

OPTION AGREEMENT

THIS AGREEMENT made this 29th day of July, 2020.

BETWEEN:

MCMASTER UNIVERSITY, an institution with a principal place of business at 1280 Main Street West, Hamilton, Ontario, L8S 4L8 (hereinafter referred to as “University”)

AND

1259192 B.C. LTD., a British Columbia corporation with address 800-885 West Georgia Street, Vancouver, BC V6C 3H1 (hereinafter referred to as the “Optionee”)

WHEREAS:

University has been engaged in research during the course of which it has invented, developed and/or acquired certain technology relating to:

“OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF” (MILO File No.: 19-088) as further defined in Schedule A, which research was undertaken Drs. Leyla Soleymani and Tohid Didar’s Research Groups at McMaster University.

- A. The Optionee is desirous of University granting an option to obtain a worldwide exclusive commercial license for the Optionee to use or cause to be used such technology to manufacture, distribute, or market products derived or developed from such technology;
- B. University is prepared to grant the Optionee an option to obtain said license on certain terms and conditions;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the mutual covenants herein set forth, the parties have covenanted and agreed as follows:

1.0 DEFINITIONS:

1.1 In this Agreement, unless a contrary intention appears, the following words and phrases shall mean:

- (a) “Affiliate” of Optionee means any company or organization, which directly or indirectly controls Optionee, or which Optionee directly or indirectly controls, or which together with Optionee is a member of a group under direct or indirect common control. For the purposes of definition, “control” means in respect to any corporation, the ownership of more than 50% of the voting rights attached to all shares of the corporation, including any shares which are voting only on the occurrence of a contingency where such contingency has occurred and is continuing where the exercise of such voting rights entitles the holder of such voting shares to elect a majority, at the direction of the corporation;
- (b) "Confidential Information": any information which is disclosed by one party to this Agreement and received by the other and which is designated in writing by said disclosing party as confidential, including knowledge, know-how, software, research data, technical data, specifications, instructions, manuals, trade secrets, and other industrial property relating to the Agreement, but excluding any information:
 - (i) possessed by the receiving party prior to receipt from the disclosing party, other than through prior disclosure by the disclosing party;
 - (ii) published or available to the trade or the general public otherwise than through a breach of this Agreement;
 - (iii) obtained by the receiving party from a third party with a valid right to disclose it, provided that the third party is not under a confidentiality obligation to the disclosing party; or
 - (iv) independently developed by employees, agents or consultants of the receiving party who had no knowledge of or access to the disclosing party's Confidential Information as evidenced by the receiving party's business or other written records;

- (c) “Date of Commencement” or “Commencement Date”: the 29th day of July, 2020;
- (d) “Effective Date of Termination”: the date this Agreement is terminated pursuant to section 14;
- (e) “Information”: any and all Technology, the terms and conditions of this Agreement, and any and all oral, written, electronic or other communications and other information disclosed or provided by the parties including any and all analyses or conclusions drawn or derived therefrom regarding this Agreement and information developed or disclosed hereunder, or any party’s raw materials, processes, formulations, analytical procedures, methodologies, products, samples and specimens or functions;
- (f) “Option Period”: shall be one (1) month from the Date of Commencement unless this Agreement is terminated pursuant to section 14, in which case it shall be until the Effective Date of Termination and unless the Option Period is extended pursuant to section 6.1, in which case it shall be until the expiry of any such extension period;
- (g) “Patent Rights”: means all inventions and direct improvements to those that are the subject of the patents and/or patent applications, and all continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re-examinations, any other patent filing claiming priority to any of the foregoing, and renewals of any of the foregoing, and all further patent applications claiming or describing inventions contained in any of the foregoing, and all patents which may issue from any of such patent applications, including, without limitation, the patent filings listed in Schedule A, any patent filing claiming priority to any patent filing listed in Schedule A, any continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re-examinations, and renewals of any of the foregoing, and any patents resulting from any of the foregoing;
- (h) ”Residual Information”: means any information in intangible form, including ideas, concepts, know-how, or techniques, retained in the unaided memory of the

receiving party's representatives who use or have access to the disclosing party's Confidential Information pursuant to the terms of this Agreement;

