

Amendment No. 2 to the Standard license Agreement

Dated: July 15, 2022

This Amendment No. 2 (“Amendment”), dated as of the date set forth above, amends the Standard License Agreement (the “Standard License Agreement”) dated as of 5 February 2021 and as amended July 15, 2022 by and between McMaster University, a Canadian University with principal offices at 1280 Main Street West, Hamilton, Ontario L8S 4L8 (“McMaster”) and FendX Technologies Inc., a corporation organized and existing under the laws of British Columbia, having an office at 400-725 Granville Street, Vancouver, BC V7Y 1G5 (“FendX”) is effective from May 5, 2022 once both parties have signed.

In consideration of one dollar (\$1.00) and the mutual covenants set forth herein and in the Standard License Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Standard License Agreement.
2. The parties hereby amend the Standard License Agreement to include the following Licensed Patents in Schedule B

European Application No. **EP20819372.2** in all designated states, titled **OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF**, filed December 17, 2021

Japan Application No. **2021-572059**, titled **OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF**, filed December 3, 2021

Chinese Application No. **202080055337.6**, titled **OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF**, filed January 29, 2022

United States Application No. **17/616,374**, titled **OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF**, filed December 3, 2021

Canada Application No. **3,142,127**, titled **OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF**, filed November 26, 2021

US Provisional Patent Application No. **63/260,371**, titled **FLUORINE-FREE SUPERHYDROPHOBIC SURFACES, METHODS OF MAKING AND USES THEREOF**, filed August 18, 2021
[MILO Tech ID: 21-077]

US Provisional Patent Application No. **63/260,372**, titled **METHODS OF MAKING OMNIPHOBIC MATERIALS WITH HIERARCHICAL STRUCTURES AND USES THEREOF**, filed August 18, 2021
[MILO Tech ID: 21-078]

3. The parties agree to amend section 5.2 "**Funded IP**" to

Funded IP. As between the parties, Licensee shall own any intellectual property or other proprietary rights created or developed in whole or in part by McMaster that is funded, in whole or in part, by grants, government funding or institutional funding where such funding was awarded to Licensee, an Affiliate or by any Sublicensee or other Person supporting the development or exploitation on behalf of the Licensee, an Affiliate or Sublicensee ("Sponsor") or results at least in part from monetary contributions of one or more Sponsors ("Funded IP"), , and McMaster agrees to assign and hereby assigns any such rights to Licensee if such rights are first owned by McMaster. Funded IP shall not, however, include Graduate Student IP, as defined in Section 5.5. To the extent that Funded IP is an improvement on or extension of intellectual property or other proprietary rights created by or on behalf of McMaster independently of Licensee ("Pre-Existing IP"). Licensee's ownership shall be limited to such improvement or extension, and the Pre-Existing IP shall be included in the Licensed Patents licensed to Licensee.

4. All other terms and conditions of the Standard License Agreement are hereby ratified, confirmed and continued.

IN WITNESS WHEREOF the parties have caused this Amendment to be signed by their duly authorized representatives as of the date first set forth above.

SIGNED for and on behalf of **McMaster**

University:

Name: Gay Yuyitung

Position: Executive Director, MILO

Signature: "Gay Yuyitung".....

SIGNED for and on behalf of **FendX**

Technologies Inc.:

Name: Carolyn Myers

Position: CEO

Signature: "Carolyn Myers".....

Amendment No. 1 to the Standard License Agreement

Dated: 14 July 2021

This Amendment No. 1 (“Amendment”), dated as of the date set forth above, amends the Standard License Agreement (the “Standard License Agreement”) dated as of 5 February 2021 by and between McMaster University, a Canadian University with principal offices at 1280 Main Street West, Hamilton, Ontario L8S 4L8 (“McMaster”) and FendX Technologies Inc., a corporation organized and existing under the laws of British Columbia, having an office at 400-725 Granville Street, Vancouver, BC V7Y 1G8 (“FendX”) is effective from February 5, 2021 once both parties have signed.

In consideration of one dollar (\$1.00) and the mutual covenants set forth herein and in the Standard License Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Standard License Agreement.
2. The parties hereby amend the Standard License Agreement by adding the following new Section 5.5:

“5.5 **Graduate Student IP.** Any intellectual property or other proprietary rights that would qualify as Created IP or Funded IP but for the involvement of a graduate student of McMaster where the Sponsor has not funded at least 70% of the cost of such graduate student shall be owned by McMaster and licensed to Licensee pursuant to the license granted in Section 3.1 hereof, with no additional costs to the Licensee.”

3. All other terms and conditions of the Standard License Agreement are hereby ratified, confirmed and continued.

IN WITNESS WHEREOF the parties have caused this Amendment to be signed by their duly authorized representatives as of the date first set forth above.

SIGNED for and on behalf of **McMaster**

University:

Name: Gay Yuyitung

Position: Executive Director, MILO

Signature:....."Gay Yuyitung".....

SIGNED for and on behalf of **FendX**

Technologies Inc.:

Name: Carolyn Myers

Position: CEO

Signature:....."Carolyn Myers".....

STANDARD LICENSE AGREEMENT

This License Agreement is effective as of the 5th day of February 2021 (the “Effective Date”).

BETWEEN:	McMaster University , a Canadian University with principal offices at 1280 Main Street West, Hamilton, Ontario L8S 4L8 and herein acting and represented by its duly authorized representatives, (hereinafter called “McMaster”)
AND:	FendX Technologies Inc. , a corporation organized and existing under the laws of British Columbia, having an office at 400-725 Granville Street, Vancouver, BC V7Y 1G5 and herein acting and represented by its duly authorized representatives (hereinafter called “Licensee”)

McMaster and Licensee are hereinafter referred to individually as a “Party” and collectively as the “Parties”.

1 PREAMBLE

- 1.1 McMaster, in its role as an institution of higher education, carries out scientific research through its faculty, staff and students and is committed to sharing the results of such research with the wider community.
- 1.2 McMaster has developed the intellectual property embodied or specifically claimed in the Licensed Patents and Technology (as defined below).
- 1.3 Pursuant to the terms of the McMaster Joint Intellectual Property Policy, McMaster is the owner of all right, title and interest in the Licensed Patents and Technology and McMaster is authorized to assume the management and to take whatever steps are necessary for securing protection of intellectual property rights embodied in McMaster Licensed Patents and Technology and to engage in their commercialization.
- 1.4 The Licensee desires to obtain license rights to the Licensed Patents and Technology under the terms and conditions of this License Agreement.

Therefore, for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

2 INTERPRETATION

- 2.1 **Definitions.** As used in this Agreement, the following terms shall have the following meanings:
 - a. “Affiliate” means any person, joint venture, partnership, corporation, sublicensee, trust, unincorporated organization or other entity which, directly or indirectly, controls, is controlled

by, or is under common control with a party to this Agreement. The term “control” means possession, direct or indirect, of the powers to direct or cause the direction of the management of policies of a Person, whether through ownership of equity participation, voting securities, beneficial interest, contract, agreement or otherwise.

