

LICENSE AGREEMENT

BETWEEN

HYDROGRAPH CLEAN POWER, INC.

AND

KANSAS STATE UNIVERSITY RESEARCH FOUNDATION

LICENSE AGREEMENT

This LICENSE AGREEMENT, the effective date of which is July 15th, 2021 (hereinafter 'Effective Date') is made by and between Kansas State University Research Foundation, a non-profit Kansas corporation having its principal office at 2005 Research Park Circle, Manhattan, Kansas, USA, 66502 (hereinafter referred to as "Foundation") and Hydrograph Clean Power, Inc. (formerly Carbon-2D Graphene, Inc.), a corporation having its principal office at #430-580 Hornby Street, Vancouver, B.C. V6C 3B6, CANADA (hereinafter referred to as "Licensee")(each of Foundation and Licensee, a "Party" and together the "Parties").

RECITALS

- A. Foundation has been assigned the patent rights listed in Appendix A and specifically disclosed in the Foundation disclosure numbers provided alongside in Appendix A; their foreign counterparts, and patents corresponding thereto, and the inventions described and claimed therein to Foundation, and Foundation has rights to grant licenses under Patent Rights (as hereinafter defined) and Know-How (as hereinafter defined);
- B. Foundation desires to have products and services based on the inventions described in the Patent Rights developed and commercialized to benefit the public; and
- C. Licensee desires to obtain a license under the Patent Rights.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, the Parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

For the purposes of this Agreement, the following words and phrases shall have the following meanings:

- 1.1 **"Affiliate"** means any individual or entity directly or indirectly controlling, controlled by or under common control with, a Party to this Agreement. For purposes of this Agreement, the direct or indirect ownership of over fifty-percent (50%) of the profits or earnings of an entity shall be deemed to constitute control. Such other relationship as in fact results in actual control over the management, business and affairs of an entity shall also be deemed to constitute control. For the limited scope of this Agreement, Kansas State University (hereinafter the "University") is defined as an Affiliate of Foundation.
- 1.2 **"Confidential Information"** as used in this Agreement means all information in any form whatsoever disclosed in any manner by or on behalf of one Party or its Affiliates to the other Party before or after the Effective Date and includes without limitation information about products, raw materials, packaging, manufacturing processes, samples, technical information, scientific information, financial information, business information, customer and supplier lists, and the terms and conditions of this Agreement.
- 1.3 **"Control"** means, with respect to any item of Know-How, Patent Right, or other intellectual property right, a Party has the ability (whether by sole, joint or other ownership interest, license, sublicense or otherwise, and including any such abilities which are contingent) (other than by operation of the licenses granted in this Agreement) to grant a license, sublicense, access or right to use (as applicable) under such item of Know-How, Patent Right, or other

intellectual property right to the other Party on the terms and conditions set forth herein at the time of such grant, in each case without breaching the terms of any agreement with a third party.

1.4 **"Field of Use"** means the use of "Licensed Products" associated with a particular Disclosure for the following fields:

i) All Fields for Disclosures 04-12, 2019-064, 2020-039, 2020-065, 2020-048 and 2021-027; and

ii) For Disclosures 2019-066, 2017-008 and 2021-046: End-products synthesized using Foundation's detonation graphene and/or detonation graphene aerosol gel materials (as referenced in KSURF Disclosures 04-12 and 13-16) only, and excluding the use of any other graphene materials.

1.5 **"Know-How"** means the skills, processes, and experience Controlled by Foundation that are related to the Patent Rights and the inventions therein, including, but not limited to, any and all technical information, formulas, specifications, trade secrets, test results, studies, analyses, raw material sources, preclinical and clinical data, manufacturing data, formulation or production technology, and other information necessary or useful in the manufacture, sale, and use of the Licensed Products.

1.6 **"Licensed Products"** means for each separate Disclosure and on a country-by-country basis, any product, service or part thereof manufactured, used, sold, or distributed by Licensee that employ or are produced by the practice of inventions claimed in the Patent Rights and/or Know-How.

1.7 **"Net Sales"** means the gross amount of monies or cash equivalent or other consideration which is paid by unaffiliated third parties to Licensee, and its sublicensee's billings for Licensed Products less the sum of the following:

- a. discounts allowed in amounts customary in the trade;
- b. sales, tariff duties and/or use taxes directly imposed and with reference to particular sales;
- c. outbound transportation prepaid or allowed; and
- d. amounts allowed or credited on returns.

No deductions shall be made for commissions paid to individuals whether they are with independent sales agencies or regularly employed by Licensee and on its payroll, or for cost of collections. Licensed Products shall be considered "sold" when billed out or invoiced. For the purposes of calculating Net Sales, transfers to a sublicensee or an Affiliate of Licensed Product under this Agreement for (i) end use (but not resale) by the sublicensee or Affiliate shall be treated as sales by Licensee at list price of Licensee, or (ii) resale by a sublicensee or an Affiliate shall be treated as sales at the list price of the sublicensee or Affiliate.