- (i) "Technology": any and all knowledge, know-how and/or technique or techniques invented, developed and/or acquired prior to the Date of Commencement by University relating to the technology described in Schedule A hereto, as amended from time to time, including without limitation, all research data, specifications, instructions, manuals, papers or other materials of any nature whatsoever, whether written or otherwise, relating to same. Technology shall also include any knowledge, know-how, improvements, modifications or techniques invented, developed or acquired during the Option Period unless created, developed or funded by Optionee or otherwise owned by Optionee pursuant to Section 3.2 hereof. Technology shall also include all inventions, whether or not patentable, and other intellectual property rights described or disclosed in the Patent Rights.

2.0 PROPERTY RIGHTS IN AND TO THE TECHNOLOGY:

2.1. University warrants that it owns any and all rights, title and interest in and to the Patent Rights and the Technology, has full rights to grant the option (the "Option") in this Agreement, has not granted and will not during the Option Period grant, any licenses or other rights under the Patent Rights and the Technology to any third party and that it has no knowledge or notice that the exercise of the rights granted by the License would infringe the patent or other intellectual property rights of any third party.

2.2. University shall not at any time assert against Optionee, or any of its representatives, successors, or assigns, any claims of infringement of any of the Patent Rights or misappropriation of any Technology based on any activities that are related to Optionee's evaluation of the Patent Rights or the Technology pursuant to this Agreement.

3.0 OPTION FEE AND IP COSTS:

3.1. The Optionee Activities further described in section 5 constitute full consideration for the rights granted by University to the Optionee.

3.2. IP Costs and Ownership:

- (a) Technology and Patent Rights: University shall own and manage the Technology and shall apply for, obtain, and enforce its Patent Rights as required to protect the Technology in consultation with the Optionee during the Option Period. The Optionee agrees to pay up to twenty thousand dollars (C\$20,000) of University's actual legal and filing costs arising from applying for or obtaining of Patent Rights during the term of the Option Agreement ("Patent Costs"), due within thirty (30) days from the date of being invoiced by the University.
- (b) Created IP: Optionee shall own any intellectual property and other proprietary rights (other than Patent Rights) created or developed, in each case in whole or in part, by or on behalf of Optionee, including any intellectual property or other proprietary rights related to the technology described in Schedule A hereto created or developed in whole or in part by Drs. Leyla Soleymani and/or Tohid Didar, in each case, until the later of the date that is the expiration of the Option Period or the execution of the License Agreement if Optionee exercises the Option ("Created IP"), and University agrees to assign and hereby assigns any such rights to Optionee if such rights are first owned by University. Created IP shall not include any intellectual property or other proprietary rights created in whole or in part by any graduate student of the University where the Optionee has not funded at least seventy percent (70%) of the cost of such graduate student.
- (c) Funded IP: As between the parties, Optionee shall own any intellectual property or other proprietary rights created or developed in whole or in part by the University that is funded, in whole or in part, by grants, government funding or institutional funding where such funding was awarded to and/or facilitated by Optionee or results at least in part from monetary or other contributions of Optionee, except for

intellectual property or other proprietary rights created or developed in whole or in part by any graduate student of the University where the Optionee has not funded at least seventy percent (70%) of the cost of such graduate student ("Funded IP"), and University agrees to assign and hereby assigns any such rights to Optionee if such rights are first owned by University.

- (d) Independent IP: For the avoidance of doubt, (i) the University shall own any intellectual property and other property rights that are not Funded IP and/or Created IP and are created or developed without involvement of Optionee and (ii) Optionee shall own the Funded IP and/or Created IP and any intellectual property and other property rights that are created or developed without involvement of the University.
- (e) If the Optionee files a petition of any type as to its bankruptcy, is declared bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, or goes into liquidation or receivership Optionee shall transfer ownership to the University of any item of Created IP or Funded IP, in each case created, developed, or funded at least in part by the University (except where the contribution of the University is solely by Drs. Leyla Soleymani and/or Tohid Didar).