- b. “Agreement” means this agreement as amended from time to time and any agreement or instrument supplemental or ancillary and the expressions “Article”, “Section” or “Subsection” followed by a number or letter, mean and refer to the specified Article, Section or Subsection of this Agreement.
- c. “Arm’s Length Party” means a Person with whom Licensee deals at arm’s length (within the meaning of that term under the *Income Tax Act (Canada)*).
- d. “Business Day” means any of the days of Monday to Friday, both inclusive, unless such day is a statutory or civic holiday in Hamilton, Ontario.
- e. “Combination Product” means any product which combines a Licensed Product and at least one Other Product.
- f. “Confidential Information” means information disclosed by the Disclosing Party and received by the Recipient and which is designated in writing by said Disclosing Party as confidential at the time of disclosure or within two days of oral disclosure, including all materials, ideas, financial data, pricing, profit or cost information, policies, business plans, personal information, customer lists, trade secrets, documentation, 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. already in the possession of, or information already known to, the Recipient before its disclosure by the Disclosing Party;
 - ii. published or available to the trade or the general public at the time of disclosure, or which after such disclosure becomes published or available to the trade or the general public through no fault of the Recipient;
 - iii. lawfully obtained by the Recipient from a third party or parties without breach of this Agreement by the Recipient, and provided that the third party is not under a confidentiality obligation to the Disclosing Party; or
 - iv. the Recipient can demonstrate was developed independently of the information received from the Disclosing Party.
- g. “Created IP” has the meaning set forth in Section 5.2.
- h. “Date of Commencement” or “Commencement Date” means the 29th day of July, 2020.
- i. “Date of Commercialization” means the date a Licensed Product is first marketed or introduced into the commercial market.
- j. “Disclosing Party” means a Party to this Agreement that discloses Confidential Information to a Recipient.
- k. “Effective Date” means the date first above written and the “Effective Date of Termination” means the date that this Agreement is terminated in accordance with Article 16.

- l. “Field” means all products, services and applications other than Sensors.
- m. “Fully Diluted Basis” means the total number of issued and outstanding common shares of Licensee, 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 Licensee 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.
- n. “Funded IP” has the meaning set forth in Section 5.2.
- o. “Funding Threshold” means \$500,000 in aggregate equity received by Licensee, excluding current or future debt or equity instruments that are excluded from the calculation of “Fully Diluted Basis.”
- p. “Generally Accepted Accounting Principles” means generally accepted accounting principles as set forth in opinions and pronouncements of the Canadian Institute of Chartered Accountants or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the relevant date of determination.
- q. “Issued Claim” has the meaning set out in Section 2.1(II).
- r. “Licensed Patents” means all patents in any jurisdiction throughout the world claiming inventions included in the Technology, 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 “B”, any patent filing claiming priority to any patent filing listed in Schedule “B”, 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.
- s. “Licensed Products” means any product, apparatus or methods, the production, manufacture, sale, lease, use or practice of which would, but for this Agreement, infringe a Valid Claim in the country of manufacture, sale or lease by Licensee or an Affiliate.
- t. “Net Sales” means the gross Revenues received by Licensee and its Affiliates from the Sale or sublicensing of Licensed Products less the standard and commercially reasonable exceptions, which exceptions shall include without limitation the following items (“Qualifying Costs”), but only insofar as they are separately itemized in the written reports provided pursuant to Section 8.1.
 - i. usual trade or quantity discounts;

- ii. allowances or credits provided on account of rejections, returns or retroactive price reductions;
- iii. transportation and shipping charges and fees; and
- iv. import, export, sales, use, excise and other taxes, tariffs, or duties.

In the case of Combination Products the Qualifying Costs shall be allocated to Licensed Products using the formulas provided in Section 7.4 below. In the event that a Sale is made to a Person which is not an Arm's Length Party, Net Sales shall be based on an amount equal to the price at which the Licensee at the time of the Sale would sell the Licensed Product to an Arm's Length Party under comparable terms and conditions and in comparable volumes. For avoidance of doubt, Revenue paid to Persons making or manufacturing Licensed Products on behalf of Licensee, Licensee's Affiliates or Sublicensees shall not be included in the calculation of Net Sales.

- u. "Other" has the meaning set out in Section 10.1.
- v. "Other Product" means any product that is not a Licensed Product and is sold either as a stand-alone product or service or in combination with other products or services that are not Licensed Products.
- w. "Pending Claim" has the meaning set out in Section 2.1(II).
- x. "Person" means an individual, a corporation, a partnership, a trust, any unincorporated organization or any other entity, and "Persons" has a similar corresponding meaning.
- y. "Publication" has the meaning set out in Section 10.2e).
- z. "Recipient" means a Party to this Agreement that receives Confidential Information from the Disclosing Party.
- aa. "Qualified Costs" has the meaning set out in Section 2.1(t).
- bb. "Revenue" means any revenues, property or other consideration, cash or non-cash, earned or received by the Licensee and its Affiliates from the exercise or sublicensing of its rights under this Agreement, including but not limited to royalties and minimum fees.
- cc. "Royalties" means the amounts payable pursuant to Schedule "SCHEDULE C".
- dd. "Sale" means any sale, lease, use and license associated with the transfer of the Licensed Products and "Sales" and "Sell" have corresponding meanings.
- ee. "Sensor" means a product, material, or device designed to detect, measure, and communicate a signal indicating that a physical, chemical or biological analyte or event or its change thereof has been detected.
- ff. "Sponsor" has the meaning set out in Section 5.2.
- gg. "Sublicensee" means any Person granted a sublicense by the Licensee, by an Affiliate, or by another Sublicensee pursuant to Section 4.1.
- hh. "Sublicensor" means the Licensee, Affiliate or Sublicensee granting a Sublicense pursuant to Section 4.1.

- ii. “Technology” means: any and all knowledge, know-how and/or technique or techniques in the field of the technology described in Schedule “SCHEDULE A” hereto and (i) invented and/or developed in the Soleymani and/or Didar labs prior to the Effective Date; (ii) acquired prior to the Date of Commencement by McMaster; or (iii) known to McMaster to have been invented and/or developed at McMaster prior to the Effective Date, whether or not patentable, copyrightable, trademarkable or otherwise protectable by law or commercially useful or reducible to writing or practice. Technology shall include, without limitation, any and all trade secrets, research, development and manufacturing data, inventions, technical, engineering and scientific information, methods, processes, procedures, discoveries, protocols, formulas, designs, drawings, specifications, instructions, manuals, papers or other materials of any nature whatsoever, whether written or otherwise, relating to same. Technology shall also include all inventions, whether or not patentable, and other intellectual property rights described or disclosed in the Licensed Patents.
- jj. “Term” means the term of this Agreement pursuant to Article 15.
- kk. “Territory” means the territory provided in Schedule “D”.
- ll. “Valid Claim” means, on a country by country basis, (1) a claim of an issued Licensed Patent (which has not expired or gone abandoned) that has not been found invalid by a court of competent jurisdiction (“Issued Claim”), or (2) a claim contained in a pending Licensed Patent application that in original or narrowed form has not been pending before the same patent granting authority for more than 2 years (“Pending Claim”). For the purposes of this definition, “pending” shall mean in the process of active examination before the patent granting authority, and shall not pertain to time between the national filing date of an application and the date of any required Request for Examination in that country or time between the filing date of an International Patent Application and the date of entry into the National Phase in a country.
- mm. “Year” means each 12-month period ending on the anniversary of the Effective Date.