1.8 **"Patent Rights"** means any subject matter claimed in or disclosed by the patent applications and/or issued patents listed in Appendix A; and all U.S. and foreign patents and patent applications derived therefrom or claiming priority thereto or claiming inventions disclosed therein including all divisions, continuations, continuations-in-part (but only to the extent the

claims thereof are enabled by disclosure of the parent application), reexamined and reissued patents.

- 1.10 **"Term"** the term of this Agreement shall commence on the Effective Date and, unless earlier terminated as provided in Article 11, shall continue in full force and effect until the expiration of the Patent Rights.
- 1.11 **"Territory"** means Worldwide.

ARTICLE 2: LICENSE GRANT

- 2.1 Subject to the terms and conditions set forth herein, Foundation hereby grants to Licensee an exclusive, royalty-bearing right and license in the Territory for the Field of Use to practice under the Patent Rights and to make, have made, use, lease, sell, offer to sell and import Licensed Products in the Territory until the end of the term for which the Patent Rights are granted to the Foundation by the responsible agencies, unless this Agreement shall be sooner terminated according to the terms hereof.
- 2.2 For clarity, Foundation shall be free to grant commercial licenses to the Patent Rights to third parties in all fields outside the Field of Use.
- 2.3 Foundation and the University have a reserved right to practice under the Patent Rights for research and educational purposes within the mission of the University, adhering to the confidentiality provisions of Article 13.
- 2.4 Licensee shall have the right to enter into sublicensing agreements for the rights, privileges and licenses granted hereunder provided that Licensee shall give Foundation thirty (30) days prior written notice thereof before any such license shall become effective. No such sublicense shall relieve Licensee of its obligations hereunder and Licensee and each such sublicensee shall execute documents to the foregoing effect, a copy of which and any amendments thereto will be furnished to Foundation promptly upon execution and delivery. Upon any termination of this Agreement, all sublicensee's rights shall also terminate, subject to Section 11.7 hereof.
- 2.5 Licensee agrees that any sublicenses granted by it shall be subject in all respects to restrictions, provisions and obligations in this Agreement and shall be binding upon the sublicensee as if it were a party to this Agreement and include a provision prohibiting the sublicensee from sublicensing its rights under such sublicense agreement.
- 2.6 Licensee shall not receive from sublicensee(s) anything of value in lieu of cash payments in consideration for any sublicense under this Agreement, without the express prior written permission of Foundation.
- 2.7 The license granted shall not be construed to confer any rights upon Licensee by implication, estoppel or otherwise as to any technology not specifically set forth in Patent Rights.
- 2.8 Development of the invention described in Foundation disclosure no. 04-12 was sponsored in part by the United States Government, and as a consequence this invention, and the rights associated with it as outlined in this Agreement, are subject to overriding obligations to the Federal

Government (including a non-exclusive, irrevocable license to use the invention by or on behalf of the Government throughout the world), under 35 U.S.C. §§200-212 and applicable regulations.

ARTICLE 3: DUE DILIGENCE

- 3.1 Licensee shall use commercially reasonable efforts and shall cause its sublicensees to use commercially reasonable efforts: (a) to introduce Licensed Products into the commercial market; and (b) to market Licensed Products following such introduction into the market.
- 3.2 Until reporting begins under Section 5.2, Licensee shall within sixty (60) days after the end of each calendar year, furnish Foundation with a written report summarizing its, its Affiliates' and its sublicensees' efforts during the prior year to develop and commercialize Licensed Products, including: (a) research and development activities completed; (b) commercialization and/or other distribution efforts, including significant corporate transactions involving Licensed Products; and (c) marketing efforts. Each report must contain a sufficient level of detail for Foundation to assess whether Licensee is in compliance with its obligations under Section 3.1 and a discussion of intended efforts for the then current year.
- 3.3 Licensee's failure to perform in accordance with Sections 3.1 and 3.2 above shall be grounds for Foundation to terminate this Agreement pursuant to Section 11.3 herein, providing such deficiency is not remedied within ninety (90) days of notice by Foundation to Licensee that, in its view, such deficiency exists.

ARTICLE 4: CONSIDERATION FOR GRANT OF LICENSE

- 4.1 For the rights, privileges and license granted, Licensee agrees to reimburse Foundation the sum of One Hundred and Eleven thousand, Six Hundred and Ninety-Four dollars (\$111,694 USD) for third party fees and expenses paid by Foundation prior to the Effective Date of this Agreement associated with the filing, prosecution and maintenance of the Patent Rights. The details of these fees are set forth in Appendix B ("Patent Fees"). This fee of \$111,694 USD, shall be payable within sixty (60) days of the Effective Date. Licensee shall also make the following payments to Foundation in the manner hereinafter provided during the Term:
 - (a) LICENSE INITIATION FEE. Licensee shall pay to Foundation a non-refundable License Initiation Fee in the sum of Twenty Five Thousand Dollars (\$25,000 USD), payable sixty (60) days after the Effective Date of this Agreement. This License Initiation Fee shall be separate from and unrelated to any other fees, such as, the Annual License Maintenance Fees, and Royalty payments set forth in this Article 4.
 - (b) ANNUAL LICENSE MAINTENANCE FEE: Licensee shall pay the following annual license maintenance fees (the "Annual License Maintenance Fees") on each anniversary of the effective date. These fees are assessed per issued patent or patent application that is active at the time these fees are due ("Active Patent/Application"):
 - i. Ten thousand dollars (\$10,000) per Active Patent/Application for calendar years 2022 through 2024;
 - ii. Twenty Five thousand dollars (\$25,000) per Active Patent/Application for calendar year 2025;