3.3. In the case that the University licenses the Technology to any third party within twelve (12) months of the Date of Commencement, the University shall within thirty (30) days of the execution of such license refund to Optionee any Patent Costs previously paid by the Optionee to or on behalf of the University pursuant to Section 3.2(a) herein. This provision shall survive any termination or expiration of this Agreement.

4.0 GRANT OF OPTION

4.1. University hereby grants to the Optionee the Option to obtain a worldwide exclusive license to use the Technology and to manufacture, have manufactured, make, have made, import, have imported, sell, offer to sell, distribute, and market products based on the Technology and/or that are covered by or that incorporate the Patent Rights, subject to terms and conditions determined in accordance with section 7. The Option shall subsist for the duration of the Option Period.

4.2. During the Option Period, University shall neither negotiate nor discuss the grant of rights in the Technology or Patent Rights with any other party, nor shall University commercially exploit the Technology either itself or through any agents or representatives, unless required to do so by Federal or Provincial law.

4.3. University agrees to promptly disclose all Technology and Patent Rights, including copies of any patents and patent applications (along with the applicable filing receipts) listed on Schedule A, to the Optionee as of the date of this Agreement and Technology developed during the Option Period so that the Optionee continues to be informed of the subject matter for which it has the Option during the Option Period.

4.4. During the Option Period, University shall provide all reasonable cooperation with and assistance to Optionee in connection with Optionee's evaluation of the Technology.

4.5. Notwithstanding sections 4.1 and 4.2 herein, the parties acknowledge and agree that University may use the Technology, the Created IP, and the Funded IP without charge in any manner whatsoever for research, scholarly publication, educational, or other non-commercial use.

5.0 OPTIONEE ACTIVITIES:

5.1. During the Option Period, the Optionee shall use its reasonable best efforts to seek funding to further develop the Technology and to perform research with respect to the market potential of the Technology. The Optionee shall keep University generally informed of its plans to commercialize and exploit the Technology and will inform University at the earliest possible date if the Optionee decides not to exercise the Option granted herein.

5.2. During the Option Period, the University will use its reasonable best efforts to provide Optionee with the support of the Soleymani and Didar labs and supporting staff, equipment and facilities at the University for the Optionee's evaluation of the Technology at no charge.

6.0 EXERCISE OF OPTION:

6.1. In order to exercise the Option, the Optionee shall deliver written notice of same to University prior to the expiry of the Option Period in the form attached as Schedule B. In the event the Technology requires further evaluation beyond the term of this agreement, the Optionee, at its

sole discretion, can extend the Option Period for an additional one (1) month provided the Optionee is in compliance with section 5.1 or is negotiating the License with University. Optionee and University, upon mutual written agreement, may further extend the Option Period for additional one (1) month periods.

6.2. Fourteen (14) days prior to the expiry of the Option Period, University will send the Optionee a notice reminding the Optionee of the upcoming expiry of the Option Period. If the Optionee does not exercise the Option or extend the Option Period in accordance with section 6.1 within the Option Period, the parties acknowledge and agree that this Option shall be null and void and the Optionee shall have no further right, title or interest in or to the Technology and that University may deal with the Technology in any way without further obligation to the Optionee.

7.0 TERMS AND CONDITIONS OF LICENSE AGREEMENT:

7.1. If the Optionee exercises the Option pursuant to section 6.1, University will grant to the Optionee, on commercially reasonable terms, a worldwide exclusive license as described in section 4.1 (the "License"). The License shall, without limitation, contain commercially reasonable royalty rates and other commercially reasonable financial terms that are consistent with the essential terms set forth in Schedule C. The parties shall negotiate the License terms in good faith and such negotiations must be completed within three (3) months after University receives Optionee's notice, unless otherwise extended by written consent by both parties.

