jurisdiction over it, provided that the Receiving Party has given the other Party written notice of the requirement as soon as possible prior to disclosing the Confidential Information and discloses only the minimum amount necessary to comply with the requirement and, at the Disclosing Party’s request, seeks to persuade the court or public body to have the information treated in a confidential manner, where this is possible under the court or public body’s procedures.

- 7.4 *Permitted disclosure.* The Receiving Party may:
- (a) disclose the Confidential Information of the other Party to those of its Affiliates and Sublicensees and its and their Representatives who reasonably need to access such Confidential Information for the Purpose; and

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- (b) disclose the Licensed Intellectual Property Rights and details of its prosecution to potential collaborators, collaborators, potential investors, and investors who reasonably need to access such Confidential Information for the purpose of the relevant collaboration or investment;

in each case, provided that before any entities identified above are given access to such Confidential Information the entity is made aware of its confidential nature and are under a legally binding written obligation to treat such Confidential Information in accordance with the terms of this Agreement. The Receiving Party shall procure that all those to whom access to such Confidential Information has been given comply with the provisions of this Agreement. The Receiving Party shall be liable to the Disclosing Party for any disclosure or misuse of such Confidential Information by those to whom access to such Confidential Information has been given, whether directly or indirectly, by the Receiving Party.

- 7.5 *Additional permitted disclosure.* The Licensor and Imperial College may disclose Confidential Information of the Licensee to any Third Party (i) to whom the Licensor or Imperial College is, at the Effective Date, under a legal or contractual obligation to disclose such information or (ii) who was involved in the development of the Licensed Intellectual Property Rights, including the creation, invention, or funding of the Licensed Intellectual Property Rights. The Licensor shall, to the extent reasonably practical, use reasonable endeavours to procure that the Confidential Information is treated in accordance with this Agreement.
- 7.6 *Term of confidentiality obligations.* The Receiving Party's obligations of confidence and non-use in this clause 7 shall, with respect to any Confidential Information, remain in full force unless and until the exceptions in clause 7.2 apply to such Confidential Information or the Disclosing Party has given its prior written consent to the disclosure of such Confidential Information.
- 7.7 *Confidentiality of this Agreement.* The Parties shall use reasonable endeavours to ensure that, to the extent permitted by relevant authorities, this Agreement shall not form part of any public record.

8. Warranties

- 8.1 *Mutual warranties.* Each Party warrants to the other Party that:
 - (a) it is duly incorporated and validly existing under the laws of the jurisdiction in which it is incorporated; and
 - (b) it has full power to enter into, and to exercise its rights and perform its obligations under, this Agreement.
- 8.2 *No warranty of confidentiality.* Notwithstanding any other provision of this Agreement, the Licensor does not make any representation and gives no warranty that the Licensed Know-How and/or Licensed Software has been maintained as secret or confidential prior to the Effective Date or will be maintained as secret and confidential by Imperial College, its Affiliates, its sub-licensees or its or their Representatives.
- 8.3 *Acknowledgements.* The Licensee acknowledges that:
 - (a) the inventions claimed in the Licensed Intellectual Property Rights, are at an early stage of development. Accordingly, specific results cannot be guaranteed, and any Delivered Items are provided 'as is' and without any express or implied warranties, representations, or undertakings. As examples, but without limiting the foregoing, the Licensor does not give any warranty that any such results, materials, information, or other items are of merchantable or satisfactory quality, are fit for any particular purpose, comply with any sample or description, or are viable, uncontaminated, safe, or non-toxic; and
 - (b) the Licensor has not performed any searches or investigations into the existence of any Third Party rights that may affect any of the Licensed Intellectual Property Rights or their exploitation.

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8.4 *No other warranties*

- (a) Each of the Licensee and the Licensor acknowledges that it does not enter into this Agreement in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law.
- (b) Without limiting the scope of paragraph (a) above, and subject to clause 8.1 above, the Licensor does not make any representation or give any warranty or undertaking:
 - (i) as to the efficacy or usefulness of the Licensed Intellectual Property Rights; or
 - (ii) that any of the Licensed Patents is or will be valid or existing or (in the case of an application) will proceed to grant; or
 - (iii) that the use of any of the Licensed Intellectual Property Rights, the manufacture, sale, supply or use of Licensed Products and Services or the exercise of any of the rights granted under this Agreement will not infringe any other intellectual property or other rights of any other person; or
 - (iv) that any information communicated by the Licensor to the Licensee under or in connection with this Agreement will produce Licensed Products and Services of satisfactory quality or fit for the purpose for which the Licensee intended; or
 - (v) imposing any obligation on the Licensor to bring or prosecute actions or proceedings against Third Parties for infringement or to defend any action or proceedings for revocation of any of the Licensed Intellectual Property Rights; or
 - (vi) imposing any liability on the Licensor in the event that any Third Party supplies Licensed Products and Services to customers.

9. **Indemnity and Limitation of Liability**

9.1 *Indemnity.* The Licensee shall indemnify the Indemnified Parties against any Loss suffered or incurred by any of the Indemnified Parties in connection with any Claim by any Third Party, such Claim arising out of or in connection with:

- (a) the use by the Licensee, any of its Affiliates or its or their respective Sublicensees of any of the Licensed Intellectual Property Rights; or
- (b) the design, development, manufacture, use, marketing, promotion, selling or supplying of, or any other dealing in, any Licensed Products and Services by the Licensee, any of its Affiliates, or its or their respective Sublicensees or by any customer or any other person;

in each case, except to the extent that such Claim arises as a result of a breach of this Agreement by the Indemnified Party claiming the benefit of the indemnity.

9.2 *Conditions to indemnity.* The indemnity in clause 9.1 shall be subject to the relevant Indemnified Party:

- (a) as soon as reasonably practicable after becoming aware of any Claim, giving written notice to the Licensee of the Claim, provided that Imperial College shall not be deemed to have become aware of a Claim unless the Director of the Research Office of Imperial College, or a more senior officer of Imperial College, has become aware of such Claim;
- (b) following the giving of such notice, giving the Licensee the right to assume the defence and settlement of the Claim, provided that the Licensee shall not settle any Claim without the

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Licensor's prior written consent (such consent not to be withheld or delayed unreasonably) and the Licensor shall have the right to participate in (but not control) the defence of the Claim and to retain its own counsel in connection with such Claim at its own expense;

- (c) not making any admission of liability, concluding any agreement in relation to such liability or making any compromise in relation to the subject matter of the indemnity without the consent of the Licensee (such consent not to be withheld or delayed unreasonably), provided that Imperial College shall not be deemed to have done any of the foregoing unless it is done with the approval of the Director of the Research Office of Imperial College or a more senior officer of Imperial College; and
- (d) promptly upon request, giving the Licensee's professional advisers reasonable assistance in connection with the Claim provided that the Licensee shall pay a reasonable fee for the time of the personnel of the Indemnified Party spent in connection with such assistance.

9.3 *Limitation of liability.* To the extent that either Party has any liability (whether in contract, tort (including negligence), or otherwise) under or in connection with this Agreement, its liability shall be limited in accordance with the following provisions of this clause 9.3. Subject to clause 9.5:

- (a) the aggregate liability of the Licensor shall be limited to the lesser of an amount as specified in pounds sterling or as a percentage of the total consideration received by the Licensor as specified in Schedule III in the Year preceding the earliest possible date of claim under which the liability arose;
- (b) the aggregate liability of the Licensee shall be limited to the greater of either two million pounds sterling (£2,000,000) or three (3) times the Annual Turnover of the Licensee in the Year the actions, events, or omissions from which the liability arose are discovered by the Licensor up to a maximum of one-hundred million pounds sterling (£100,000,000); and
- (c) neither Party shall have any liability to the other under or in connection with this Agreement for any:
 - (i) wasted management or other staff time;
 - (ii) losses or liabilities under or in relation to any other contract; or
 - (iii) indirect, consequential or special loss or damage.

9.4 *Limitation of liability for misrepresentation.* If a Party has made or given any representation, warranty or promise or otherwise made any innocent or negligent misrepresentation then, except to the extent that it has been expressly set out in this Agreement, the Party to whom it is given or made waives any rights or remedies which it may have in respect of it and agrees that the other Party shall have no liability in respect of it. This clause shall not exclude the liability of a Party for fraud or fraudulent misrepresentation.

9.5 *Exceptions to limitation of liability.* Notwithstanding any other provision of this Agreement, neither Party's liability under or in connection with this Agreement shall be excluded or reduced to the extent that it arises in respect of the following matters:

- (a) deliberate breach of this Agreement whether caused by any Party or through the deliberate or wilful acts or omissions of its Affiliates, sub-licensees, or its or their Representatives;
- (b) under any express indemnities contained in this Agreement;
- (c) breach of clause 7; or
- (d) any matter in respect to of which, by law, liability cannot be excluded or reduced.