2.2 **Gender and Number.** In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.

2.3 **Article and Section Headings.** The insertion of headings and the division of this Agreement into articles and sections are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

2.4 **Currency.** All dollar amounts expressed herein and all amounts to be paid pursuant to this Agreement shall be in Canadian dollars (\$). If Licensee receives amounts payable to McMaster in currency other than Canadian dollars, the amounts shall be converted into Canadian dollars at the conversion rate for the foreign currency as published by the Bank of Canada as of the last business day of the applicable calendar quarter.

3 GRANT OF LICENSE

3.1 McMaster hereby grants to the Licensee and Licensee’s Affiliates an exclusive royalty-bearing license, in the Field and in the Territory, to use and practice the Technology and the Licensed Patents with an exclusive license to manufacture, have manufactured, make, have made, import, have imported, sell, offer to sell, distribute, and market the Licensed Products or otherwise transfer the Licensed Products from the Effective date. The said license shall be exclusive even as to McMaster, except for those rights expressly reserved to McMaster as provided in Section 3.3 below.

- 3.2 McMaster grants to the Licensee and Licensee's Affiliates only the qualified right to grant sub-licenses as more fully described in Article 4.
- 3.3 Notwithstanding the rights granted in Sections 3.1 and 3.2, McMaster expressly retains a nonexclusive license to use the Licensed Patents and Technology for any research, education, scholarly publication or other non-commercial purpose. McMaster may present and publish accounts of its research and all information relating to the Licensed Patents or Technology in accordance with Section 10.2d).
- a. McMaster will notify Licensee prior to providing or sharing the Licensed Patents and Technology with any other research institutions, in all cases pursuant to a confidentiality agreement or a materials transfer agreement and solely for the purposes provided in Section 3.3 above.
- 3.4 This Agreement shall not be interpreted or construed as granting to Licensee any rights, express or implied, by estoppels or otherwise, to any patents, patent applications, inventions, methods, technical information, confidential information, proprietary information, expertise, know-how, trade secrets, or knowledge not specifically licensed under this Agreement and all rights not expressly granted to Licensee by this Agreement are expressly reserved by McMaster.

4 SUBLICENSING

- 4.1 During the Term, Licensee, Licensee's Affiliates and their Sublicensees may sublicense all or some of their rights under this Agreement to one or more tiers of Sublicensees.
- 4.2 Prior to a Sublicensee making any Sales, Licensee, Licensee's Affiliates, or another Sublicensee must enter into a written agreement with the Sublicensee that incorporates terms and conditions sufficient to ensure compliance with the confidentiality and reporting obligations of this Agreement. Each sublicense agreement shall specifically refer to this Agreement and to all rights retained by McMaster or required to be granted back to McMaster from the Licensee or Sublicensee.
- 4.3 Within 30 days of the execution of a sublicense agreement, as authorized herein, the Licensee shall forward to McMaster a fully executed copy of such sublicense agreement. If the sublicense agreement is in a language other than English, the Licensee shall provide McMaster with an accredited English translation. In case the sublicense agreement is subsequently amended, this section shall apply and a copy of the signed amended sublicense agreement shall be sent to McMaster within 30 days after execution.
- 4.4 Upon termination of this Agreement other than by reason of McMaster's default, any rights hereunder sublicensed to a Sublicensee shall, at the option of McMaster: (i) terminate; or (ii) become rights licensed to the Sublicensee directly by McMaster (on the same terms as set out in the relevant sublicense agreement).
- 4.5 Licensee shall be solely responsible for the enforcement of the terms of any sublicense and for collection of payment due thereunder and for inspecting the accounts and records kept by the Sublicensee to ascertain the amounts owing.

5 OWNERSHIP

- 5.1 **Created IP.** Licensee shall own any intellectual property and other proprietary rights (other than the Licensed Patents) created or developed, in each case in whole or in part, by or on behalf of Licensee, including any intellectual property or other proprietary rights related to the technology described in Schedule "SCHEDULE A" hereto created or developed in whole or in part by Drs. Leyla Soleymani

and/or Tohid Didar, in each case, until the earlier of 5 years from the effective date or the date that is 6 months from the date on which he/she provided Licensee with written notice that he/she no longer wishes to be actively engaged with the Licensee (“Created IP”), and McMaster agrees to assign and hereby assigns any such rights to Licensee if such rights are first owned by McMaster. Created IP shall not include any intellectual property or other proprietary rights created in whole or in part by any graduate student of McMaster where the Licensee has not funded at least 70% of the cost of such graduate student related to the Technology.

- 5.2 **Funded IP.** As between the parties, Licensee shall own any intellectual property or other proprietary rights created or developed in whole or in part by McMaster 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 Licensee, an Affiliate or by any Sublicensee or other Person supporting the development or exploitation on behalf of the Licensee, an Affiliate or Sublicensee (“Sponsor”) or results at least in part from monetary or other contributions of one or more Sponsors, except for intellectual property or other proprietary rights created or developed in whole or in part by any graduate student of McMaster where the Sponsor has not funded at least 70% of the cost of such graduate student related to the Technology (“Funded IP”), and McMaster agrees to assign and hereby assigns any such rights to Licensee if such rights are first owned by McMaster.
- 5.3 **Independent IP.** For the avoidance of doubt, (i) McMaster 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 the Licensee and (ii) Licensee 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 McMaster.
- 5.4 If the Agreement is terminated pursuant to Section 16.1(a), (b), (c), or (e) hereof, Licensee shall transfer ownership to McMaster of any item of Created IP or Funded IP, in each case created, developed, or funded at least in part by McMaster (except where the contribution of McMaster is solely by Drs. Leyla Soleymani and/or Tohid Didar).

6 DUE DILIGENCE

- 6.1 Licensee shall use diligent efforts to develop the Licensed Patents and to introduce the Licensed Products in the commercial market as soon as practicable consistent with sound and reasonable business practice and judgment, in order to maximize Net Sales. To that end, Licensee acknowledges and agrees to use reasonable efforts to meet the performance milestones and development plans described in Schedule “SCHEDULE C”. Thereafter, and until the expiration of this Agreement, Licensee shall endeavour to keep Licensed Products reasonably available to the public.
- 6.2 Licensee covenants that it has the expertise necessary to handle the Licensed Patents and Licensed Products with care and without danger to McMaster or the Licensee, its employees, agents, Affiliates, Sublicensees or the public and to observe and perform this covenant.
- 6.3 Licensee covenants that it will comply with all laws, regulations and ordinances, whether federal, provincial, state, municipal or otherwise, as applicable, with respect to the Licensed Patents, Licensed Products and Technology, and this Agreement.