7.2. The License shall provide University the right in perpetuity to use the Technology without charge in any manner whatsoever for research, scholarly publication, educational or other non-commercial uses.

7.3. Prior to the grant of the License, the Optionee shall have received an aggregate of no less than C\$500,000 in equity (the "Funding Threshold").

8.0 DISCLAIMER OF WARRANTY

8.1. Except as provided in Section 2.1, University makes no representations or warranties, either express or implied, with respect to the Technology. University specifically disclaims any implied warranty, condition or representation that the Technology:

- (a) shall correspond with a particular description;
- (b) is of merchantable quality;
- (c) is fit for a particular purpose; or
- (d) is durable for a reasonable period of time.

9.0 CONFIDENTIALITY

9.1. The Information shall be developed, received and used by the Optionee solely in furtherance of the purposes set forth in this Agreement subject to the terms and conditions set forth in this section 9.

9.2. During the Option Period the Optionee shall keep and use all of the Confidential Information in confidence and shall not, without University's prior written consent disclose any Confidential Information to any person or entity, except those of the Optionee's officers, employees or consultants, who require said Confidential Information in performance of their evaluation of the Technology. The Optionee covenants and agrees that it will initiate and maintain an appropriate internal program limiting the internal distribution of the Confidential Information to its officers, employees or consultants and to take the appropriate non-disclosure agreements from any and all such persons who may have access to Confidential Information.

9.3. The Optionee shall not use, either directly or indirectly, any Confidential Information for any purpose other than as set forth herein or in the License if the Option is exercised without University's prior written consent.

9.4. In the event that the Optionee is required by judicial or administrative process to disclose any or all of the Confidential Information, the Optionee shall promptly notify University and allow University reasonable time to oppose such process before disclosing the Confidential Information.

9.5. Notwithstanding any other provision of this Agreement, Optionee has the right at any time to disclose, publish, disseminate, and use Residual Information for any purpose, provided Optionee does not breach its confidentiality obligations under this Section 9 in using such Residual Information.

9.6. Notwithstanding any termination or expiration of this Agreement, the obligations created in this section 9 shall survive and be binding upon the Optionee, its successors and assigns.

10.0 ASSIGNMENT:

10.1. The Optionee shall not assign, transfer, mortgage, charge, pledge, hypothecate or otherwise dispose of any or all of the rights, duties or obligations granted to it under this Agreement without the prior written consent of University, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Optionee may assign this Agreement to a successor of all of the interest in or business of the Optionee or to an Affiliate, whether as part of a corporate re-organization or otherwise provided that such successor or Affiliate agree in writing to be bound by the terms of this Agreement and provided that a copy of such agreement in writing be provided to University in advance. For avoidance of doubt, a change in control of Optionee, including through re-organization, sale of equity to investors or otherwise, shall not be deemed an assignment, transfer, or disposal of rights, duties or obligations under this Agreement and shall not require any prior consent of University.

10.2. University shall not assign any or all of the rights, duties or obligations under this Agreement without the prior written consent of the Optionee, which consent will not be unreasonably withheld. University will ensure that the assignee of this Agreement execute a written agreement which will allow the Optionee to retain all rights granted to the Optionee pursuant to this Agreement.

11.0 GOVERNING LAW

11.1. This Agreement shall be interpreted and governed by the laws of the Province of Ontario in Canada as applied to transactions taking place entirely within Ontario between Ontario residents and whose courts shall have exclusive jurisdiction in respect in all disputes relating to or arising out of this Agreement.

12.0 NOTICES

12.1. All notices, requests, directions or other communications required or permitted herein will be in writing and will be delivered to the parties hereto respectively as follows:

To University:

Gay Yuyitung, Executive Director, McMaster Industry Liaison Office

McMaster Innovation Park
305 - 175 Longwood Rd. S.
Hamilton ON, L8P 0A1
Tel: 905-525-9140 ext. 23164 Fax: 905-546-1372
Email: yuyitun@mcmaster.ca

To Optionee:

1259192 B.C. LTD.
c/o Clark Wilson LLP
800-885 West Georgia Street
Vancouver, BC
V6C 3H1
Attention: Cam McTavish and Max Portner

In order for any notices, requests, directions, or other communications to be effective, they will be delivered in person; or, sent by registered mail, facsimile or e-mail addressed to the party for whom it is intended at the above-mentioned address and will be deemed to have been received, if sent by registered mail, within five (5) days from the date of the postal receipt; if sent by facsimile or e-mail, when received. The address of either party may be changed by notice in the manner set out in this provision.