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10. Term and Termination

10.1 *Commencement and expiry.* This Agreement will commence on the Effective Date and unless terminated earlier in accordance with this clause 10 shall continue in force on a country-by-country basis until the later of:

- (a) where a Licensed Patent is set out in Schedule II, the day prior to the date on which all Valid Claims covering the manufacture, sale, offer for sale, or other supply, use, or importation of the Licensed Products and Services in the country are expired, finally revoked, finally found unenforceable, withdrawn, finally abandoned or finally disallowed, in each case, without the possibility of appeal or refile of the claim; and
- (b) where Licensed Know-How or Licensed Software is set out in Schedule II, fifteen (15) years after the date of the first commercial sale or supply of any Licensed Products and Services to a Third Party by the Licensee, any of its Affiliates or its or their respective Sublicensee in such country;

and on such date, this Agreement and the licence granted hereunder shall expire in the relevant country, except that the Licensee shall benefit from a non-exclusive, perpetual, irrevocable, fully paid-up, sub-licensable licence under the Licensed Know-How in the Field in the relevant country.

10.2 *Termination for breach or insolvency.* Either Party may terminate this Agreement immediately by written notice to the other Party (the “**Other Party**”) on or at any time after becoming aware of any of the following:

- (a) a failure by the Other Party to pay in full in the manner specified in this Agreement, within eighteen (18) Business Days after the due date, any amount due by the Other Party under this Agreement, provided that the Other Party has been notified of the non-payment; or
- (b) a failure by the Other Party in any material respect to perform or comply with any of the Other Party’s obligations under this Agreement (other than an obligation to pay any amount due, the procedure for which is set out in clause 10.2(a) above), which (if capable of remedy) is not remedied to the reasonable satisfaction of the terminating Party within eighteen (18) Business Days after the service on the Other Party of a notice specifying the breach and requiring it to be remedied; or
- (c) an Insolvency Event occurs in respect of the Other Party.

10.3 *Termination by the Licensor.* The Licensor may terminate this Agreement by giving at least twenty-eight (28) Business Days’ prior written notice to the Licensee:

- (a) if the Licensee ceases or threatens to cease to carry on its business substantially in the same manner as it carries it on at the Effective Date or disposes of the whole or a material part of its business or assets; or
- (b) pursuant to clause 2.6 (failure meet or satisfy an identified encumbrance or obligation in Schedule V) or clause 5.3 (failure to comply with final and binding remedial plan as determine by the Expert appointed under Appendix B) or clause 12.3 (force majeure); or
- (c) if the Licensee or any of its Affiliates commences legal or similar proceedings, or assists any Third Party to commence legal or similar proceedings, to challenge the validity, ownership, or enforceability of any of the Licensed Patents; or
- (d) if a Sublicensee under a sublicense agreement with the Licensee or any of its Affiliates commences legal or similar proceedings, or assists any Third Party to commence legal or similar proceedings, to challenge the validity, ownership, or enforceability of any of the Licensed Patents, unless within sixty (60) days of becoming aware of the legal proceedings the Licensee

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or its relevant Affiliate has terminated the sublicense agreement with the Sublicensee or the Sublicensee or Third Party has formally withdrawn the legal proceedings.

10.4 *Termination by the Licensee.* The Licensee may terminate this Agreement at any time by giving at least ninety (90) days' prior written notice to the Licensor, provided that the Licensee pays to the Licensor before the expiry of such notice period all of the following non-refundable, non-deductible amounts: (i) the Patent Costs; (ii) any Licence Fees that either fall due before the expiry of the notice period or would have fallen due within the period of twelve (12) months following the expiry of the notice period; (iii) any other payments that fall due under this Agreement before the expiry of the notice period.

10.5 *Termination by the Assignment Agreement.* This Agreement shall terminate upon the execution of an Assignment Agreement between the Parties assigning the Licensed Intellectual Property Rights of the Licensor to the Licensee as specified in Clause 2.10.

11. Consequences of Termination

11.1 *Termination without prejudice to accrued rights.* Excluding termination by Assignment Agreement as specified in Clause 10.5, the termination or expiry of this Agreement shall be without prejudice to any obligations, rights (including right to payment of amounts earned but not paid) or liabilities of any of the Parties which have accrued before such termination or expiry. If a Party exercises a right to terminate under clause 10.2 or clause 10.3, such termination shall be without prejudice to any rights which the Party exercising such right may have in such circumstance, and such party shall be entitled to recover from the other Party any Loss suffered as a result of the early termination of the Agreement.

11.2 *Surviving provisions.* The provisions of clauses 2.3(d), 2.5, 2.7, 2.12, 4.5, 5.4, 7, 8, 9, 11 and 12 shall remain in effect notwithstanding termination of this Agreement.

11.3 *Return of confidential information.* Upon termination of this Agreement, the Receiving Party shall immediately return to the Disclosing Party (or destroy at the request of the Disclosing Party) all Confidential Information of the Disclosing Party, make no further use of any of the Confidential Information of the Disclosing Party, and permanently delete all electronic copies of any Confidential Information of the Disclosing Party from the computer systems of the Receiving Party and its Affiliates and its and their respective sub-licensees. The Receiving Party shall procure that all those to whom access to such Confidential Information have complied with the provisions of this clause. With respect to the Licensee, and except if this Agreement expires in accordance with clause 10.1, this clause shall apply to the Licensed Know-How, which is the Confidential Information of the Licensor.

11.4 *Termination of licences.* Upon termination of this Agreement under clause 10.2, 10.3 or 10.4:

- (a) the Licensee, its Affiliates and its and their respective Sublicensees shall be entitled to sell and supply (subject to payment of royalties in accordance with this Agreement) any unsold or unused stocks of the Licensed Products and Services for a period of six (6) months following the date of termination in accordance with the terms of this Agreement;
- (b) subject to paragraph (a) above, the Licensee, its Affiliates and its and their respective Sublicensees shall no longer be licensed to use, sub-license or otherwise exploit in any way, either directly or indirectly, the Licensed Intellectual Property Rights ; and
- (c) subject to paragraph (a) above, the Licensee shall consent to the cancellation of any formal licence granted to it, or of any registration of it in any register, in relation to any of the Licensed Patents.

11.5 *Transfer of Licensed Products.* Upon termination of this Agreement under clause 10.2 or 10.3 by the Licensor, or under clause 10.4, the Parties shall, at the request of the Licensor, negotiate in good

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faith and on an exclusive basis for up to ninety (90) days from the date of such termination to attempt to settle the terms of an agreement between them on reasonable commercial terms under which the Licensee would:

- (a) transfer to the Licensor exclusively all data relating to the development of the Licensed Products; and
- (b) to the extent possible in each case, seek to have any product licences, approvals, and other permits and applications relating to the Licensed Products and Services transferred into the name of the Licensor or its nominee.

12. General

12.1 *Entire agreement.* This Agreement and all documents referred to in it constitute the entire agreement between the Parties about the subject matter of this Agreement and, in relation to such subject matter, supersede and extinguish all earlier understandings and agreements between the Parties and all earlier representations by any Party or its Affiliates. The Parties have not entered into this Agreement in reliance upon any representation, warranty or promise. No representation or warranty or condition or any other term is to be implied in this Agreement whether by virtue of any usage or course of dealing or otherwise except as expressly set out in it.

12.2 *Announcements.* Neither Party shall make, or procure or permit the making of, any announcement which relates to this Agreement or the matters contained in it, without the prior written approval of the other Party (such approval not to be unreasonably withheld or delayed), except to the extent required by law or any public body with appropriate jurisdiction. Notwithstanding the foregoing, each Party shall be entitled to announce or otherwise make public the existence of this Agreement and its subject matter, provided that the commercial terms of this Agreement shall not be disclosed without the prior written consent of the other Party.

12.3 *Force majeure.* If either Party (the “**Affected Party**”) is prevented from or delayed in performing any of its obligations under this Agreement except any payment obligation (the “**Affected Obligations**”) due to any Force Majeure Event it shall give written notice to other Party (the “**Non-Affected Party**”) within three (3) Business Days of the first occurrence of the Force Majeure Event specifying the circumstances giving rise to the Force Majeure Event and the period by or during which it estimates performance of the Affected Obligations may be delayed or prevented. If such notice is given within such period, the time for performing the Affected Obligations shall be suspended for the duration for which the Affected Party is unable to perform or delayed in performing the Affected Obligations by reason of the Force Majeure Event. If the period of suspension or delay extends for a continuous period of eighteen (18) Business Days or an aggregate period of forty-five (45) days, the Non-Affected Party may terminate this Agreement immediately by written notice to the Affected Party and Non-Affected Party shall not be liable for any Loss arising as a result of the termination. The Affected Party shall use its reasonable endeavours to mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement.

12.4 *Amendment.* This Agreement may only be amended in writing signed by duly authorised representatives of the Licensor and the Licensee.