- iii. Thirty Five thousand dollars (\$35,000) per Active Patent/Application for calendar year 2026;
- iv. Fifty thousand dollars (\$50,000) per Active Patent/Application for calendar year 2027 and each subsequent calendar year after that, for the Term of this Agreement.

Such Annual License Maintenance Fees are non-refundable. Royalty payments in a given license year shall be creditable against these Annual License Maintenance Fees.

- (c) Licensee shall pay Foundation Running Royalties in an amount equal to Four Percent (4%) of Net Sales (such royalties, the “Running Royalties”) during the Royalty Term. “Royalty Term” means, on a country-by-country and Licensed Product-by-Licensed Product basis, the period commencing from the First Commercial Sale of such Licensed Product in such country by Licensee or its Affiliates or sublicensees until the expiration of the last-to-expire Patent Right in such country.
 - (d) In the event that Licensee is required to pay royalties to other parties in order to make, have made, use, lease, sell, offer to sell, or import Licensed Products, Running Royalties to the Foundation shall be reduced by one-half of such royalties paid to others, but in no case shall Running Royalties be reduced below Three and One Half Percent (3.5%).
 - (e) In addition to Running Royalties, twenty percent (20%) of any non-royalty payments received by Licensee from sublicensees, including fees received in consideration for sublicensing the Licensed Products, shall be paid to the Foundation.
 - (f) All payments made in accordance with subparagraphs 4.1(c) and 4.1(e) shall be credited against the Annual License Maintenance Fee provided for in 4.1(b), but only in the calendar year they are received by Foundation.
- 4.2 No multiple Running Royalties shall be payable on any Licensed Product, for which its manufacture, use, lease, importation, or sale, by the Licensee are or shall be covered by more than one Patent Rights licensed under this Agreement and for which the Licensee is being singularly compensated for Net Sales of that product. However, should Licensee generate Net Sales from one or more Licensed Product (“Component Licensed Product”), such as when it is sold as a component in the production of another Licensed Product (“Licensed End-Product”) and for which the Licensee has sublicensed the right to manufacture and sell the Licensed End-Product, and the Licensee is receiving consideration for both the Component Licensed Product sale and the Licensed End-Product sales, then both the Component Licensed Products as well as the Licensed End-Products shall be treated as unique Licensed Products for the purpose of Running Royalty accounting.
- For example, if Licensee sublicenses the graphene ink Disclosure #2019-066, as well as supplies graphene powder to the sublicensee for the production of the ink, and receives revenue for the graphene powder sales and receives a royalty on the sale of the graphene inks, then Licensee will owe separate Running Royalties to KSURF on both the graphene powder and the graphene inks.
- 4.3 All Running Royalty payments due hereunder shall be paid in full, without deduction of taxes or other fees which may be imposed by any government and which shall be paid by Licensee. Non-

royalty payments under Section 4.1(e) shall be net of any transaction taxes or fees, not including income tax on profits, which may be imposed by any government upon receipt by Licensee.

- 4.4 Royalties shall accrue when Licensed Products are invoiced, or if not invoiced, when delivered to a third party or Affiliate. Licensee shall within forty-five (45) days after March 31, June 30, September 30 and December 31, of each year, pay Running Royalties. Each payment shall be for Running Royalties accrued within Licensee's most recently completed calendar quarter.
- 4.5 Running Royalty payments shall be paid in United States dollars without deduction of exchange, collection or other charges in Manhattan, Kansas, or at such other place as Foundation may reasonably designate consistent with the laws and regulations controlling in any foreign country. If any currency conversion shall be required in connection with the payment of Running Royalties, such conversion shall be made by using the exchange rate published in the Wall Street Journal on the last business day of the calendar quarterly reporting period to which such royalty payments relate.
- 4.6 All payments due Foundation shall be made out to "Kansas State University Research Foundation." Payment may be remitted via bank wire transfer, at Licensee's expense, in immediately available funds to such bank account in the United States designated in writing by Foundation from time to time.
- 4.7 The Running Royalty and other payments set forth in this Agreement and amounts due under Article 6 shall, if overdue, bear interest from and including the date payment is due until payment at a per annum rate of ten percent (10%). The payment of such interest shall not foreclose Foundation from exercising any other rights it may have as a consequence of the lateness of any payment.
- 4.8 Running Royalty Buyout: The Running Royalty of 4% may be purchased down by the Licensee on the following terms:

i. Running Royalty on Patent Rights Associated with U.S. Provisional Patent Application 63/161,625 –

During the first four years from the Effective Date, Licensee shall have the right to reduce or eliminate its obligation to pay the Running Royalty on U.S. Provisional Patent Application 63/161,625, in whole or in part by paying to KSURF \$4,000,000 for each percentage point of the Running Royalty ("Royalty Termination Fee"), for an aggregate purchase price of \$16,000,000. The percentage points shall be available for purchase at a rate of 1% per year with such right accruing on an aggregate basis annually beginning with the first year ending on the anniversary date of this Agreement in calendar year 2022, as set out in the table below.