13.0 TERM:

13.1. This Agreement and the Option granted hereunder shall remain in effect from the date of this Agreement and shall terminate upon the earlier of conclusion of the Option Period or the execution of the License if the Option is exercised, subject to termination pursuant to section 14 herein.

14.0 TERMINATION:

14.1. This Agreement shall automatically and immediately terminate without notice to the Optionee if any proceeding under the Bankruptcy and Insolvency Act of Canada, or any other statute of similar purport, is commenced by or against the Optionee.

14.2. University may, at its option, terminate this Agreement immediately on the happening of any or more of the following events by delivery notice in writing to the effect to the Optionee:

- (a) if the Optionee becomes insolvent;

- (b) if any execution or any other process of any court becomes enforceable against the Optionee and if any such process is levied on the rights under this Agreement or upon any of the monies due to University is not released or satisfied by the Optionee within thirty (30) days thereafter;
- (c) if any resolution is passed or order made or other steps taken for the winding up, liquidation or other termination of the existence of the Optionee;
- (d) if the Optionee ceases or threatens to cease to carry on its business.

14.3. Other than as set out in sections 14.1 and 14.2, if either party shall be in material default under or shall fail to comply with the terms of this Agreement, then the non-defaulting party shall have the right to terminate this Agreement by written notice to that effect if:

- (a) such material default is reasonably curable with thirty (30) days after receipt of notice of such material default or failure to comply is not cured within thirty (30) days after receipt of written notice thereof, or
- (b) such material default is not reasonably curable within thirty (30) days after receipt of written notice thereof, and such material default or failure to comply is not cured within such further reasonable period of time as may be necessary for the curing of such default or failure to comply.

14.4. The Optionee may, at its option, terminate this Agreement if it is no longer interested in the Technology upon written notice to University without incurring any obligation, liability, or penalty by reason of such termination.

14.5. If this Agreement is terminated pursuant to sections 14.1, 14.2 or 14.3, the Optionee shall forthwith deliver up to University all Technology in its possession or control and shall have no further right of any nature whatsoever in the Technology, except for the Technology which is publicly available at the date of termination.

15.0 GENERAL:

15.1. Nothing contained herein shall be deemed or construed to create between the parties, a partnership. No party shall have the authority to act on behalf of any other party, or to commit any other party in any manner or cause whatsoever or to use any other party's name in any way not specifically authorized by this Agreement. No party shall be liable for any act, omission, representation, obligation or debt of any other party, even if informed of such act, omission, representation, obligation or debt.

15.2. Neither party may waive or release any of its rights under this Agreement. The failure of a party to assert a right under this Agreement or to insist upon compliance with any term shall not constitute a waiver of that right by that party or excuse a similar subsequent failure to perform by the other party.

15.3. Any term in this Agreement which is unenforceable or illegal shall be severed from the Agreement and shall not affect the enforceability of other terms of the Agreement.

15.4. Time shall be of the essence of this Agreement.

15.5. This Agreement may be executed in two or more counterparts and by facsimile or any electronic means, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

15.6. Neither Party shall be in default by reason of any failure or delay in the performance of its obligations hereunder where such failure or delay is due to any circumstances or cause beyond its reasonable control, including strikes, labor disputes, civil disturbances, riot, rebellion, invasion, epidemic, hostilities, war, terrorist attack, embargo, natural disaster, acts of God, flood, fire, sabotage, fluctuations or non-availability of electrical power, heat, or light.

CONFIDENTIAL

IN WITNESS WHEREOF the duly authorized officers of the parties have executed this Agreement on the date first above written.