12.5 *Assignment.* Except as set out in this clause, a Party may not, without the prior written consent of the other Party, legally or equitably dispose or attempt to dispose (including by sale, assignment, gift, transfer or charge) of any of its rights or obligations under or in connection with this Agreement, nor sub-contract any of its obligations under this Agreement. The Licensor may legally or equitably dispose of any of its rights or obligations under or in connection with this Agreement, together with its rights in the Licensed Intellectual Property Rights, to any Affiliate of the Licensor or to any Third Party, provided that the assignee undertakes to the Licensee to be bound by and perform the obligations of the Licensor with regards to the Licensed Intellectual Property Rights, arising prior to the assignment, under this Agreement.

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12.6 *Third Party rights.* Except as provided in this clause, a person who is not a Party has no right to enforce any term of this Agreement. Notwithstanding the foregoing, the persons mention in clause 2.5 may enforce the terms of clause 2.5, the Indemnified Parties (as defined in clause 9.1) may enforce the terms of clause 9.1 (subject to and in accordance with clause 9), and Imperial College may enforce the terms of clause 7.6.

12.7 *Waiver.* A waiver of any term, provision, or condition of, and any consent granted under, this Agreement will be valid only if it is in writing, signed by a duly authorised representative of the Party giving it. Any such waiver, consent or approval will be valid only in the particular instance and for the particular purpose for which it is given and will not constitute a waiver of any other right or remedy. Any failure (in whole or in part) to exercise or delay in exercising any right, power or remedy (“**Right**”) available under this Agreement or in law will not constitute a waiver of that or any other Right, nor will any single or partial exercise of any Right preclude any other or further exercise of that or any other Right. The rights and remedies provided by this Agreement are cumulative and (unless otherwise expressly stated in this Agreement) may be exercised without excluding any other rights or remedies available in law.

12.8 *Relationship of the Parties.* This Agreement is not intended and does not operate to create a partnership between the Parties, or to authorise either Party to act as agent for the other, and neither Party shall have authority to act in the name or on behalf of or otherwise to bind the other Party.

12.9 *Notices.* Where this Agreement provides for the giving of notice or the making of any other communication, such notice or communication shall not (unless otherwise expressly provided) be effective unless given or made in writing in accordance with this clause. Any notice or communication may be delivered or sent by the methods set out below:

- (a) Notices to Licensor will be sent for the attention of
 Associate Director Commercialisation
 Imperial College Innovations Limited
 C/O Imperial College of Science, Technology and Medicine
 Exhibition Road
 London SW7 2AZ
 United Kingdom
 licences@imperial.ac.uk;

- (b) Notices to Licensee will be sent for the attention of

and will be deemed to have been received at the corresponding time set out below:

<i>Method of Delivery</i>	<i>Deemed time of receipt</i>
By hand or courier	At the time received
By recorded delivery post	The next Business Day after sending
By email	The Business Day received

12.10 *Law and jurisdiction.* This Agreement (and any dispute or claim relating to it or its subject matter, its enforceability or its termination (including non-contractual claims)) shall be governed by and construed in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts to which the Parties hereby submit, except that a Party may seek an interim injunction in any court of competent jurisdiction.

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- 12.11 *Export Control Regulations.* The Licensee shall ensure that, in exercising its rights pursuant to this Agreement including in using, licensing and otherwise supplying Licensed Products and Licensed Services, it shall not and nor shall its or its Affiliates', Sublicensees' or its or their respective employees' or sub-contractors', breach or compromise, directly or indirectly, compliance with any Export Control Regulations.
- 12.12 *Anti-corruption clause.* Each Party agrees to comply with all applicable anti-corruption, anti-bribery and local employment laws, as well as any other applicable legislation, laws and regulations in connection with their performance under this Agreement, (including that relating to import and export control, transportation of hazardous materials, anti-money laundering, etc.). A Party's failure to comply with any provision of this Clause 12.12 is considered to be a breach of this Agreement.
- 12.13 *National Security and Investment Act 2021.* The Parties acknowledge that the United Kingdom National Security and Investment Act 2021 ("NS&I Act") came into effect on 4 January 2022. The Parties agree to abide by the mandatory reporting requirements if it is considered this Agreement is a qualifying acquisition, with the acquirer as defined in the NS&I Act taking responsibility for making the notification. Where the Parties consider this Agreement meets the criteria for a notifiable acquisition under the NSI Act, they will agree which Party is appropriate to make the voluntary submission, with both Parties assisting each other to ensure compliance and complete the submission if either party wants to make a notification.
- 12.13.1 If at any point the UK Government calls-in the Agreement for a national security assessment under the NSI Act (defined as a "Trigger Event" in the NSIA Act) then the provisions of this section shall apply. Each Party shall bear their own costs and expenses incurred, except that where a Party has failed to make a mandatory notification, the acquirer shall bear the other party's costs and expenses, including if the Agreement has to terminate.
- 12.13.2 If a Trigger Event occurs, the Party in receipt of the call-in notice shall promptly notify the other Party and both Parties shall:
- (a) provide all reasonable cooperation to each other in relation to the call-in notice;
 - (b) provide such further information as is requested to the UK Government, within the timescales specified by the UK Government; and
 - (c) comply with any interim orders issued by the UK Government (which may include a temporary order to suspend activities being performed pursuant to the Agreement).
- 12.13.3 Any failure by a Party to comply with the above shall entitle the other Party to give the non-compliant Party written notice of termination of the Agreement in accordance with clause 10.3.
- 12.13.4 If, following the Trigger Event and the assessment period, the UK Government imposes certain conditions, either Party may by giving the other Party not less than ten (10) Business Days' written notice:
- (a) require the other Party to negotiate in good faith an amendment to this Agreement that reflects the conditions imposed by the UK Government; and
 - (b) if no such amendment is agreed and made within forty-five (45) days of such request, terminate this Agreement by giving the other Party not less than ten (10) Business Days' written notice.
- 12.13.5 If, following a Trigger Event and the assessment period, the UK Government blocks the Agreement and declares it void, this Agreement shall automatically terminate and either party shall notify such termination to the other.
- 12.13.6 Upon any such automatic termination, the Parties shall proceed in accordance with the provisions of clause 10.3 of the Agreement.
- 12.14 *Disrepute Avoidance.* The Parties acknowledge and agree to refrain from and avoid any action or conduct that could be reasonably expected to bring Imperial College or any of its Affiliates and their

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respective employees, officers, students, or alumni (as is applicable) into disrepute. The action or conduct could include, but is not limited to, entering into a commercial engagement, arrangement, or association with an entity that in Imperial College's reasonable opinion, and in line with Imperial Research Codes of Practice on Ethic Considerations and Tobacco Industry Funding, could have a detrimental effect on Imperial College or any of its Affiliates and their respective employees, officers, students, or alumni (as is applicable).

Notwithstanding the above, during the term of this Agreement the Licensee may obtain an irrevocable consent for any action or conduct proposed to be taken by the licensee, an Affiliate, or sublicensee that could foreseeably be in violation of the Imperial Research Codes of Practice (as defined in Imperial College's Research Policies) provided:

- a. At least thirty (30) days before the proposed action or conduct the Licensee notifies Imperial College and any other Parties to this Agreement of all relevant events and the proposed actions or conduct to be taken by the licensee, Affiliate, or sublicensee; and
- b. Within ten (10) days of the notification to Imperial College and the other Parties, all parties acting in good faith, commence negotiations to seek consent to the action or conduct proposed to be taken by the licensee, an Affiliate, or sublicensee.

If the irrevocable consent above has not been obtained, should any action or conduct taken by a licensee, an Affiliate, or Sublicensee be discovered as bringing Imperial College or any of its Affiliates and their respective employees, officers, students, or alumni (as is applicable) into disrepute the Party responsible shall:

- a. take immediate action to ameliorate the foreseeable disrepute;
- b. within five (5) days after the discovery, notify Imperial College and the other Parties to this Agreement of all relevant events, actions, and conducts and actions taken to ameliorate the foreseeable disrepute; and
- c. within ten (10) days after the discovery, negotiate with Imperial College and the other Party to this Agreement, all parties acting in good faith, to reach an agreement on any additional courses of actions required to ameliorate the foreseeable disrepute.

If additional courses of actions required to ameliorate the foreseeable disrepute cannot be agreed upon between the Parties and Imperial College, either Party may provide written notice of termination of the Agreement in accordance with clause 10.

12.15 *Further action.* At any time after the date of this Agreement each Party shall, and shall use all reasonable endeavours to procure that any necessary Third Party shall, at the sole cost and expense of that Party, execute and deliver all such deeds and documents in a form reasonably satisfactory to the other Party and do such matters, acts and things as may reasonably be required for the purpose of giving the other Party the full benefit of all the terms, conditions and provisions of this Agreement.

12.16 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when executed and delivered will constitute an original of this Agreement, but all the counterparts will together constitute the same agreement. No counterpart will be effective until each party has executed at least one counterpart.

AGREED by the Parties through their authorised representatives:

Signed for and on behalf of:
IMPERIAL COLLEGE INNOVATIONS LIMITED

Signed for and on behalf of:
[•]

Signed:

Signed:

Name:

Name:

Title:

Title:

FC Licence Agreement

Date:

Date:

FC Licence Agreement

Appendix A (Template Formal Licence)

[INSERT PATENT DETAILS – E.G. PCT/GB20XX/XXXX] Formal Licence

Dear Sirs

We hereby request recordal of an exclusive licence granted by Imperial College Innovations Limited to [NAME OF STARTUP] under certain patent rights.