7 CONSIDERATION

- 7.1 In consideration for the licenses and rights granted hereunder, Licensee shall pay to McMaster:

- a. A non-creditable, non-refundable upfront licensee fee as set forth in Schedule “SCHEDULE C” payable upon signature of this Agreement.
 - b. An annual, non-refundable minimum royalty as set forth in Schedule “SCHEDULE C” for each year during the Term is due and payable on each anniversary date of the Agreement following the Effective Date.
 - c. A royalty based on a percentage (%) of Net Sales and payable as set forth in Schedule “SCHEDULE C”.
 - d. Milestone payments as set forth in Schedule “SCHEDULE C”.
 - e. Equity as set forth in Schedule “SCHEDULE C”.
 - f. No multiple royalties shall be payable because any Licensed Products are covered by more than one of the Licensed Patents.
 - g. Sublicensee upfront fee and royalty as set forth in Schedule “SCHEDULE C” (if applicable).
- 7.2 On Sales made to other than an Arm’s-Length Party, the value of the Net Sales attributed under this Section to such a transaction shall be that which would have been received in a Sale made to an Arm’s Length Party, based on a like transaction at that time.
- 7.3 Unless otherwise provided herein, all payments required under this Agreement shall be payable within 30 days of the due date. Payments past due and not disputed by the Licensee in writing shall bear interest at an annual rate of 2% above the prime rate of the Canadian Imperial Bank of Commerce, calculated and compounded monthly. All payments to McMaster shall be payable to “McMaster University”.
- 7.4 Where Licensed Products are sold as part of Combination Products, the Parties will negotiate in good faith to allocate the appropriate percentage of the Net Sales of the Combination Products attributable to the Licensed Products.
- 7.5 Licensee’s obligation to pay a royalty with respect to a Licensed Product will terminate on a country-by-country basis upon expiry of all Valid Claims covering the manufacture and sale of the Licensed Products in such country.
- 7.6 Royalty payments made by Licensee in connection with Pending Claims that do not become Issued Claims may be deducted by Licensee from future royalty payments that become due.

8 REPORTS

- 8.1 Licensee shall deliver to McMaster within 30 days after the end of each Year, or such other period as defined in Schedule “SCHEDULE C”, a written report certified by the Chief Financial Officer, or equivalent officer, of the Licensee, setting forth the calculation of royalties due to McMaster for such period, including the following data as related to this Agreement, without limitation:
- a. Net Sales listed by country.
 - b. All income derived from sublicenses, including one-time fees, special entry fees or equity granted in consideration of sublicenses or other in-kind benefits.
 - c. Royalties, from any source and minimum royalties.
 - d. Milestone payments from licenses and sublicenses and Affiliates.

- e. Sales amounts, including Sale price or fees, revenues, or monies invoiced, billed, or received for all Licensed Products.
- f. Qualifying Costs, by category of cost, as defined in Section t) and used to calculate Net Sales.
- g. Number or quantity of Licensed Products sold, listed by country.
- h. Royalties credited against minimum royalty payments.
- i. A nil report, if applicable.

8.2 Licensee shall provide to McMaster, within 1 month of release, a copy of the annual report of the company, if any, including its financial statements.

8.3 Licensee shall inform McMaster in writing (including via email) within 30 days of having entered into any Sublicense, identifying the Sublicensee and proposed terms and conditions of the Sublicense.

8.4 Licensee shall retain the accounts and records referred to in this Article 8 for at least 7 years after the date upon which they were made.

8.5 McMaster shall inform Licensee prior to filing any provisional patent filing within five years from the Effective Date that relates to the technology described in Schedule "SCHEDULE A" hereto that could reasonably be considered competitive with any Licensee Product.

9 AUDIT RIGHTS

9.1 Licensee shall keep and cause its Sublicensees and Affiliates to keep at their own expense, accurate books and accounts, using Generally Accepted Accounting Principles or similar, detailing all data necessary to calculate and easily audit any payment due to McMaster under this Agreement.

9.2 McMaster shall have the right, at its expense, upon at least 15 days written notice, to audit Licensee's books of accounts to verify compliance with the terms of this Agreement. McMaster, or an accounting firm serving as McMaster's agent and subject to confidentiality provisions no less restrictive than those in this Agreement, may perform the audit at any time within 7 years after the end of any reporting period to which the books of accounts pertain. No audit may be performed if a previous audit has been performed within the preceding 12 months. The audit shall be performed during normal business hours at the Licensee's principal place of business or at such other site as may be agreed upon by McMaster and Licensee.

9.3 Licensee shall cooperate with McMaster in its performance of an audit, and shall provide such assistance as is necessary to carry out the provisions of this Article 9.

9.4 Information gained in such an audit and all books of account shall be treated as Confidential Information of Licensee.

9.5 If the audit shows that Licensee has paid less than required under the Agreement, Licensee shall promptly pay the additional amount due. If the amount of underpayment exceeds 5% of the amount that should have been paid, Licensee shall also pay the full cost of the audit and accrued interest on the difference. Any overpayment amount shall be credited against payments due to McMaster in the following year.

10 CONFIDENTIALITY

- 10.1 Licensee and McMaster acknowledge and agree that, in order to properly accomplish the goals of this Agreement, they will need to disclose Confidential Information to each other. However, acknowledging that Confidential Information is valuable and proprietary, each of the Licensee and McMaster hereby covenants and agrees that, except as the Disclosing Party may otherwise consent in writing, during the Term and thereafter the Recipient nor any of its officers, directors, shareholders, employees, consultants or agents (collectively, "Others") shall use or directly or indirectly publish or otherwise disclose at any time any Confidential Information. All Confidential Information shall remain the Disclosing Party's exclusive property and all rights to the Confidential Information shall be held in trust by the Recipient for the Disclosing Party's benefit. Unless and until expressly authorized in writing to do so by the Disclosing Party, the Recipient shall not deal with, use or disclose Confidential Information for any purpose not directly related to the terms of this Agreement, and the Recipient shall disclose Confidential Information only to those persons who have a need to know Confidential Information for the purposes of the Recipient effectively performing the terms of this Agreement, it being understood that such persons shall be informed of the confidential nature of the Confidential Information and such persons shall be bound by confidentiality obligations no less restrictive than those in this Agreement. Recipient shall be responsible for any breach of the confidentiality provisions by Others.
- 10.2 The confidentiality obligations set forth above apply to all or any part of the Confidential Information disclosed hereunder, except that:
- a. the information must necessarily be disclosed to regulatory authorities or agencies in support of Licensee's applications to market its products, or otherwise to clinicians or others in connection with the filing of such applications, or as reasonably necessary for purposes of marketing the products;
 - b. the information must necessarily be disclosed by the Recipient to financial institutions or other funding sources, provided that such entities are bound by confidentiality obligations no less restrictive than those in this Agreement;
 - c. the information must necessarily be disclosed by Recipient in order to file patent applications with respect to Technology hereunder; or
 - d. the information is required to be disclosed by order of governmental authority or a court of competent jurisdiction; provided that Recipient shall use best efforts to obtain confidential treatment of such information by the agency or court.
- e. McMaster shall be entitled to publish or present the general scientific findings from research related to the Licensed Patents and Technology in accordance with the provisions of this Section 10.2e), provided that such right shall not extend to any trade secrets or Confidential Information and shall not interfere with or prevent either Party from applying for any patent. At least 30 days prior to submitting a manuscript to a publisher or other third party or prior to any public presentation, a copy of the manuscript or presentation (a "Publication") will be provided to Licensee for review and Licensee shall either:
- i. approve said Publication by written notice to McMaster or approve by failing to respond within 21 days of receipt of said Publication; or
 - ii. notify McMaster by written notice of its concerns regarding said Publication within 21 days of receipt of said Publication and thereafter McMaster and Licensee will forthwith