Year	Running Royalty Available For Purchase	Remaining KSURF Running Royalty	Aggregate Royalty Termination Fee (\$)
2022	1%	3%	4,000,000
2023	2%	2%	8,000,000
2024	3%	1%	12,000,000
2025	4%	0%	16,000,000

In order to exercise this right, the Licensee shall notify KSURF by Notice in accordance with

Section 12 of this Agreement regarding the percentage of the Running Royalty to be purchased and the purchase date. For avoidance of doubt, upon the Licensee paying the *Royalty Termination Fee* for each percentage of Running Royalty under this Agreement, the ongoing Running Royalty rate due to KSURF under this Agreement shall be reduced by the amounts that have been purchased, up to a full elimination of the royalty due if this provision is fully exercised. However, should the Licensee not exercise this right within the timeline outlined above, then the right to exercise this Royalty Termination Fee shall expire.

ii. Entire Running Royalty For The Remaining Patent Rights After Excluding U.S. Provisional Patent Application 63/161,625–

At any time during the License Term, the Licensee shall have the right to reduce or eliminate its obligation to pay the Running Royalty for the remaining Patent Rights, in whole or in part by paying to KSURF \$3,000,000 for each 1% of the Running Royalty (“Royalty Termination Fee”) for an aggregate purchase price of \$12,000,000 as set out in the table below. In order to exercise this right, the Licensee shall notify KSURF by Notice in accordance with Section 12 of this Agreement regarding the percentage of the Running Royalty to be purchased and the purchase date. For avoidance of doubt, if the Licensee exercises the *Royalty Termination Fee* for the full percentage of Running Royalty due under this Agreement, no Running Royalty shall thereafter be due to KSURF under this Agreement.

Running Royalty Purchased	Remaining KSURF Running Royalty	Royalty Termination Fee (\$)	Aggregate Royalty Termination Fee (\$)
1%	3%	3,000,000	3,000,000
1%	2%	3,000,000	6,000,000
1%	1%	3,000,000	9,000,000
1%	0%	3,000,000	12,000,000

ARTICLE 5: REPORTS AND RECORDS

- 5.1 Licensee shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable by Licensee to Foundation. Said books of account shall be kept at Licensee's principal place of business or the principal place of business of the appropriate division of Licensee to which this Agreement relates. Said books and the supporting data shall be open at all reasonable times for five (5) years following the end of the calendar year to which they pertain, to the inspection of Foundation or its agents for the sole purpose of verifying Licensee's royalty statements or compliance in other respects with this Agreement. Should such inspection lead to the discovery of a greater than five percent (5%) discrepancy in reporting to Foundation's detriment, Licensee agrees to pay the full cost of such inspection. Foundation may exercise its rights under this Section 5.1 only once every year per audited entity and only with reasonable prior notice to the audited entity.
- 5.2 Before the first commercial sale of a Licensed Product, Licensee shall submit the reports due under Section 3.2. After the first commercial sale of a Licensed Product, Licensee, within forty five (45) days after March 31, June 30, September 30 and December 31, of each year, shall deliver to Foundation true and accurate reports, of the business conducted by Licensee and its sublicensee(s) during the preceding three month period under this Agreement using a format

similar to the example shown in Appendix C ("Royalty Report Form"). These shall include at least the following:

- (a) amount of Licensed Products manufactured and sold by Licensee and all sublicensees;
- (b) total billings for Licensed Products sold by Licensee and all sublicensees;
- (c) methods used to calculate the Running Royalty;
- (d) the exchange rate used;
- (e) deductions applicable as provided in Section 1.7;
- (f) non-royalty sublicensing payments due under Section 4.1(e);
- (g) total Running Royalties due; and
- (h) names and addresses of all sublicensees of Licensee.

- 5.3 With each such report submitted, Licensee shall pay to Foundation the royalties due and payable under this Agreement. Licensee shall provide such report even if no royalties shall be due.