By an Intellectual Property Licence Agreement dated [DATE OF ORIGINAL LICENCE], Imperial College Innovations Limited granted to [NAME OF STARTUP] an exclusive licence under PCT application [PCT REFERENCE], US application [US REFERENCE], Europe application [EU REFERENCE], [UK REFERENCE][all patent reference under the case] and under any divisionals, continuations, continuations-in-part, extensions, foreign-filed counterparts or reissues thereof and any patents, supplementary protection certificates and similar rights that derive priority from or claim common priority with any of the foregoing to develop, manufacture, have manufactured, use, market, sell, have sold, supply and import goods and services the manufacture, sale (or other supply) or use of which infringes a granted claim thereof or would infringe a pending claim thereof if granted, in each case in the country of manufacture, sale (or other supply) or use.

Licensor: Imperial College Innovations Limited
Level 1 Faculty Building, C/O Imperial College London, Exhibition Road, London SW7 2AZ, United Kingdom

Licensee: [STARTUP DETAILS – NAME AND ADDRESS]

Licence: PCT REFERENCE]
("Licensed Patents") US REFERENCE
EU REFERENCE
GB patent (REFERENCE NUMBER)
Other patents as needed

Yours faithfully,

Imperial College Innovations Limited

Date:

NAME
Chief Executive Officer

STARTUP TITLE

Date:

Appendix B (Expert Determination Procedure)

1. The Party wishing to refer a matter to an independent expert pursuant to a provision of this Agreement shall give written notice to that effect to the other Party giving details of the matters it wishes to refer to the expert (each, a “**Referral Notice**”).
2. The Parties shall agree the identity of a single independent, impartial expert to determine such terms. In the absence of such agreement within fourteen (14) Business Days after receipt of the Referral Notice, either Party may apply to the Licensing Executives Society (Britain and Ireland) to appoint, as an independent expert, a person qualified by education, experience and training to determine the matter in dispute (the “**Expert**”).
3. Within fourteen (14) Business Days after the appointment of the Expert the Parties shall exchange, as appropriate their statements of case, or proposed terms together with any relevant explanation of the basis of those terms, (the “**Submission**”) and shall simultaneously send a copy of its Submission to the Expert.
4. Each of the Parties may, within twenty-eight (28) Business Days of the date of exchange of their Submissions, serve a reply to the other Party’s Submissions. A copy of any such reply shall be simultaneously sent to the Expert.
5. The Expert shall make his decision on the matter in dispute on the basis of the Submissions and replies and supporting documentation only and there shall be no oral hearing. The Expert shall, to the extent reasonably possible issue his decision in writing with reasons within twenty-eight (28) Business Days of the date of the last reply pursuant to paragraph 4 above or, in the absence of receipt of any replies, within sixty (60) days of the date of exchange pursuant to paragraph 3 above.
6. The determination of the Expert shall be final and binding upon the Parties. Both Parties agree to be bound by and, subject to any relevant provision in this Agreement, to implement the written decision of the Expert with no right of appeal.
7. Any person appointed to determine a dispute in accordance with this procedure shall act as an Expert and not as an arbitrator and the provisions of the Arbitration Act 1996 (as amended from time to time) and the law relating to arbitrations shall not apply to such Expert or his determination or the procedure by which he reaches his determination.
8. Each Party shall bear their own costs in connection with the reference of a dispute to an Expert and the costs of the Expert (including the costs of any advisers engaged by him) will be paid by the parties to the dispute in equal proportions unless otherwise determined by the Expert.

Appendix C (Example Option Agreement)

OPTION AGREEMENT

THIS AGREEMENT dated _____ is between:

IMPERIAL COLLEGE INNOVATIONS LIMITED, a company incorporated in England and Wales under registered number 03918307, whose registered office is at Level 1 Faculty Building, C/O Imperial College, Exhibition Road, London SW7 2AZ ("ICIL"); and

_____ (registered in _____ under number _____) the registered office of which is at _____ (the "Company").

RECITALS:

ICIL is prepared to grant the Company an opportunity to exploit the Option IPR (as defined below) generated in the course of the Research Work of the Research Group (both as defined below) in the Field (as defined below) on the terms of this Agreement.

IT IS HEREBY AGREED as follows:

1. Definitions

In this Agreement, the following words shall have the following meanings:

"Academics" _____;

"Candidate Technology" any invention, software, know-how or technology that is first created in the course of the Research Work by one or more members of the Research Group and by no other person and that is identified (in accordance with Clause 2.1 or 2.2) during the Contract Period;

"Commencement Date" the date as written at the head of this Agreement;

"Contract Period" the period of 24 months from the Commencement Date subject to any earlier termination in accordance with Clause 6.2 or Clause 6.3;

"Encumbered" with respect to any Candidate Technology, means that ICIL is not entitled to licence the Intellectual Property Rights in respect thereof to the Company free of all liens, encumbrances and Third Party rights and/or obligations, and "Encumbrance" be interpreted accordingly. As examples, but without limitation, a Candidate Technology may be Encumbered if:

- (a) it incorporates Intellectual Property or materials that are owned wholly or partly by someone other than Imperial College or ICIL; or
- (b) it was developed under an agreement with, or a grant from, a Third Party on terms that restrict, prevent or otherwise impose obligations in respect of the use, disclosure or commercialisation by Imperial College or ICIL of such Candidate Technology or that vested rights in such Candidate Technology in the Third Party or any other person;
- (c) it was developed in the course of a project that was funded wholly or partly by an external funding body on terms that restricted the ownership, use disclosure or commercialisation by Imperial College or ICIL of the results; or
- (d) it is the subject of an option, licence, agreement to assign or other commercial arrangement with a Third Party made prior to the date of this Agreement, or negotiations for the grant of commercial rights to a Third Party are continuing at, and commenced prior to, the date of this Agreement;
- [(e) it incorporates Intellectual Property Rights or materials that are subject to the Intellectual Property Licence originally made between the Company and

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Imperial College dated 12th July 2018 and is now between the Company and IP2IPO Innovations Limited;]

"Imperial College"	Imperial College of Science, Technology and Medicine of Exhibition Road, London SW7 2AZ;
"Intellectual Property"	patents, copyright, rights in designs, database rights, rights in confidential information (including know-how) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;
"IP2IPO Innovations Limited"	a company incorporated in England and Wales (under registration number 02060639) whose principal place of business is Top Floor, The Walbrook Building, 25 Walbrook, London, EC4N 8AF, United Kingdom]
"Option"	shall have the meaning given in Clause 3.2;
"Option IPR"	any Intellectual Property that subsists in any Selected IP;
"Option Period"	shall have the meaning given in Clause 3.1;
"Field"	_____;
"Research Group"	shall mean the Academics and any other employee of Imperial College or any entity under the Control of Imperial College and who works under the direct supervision of the Academics;
"Research Work"	all research carried out in the Field by the Research Group in their respective capacities as employees of Imperial College during the Contract Period;
"Selected IP"	shall have the meaning given in Clause 3.4; and
"Third Party"	any person other than Imperial College or the Parties.

2. Identification of Candidate Technologies

2.1 *Identified by the Academic.* If, during the Contract Period, the Academic identifies any Candidate Technology and notifies ICIL of it during the Contract Period, ICIL shall notify the Company in writing.

2.2 *Identified by the Company.* If, during the Contract Period, the Company (other than pursuant to Clause 2.1) identifies any Candidate Technology it shall immediately notify ICIL in writing.

2.3 *Encumbered Candidate Technology.* When any Candidate Technology is identified pursuant to Clause 2.1 or 2.2, ICIL shall, as soon as reasonably practicable, inform the Company whether or not the Candidate Technology is Encumbered.

- (a) If the Candidate Technology is not Encumbered, such Candidate Technology shall be subject to the Option granted pursuant to Clause 3.
- (b) If the Candidate Technology is Encumbered, ICIL shall, at the reasonable written request (the "Request") of the Company (provided the Request is received by ICIL within fourteen (14) days of the date on which ICIL informs the Company of the Encumbrance (the "Request Period")) and at the cost of the Company (provided that all costs must be agreed in advance and in writing by the Company), use reasonable endeavours to free the Candidate Technology from the Encumbrance.
 - (i) If ICIL receives the Request within the Request Period and is able to free the Candidate Technology from the Encumbrance within thirty (30) days of receiving the Request,

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that Candidate Technology shall be subject to the Option granted pursuant to Clause 3.

- (ii) If ICIL does not receive the Request within the Request Period or is unable to free the Candidate Technology from the Encumbrance within such thirty (30) day period, that Candidate Technology shall not be subject to the Option granted pursuant to Clause 3. For the avoidance of doubt, in such circumstances, ICIL shall have no further obligation to the Company in relation to such Candidate Technology and the provisions of this Agreement shall lapse in respect thereof.