attempt to mutually agree on appropriate revisions to conform said Publication to the satisfaction of Licensee, thereby allowing immediate publication by McMaster. If Licensee and McMaster cannot agree on mutually acceptable revisions within 30 days of receipt of notice of Licensee's concerns regarding said Publication, McMaster will not publish said Publication for a period of 6 months from the date of McMaster's receipt of Licensee's concerns regarding said Publication. However, following the expiration of such 6-month period, McMaster and Licensee agree that McMaster shall be allowed to publish the Publication at issue regardless of whether or not said Publication has been revised to the full satisfaction of Licensee. For the avoidance of doubt, in no event shall McMaster make any public disclosure with respect to any Licensed Patents or Technology prior to 6 months from the date of such public disclosure being provided to Licensee for review, unless the Parties agree to an earlier date for the public disclosure.

11 PATENT PROSECUTION AND MAINTENANCE

- 11.1 **Patent Rights.** Licensee hereby recognizes and acknowledges the validity of any Valid Claim of the Licensed Patents licensed hereunder and agrees not to contest such validity either directly or indirectly or by assisting other parties.
- 11.2 **Responsibility for patent prosecution.** Matters related to the prosecution, filing and maintenance of all patent applications related to the Licensed Patents or Technology, including meeting all filing deadlines and paying all related fees and expenses from the Effective Date of this Agreement, shall be the sole responsibility of the Licensee. At least 60 days prior to the time that payment of such fees or expenses are required, Licensee shall make the necessary payment and provide McMaster written notice that such fees have been paid. If McMaster does not receive such notice, McMaster may, in its discretion, pay the fees or expenses. Within 30 days of receiving notice from McMaster showing that specific fees or expenses related to the prosecution, filing and maintenance of such patent applications have been paid by McMaster, Licensee shall reimburse McMaster for all such fees and expenses. McMaster shall be given reasonable opportunity to advise the Licensee concerning patent prosecution and maintenance. The Parties agree to cooperate with one another in such matters and McMaster will be kept informed at all times of the prosecution activities.
- 11.3 **Modification, deletion or abandonment of claims.** No claims of the Licensed Patents shall be modified, deleted, or abandoned by the Licensee or its patent counsel without the express, prior written approval of McMaster, such approval shall not be unreasonably withheld and delayed; provided, however, that Licensee may decline to pursue patents in countries outside of Canada under the terms of this Section 11.3. Licensee shall inform McMaster in a timely manner that Licensee will not pursue patents in any foreign countries where patent protection may be available such that McMaster may prosecute patents in such countries if McMaster so desires. If McMaster chooses to pursue such foreign patent protection, any patents arising therefrom shall no longer be considered Licensed Patents under this Agreement and Licensee shall forfeit all rights under this Agreement to such patent applications and any patents arising therefrom. McMaster shall be responsible for all costs associated with those patent applications and patents it decides to pursue and maintain.
- 11.4 **Change of Patent Attorney.** Licensee shall consult McMaster in case of a change in the patent agent or attorney with respect to the Licensed Patents or Technology.

- 11.5 **Conflict of Interest.** Licensee will disclose to McMaster the existence and nature of any potential conflict of interest caused by the simultaneous prosecution of other technologies that may infringe with the Licensed Patents. In such cases, McMaster shall have the right to instruct a change of patent agent or attorney and related costs shall be borne by Licensee.
- 11.6 **No Claim for Damages.** Licensee shall have no claim of damages against McMaster, its officers, administrators or employees should any filing deadline not be met or payment not be made, and McMaster's failure to meet any such deadline or pay any such fee or cost shall not be considered a breach of this Agreement.
- 11.7 **Patent Marking.** Licensee shall comply with all applicable statutes relating to the identification of Licensed Products and their packaging with patent pending, patent number(s), copyrights or other intellectual property notices and legends required to maintain the intellectual property rights licensed in this Agreement.

12 **DISCLAIMER OF WARRANTIES**

- 12.1 **McMaster makes no representation, extends no warranties of any kind, either express or implied, and assumes no responsibilities whatsoever with respect to the use, sale or other disposition by Licensee, its Affiliates and Sublicensees, or their vendees or other transferees of Licensed Products incorporating or made by use of the Licensed Patents or any Technology licensed hereunder. There are no express or implied warranties of merchantability or fitness for a particular purpose, or that the use of the Licensed Patents, Licensed Products or any Technology licensed hereunder will not infringe any patent, copyright, trademark, service mark or other proprietary rights of others. McMaster shall not be liable to Licensee, its Affiliates, Sublicensees or their respective successors or assigns or any third party with respect to: any claim arising from use of the Licensed Patents, Licensed Products and Technology licensed under this Agreement or from the manufacture, use or sale of Licensed Products; or any claim for loss of profits, loss or interruption of business, or for indirect, special or consequential damages of any kind.**
- 12.2 Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall be construed as:
- a. A warranty or representation by McMaster as to rights in any technology or the validity or scope of any of the Licensed Patents.
 - b. An obligation to furnish any technology not specifically agreed to in this Agreement, to bring or prosecute actions or suits against third parties for infringement or to provide any services other than those specified in this Agreement.

13 **INDEMNIFICATION AND INSURANCE**

- 13.1 Licensee shall indemnify, defend and hold McMaster, their employees, students, officers, agents, Affiliates and representatives harmless from and against any and all liability, demands, damages, losses and expenses (including attorney fees and disbursements), for death, personal injury, illness, property damage, non-compliance with applicable laws and any other claim, proceeding, demand, expense and liability of any kind whatsoever in connection with or arising out of:
- a. the use by or on behalf of Licensee, its Sublicensees, Affiliates, directors, officers, employees or third parties of any Licensed Patents or of any Technology licensed hereunder;

- b. the design, development, use, manufacture, distribution, advertisement, sale or other disposition of any Licensed Products or materials by Licensee or other products or processes developed in connection with or arising out of the Licensed Patents or Technology; or
- c. any right or obligation of Licensee, its Sublicensees, its Affiliates under this Agreement.

13.2 During the Term, Licensee shall maintain comprehensively general liability insurance, including product liability insurance related to, at least, the Licensed Products:

- a. not less than \$5,000,000 per single occurrence; and
- b. not less than \$10,000,000 in annual coverage.