ARTICLE 6: PATENT PROSECUTION

- 6.1 Foundation will be responsible for the preparation, filing, prosecution, protection, defense and maintenance of all Patent Rights, using independent patent counsel reasonably acceptable to Licensee. However, Foundation shall give Licensee the opportunity to provide comments on and make requests of Foundation concerning the preparation, filing, prosecution, protection, defense and maintenance of the Patent Rights, and shall seriously consider such comments and requests; however, final decision-making authority shall vest in Foundation.
- 6.2 Foundation, either directly or through its attorneys, shall keep Licensee or its designated attorneys adequately informed with respect to the filing, prosecution, and maintenance of all patent applications and patents licensed under this Agreement. Licensee shall have the right to request and receive additional information, as Licensee or its attorneys may require, including copies of patent applications, patents, patent office actions, and replies thereto.
- 6.3 Separate from the payments set forth in Article 4, Licensee shall reimburse Foundation for all reasonable costs associated with the Patent Rights incurred after the Effective Date. These reimbursements shall be due within thirty (30) days after receipt of Foundation's invoice by Licensee, and shall be non-refundable and non-creditable. To the extent practicable, such expenses shall be pre-approved by Licensee, and Foundation agrees to consult with Licensee as to the preparation, filing, prosecution and maintenance of the Patent Rights and shall furnish to Licensee copies of relevant documents in Foundation's or its counsel's possession reasonably in advance of such consultation. If Licensee fails to provide direction before two (2) weeks prior to a deadline, Foundation will proceed on its own judgment and, provided that Licensee has received two (2) months prior notice of the deadline, Licensee shall be responsible for costs as if pre-approved. If, by two (2) weeks prior to expiration of a filing deadline, Licensee elects not to make such payment, Foundation may elect to make such payment at Foundation's own cost, in

which case Licensee shall have no further rights with respect to said specific patent action, any other Section of this Agreement notwithstanding.

- 6.4 If Licensee decides that it does not wish to pay for the prosecution or maintenance of any Patent Rights in a particular country, Licensee shall provide Foundation with prompt written notice of such election. Upon receipt of such notice by Foundation, Licensee shall be released from its obligation to reimburse Foundation for such expenses incurred thereafter as to such Patent Rights; provided, however, that expenses authorized prior to the receipt by Foundation of such notice shall be deemed incurred prior to the notice. In the event of Licensee's election hereunder to no longer pay for prosecution or maintenance of any Patent Rights, any license granted by Foundation to Licensee hereunder with respect to such Patent Rights will terminate, and Licensee will have no rights whatsoever to exploit such Patent Rights. Foundation will then be free, without further notice or obligation to Licensee, to grant rights in and to such Patent Rights to third parties in the Field of Use.

ARTICLE 7: INFRINGEMENT

- 7.1 Either Party shall promptly inform the other Party in writing of any alleged infringement of the Patent Rights by a third party and shall provide the other Party with any available evidence thereof. Neither Party shall notify a third party of the infringement of Patent Rights without first consulting with the other Party. Both Parties shall use reasonable efforts and cooperation to terminate infringement without litigation.
- 7.2 During the Term, Licensee shall have the first right, but not the obligation, to prosecute at its own expense all infringements of the Patent Rights and, in furtherance of such right, Foundation hereby agrees that Licensee may include Foundation as a party plaintiff in any such suit, without expense to Foundation provided, however, that such right to bring such an infringement action shall remain in effect only for so long as the license granted herein remains exclusive. The total cost of any such infringement action commenced or defended solely by Licensee shall be borne by Licensee. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of Foundation, which consent shall not unreasonably be withheld. Licensee shall indemnify Foundation against any order for costs that may be made against Foundation in such proceedings.
- 7.3 In the event that Licensee shall undertake the enforcement and/or defense of the Patent Rights by litigation, Licensee may withhold up to fifty percent (50%) of the payments otherwise due Foundation under Article 4 herein and apply the same toward reimbursement of up to half of Licensee's third-party litigation expenses, including reasonable attorneys' fees, in connection therewith. Any recovery of damages by Licensee for each such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of Licensee relating to such suit, and next toward reimbursement of Foundation for any payments under Article 4 past due or withheld and applied pursuant to this Article 7. Licensee shall receive sixty percent (60%), and Foundation shall receive forty percent (40%) of the balance of any recovery, damages, or settlement proceeds after the foregoing allocation is performed.
- 7.4 If within six (6) months after having been notified of any alleged infringement, Licensee shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if Licensee shall notify Foundation at any time prior thereto of its intention not to bring suit against any alleged

infringer then, and in those events only, Foundation shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Patent Rights, and Foundation may, for such purposes, use the name of Licensee as party plaintiff.

- 7.5 In the event that Foundation shall undertake enforcement and/or defense of the Patent Rights litigation, any recovery, damages or settlement derived from such action shall be applied first in satisfaction of any unreimbursed expenses and legal fees of Foundation. Foundation shall receive sixty percent (60%), and Licensee shall receive forty percent (40%) of the balance of any recovery, damages, or settlement proceeds after the foregoing allocation is performed.
- 7.6 In the event that a declaratory judgment action alleging invalidity or noninfringement of any of the Patent Rights shall be brought against Licensee, Foundation, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.
- 7.7 In any infringement suit as either Party may institute to enforce the Patent Rights pursuant to this Agreement, the other Party hereto shall, at the request and expense of the Party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.
- 7.8 Licensee shall have the sole right in accordance with the terms and conditions herein to sublicense any alleged infringer for future use of the Patent Rights. Any upfront fees as part of such a sublicense shall be shared sixty percent (60%) – forty percent (40%) between Licensee and Foundation, the greater amount being allocated to whichever of Licensee or Foundation implemented the infringement actions; other royalties shall be treated per Article 4.