2.4 *Other research contracts.* For the avoidance of doubt; nothing in this Agreement shall prevent ICIL or Imperial College from entering into sponsored research contracts, or any other type of contracts, whether in the Field and involving members of the Research Group or otherwise. The Company acknowledges that any Candidate Technologies arising from such contracts may be Encumbered.

3. Grant of Option

3.1 *Option Period.* During the period from the date on which any Candidate Technology is first notified to or identified by the Company in accordance with Clause 2.1 or 2.2 until the date on which the earliest of the following events occurs:

- (a) the expiry of the period of Sixty (60) days beginning on the date of such notification or identification;
- (b) ICIL notifies the Company that the Candidate Technology is Encumbered and that it cannot remove the Encumbrance; or
- (c) the Company notifies ICIL that it does not wish to exercise the Option in relation to the Candidate Technology;

(the "Option Period"), the Parties shall not discuss the commercial exploitation of that Candidate Technology with any Third Parties nor grant any rights therein to any Third Party.

3.2 *Exercise of Option.* The Company shall have the exclusive option, exercisable at any time before the expiry of the Option Period, to require ICIL by notice in writing to deal with any Candidate Technology that is not Encumbered in accordance with Clauses 3.4 and 3.5 (the "Option"). For the avoidance of doubt, the Option shall not apply to any Candidate Technology that is Encumbered (regardless of whether the Company is notified of the Encumbrance in question before or after it purports to exercise the Option) unless ICIL is able to free it from the Encumbrance in accordance with Clause 2.3. If at any time during the Option Period the Company decides not to exercise the Option it shall promptly notify ICIL in writing.

3.3 *Expiry of Option.* If the Option Period in respect of any Candidate Technology that is not Encumbered expires without ICIL receiving written notification that the Company wishes to exercise the Option, the Option in respect of that Candidate Technology shall lapse and ICIL shall be free to dispose of that Candidate Technology as it wishes without further obligation to the Company.

3.4 *Assignment of Option IPR to ICIL.* If the Company exercises the Option in accordance with Clause 3.2, the Candidate Technology shall be considered "Selected IP" and the appropriate procedures described in this Clause shall be followed:

3.4.1 to the extent that any Option IPR in respect of the Selected IP does not already vest in Imperial College by operation of law, ICIL shall use its reasonable endeavours to procure that members of the Research Group who have contributed to such Option IPR assign all their rights therein to Imperial College; and

3.4.2 ICIL shall use its reasonable endeavours to procure that Imperial College shall assign all its rights in the Option IPR in respect of the Selected IP to ICIL.

3.5 *Licence of Option IPR to the Company.* Subject to ICIL successfully acquiring all Option IPR pursuant to Clause 3.4 and confirmation in writing of such by ICIL to the Company, ICIL shall within three months of such written confirmation grant to the Company a licence under the Option IPR on fair and reasonable commercial terms to be agreed in writing and signed by authorised representatives of the Parties.

3.6 *Retained rights.* For the avoidance of doubt and notwithstanding any other provision of this Agreement or any grant of licence to the Company under this Agreement, ICIL and Imperial College shall retain a perpetual, irrevocable, non-exclusive fully paid-up, royalty-free, worldwide right for them and their

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respective employees, students, and other researchers and personnel to carry out any acts which would otherwise infringe the Option IPR or be incompatible with any grant of rights to the Company to use the Option IPR for the purposes of teaching, publication and carrying out research and development (including accepting external sponsorship for such research and development and granting sub-licences for the same purposes) and to transfer any materials which relate to or derive from the Option IPR to Third Parties for the same purposes.

3.7 *Other technologies.* Where the Company identifies technologies owned by ICIL that are of commercial interest to the Company in the Field but are not Candidate Technologies, the Company may approach ICIL to discuss the possibility of taking a licence in respect of such technologies. For the avoidance of doubt, however, ICIL shall have no obligation to grant the Company any licence in respect of any such technologies and any such licence (if agreed) must be in writing and signed by authorised representatives of the Parties.

4. Payments

4.1 Consideration

In consideration for the Option granted to the Company hereunder, the Company shall pay to ICIL the non-deductible non-refundable sum of One Pound sterling (£1).

4.2 Payment terms

All sums due under this Agreement

- (a) shall be paid within thirty (30) days of receipt of an invoice submitted to the Company at any time on or after the Commencement Date;
- (b) shall be paid in pound sterling and are exclusive of Value Added Tax or equivalent sales tax which where applicable will be paid by the Licensee to ICIL in addition;
- (c) shall be made without deduction of income tax or other taxes charges or duties that may be imposed except in so far as the Licensee is required to deduct the same to comply with applicable laws. The Parties shall cooperate and take all steps reasonably and lawfully available to them at the expense of ICIL to avoid deducting such taxes and to obtain double taxation relief. If the Licensee is required to make any such deduction it shall provide ICIL with such certificates or other documents as it can reasonably obtain to enable ICIL to obtain appropriate relief from double taxation of the payment in question; and
- (d) shall be made within the due date, failing which ICIL may charge interest on any outstanding amount on a daily basis at a rate equivalent to 5.0 percent above the National Westminster Bank plc annual base lending rate then in force in London, United Kingdom.

5. Confidentiality

5.1 *General obligation.* Subject to Clause 5.2, each Party shall maintain in confidence any confidential information or materials provided to it directly or indirectly by the other Party under, or in contemplation of, this Agreement and shall use the same only for the purpose of exercising its rights and fulfilling its obligations under this Agreement.

5.2 *Exceptions.* The obligations set out in Clause 5.1 shall not apply to any information or materials which the Party receiving the same ("Receiving Party") can prove by written records:

- (a) were already the Receiving property or lawfully in its possession and at its free disposal prior to receiving it from the other Party;
- (b) were already in the public domain when they were provided by the other Party;
- (c) subsequently enter the public domain through no fault of the Receiving Party;
- (d) are received from a Third Party who has the right to provide them to the Receiving Party without imposing obligations of confidentiality;
- (e) is developed by the Receiving Party's employee(s) who have not had any direct or indirect access to, or use or knowledge of, the information imparted by the other Party; or is authorised for release by the disclosing Party prior to any such release.
- (f) is authorised for release by the disclosing Party prior to any such release.

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5.3 *Required Disclosure.* Neither Party will be in breach of its obligations under Clause 5.1 to the extent that it is required to disclose any information by an order of any court of competent jurisdiction or governmental authority, provided that it uses reasonable efforts to secure a protective order or equivalent over such information and provided further that the Party who disclosed the information to it shall be informed as soon as possible and be given an opportunity, if time permits, to make appropriate representations to such court or authority to attempt to secure that the information is kept confidential.

6. Term, Termination and Extension

6.1 *Term.* This Agreement shall come into effect on the Commencement Date and shall continue in force until the end of the Contract Period unless terminated earlier in accordance with the provisions of this Clause 6.

6.2 *Breach or insolvency.* Without prejudice to any other right or remedy it may have, either Party may terminate this Agreement at any time by notice in writing to the other Party (the '(Other Party)'), such termination to take effect as specified in the notice:

(a) if the Other Party is in material or persistent breach of this Agreement and, in the case of a breach capable of remedy within thirty (30) days, the breach is not remedied within thirty (30) days of the Other Party receiving notice specifying the breach and requiring its remedy; or

(b) if (A) the Other Party, being a corporate entity, becomes insolvent or unable to pay its debts as and when they become due, or (B) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction), or (C) a liquidator, administrator, administrative receiver, receiver or trustee is appointed in respect of the whole or any part of the Other Party's assets or business, or (D) the Other Party makes any composition with its creditors, or (E) the Other Party ceases to continue its business, or (F) the Other Party takes or suffers any similar or analogous action in any jurisdiction as a consequence of debt or maladministration.

6.3 *Academic leaving.* In the event of the Academics ceasing to be employed by Imperial College, this Agreement shall automatically terminate without further notice. In the event of any Academics ceasing to be employed by Imperial College, this Agreement shall only apply to the Research Work of the Academics still employed by Imperial College ("Remaining Academics") and any employee of Imperial College or any entity under the Control of Imperial College and who works under the direct supervision of the Remaining Academics.

6.4 *Consequences of termination.*

(a) Termination of this Agreement by either Party for any reason, or the expiry of this Agreement, shall not affect the rights and obligations of the Parties accrued prior to the effective date of termination or expiry of this Agreement, and shall not affect the continuance in force of any provisions hereof which are expressly or by implication intended to continue in force on or after such termination or expiry.

(b) Upon any termination of this Agreement by ICIL under Clause 6.2, all Options that have not been exercised prior to termination shall automatically lapse.

(c) Upon any expiry or termination of this Agreement other than termination by ICIL under Clause 6.2, all Options that have not been exercised prior to termination shall remain exercisable by the Company up to the end of their Option Period.