Such insurance policy or policies shall not have a deductible of more than \$50,000. Each such insurance policy or policies shall be written by responsible and recognized insurers qualified to do business in the Territory, shall name McMaster and any Sublicensees as an additional named insured, shall provide that McMaster shall receive 30 days' written notice prior to termination, expiration or cancellation of the policy or policies or any material change thereto, and shall contain an acknowledgement that the insurer has read this Article 13.

14 INFRINGEMENT

14.1 **Infringement By Third Parties.** The Parties agree to inform the other Party promptly in writing of any actual or suspected infringement of the Licensed Patents by a third party. Licensee shall have, for a period of 120 days from the date of any notice of infringement of a Licensed Patent, the first right to institute suit against such third party. McMaster agrees to be named as a party to such litigation if required by the court and to cooperate in its prosecution by providing such evidence and testimony as may be reasonably requested by Licensee. Thereafter, the Parties shall each have the right to institute an action for infringement of the Licensed Patent against such third party in accordance with the following:

- a. If the Parties agree to institute suit jointly, the suit shall be brought in both their names, the out-of-pocket costs thereof shall be borne equally, and any recovery or settlement shall be shared equally. The Parties shall agree to the manner in which they shall exercise control over such suit. Each party, at its option, may be represented by separate counsel at its own selection, the fees for which shall be paid by that Party.
- b. In the absence of an agreement to institute a suit jointly, McMaster may, but is not obligated to, institute suit, and at its option, join Licensee as a plaintiff. If McMaster decides to institute suit, it shall notify Licensee in writing. Licensee's failure to notify McMaster in writing within 15 days after the date of McMaster's notice, that it will join in enforcing the Licensed Patents pursuant to the terms hereof, shall be deemed conclusively to be Licensee's assignment to McMaster of all rights, causes of action and damages resulting from any such alleged infringement. McMaster shall bear the entire cost of such litigation and shall be entitled to retain the entire amount of any recovery or settlement.
- c. In the absence of an agreement to institute a suit jointly, and if McMaster does not notify Licensee of its intent to pursue legal action within 90 days, as provided in (a) or (b) above, Licensee may institute suit. Licensee shall bear the entire cost of such litigation but may obtain reimbursement of 50% of such costs by the deduction provided for in section (d) of this Section 14.1. Any recovery in excess of litigation costs and reasonable attorney fees ("Excess

Recovery”) shall be retained by Licensee, except that Licensee shall refund McMaster for any reimbursement obtained pursuant to section (d) of this Section 14.1 (“Reimbursements Obtained”), provided that the Excess Recovery exceeds such reimbursements. If Excess Recovery does not exceed Reimbursements Obtained, the Excess Recovery shall be split between the Licensee and McMaster in equal parts.

- d. If Licensee undertakes to defend the Licensed Patents by litigation, Licensee may deduct from its royalty payments to McMaster an amount not exceeding 50% of Licensee’s expenses and costs of such action, including reasonable attorney’s fees.

- 14.2 **Infringement Actions by Third Parties.** Without prejudice to any other right it may have, should a claim or suit that the manufacturing, marketing, offering for sale, sale of the Licensed Products or use of the Licensed Patents by Licensee as authorized hereunder and/or exercise by Licensee of any rights granted to it by McMaster pursuant to the terms hereof, infringe a third party’s intellectual property rights be threatened or made against McMaster, Licensee or any party having the right to use the Licensed Patents through Licensee, each of McMaster and the Licensee agree that it shall give the other Party prompt written notice detailing as many facts as possible concerning such claim and shall consult and cooperate fully with one another to decide what action, if any, should be taken in the defence of such claim.
- 14.3 The reasonable expenses incurred by Licensee (including, for greater certainty, attorney’s fees) in the defence of a claim by a third party, shall be deducted from any royalty owing and any balance shall be held in trust by Licensee until such time that the potential infringement ceases, is terminated or settled. If the third party claiming the infringement is successful in obtaining a judgment against Licensee, its Affiliates or any of its Sublicensees or if the parties agree, Licensee acting reasonably, to amicably settle the matter, except that Licensee shall have no right to deny the validity of any patent, patent claim, or patent application included in the Licensed Patents in any compromise or settlement of any claim or suit without the express prior written consent of McMaster, any amount held in trust and any future royalties shall first serve to pay the third party’s indemnity or damages awarded pursuant to a judgment of a court of competent jurisdiction or pursuant to any settlement and the balance, if any, shall be payable to McMaster pursuant to the provisions of Article 7 and Schedule “SCHEDULE C” of this Agreement. If Licensee elects not to defend against such claim or suit, McMaster, at its option, may do so at its own expense and shall be entitled to retain the entire amount of any recovery or settlement.
- 14.4 In all cases, the Parties agree to keep the other Parties reasonably apprised of the status and progress of any litigation.

15 TERM

- 15.1 This Agreement and the license granted hereunder shall terminate on the expiration of a term of 20 years from the Effective Date or upon the last to expire or become abandoned of the Licensed Patents, whichever event shall last occur unless earlier terminated pursuant to Article 16 of this Agreement.

16 TERMINATION

- 16.1 McMaster may, at its option, terminate the license and this Agreement immediately on the happening of any one or more of the following events by delivering notice in writing to that effect to the Licensee:
 - a. if the Licensee becomes insolvent;

- b. if any execution, sequestration or any other process of any court becomes enforceable against the Licensee and any such process is levied on the rights under this Agreement or upon any of the monies due to McMaster and Licensee has not initiated procedures to release or satisfy such process within 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 Licensee;
- d. if the Licensee is more than 30 days in arrears of royalties or other monies that (i) are due to McMaster under the terms of this Agreement; (ii) are not subject to a good-faith dispute; and (iii) payment has not been made by Licensee within 30 days of written notice of default provided by McMaster to Licensee;
- e. if the Licensee ceases or threatens to cease to carry on business;
- f. if the Licensee commits any material breach of the sublicensing obligations in Article 4, the due diligence provisions in Article 6, the performance obligations in Article 7 and Schedule “SCHEDULE C” and such breach is not cured or otherwise resolved within 30 days following written notice of breach by McMaster specifying in reasonable detail the alleged breach;
- g. if any Sublicensee is in material breach of its sublicense agreement with the Licensee and the Licensee does not take reasonable steps to cause such Sublicensee to cure such default within 30 days of receipt of written notice from McMaster requiring that the Licensee cause such Sublicensee to cure such default.

16.2 Other than as set out in Section 16.1, if either Party shall be in material default under or shall fail materially to comply with the terms of this Agreement, then, subject to Section 16.4 below, the non-defaulting Party shall have the right to terminate the license and this Agreement by written notice to that effect if:

- a. such default is reasonably curable within 30 days after the receipt of notice of such default and such default or failure to comply is not cured within 30 days after receipt of written notice thereof, or
- b. such default is not reasonably curable within 30 days after receipt of written notice thereof, and such 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.