ARTICLE 8: LIABILITIES AND WARRANTIES

- 8.1 Licensee represents and warrants that it will comply, and will require that its Affiliates and sublicensees comply, with all applicable local, state, federal and international laws and regulations relating to the development, manufacture, use, sale and importation of Licensed Products. Without limiting the foregoing, Licensee represents and warrants, that it shall comply, and will require its Affiliates and sublicensees to comply, with all applicable United States laws and regulations controlling the export of certain commodities and technical data, including without limitation all applicable Export Administration Regulations of the United States Department of Commerce. Among other things, these laws and regulations prohibit or require a license for the export of certain types of commodities and technical data to specified countries. Licensee hereby gives written assurance that it will comply with, and will require that its Affiliates and sublicensees comply with, all applicable United States export control laws and regulations, that it bears sole responsibility for any violation of such laws and regulations by itself or its Affiliates or sublicensees, and that it will indemnify, defend, and hold the Indemnitees harmless (in accordance with Section 8.2) for the consequences of any such violation.
- 8.2 Licensee shall at all times during the Term and thereafter, indemnify, defend and hold Foundation, the University, and their trustees, agents, their directors, officers, employees, inventors/assignors and Affiliates (collectively, the “Indemnitees”), harmless against all third-party claims, proceedings, demands and liabilities of any kind whatsoever, including legal

expenses and reasonable attorneys' fees (collectively, "Claims"), arising out of the death of or injury to any person or persons or out of any damage to property, or resulting from the production, manufacture, sale, use, lease, consumption or advertisement of the Licensed Products or arising from any obligation of Licensee hereunder. The rights and obligations of this section shall survive termination or expiration of the Agreement with respect to Claims arising during the Term. Notwithstanding the foregoing, each of Foundation, its employees, agents, and Affiliates shall not be entitled to indemnification for any claim, liability, loss, cost, damage, or expenses to the extent caused by its or their own fraud or willful misconduct.

- 8.3 Licensee acknowledges it has or can establish the skill, knowledge, and capability to develop, produce, manufacture, market, and sell Licensed Products and/or Services.
- 8.4 Foundation represents and warrants that to the best of Foundation's knowledge:
- (a) Foundation Controls the Patent Rights;
 - (b) Foundation has the right to enter into this Agreement and to grant the rights and licenses herein granted;
 - (c) there are no outstanding assignments, grants, licenses, encumbrances, obligations or agreements, either written or implied, inconsistent with the rights and licenses granted to Licensee under this Agreement;
 - (d) Foundation has not executed and will not execute any agreement in conflict herewith;
 - (e) the Patent Rights do not infringe the rights of third parties; and
 - (f) Foundation's obligations undertaken under this Agreement are valid and enforceable.

Nothing in this Agreement shall be construed as: (1) a warranty by Foundation that it can or will be able to obtain patents on patent applications included in the Patent Rights, or that any of the Patent Rights will afford adequate or commercially worthwhile protection; (2) a warranty or representation that any or all Patent Rights would be found valid by a court of competent jurisdiction; (3) a warranty or representation that anything made, used, sold or otherwise disposed of by Licensee under the rights and licenses or sublicenses granted in this Agreement is or will be free from infringement of patents of third parties (except as expressly provided in Section 8.4(e)); or (4) conferring by implication or otherwise any license or rights under any patents of Foundation other than the Patent Rights, provided, however, that Foundation shall not invoke any dominant patent or patent application Controlled by the Foundation to in any way restrict the rights and/or licenses granted to Licensee under this Agreement.

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, FOUNDATION, ITS TRUSTEES, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, INVENTORS/ASSIGNORS AND AFFILIATES MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF PATENT RIGHTS, CLAIMS, ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION MADE OR WARRANTY GIVEN BY FOUNDATION THAT THE PRACTICE BY LICENSEE OF THE LICENSE GRANTED HEREUNDER SHALL NOT INFRINGE THE PATENT RIGHTS OF ANY THIRD PARTY (EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.4(E)). IN NO EVENT SHALL FOUNDATION, ITS TRUSTEES, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, INVENTORS/ASSIGNORS AND AFFILIATES BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE

OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER FOUNDATION SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY.

ARTICLE 9: NON-USE OF NAMES

Licensee shall not use the names or trademarks of the University or Foundation, nor any adaptation thereof, nor the names of any of their employees, unless said employee is or was also an employee of Licensee, in any advertising, promotional or sales literature without prior written consent obtained from University, Foundation or said employee, in each case, except that Licensee may state that it is licensed by Foundation under one or more of the patents and/or applications comprising the Patent Rights.