7. General

7.1 Nothing in this Agreement and no action taken by the Parties pursuant to this Agreement shall constitute or be deemed to constitute a partnership, association, joint venture, or other cooperative entity between the Parties, and neither of the Parties shall have any authority to bind the other Party.

7.2 Neither of the Parties shall without the prior written agreement of the other Party assign or otherwise transfer the benefit and/or burden of this Agreement, except that ICIL may assign all of its benefits and burdens under this Agreement to any company or entity to which it transfers all or substantially all of its assets or business, provided that the assignee undertakes in writing to the other Party to be bound by and perform the obligations of the assignor under this Agreement.

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7.3 This Agreement may only be amended in writing signed by duly authorised representatives of ICIL and the Company.

7.4 Any notice or other communication to be given pursuant to or under or in connection with the matters contemplated by this Agreement shall be in writing in the English language and shall be delivered by courier or sent by post using the addresses of the Parties set out above and shall be deemed to have been received when delivered if delivered by courier or three (3) working days after the date of posting if sent by post.

7.5 References in this Agreement to a particular Clause shall be a reference to that clause in this Agreement. The clause headings set out in this Agreement are for ease of reference only and shall not affect the interpretation of any provision of this Agreement.

7.6 Except for the rights of Imperial College under Clauses 2.4 and 3.6, which shall be enforceable by Imperial College in its own right, the Parties do not intend that any term of this Agreement shall be enforceable by any Third Party under the Contracts (Rights of Third Parties) Act 1999. Any amendment to this Agreement (including without limitation any amendment to Clauses 2.4 and 3.6) will not require the consent of Imperial College or any Third Party.

7.7 If the whole or any part of any provision of this Agreement is void or unenforceable in any jurisdiction, the other provisions of this Agreement, and the rest of the void or unenforceable provision, will continue in that jurisdiction, and the validity and enforceability of that provision in any other jurisdiction will not be affected.

7.8 If a Party fails to enforce, or delays in enforcing, an obligation of the other Party, or fails to exercise, or delays in exercising, a right under this Agreement, that failure or delay will not affect its right to enforce that obligation or constitute a waiver of that right. Any waiver of any provision of this Agreement will not, unless expressly stated to the contrary, constitute a waiver of that provision on a future occasion.

7.9 This Agreement constitutes the entire agreement between the Parties relating to its subject matter and supersedes all prior oral and written agreements, arrangements or understandings between them relating thereto. Each Party acknowledges that it has not entered into this Agreement on the basis of any warranty, representation, statement, agreement or undertaking except those expressly set out in this Agreement. Each Party waives any claim for breach of this Agreement, or any right to rescind this Agreement in respect of, any representation which is not an express provision of this Agreement. However, this Clause does not exclude any liability which either Party may have to the other Party (or any right which either Party may have to rescind this Agreement) in respect of any fraudulent misrepresentation or fraudulent concealment prior to the execution of this Agreement.

7.10 If the Parties are unable to reach agreement on any issue concerning this Agreement within fourteen (14) days after one Party has notified the other Party of that issue, they will refer the matter to the Managing Director in the case of ICIL, and to the Academic in the case of the Company, in an attempt to resolve the issue within fourteen (14) days after the referral. Either Party may bring proceedings in accordance with Clause 7.6 if the matter has not been resolved within the fourteen (14) days period, and either Party may apply to the court for an injunction, whether or not any issue has been escalated under this Clause.

7.11 This Agreement shall be governed by English law and shall be subject to the exclusive jurisdiction of the English courts.

AGREED by the Parties through their authorised representatives:

Signed for and on behalf of:
IMPERIAL COLLEGE INNOVATIONS LIMITED

Signed for and on behalf of:
[●]

Signed:

Signed:

Name:

Name:

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Title:

Title:

Date:

Date:

Schedule I – Definitions and Interpretation

<i>Definitions</i>	In the Agreement, the following words and phrases shall have the following meanings:
Academic Founders	shall mean individuals who maintain their employment by Imperial College London or any entity under the Control of Imperial College London after the Effective Date and are identified in Schedule II.
Academic Founder Researchers	shall mean an individual employed by Imperial College London or any entity under the Control of Imperial College London and who works under the direct supervision of any of the Academic Founders.
Affiliate	in relation to a Party, means any person that Controls, is Controlled by, or is under common Control with that Party.
Agreement	the written, dated, and executed document that incorporates all Schedules and Appendices and specifies the legal duties and obligations by and between the Parties.
Annual Turnover	the income or gross revenue received, or invoiced if not received, during a Year excluding any costs related to investments.
Assignment Agreement	an agreement with terms and conditions that provide for the assignment of the ownership of Intellectual Property Rights.
Bundled Service	Licensed Services, combined with, or sold or supplied with any other product or service which is not Licensed Products and/or Licensed Services.
Business Day	a day other than a day which is a Saturday, Sunday or public holiday in England, or a day which is a public holiday at the registered address of any Party;
Claim	demands, claims, actions, proceedings, and liability (whether criminal or civil, in contract, tort (including negligence) or otherwise) for losses, damages, legal costs and other expenses of any nature whatsoever and all costs and expenses (including legal costs) incurred in connection therewith.
Confidential Information	all information of a confidential or proprietary nature which is obtained directly or indirectly from a Disclosing Party or any of its Affiliates by the Receiving Party or any of its Affiliates at any time before, on, or after the Effective Date, without regard to the form or manner in which such information is disclosed or obtained (including information disclosed orally, in writing or by observation), and includes the terms of this Agreement;
Combination Product	Licensed Products, combined with, or sold or supplied with any other product which is not Licensed Products and/or Licensed Services.
Control	means, in relation to any entity: (a) having, directly or indirectly, the power to direct, or cause the direction of, the management and policies of that entity, whether through the ownership of voting securities in that or any other entity, by contract or otherwise; or (b) holding, directly or indirectly, such securities (or other rights) as confer on the holder thereof the right to exercise more than fifty percent of all votes exercisable in general meeting of the members of such entity; and in this definition the term “ entity ” shall include any corporation or partnership wherever established. An entity which Controls another entity (“ Subsidiary ”), shall be deemed to also Control any further entities Controlled by such Subsidiary.

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Cumulative Net Sales	the sum of all Net Sales.
Delivered Items	any and all results, materials, information, or other items provided under this Agreement.
Development & Exploitation Milestone	has the meaning given in Schedule IV.
Diligent and Reasonable Endeavours	exerting such endeavours and employing such resources as would normally be exerted or employed by a reasonable Third-Party at a similar stage of its product life, when utilising sound and reasonable scientific, technical, and business practice and judgment to develop the Licensed Products and Services in a timely manner and maximise the economic return to the Parties from their commercialisation.
Disclosing Party	the Party that discloses Confidential Information to the Receiving Party.
Effective Date	the date of the last signature that fully executes the Agreement.
End User	any person who uses any of the Licensed Software.
Exit Event	an Impending Change that marks a significant departure of the investors, founders, or shareholders of the Licensee that can the form the basis of an initial public offering in the Licensee or an acquisition, merger or sale of a substantial part of the Licensee.
External Entity	any individual, corporation, partnership, co-operative, or any registered equivalent thereof, capable of being legally bound by the terms and conditions of a contract or agreement under the laws of at least one country or jurisdiction.
Export Control Regulations	any United Nations trade sanctions, UK legislation or regulation, from time to time in force, which impose embargoes on or control the export of goods, technology or software, including but not limited to weapons of mass destruction and arms, military, paramilitary and security equipment and dual-use items (items designed for civil use but which can be used for military purposes) and certain drugs and chemicals.
Field	the technological scope of the potential applications and uses of the identified Licensed Intellectual Property Rights as defined in Schedule II.
Force Majeure Event	<p>any event which arises from or is attributable to acts, events, omissions, or accidents beyond the reasonable control of and not reasonably foreseeable by a Party, which are liable to affect performance of that Party's obligations in this Agreement after the exercise of reasonable diligence, except that:</p> <ul style="list-style-type: none">(a) lack of funds;(b) default or misconduct by any Third Party employed or engaged as an agent or contractor by that Party;(c) shortage of materials, equipment or supplies; or(d) disruptions or other adverse effects attributable in whole or in part to COVID-19 disease or the SARS-CoV-2 virus, or any evolution thereof, including (i) failure of suppliers to provide products or materials, (ii) labour shortages, (iii) government action, (iv) reduction in customer demand or (v) any related Force Majeure Events;