MCMASTER UNIVERSITY

Per: "*Gay Yuyitung*"

Date: July 29, 2020

Name: Gay Yuyitung

Title: Executive Director, MILO

1259192 B.C. LTD.

Per: "*Carolyn Myers*"

Date: July 29, 2020

Name: Carolyn Myers

Title: Director

SCHEDULE A

PATENTS

US Provisional Patent No. 62/856,392, filed June 3, 2019 (the “Provisional Application”)

International PCT Application No. **PCT/CA2020/05076**, titled **OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF**, filed June 3, 2020 claiming priority to the Provisional Application

Taiwan Application No. **109118676**, titled **OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF**, filed June 3, 2020 claiming priority to the Provisional Application

DESCRIPTION OF TECHNOLOGY

The Technology involves pre-strained polymeric materials that are physically and chemically modified at their surface to be omniphobic without the use of lubricant which otherwise are fouling towards variety of liquids and biological contaminants. The modification is done by series of solution-based treatments leading to deposition of non-conductive micro/nano-scale features, followed by heat-shrinking the surface to create micron-scale wrinkles.

SCHEDULE B

EXERCISE OF OPTION

TO: MCMASTER UNIVERSITY

Optionee hereby exercises the Option provided for in the Option Agreement dated July 29th, 2020 (the “Option Agreement”) to license certain Technology upon the terms and conditions contained in the Option Agreement.

OPTIONEE

Name:

Title:

Date: _____

SCHEDULE C

ROYALTIES

- Upfront License Fee
 - None.
- Minimum Annual Royalty
 - Five thousand dollars (C\$5000) in the first and second Years;
 - Ten thousand dollars (C\$10000) in the third and fourth Years;
 - Twenty thousand dollars (C\$20000) in the fifth and subsequent Years of this Agreement.
- Running Royalty as a percentage (%) on Net Sales by Optionee, Sublicensee or Affiliate
 - A Running Royalty percentage on Net Sales in the amount of four percent (4%).
 - Optionee must pay to University any royalties payable under this Agreement quarterly within thirty (30) days following the close of the calendar quarter during which the Net Sales underlying such royalties have actually been received by the Optionee.
 - All Running Royalties to be credited against the Minimum Annual Royalty.
 - Net Sales subject to standard and commercially reasonable exceptions for, among other things, taxes, shipping fees, standard discounts and allocation between licensed and non-licensed products.
 - Commercially reasonable royalty stacking provision crediting up to 50% of royalties paid to third parties against royalties owing.
- Equity
 - Upon execution of the License, and subject to the vesting and other terms and conditions set forth below, Optionee will issue to University common shares representing five percent (5%) of the share capital of Optionee on a Fully Diluted Basis (as defined below) that was outstanding as of immediately after the achievement of the Funding Threshold (as defined in Section 7.3); *provided*, however, that if the Funding Threshold was simultaneously met and exceeded due to Optionee's receipt of financing at a single moment, then all calculations of outstanding shares on a Fully Diluted Basis as of the achievement of the Funding Threshold shall be made only on the basis of such portion of such financing as was necessary to reach the Funding Threshold. For purposes of this Schedule C, "Fully Diluted Basis" shall mean the total number of issued and outstanding common shares of Optionee, calculated to include conversion of all issued and outstanding securities convertible into common shares, the exercise of all outstanding options and warrants to purchase common shares, whether or not then exercisable, the conversion or exercise of all rights to purchase or acquire common shares, whether or not then convertible or exercisable, and shall assume the issuance or grant of all securities reserved for issuance pursuant to any Optionee stock or stock option plan in effect on the date of the calculation; *provided*, however, that any current or future convertible debt or equity instruments such as convertible notes and SAFEs shall be excluded from such

calculation, provided that these current or future debt or equity instruments are not factored into achieving the Funding Threshold.