ARTICLE 10: GOVERNMENTAL MATTERS

- 10.1. If this Agreement or any associated transaction is required by the law of any nation to either be approved or registered with any governmental agency, Licensee shall assume all legal obligations to do so. Licensee shall notify Foundation if it becomes aware that this Agreement is subject to a United States or foreign government reporting or approval requirement. Licensee shall make all necessary filings and pay all costs including fees, penalties, and all other out-of-pocket costs associated with such reporting or approval process.
- 10.2. Licensee shall observe all applicable United States and foreign laws with respect to the transfer of Licensed Products and related technical data to foreign countries, including without limitation, the International Traffic in Arms Regulations and the Export Administration Regulations.

ARTICLE 11: TERMINATION

- 11.1. Either Party may terminate this Agreement immediately upon filing or institution by or against the other Party of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by either Party.
- 11.2. Should Licensee fail to make any payment whatsoever due and payable to Foundation, Foundation shall have the right to terminate this Agreement effective on thirty (30) days written notice, unless Licensee shall make all such payments to Foundation within said thirty (30) day period. Upon the expiration of the thirty (30) day period, if Licensee shall not have made all such payments to Foundation, the rights, privileges and license granted shall automatically terminate. Obligations and payments due at the time of termination shall survive termination.
- 11.3. Upon any material breach or default of any of the provisions of this Agreement by Licensee other than those occurrences set out in Sections 11.1 and 11.2 hereinabove, which shall always take precedence in that order over any material breach or default referred to in this Section 11.3, Foundation shall have the right to terminate this Agreement and the rights, privileges and license granted hereunder effective on ninety (90) days written notice to Licensee. Such termination shall become automatically effective unless Licensee shall have cured any such material breach or default prior to the expiration of the ninety (90) day period and informed Foundation thereof in writing.

- 11.4. Licensee shall have the right to terminate this Agreement at any time on six (6) months' notice to Foundation, and upon payment of all amounts due Foundation through the Effective Date of the termination.
- 11.5. Upon any material breach or default of any of the provisions of this Agreement by Foundation, Licensee shall have the right to terminate this Agreement effective on sixty (60) days written notice to Foundation. Such termination shall become automatically effective unless Foundation shall have cured such breach prior to the expiration of the sixty (60) day period and informed Licensee thereof.
- 11.6. Upon termination of this Agreement for any reason, nothing herein shall be construed to release either Party from any obligation that matured prior to the Effective Date of such termination; and Articles 1, 8, 9, 11, and 13 shall survive any such termination. Licensee and any sublicensee thereof may, however, for up to six (6) months after the Effective Date of such termination, sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Licensee shall make the payments to Foundation as required by Article 4 and Article 6 of this Agreement and shall submit the reports required by Article 5 hereof.
- 11.7. Upon termination of this Agreement for any reason, any sublicensee not then in default shall have the right to seek a license from Foundation. Foundation agrees to negotiate such licenses in good faith under reasonable terms and conditions.

ARTICLE 12: NOTICES

Any notice, payments, or reporting required to be given under this Agreement shall be deemed to have been sufficiently given, if mailed by Certified Mail, postage prepaid, or by special courier, addressed to the Party to be notified at its address shown below, or at such other address as may later be furnished in writing to the notifying Party.

In the case of Foundation:

Attention: Chief Technology Innovation Officer
Kansas State University Research Foundation
2005 Research Park Circle
Manhattan, Kansas 66502-5020
Phone: 785-532-5720
Email: tech.transfer@k-state.edu

In case of Licensee:

Attention: Harold Charles Davidson
Hydrograph, Inc.
10568 Glenwood Crescent East
Surrey, British Columbia, Canada V4N1V9
Phone: 778-322-1891
Email: harold@carbon-2d.com

ARTICLE 13. CONFIDENTIALITY

- 13.1. The Parties agree to hold in confidence all Confidential Information; to not disclose any Confidential Information to any third party; to use Confidential Information solely for the purposes of this Agreement; and to disclose such Confidential Information only to individuals within receiving Party's organization that are directly involved with the Agreement on a need-to-know basis.
- 13.2. Each party receiving or having access to Confidential Information from the other party, whether in oral, written, graphic, computer-generated, or any other form, shall exercise due care to prevent its unauthorized disclosure. Confidential Information shall not include or information that:
- (a) is or becomes publicly known through no wrongful act, omission or fault of the receiving Party;
 - (b) the receiving Party can reasonably demonstrate is already in the possession of the receiving Party as a matter of right;
 - (c) is received after the date hereof from a third party without restriction and without breach of this Agreement; or
 - (d) is independently developed by the receiving Party as evidenced by its records kept in the ordinary course of business.
- Nothing herein shall be interpreted to prohibit Licensee from publishing the results of its studies with respect Licensed Products in accordance with industry practices.
- 13.3. The Parties agree to treat as Confidential Information the specific terms of this Agreement, in accordance with the terms and conditions of Section 13.1, above.
- 13.4. Unless otherwise specified in writing, all Confidential Information remains the disclosing Party's property. Upon termination or expiration of this Agreement and request of the disclosing Party, the receiving Party agrees to return or destroy all Confidential Information received from the disclosing Party, except for one copy, which the receiving Party may keep solely to monitor its obligations under this Agreement.
- 13.5. The secrecy obligations of Company with respect to Confidential Information shall continue for a period ending five (5) years from the termination date of this Agreement.