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	shall not constitute a Force Majeure Event unless caused by events or circumstances which are themselves Force Majeure Events.
Impending Change	shall mean a foreseeable event that has a high probability of occurring within the subsequent three (3) months.
Indemnified Parties	the Licensor, Imperial College and each of their respective Affiliates and the Representatives of each of the Licensor, Imperial College and each of their respective Affiliates.
Insolvency Event	<p>in relation to a Party, any of the following events:</p> <ul style="list-style-type: none">(a) a meeting of creditors of that Party being held or an arrangement or composition with or for the benefit of its creditors (including a voluntary arrangement as defined in the Insolvency Act 1986) being proposed by or in relation to that Party;(b) a chargeholder, receiver, administrative receiver or other similar person taking possession of or being appointed over or any distress, execution or other process being levied or enforced (and not being discharged within seven days) on the whole or a material part of the assets of that Party;(c) that Party ceasing to carry on business or being deemed to be unable to pay its debts within the meaning of section 123 Insolvency Act 1986;(d) that Party or its directors or the holder of a qualifying floating charge or any of its creditors giving notice of their intention to appoint, appointing or making an application to the court for the appointment of, an administrator;(e) a petition being advertised or a resolution being passed or an order being made for the administration or the winding-up, bankruptcy or dissolution of that Party; or(f) the happening in relation to that Party of an event analogous to any of the above in any jurisdiction in which it is incorporated or resident or in which it carries on business or has assets.
Intellectual Property Rights	<p>any and all rights in inventions, patents, copyrights, trade secrets, know-how, trademarks and trade names, service marks, design rights, rights in get-up, database rights and rights in data, semiconductor chip topography rights, utility models, domain names and any and all similar rights, wherever the right exists, has existed, or will exist, and in each case shall include any and all rights regardless of whether or not said right:</p> <ul style="list-style-type: none">(a) has been protected, registered, renewed, and extended;(b) an application to protect, register, renew, or extend has been filed; or(c) is a vested, contingent or future right; and
Licensed Code	the software code identified in Schedule II, being defined by default as the Confidential Information of Imperial College and its Affiliates.
Licensed Intellectual Property Rights	any and all Intellectual Property Rights in the Licensed Patents, the Licensed Software, and/or the Licensed Know How.

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Licensed Know How	the technical information and knowledge on methods, techniques, processes, analyses, results of analyses, observations, and experiences as identified in Schedule II, which shall be deemed to be the Confidential Information of the Licensor, Imperial College and their Affiliates.
Licensed Patents	<p>any and all Intellectual Property Rights associated with or arising from:</p> <ul style="list-style-type: none">(a) the patents and patent applications identified in Schedule II;(b) any divisionals, continuations, continuations-in-part, extensions, foreign-filed counterparts or reissues of the patents described in (a) above;(c) any patents and similar rights that derive priority from or claim common priority with (a) and (b); and <p>furthermore, (a) to (c) inclusive shall be Confidential Information to the extent they have not been published.</p>
Licensed Products and Services	Licensed Products and Licensed Services.
Licensed Products	<p>any and all devices, articles of manufacture, materials, compositions of matter, or expressions fixed in a tangible material regardless of the duration of the fixture that;</p> <ul style="list-style-type: none">(a) the development, manufacture, marketing, sale (or other supply), importation or use of which would, but for the licence granted under this Agreement, infringe a granted Valid Claim of the Licensed Patents, or would infringe a pending Valid Claim of the Licensed Patents if granted, in each case, in the country of development, manufacture, marketing, sale (or other supply), importation or use;(b) that incorporates any Licensed Software or Licensed Know How; or(c) the development, manufacture or use of which uses any Licensed Software or any of the Licensed Know How irrespective of the manner in which such software products are distributed (including, for the avoidance of doubt, any software made available on a 'software as a service' basis).
Licensed Services	<p>any and all direct or indirect provisions of a manual and/or computerised process, method, technique, system, or practice performed for benefit for any Third Party:</p> <ul style="list-style-type: none">(a) the provision of which would, but for the licence granted under this Agreement, infringe a granted Valid Claim of the Licensed Patents, or would infringe a pending Valid Claim of the Licensed Patents if granted, in each case, in the country of provision;(b) which uses any Licensed Software or Licensed Know How; or(c) which is provided in connection with any service that uses any Licensed Software or any of the Licensed Know How (including any maintenance, support, installation, consultancy or integration services provided in respect of the Licensed Products).
Licensed Software	the whole or a substantial part of the Licensed Code together with any Modifications.

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Loss	any loss, damage, liability, judgement, fine, penalty, charge and any other costs and expense of any nature or kind whatsoever, including legal costs and any costs or recovery;
Milestone Payment Event	has the meaning given in Schedule III.
Milestone Payment	has the meaning given in Schedule III.
Modifications	any modification, enhancement, adaptation, translation, revision, derivative work or Re-write of the Licensed Code (or of any earlier Modification), and “Modify”, “Modifies”, and “Modified” shall be interpreted accordingly;
Net Receipts	<p>the amount of all payments (excluding value added tax or other sales tax) and, as applicable, the value of all non-monetary receipts obtained by, or due to, the Licensee or any of its Affiliates in relation to the sub-licensing (including the grant of any option in respect of a sub-licence) of any of the Licensed Intellectual Property Rights, including all of the following payments and receipts:</p> <ul style="list-style-type: none">(a) up-front, milestone (whether at the stage of development, marketing, or otherwise), success, bonus, maintenance, periodic (including annual), royalty, minimum royalty, and all other payments obtained or due in relation to any such sub-licence or option;(b) where any such sub-licence is to be granted under cross-licensing arrangements, the value of any Third-Party licence obtained under such arrangements;(c) any premium paid over the fair market value of shares, options, or other securities in respect of any of the share capital of the Licensee or any of its Affiliates (such fair market value to be determined on the assumption that the Licensor had not granted, nor agreed to grant, any rights to the Licensee in respect of any of the Licensed Intellectual Property Rights);(d) any loan, guarantee, or other financial benefit made or given other than on normal market terms; and(e) any shares, options, or other securities obtained from a Third Party; and <p>subject to the following:</p> <ul style="list-style-type: none">(A) where the transaction giving rise to the payment or receipt is not an arm’s length commercial transaction, the Net Receipts shall be deemed to be the amount or value that would have been paid or due if it had been such a transaction; and(B) where a payment or receipt to which this definition applies arises from a transaction relating to sub-licensing of both (i) the Licensed Intellectual Property Rights and (ii) other intellectual property, then if the Parties cannot agree within a reasonable period the proportion of the payment or receipt which is attributable to the Licensed Intellectual Property Rights, the matter shall be referred to an independent expert who shall be appointed and act in accordance with the provisions of the Agreement and whose decision shall be final and binding on the Parties.
Net Sales	The invoiced price of Licensed Products and/or Licensed Services sold, licensed or otherwise supplied by the Licensee, or its Affiliate, in each case in arm’s length transactions exclusively for money or, where the licence or other supply is not at arm’s length or not exclusively for money, the price that would have been so invoiced

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if it had been at arm's length exclusively for money, after deduction of all documented:

- (a) normal trade discounts actually granted and any credits actually given for rejected, cancelled or returned Licensed Products and/or Licensed Services;
- (b) costs of packaging, insurance, carriage and freight, provided in each case that the amounts are separately charged on the relevant invoice;
- (c) Value Added Tax or other sales tax; and
- (d) import duties or similar applicable government levies;

provided that such deductions (i) do not exceed reasonable and customary amounts in the markets in which such sales or other supplies occurred and (ii) are not incurred in order to advantage other products of the Licensee or its Affiliates, such that the Licensed Products and/or Licensed Services would bear a disproportionate portion of such deductions;

In respect of any tangible Licensed Products, where the Licensee transfers possession of such tangible Licensed Products to any of its Affiliates, or where any Affiliate of the Licensee transfers possession of such tangible Licensed Products to the Licensee or any other of the Licensee's Affiliates, in each case for resale by the Affiliate or the Licensee (as applicable), the price (if any) paid by the Affiliate or the Licensee for such transfer shall not be included in Net Sales provided that the Affiliate or the Licensee resells the Licensed Products to Third Parties;

Where the Licensee licences or otherwise supplies Licensed Products and/or Licensed Services free of charge for bona fide marketing purposes, such licence or other supply shall be deemed to be at arm's length and exclusively for money, and accordingly the Net Sales in respect of such licence or other supply shall be zero, provided that the Licensee enters into no more than a commercially reasonable number of such free of charge licences during any Year; and

Net Sales shall not include any Licensed Products and/or Licensed Services licensed or otherwise supplied by Resellers (which shall be regarded as Net Receipts).

Parties	the Licensor and the Licensee, and "Party" shall mean either of them;
Patent Costs	a reimbursement amount as defined in Schedule III for reimbursing for all costs, fees and expenses incurred by the Licensor in respect of the drafting, filing, prosecution and maintenance of the Licensed Patents prior to the Effective Date.
Receiving Party	the Party that receives Confidential Information to the Disclosing Party.
Reseller	a person, other than the Company or any of its Affiliates, who has been granted the right to licence or otherwise supply Licensed Software to End Users.
Re-write	any software that consists of a direct or indirect copy of the whole or any substantial part of the Licensed Software.
Restricted Party	means any company, person or entity which in Imperial College's reasonable opinion, does not comply with the Imperial Research Codes of Practice on Ethic considerations and Tobacco industry funding including any future modifications or changes to same.
Sublicensee	a Third Party that is granted any right to the Licensed Intellectual Property Rights by the Licensee under clause 2.3 of the Agreement.
Territory	territories, countries and or regions as specified in Schedule II.