- All shares of Optionee issued to University in connection with this Agreement shall be issued pursuant to a share issuance agreement providing for (i) vesting as set forth below; and (ii) restrictions on transfer and voting, including without limitation rights of first refusal, prohibitions on transfers to competitors, tag-along rights, drag-along rights, a lock-up, agreements with respect to the election of directors and other customary terms and conditions (including without limitation such terms and conditions as Optionee may determine to be necessary or advisable to comply with applicable laws and regulations, and financial industry practices, related to public offerings of securities) in form and substance satisfactory to Optionee. University further hereby agrees, upon Optionee's request, to sign any right of first refusal agreement, voting agreement and/or other similar agreements restricting the voting and transfer of Optionee's shares as are executed by other holders of common shares in connection with a future equity financing.
- All shares of Optionee issued to University in connection with this Agreement shall be subject to vesting over a 12-month period beginning on the date such shares are issued, on such customary terms and conditions, including the following, as shall be set forth in the share issuance agreement (or such similar terms as are appropriate to effect the intent of the following):
 - Vesting shall occur in three equal installments, one each on the date of issuance and six and twelve months after issuance.
 - Vesting on any vesting date shall be conditioned on the License's having remained in full force and effect, and University's having complied with all of its obligations under the License agreement, through and including such date. Without limiting the generality of the foregoing, vesting shall cease if either University or Optionee shall terminate the License for any reason, or University shall breach any of its obligations under the License agreement.
 - If vesting ceases, Optionee shall have the right to require University to surrender any unvested shares to Optionee, and/or to repurchase from University any unvested shares for an aggregate purchase price of C\$1.00 (irrespective of the total number of shares being repurchased).
 - No unvested shares may be transferred or assigned (other than to Optionee in connection with their surrender or repurchase).
- Sublicense non-royalty income
 - Optionee shall pay to McMaster twenty percent (20%) of any Sublicensee up-front fee or other such consideration paid by each Sublicensee or Affiliate of this Agreement (includes any and all compensation received from sublicensee, but excludes amounts as to which Running Royalties are payable). Any non-cash consideration received by the Optionee from such Sublicensee or Affiliate shall be valued at its fair market value as at the date of receipt.
- Development Milestones

- Prior to the grant of the License, the Optionee will obtain at least three hundred and fifty thousand dollars (C\$350,000) of capital included in the Funding Threshold for use in developing and commercializing a Licensed Product by the Optionee, which shall go to a sponsored research project in the Soleymani and/or Didar labs at McMaster upon the execution of the License.
- Optionee will contribute an additional minimum of C\$150,000/year for 2 years to a sponsored research project to further develop the technology in the Soleymani and Didar labs at McMaster, starting 12 months after the execution of the License; provided the research aims are approved by Optionee.
- Optionee will obtain an additional one million dollars (C\$1,000,000) of capital for use in developing and commercializing a Licensed Product by December 31, 2021.
- Optionee will achieve a first commercial sale by three (3) years from license execution date, subject to extension for any delays related to regulatory approval.

OTHER PROVISIONS

- Concurrent with the execution of the License Agreement, Optionee will issue shares to Tohid Didar, Leyla Soleymani, and McMaster.
- Ownership of intellectual property
 - Intellectual property and proprietary rights ownership shall be in form and substance the same as Section 3.2 of the Option Agreement, except that the first sentence of Section 3.2(b) shall be replaced with the following: “Optionee shall own any intellectual property and other proprietary rights (other than Patent Rights) created or developed, in each case in whole or in part, by or on behalf of Optionee, including any intellectual property or other proprietary rights related to the technology described in Schedule A hereto created or developed in whole or in part by Drs. Leyla Soleymani and/or Tohid Didar, in each case, until the date that is six (6) months from the date on which he/she provided Optionee with written notice that he/she no longer wishes to be actively engaged with the Optionee (“Created IP”), and University agrees to assign and hereby assigns any such rights to Optionee if such rights are first owned by University.
- Assignment/transfer/change in control/termination
 - In form and substance the same as Section 10.1 of the Option Agreement. Optionee may terminate the License at its convenience.