ARTICLE 14: MISCELLANEOUS PROVISIONS


- 14.1 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of Kansas, without giving effect to any choice or conflict of law provision, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted.
- 14.2 The Parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the Parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the Parties hereto. For clarity, the Confidentiality Agreement between the Parties with an Effective Date of **April 2nd, 2021** (the "Prior Confidentiality Agreement") is superseded by this Agreement, provided however that all Confidential Information (as defined therein) exchanged between the

Parties under the Prior Confidentiality Agreement prior to the Effective Date shall be deemed Confidential Information under this Agreement, and shall be governed by the terms of this Agreement.

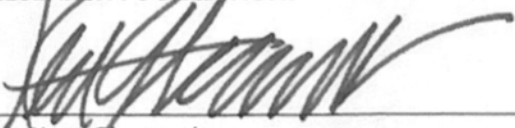
- 14.3 This Agreement may not be assigned by either Party without the written consent of the other, which consent shall not be unreasonably withheld, except that each Party may, without such consent, assign this Agreement and the rights, obligations and interests of such Party to any purchaser of all or substantially all of its assets or all of its equity, or to any successor corporation resulting from any merger or consolidation of such Party with or into such corporation; provided, in each case, that the assignee agrees in writing to be bound by the terms of this Agreement. Any assignment purported or attempted to be made in violation of the terms of this Section 14.3 shall be null and void and of no legal effect.
- 14.4 The provisions of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or unenforceable under any controlling body of the law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.
- 14.5 The failure of either Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other Party.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by proper persons thereunto duly authorized as of the Effective Date.

HYDROGRAPH CLEAN POWER INC:


By: Harold Davidson
Title: CEO
Date: July 19, 2021

**KANSAS STATE UNIVERSITY
RESEARCH FOUNDATION:**


By: Kent Glasscock
Title: CEO
Date: July 16, 2021

APPENDIX A – Patent Rights

The table below lists the Foundation Disclosure Numbers and Their Associated Patent Rights:

Item	KSURF Disclosure Nos.	Patent Rights
1.	04-12	US Issued Patent No. US7691909B2 titled “Aerosol Gels”
2.	2017-008	US Patent Application No. 16/487,622 titled “Additive Manufacturing of Continuous Fiber Thermoplastic Composites”
3.	2019-064, 2020-039 and 2020-065	PCT Patent Application No. PCT/US2020/038055 titled “Graphene/Graphene Oxide Core/Shell Particulates and Methods of Making and Using the Same”
4.	2019-066	PCT Patent Application No. PCT/US2020/039547 titled “Nano-inks of Carbon Nanomaterials for Printing and Coating”
5.	2020-048	PCT Patent Application No. 2020-048 - PCT/US2021/037321 titled “Device and Process for Mass Production of Particulate Materials”
6.	2021-027	U.S. Provisional Patent Application 63/161,625 titled "Explosion Synthesis of Hydrogen Rich Syngas Using Hydrocarbons"
7.	2021-046	Patent Application in progress on “Additive Manufacturing of Continuous Carbon Fiber Reinforced Epoxy Composite with Graphene Enhanced Interlayer Bond toward Ultra-High Mechanical Properties”

INITIAL:

COMPANY: _____

Date: _____

FOUNDATION: _____

Date: _____

APPENDIX B – PATENT FEES

Disclosure No.	Past Patent Reimbursement Through July 16, 2021
04-12	\$25,395
2017-008	\$14,514
2019-064	\$13,107.50
2019-066	\$16,497.50
2020-039	\$921
2020-048	\$17,337.50
2020-065	\$1,802.50
2021-027	\$12,503
2021-046	\$9615.50
Past Patent Expense Subtotal	\$111,694

APPENDIX C - ROYALTY REPORT FORM

Please also complete a separate form for each Affiliate and sublicensee for each product sold.

Submitted by: _____ (Company Name)

Submit to: Kansas State University Research Foundation

Report Period: Beginning date: _____ Ending date: _____

Product Number and Description

Licensee submits the following royalty report for the period indicated above.

A. Annual minimum royalty amount due this license year \$ _____

B. Less royalties previously paid this license year

(1) January – March \$ _____

(2) April – June \$ _____

(3) July – September \$ _____

(4) October - December \$ _____

(5) Total payments to date \$(_____)

C. REPORT PERIOD

(1) Units of product sold _____

(2) Sales price per unit \$ _____

(3) Gross sales of product (1 x 2) \$ _____

(4) Less allowable deductions \$(_____)

(5) Net sales of product sold (3 – 4) \$ _____

(6) Running royalty rate _____

(7) **Royalty payment due this period** (5 x 6) \$ _____ \$(_____)

(Enclose remittance made payable to Kansas State University Research Foundation)

D. Remaining annual minimum royalty amount due: (A – B(5) – C(7)) \$ _____

For Office Use Only

Account no. – Disc. no. _____

Check number _____

Check date _____

Authorized Signature

Printed Name, Title

Date