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Third Party	a person, company or entity other than the Licensor, Imperial College or Licensee and their respective Affiliates.
Valid Claim	a claim of: (a) an issued and in force patent which has not (i) expired nor (ii) been permanently revoked, or found unenforceable or invalid by a court or other governmental agency of competent jurisdiction in a final and non-appealable judgment nor (iii) been revoked, or found unenforceable or invalid by a court or other governmental agency of competent jurisdiction in an appealable judgement from which an appeal has not been taken in the time allowed; or (b) a pending patent application which claim has not been withdrawn, abandoned or finally disallowed without the possibility of appeal or refiling of the claim.
Year	a period of twelve (12) consecutive months, commencing by default on the Effective Date or any anniversary of the Effective Date or by another date specified in the Agreement including its Appendices and Schedules.

Interpretation. In the Agreement:

- a) reference to the singular includes the plural and vice versa;
- b) reference to “writing” and “written” excludes electronic mail;
- c) reference to “this Agreement” includes this Agreement as amended or supplemented from time to time;
- d) reference to “termination” includes “termination by expiry”;
- e) reference to “persons” includes unincorporated and incorporated persons in any jurisdiction;
- f) the words “include”, “including” and “in particular” are to be construed as being by way of illustration or emphasis only and are not to be construed so as to limit the generality of any words preceding them; and
- g) the headings to clauses and to schedules are to be ignored in construing this Agreement.

Schedule II – Licensed Intellectual Property Rights and Academic Founders

Academic Founders:

Field:

Territory:

Licensed Patents:

Patent A 'Short Title'

'Full Title', filed [day] [month] [year] [country/region/PCT] (Patent Application No. xxxxxxxx),(Patent Publication No. xxxxxxxx). (Patent No. xxxxxxxx).

'Full Title', filed [day] [month] [year] [country/region/PCT] (Patent Application No. xxxxxxxx),(Patent Publication No. xxxxxxxx). (Patent No. xxxxxxxx).

Patent B 'Short Title'

'Full Title', filed [day] [month] [year] [country/region/PCT] (Patent Application No. xxxxxxxx),(Patent Publication No. xxxxxxxx). (Patent No. xxxxxxxx).

'Full Title', filed [day] [month] [year] [country/region/PCT] (Patent Application No. xxxxxxxx),(Patent Publication No. xxxxxxxx). (Patent No. xxxxxxxx).

Patent C 'Short Title'

'Full Title', filed [day] [month] [year] [country/region/PCT] (Patent Application No. xxxxxxxx),(Patent Publication No. xxxxxxxx). (Patent No. xxxxxxxx).

'Full Title', filed [day] [month] [year] [country/region/PCT] (Patent Application No. xxxxxxxx),(Patent Publication No. xxxxxxxx). (Patent No. xxxxxxxx).

OR state "Not Applicable" if no patent rights are being licenced

Licensed Know-How:

Know-How A

[Title], Ref. [reference number],[volume],[date], [format] at [storage location]

Know-How B

[Title], Ref. [reference number],[volume],[date], [format] at [storage location]

Know-How C

[Title], Ref. [reference number],[volume],[date], [format] at [storage location]

OR state "Not Applicable" if no know-how rights are being licenced

For the avoidance of doubt, the foregoing information shall constitute Licensed Know-How for the purposes of this Agreement regardless of whether any such information subsequently enters the public domain.

Licensed Code:

[Binary/source] code A, titled [name] version [version], stored at [storage location] on [date]

[Binary/source] code B, titled [name] version [version], stored at [storage location] on [date]

[Binary/source] code C, titled [name] version [version], stored at [storage location] on [date]

OR state "Not Applicable" if no software is being licenced

Schedule III – Payments

1. *Past patent cost reimbursement.* The total amount to be reimbursed to the Licensor for all costs, fees and expenses incurred in respect of the drafting, filing, prosecution and maintenance of the Licensed Patents prior to the Effective Date of shall be [_____ pounds sterling (£_____)] (the “Licensor Patent Costs”) to be paid as follows:
2. At the end of the first anniversary of the Effective Date of the Agreement and at each subsequent anniversary of the Effective Date for the next four (4) years the Licensee shall pay to the Licensor a non-refundable, non-deductible lump-sum of [_____ pounds sterling (£_____)] as a partial reimbursement payment (the “Partial Patent Costs Reimbursement”) towards the Licensor Patent Costs.

In case of an early termination of the Agreement or acquisition of the Licensee by an External Entity (“Early Termination Event”) all unpaid Partial Patent Costs Reimbursements as defined above will accelerate and any and all outstanding Partial Patent Costs Reimbursements shall be paid to the Licensor no more than thirty (30) days after the Early Termination Event.

3. *Licence fee.* The Licensee shall pay to the Licensor a non-refundable, non-deductible licence fee totalling Fifty-Thousand pounds sterling (£50,000) (the “Total Licensee Fee”) to be paid as follows:

At the end of the first anniversary of the Effective Date of the Agreement and at each subsequent anniversary of the Effective Date for the next four (4) years the Licensee shall pay to the Licensor a non-refundable, non-deductible lump-sum of Ten Thousand pounds sterling (£10,000) (the “Annual License Fee”).

In case of an early termination of the Agreement or acquisition of the Licensee by an External Entity (“Early Termination Event”) all unpaid Annual License Fees as defined above will accelerate and any and all outstanding Annual License Fees shall be paid to the Licensor no more than thirty (30) days after the Early Termination Event.

4. *Royalties on Net Receipts.* The Licensee shall pay to the Licensor a royalty of ten percent (10.0%) for all Net Receipts received by the Licensee.
5. *{For grants of patent rights only} Royalties on Net Sales on grants of patent rights.* Upon achieving Cumulative Net Sales of Fifty Million pounds sterling (£50,000,000) (“Cumulative Net Sales Threshold”) the Licensee shall commence the payment of royalties to the Licensor for the manufacture, sale or other supply, or use of which, but for the licence granted under this Agreement, would infringe any issued and in force Valid Claim or would infringe any pending Valid Claim if issued and in force, in each case, in the country of manufacture, sale or other supply or use.
6. The royalties on Net Sales over the Cumulative Net Sales Threshold to be paid for Licensed Products and Services shall be based on the Expected Profit Margin.
7. The Expected Profit Margin for this Agreement is [Low/Medium/High] and the royalties on Net Sales over the Cumulative Net Sales Threshold is [one-half, one, two] percent ([0.5%/1.0%/2.0%] %) accordingly.
8. *{For grants of patent rights only} Royalty Stacking Percent.* The Royalty Stacking Percentage for clause 3.4 is [●] percent ([●] %).

9. *{Optional} Milestone payments.* Within sixty (60) days after the achievement of each of the milestone set out in the following table (each, a “Milestone Payment Event”), the Licensee shall pay to the Licensor the non-refundable, non-deductible amount set out next to such Milestone Event in such table (each, a “Milestone Payment”). Each Milestone Payment shall be due regardless of whether such Milestone Payment Event is achieved because of the actions of the Licensee, any of its Affiliates, or its or their respective sub-licensees. Each Milestone Payment shall be due only once, upon achievement of the relevant Milestone Payment Event for the first time. If any Milestone Payment Event is achieved prior to the achievement of any preceding Milestone Payment Events, the Milestone Payment Event in respect of all such preceding Milestone Payment Events shall immediately become due.

Milestone Payment Event	Milestone Payment
[●]	[●] pounds sterling (£ [●])
[●]	[●] pounds sterling (£ [●])
[●]	[●] pounds sterling (£ [●])

10. *Limitation of Liability.* The limitation of liability for clause 9.3 (a) is [●] percent ([●] %) or [●] pounds sterling (£ [●]).

11. *Payment frequency.* Unless specified otherwise, all payments, fees and royalties due under this Agreement shall be paid within sixty (60) days of the end of each calendar quarter (ending on three-month period ending on 31 March, 30 June, 30 September and 31 December) in respect of Net Sales and Net Receipts generated during such calendar quarter and within sixty (60) days of the termination of this Agreement.

Schedule IV – Diligence and Commercialisation

1. Initial Development Plan

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Schedule V – Encumbrances

The following table lists the grants, agreements, claims and salary sources for inventors that have been identified as potentially providing Third Party rights or claims to the Intellectual Property as identified by its case number, short Title and details:

Case number	Intellectual Property and details	Short title of grants, agreements and claims identified as potentially having Third Party rights or claims to the Intellectual Property

The following table lists the rights and potential rights or claims to the Intellectual Property by Third Parties arising from the grant, funding or employment agreements or claims as identified in the table above:

Grants, funding or employment agreements or claims identified as creating, or potentially creating Third Party rights to the Intellectual Property		
Short title of grant, funding or employment agreement, or claim	Description of grant, funding, or employment agreement, or claim and Third Parties	Rights or potential rights of Third Parties to the intellectual property rights arising from the grant, funding or employment agreement or claims