16.3 Licensee may terminate the license and this Agreement at its convenience upon 30 days’ notice to McMaster.

16.4 If the license and this Agreement is terminated pursuant to Section 16.1, 16.2 by reason of Licensee’s uncured default or 16.3:

- a. Licensee shall continue to make royalty payments to McMaster in the manner specified in Article 7 and Schedule “SCHEDULE C”, and McMaster may proceed to enforce payment of all outstanding royalties or other monies owed to McMaster and to exercise any or all of the rights and remedies contained herein or otherwise available to McMaster by law or in equity, successively or concurrently at the option of McMaster, except that no minimum annual royalty shall apply. Upon any such termination of the license and this Agreement, the Licensee shall forthwith deliver up to McMaster all McMaster Confidential Information in its possession or control and shall have no further license or right of any nature whatsoever in that Confidential

Information. The Licensee will pay all charges or expenses incurred by McMaster in the enforcement of its rights or remedies against the Licensee including, without limitation, McMaster's legal fees, agent's fees and disbursements.

- b. The Licensee shall cease to use the McMaster Confidential Information in any manner whatsoever or to manufacture or sell the Licensed Products within thirty (30) days from the Effective Date of Termination. The Licensee shall then deliver or cause to be delivered to McMaster an accounting within 30 days from the Effective Date of Termination. The accounting will specify, in or on such terms as McMaster may in its sole discretion require, the inventory or stock of Licensed Products manufactured and remaining unsold on the Effective Date of Termination. McMaster will instruct that the unsold Licensed Products be stored, destroyed or sold under its direction and the unsold Licensed Products will not be sold by the Licensee without the prior written consent of McMaster. The Licensee will continue to make royalty payments to McMaster in the same manner specified in Article 7 and Schedule "SCHEDULE C" on all unsold Licensed Products that are sold in accordance with this Article, notwithstanding anything contained in or any exercise of rights by McMaster under Section 16.4 herein.

16.5 If McMaster is in material default of its obligations under this Agreement, and such default has not been cured within 30 days of notice thereof by Licensee, then Licensee may, at its option, either (a) exercise the right of termination under Section 16.2, or (b) elect to continue to exercise its license and other rights under this Agreement, subject to payment of royalties due to McMaster after deducting the damages caused by McMaster's default. McMaster will pay all charges or expenses incurred by Licensee in the enforcement of its rights or remedies against McMaster or otherwise caused by McMaster's default, including, without limitation, McMaster's legal fees, agent's fees and disbursements, the amount of such damages not to exceed the amounts paid by Licensee to McMaster under this Agreement.

16.6 Notwithstanding the termination of this Agreement, Articles 8 and 10 shall remain in full force and effect until:

- a. all royalty payments required to be made by the Licensee to McMaster under this Agreement have been made by the Licensee to McMaster;
- b. any other claim or claims of any nature of kind whatsoever of McMaster against the Licensee has been settled; and
- c. 3 years after the termination of this Agreement pursuant to Article 16.

17 MISCELLANEOUS

17.1 **Independent Parties.** Licensee is and will at all times remain an independent contractor and is not and shall not represent itself to be an agent, joint venture or partner of McMaster. No representation will be made or acts taken by either Licensee or McMaster that could indicate any relationship of agency, joint venture, partnership or employment.

17.2 **Notice.** All payments and communications, which may be or are required to be given by either party to the other herein, shall (in the absence of any specific provision to the contrary) be in writing and, in the case of payments delivered or sent by prepaid registered mail and, in the case of communications, delivered or sent by prepaid registered mail or by facsimile transmission (provided sender obtains evidence or verification of transmission receipt) to the parties at their following respective addresses:

a. if to McMaster:

McMaster University
McMaster Industry Liaison Office
McMaster Innovation Park, Suite 305
175 Longwood Road South
Hamilton, ON L8P 0A1

Attention: Executive Director
Tel: (905) 525-9140 ext. 23164
Fax: (905) 546-1372

b. if to Licensee:

FendX Technologies Inc.
c/o Miller Thomson LLP
400-725 Granville Street
Vancouver, B.C. V7Y 1G5
Attention: Rory Godinho

and if any such payment or communication is sent by registered mail, it shall, subject to the following sentence, be conclusively deemed to have been received on the 3rd Business Day following the mailing thereof and, if delivered, it shall be conclusively deemed to have been received at the time of delivery or transmission. Notwithstanding the foregoing provisions with respect to mailing, in the event that it may be reasonably anticipated that, due to any strike, lock-out or similar event involving an interruption in postal service, any payment or communication will not be received by the addressee by no later than the 3rd Business Day following the mailing thereof, then the mailing of any such payment or communication as aforesaid shall not be an effective means of sending the same but rather any payment must then be sent by delivery, and any communication by delivery or facsimile transmission. Either party may from time to time change its address hereinbefore set forth by notice to the other of them in accordance with this Section.

- 17.3 **Further Assurances.** The Parties hereto agree to do all such things and to execute such instruments and documents as may be necessary or desirable in order to carry out the provisions and intent of this Agreement.
- 17.4 **Assignment.** The Licensee 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 McMaster, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Licensee may assign this Agreement to a successor of all or substantially all of the assets of, interest in or business of the Licensee 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 McMaster in advance. For avoidance of doubt, a change in control of Licensee, 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 McMaster.

- 17.5 **Time of the Essence.** Time is of the essence of this Agreement and of each and every term and condition hereof.
- 17.6 **Waiver.** No waiver by either McMaster or Licensee of any breach or default or series of breaches or defaults by McMaster or Licensee and no failure, refusal or neglect of either McMaster or Licensee to exercise any right hereunder or to insist upon strict compliance with or performance of McMaster's or Licensee's obligations under this Agreement shall constitute a waiver of the provisions of this Agreement with respect to any subsequent or other breach thereof or a waiver by either party of its right any time thereafter to require strict compliance with the provisions hereof.
- 17.7 **Entire Agreement.** This Agreement constitutes the entire agreement between McMaster and Licensee pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof whether oral or written. Except as provided herein, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements, whether direct or indirect, collateral, express or implied made between the parties concerning this Agreement, the subject matter hereof or any other matter embodied herein. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Parties.
- 17.8 **Applicable Law and Forum.** This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario and the Federal Court of Canada.
- 17.9 **Partial Invalidity.** If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law and be independent of every other provision of this Agreement.
- 17.10 **Force Majeure.** Neither party shall lose any rights hereunder or be liable to the other Party for damages or losses (except for payment obligations) on account of failure of performance by the defaulting Party if the failure is occasioned by war, terrorism, fire, Act of God, earthquake, flood, strike, lockout, embargo, public health emergency, medical quarantine, governmental acts or orders or restrictions, failure of suppliers or any other reason where failure to perform is beyond the reasonable control of and not caused by the negligence, intentional conduct or misconduct of the non-performing Party that has exerted all reasonable efforts to avoid or remedy such force majeure; provided, however, that in no event shall a Party be required to settle any labour dispute or disturbance.
- 17.11 **Use of McMaster's Name and Trademarks.** Licensee shall not use McMaster's name, trademarks or any adaptations or the name or names of any of McMaster's inventors in any advertising, promotional or sales literature without the prior written approval of McMaster, but such approval shall not be required in connection with providing notice that Licensed Patents and Technology have been licensed by Licensee from McMaster.
- 17.12 **Counterparts.** This Agreement may be executed in two counterparts, each of which shall be deemed an original and which together shall constitute one instrument.
- 17.13 **Construction.** Each Party to this Agreement has had full opportunity to consult with legal counsel regarding its terms and, notwithstanding any rule or maxim of construction to the contrary, any

ambiguity or uncertainty will not be construed against any Party hereto by reason of the authorship of any of the provisions hereof.

- 17.14 **Dispute Resolution.** McMaster and Licensee shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations, as follows. Either Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels one step above the personnel who have previously been involved in the dispute shall communicate or meet at a mutually acceptable time within 10 days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved by these persons within 30 days of the disputing party's notice, or if the parties fail to meet within 10 days, the dispute shall be referred to senior executives of both parties who have the authority to settle the dispute and who shall likewise communicate or meet to attempt to resolve the dispute. If the matter has not been resolved within 30 days from the referral of the dispute to senior executives, or if no meeting of senior executives has taken place within 15 days after such referral, the Parties shall submit the dispute to arbitration by a single arbitrator agreed to by McMaster and Licensee or failing agreement to a panel of 3 arbitrators, one chosen by each of McMaster and Licensee and one chosen by the first two so chosen. The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act, 1991* of Ontario or any successor to that statute. The arbitration award shall be final and binding on McMaster and Licensee without any right of appeal and shall deal with the question of costs of the arbitration. The costs and expenses of arbitration, including the fees of the arbitrators and any attorneys' fees, shall be borne by the losing party.
- 17.15 **Headings.** The section and subsection headings used in this Agreement are to be used only for convenience and reference. Such titles and headings shall not define or limit the scope of sections or subsections of this Agreement, and shall not affect the construction or interpretation of any of such sections or subsections.
- 17.16 **Extended Operation.** This Agreement shall be binding upon the Parties, their heirs, agents, successors and permitted assigns.
- 17.17 **Survival.** The provisions of Articles 5 (Ownership), 10 (Confidentiality), 11 (Patent Prosecution and Maintenance), 12 (Disclaimer of Warranties), 13 (Indemnification and Insurance), and 14 (Infringement) and any other provision of this Agreement that by its nature is intended to survive shall survive any termination or expiration of this Agreement.

IN WITNESS WHEREOF the Parties have duly executed and delivered this Agreement as of the Effective Date.

FendX Technologies Inc.	MCMASTER UNIVERSITY
Per: <u>"Carolyn Myers"</u>	Per: <u>"Gay Yuyitung"</u>
Name: Carolyn Myers	Name: Gay Yuyitung
Title: CEO	Title: Executive Director, MILO
Date: February 5, 2021	Date: February 5, 2021

SCHEDULE A

TECHNOLOGY

The Technology involves polymeric materials that are physically and/or chemically modified at their surface to be omniphobic. The modification is done by one or more solution-based treatments leading to deposition of micro/nano-scale features, followed by heat-shrinking the surface to create micron-scale wrinkles.

SCHEDULE B

LICENSED 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

SCHEDULE C
CONSIDERATION

- Upfront License Fee
 - None.

- Equity
 - Subject to the vesting and other terms and conditions set forth below, and provided that this Agreement remains in full force and effect, and that McMaster has complied with all of its obligations under the Agreement, through and including the date of achievement of the Funding Threshold, Licensee will issue to McMaster common shares representing 5% of the share capital of Licensee on a Fully Diluted Basis that was outstanding as of immediately after the achievement of the Funding Threshold; provided, however, that if the Funding Threshold was simultaneously met and exceeded due to Licensee'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.
 - All shares of Licensee issued to McMaster 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 Licensee 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 Licensee. McMaster further hereby agrees, upon Licensee's request, to sign any right of first refusal agreement, voting agreement and/or other similar agreements restricting the voting and transfer of Licensee's shares as are executed by other holders of common shares in connection with a future equity financing.
 - All shares of Licensee issued to McMaster 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 Agreement's having remained in full force and effect, and McMaster's having complied with all of its obligations under the Agreement, through and including such date. Without limiting the generality of the foregoing, vesting shall cease if either McMaster or Licensee terminate the Agreement for any reason, or McMaster breaches any of its obligations under the Agreement.

- If vesting ceases, Licensee shall have the right to require McMaster to surrender any unvested shares to Licensee, and/or to repurchase from McMaster any unvested shares for an aggregate purchase price of \$1.00 (irrespective of the total number of shares being repurchased).
 - No unvested shares may be transferred or assigned (other than to Licensee in connection with their surrender or repurchase).
- Royalty percentage (%) on Net Sales
 - A Royalty percentage on Net Sales in the amount of four percent (4%).
 - Licensee must pay to McMaster any royalties payable under this Agreement quarterly within 60 days following the close of the calendar quarter during which the Net Sales underlying such royalties have actually been received by the Licensee.
 - If, after the Effective Date, Licensee incurs the obligation to pay running royalties to one or more third parties pursuant to one or more licenses to intellectual property rights entered into by Licensee to exploit, or to avoid or settle claims of infringement of such rights by the practice of, the Licensed Patents (“Third Party Royalties”) then Licensee may deduct such Third Party Royalties amount from up to fifty percent (50%) of the royalties due to McMaster hereunder.
- Minimum Annual Royalty
 - \$5,000 in the first and second Years;
 - \$10,000 in the third and fourth Years;
 - \$20,000 in the fifth and subsequent Years of this Agreement.
- Sublicense Income
 - Licensee shall pay to McMaster 20% of any Sublicensee up-front fee or other such consideration paid by each Sublicensee or Affiliate of this Agreement, except where such consideration is for services, cost recovery, or specific development or similar activities and excluding amounts as to which Royalties are payable. Any non-cash consideration received by the Licensee from such Sublicensee or Affiliate shall be valued at its fair market value as at the date of receipt.
- Performance Milestones
 - Licensee will achieve a first commercial sale of the Licensed Product within 3 years from the Effective Date, subject to extension for any delays out of the control of the Licensee, including, but not limited to, delays related to regulatory approval; inability to obtain labor, material, or transportation; product shortages; component shortages; stock shortages; force majeure; partner insolvency; partner default; or labor dispute.
- Development Milestones
 - Licensee will contribute a minimum of \$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 Effective Date; provided the research aims are approved by Licensee. The intellectual property or other proprietary rights created or developed in whole or in part in connection with the sponsored research projects funded by Licensee in the Soleymani and Didar labs, including both the project funded by the said \$150,000 and any project funded

by the \$350,000 paid pursuant to the Option Agreement between the Parties dated 29 July, 2020, shall be deemed Funded IP.

- Licensee will obtain an additional \$1,000,000 of capital for use in developing and commercializing a Licensed Product by December 31, 2021.

SCHEDULE D

TERRITORY

World-wide.