

RDARS/DH TECHNOLOGY DEVELOPMENT AGREEMENT

Between:

RDARS Inc., an Ontario corporation, whose registered office is located at 2 Covington Rd #507, North York, Ontario, M6A 3E2 ("RDARS")

-and-

Drone Harmony AG, a Swiss corporation, whose principal address is Spanweidstreet 3, 8006 Zurich, Switzerland ("DH")

WHEREAS

- RDARS and DH (each a "Party" and together the "Parties") have entered into a Memorandum of Understanding dated May 22, 2019 ("MOU"), a copy of which is annexed hereto as Schedule A, in which DH has agreed to participate in the development of a drone-based alarm response system.
- RDARS, DH and other Collaborators (as defined below) have entered into a four-way confidentiality agreement to define specifications and work required for the development of a prototype drone-based alarm response system.
- RDARS and DH now wish to define the terms and scope of their cooperation pursuant to the MOU with greater particularity so as to put into effect a formal binding agreement that will supplant and supersede the MOU.

NOW, THEREFORE, in consideration of the mutual promises made herein and intending to be legally bound, the parties agree as follows:

1.0 Definitions

In this Agreement the following terms have the following meanings:

- (i) "Business" means a business based on (i) selling base station/drone units for responding to security alarms and (ii) selling adjunct monitoring services.
- (ii) "Collaborators" means individually, or jointly, as the context dictates, Easy Aerial Inc. and Advanced Management Systems LLC.
- (iii) "Compete" means for a person or entity, either on its own account or in conjunction with any other person or persons, real or corporeal, as principal, agent, partner, co-venturer, shareholder, investor, advisor, consultant, officer, director, employee or otherwise, in any manner whatsoever become engaged in, interested in or concerned with, or advise, lend money to, guarantee the debts or obligations of, any person or persons, real or incorporeal, engaged with, interested in or concerned with a business which is the same as or similar to or competitive with

- (iv) "Copyright" means any work or right, including software, registered or registerable, under the copyright law or authors' rights of any territory or jurisdiction, and any mask work or integrated circuit topography or other such form of registered or registerable intellectual property right.
- (v) "Commercial Software" means software that improves upon and enhances the Prototype Software in accordance with at least one additional phase of development after the Prototype Project in order to develop the Commercial System.
- (vi) "Commercial System" means a System that improves upon and enhances the Prototype so as to be commercially viable.
- (vii) "DH's Background IP" means Intellectual Property owned, licensed or used by DH related to DH's Background Technology as of the Effective Date.
- (viii) "DH's Background Technology" means DH's proprietary drone 3D flight mission software, as it exists as of the Effective Date
- (ix) "Effective Date" means August 1, 2019.
- (x) "Field of Use" means use, including selling and offering adjunct services, of a drone for security purposes, namely, a drone flying to a location where an alarm was triggered such as window, door, or entrance where the drone investigates and transmits in real time a recording to a monitoring center, wherein the drone (including base station, if any) is limited to a manufacturer's suggested retail sales price (MSRP) of less than \$10,000 USD. The MSRP shall be evaluated at a bill of materials cost + 33%, or, where not directly manufactured, as the purchase price (EX-WORKS, per Incoterms 2010) from the manufacturer + 20%.
- (xi) "Intellectual Property" or "IP" means Patents, Copyrights and Know-How.
- (xii) "Know-How" means knowledge, experience, trade secrets, software, algorithms, methodologies, designs, circuits, signal processing techniques, drawings, layouts, technical data, inventions, discoveries, improvements, manufacturing processes and techniques.
- (xiii) "New IP" means any Intellectual Property, including software, that is developed by DH for the Prototype Project or otherwise developed by DH under this Agreement.
- (xiv) "Patents" means any registered or registerable right under the patent law of any territory or jurisdiction, including, without limitation: (i) any issued utility or design patent or application therefore, including provisional patent applications, and any patents which may issue hereafter pursuant to any patent application; (ii) all continuations and continuations-in-part applications to the issued patent or patent application set out in clause (i) (solely to the extent such continuations-in-part applications contain subject matter on which claims issuing obtain the benefit of a priority date of any patent or patent application set out in clause (i)); and (iii) all divisions, patents of addition, derivatives, substitutions, re-examinations, reissues, renewals and extensions of any of the patent, patent application, continuations and continuations-in-part applications set out in clauses (i) and (ii).
- (xv) "Prototype" means an initial version of the System, including one ground station and two drones, the Prototype Software, and other software developed by the Collaborators, intended to demonstrate a pre-production, proof of concept, version of the System. The purpose of the

Prototype will be to demonstrate the viability and marketability of the System and attain further capital investment for development of the Business.

- (xvi) "Prototype Project" means the development of the Prototype in accordance with the Specifications.
- (xvii) "Prototype Software" means software which is developed by DH for use in the Prototype. It does not encompass any source code.
- (xviii) "RDARS Background IP" means Patents, Know-How and Copyrights owned, licensed or used by RDARS pertaining to the System as of the Effective Date. RDARS Background IP includes the Know-How it possessed prior to the Effective Date, including
 - the investor presentation
 - a recurring revenue business model of selling drone security monitoring through a centralized command and control center
- (xix) "RDARS First Financing" means RDARS first round of equity financing in which RDARS raised gross proceeds in the amount of USD \$800,000 at a fully diluted pre-money valuation of USD \$2,000,000 in June, 2019.
- (xx) "Specifications" means the definition of the functions and features required for the Prototype, including the Prototype Software, and the development responsibilities of each Collaborator in the development of the Prototype, as set out in Schedule C.
- (xxi) "System" means a drone-based security system as described generally in an investor presentation shown in Schedule B.
- (xxii) "Term" is the period of time specified in Section 8.1.

2. Development

The Parties anticipate three distinct segments to their collaboration: an initial Prototype Project; development of a Commercial System; and subsequent technical support and maintenance.

For avoidance of doubt, RDARS confirms that Collaborators are being separately contracted and compensated by RDARS and RDARS represents and warrants it assumes all costs and liabilities of any nature whatsoever from the Collaborators for their involvement in the Prototype Project.

2.1 Prototype Project

2.1.1 Engagement

RDARS engages DH to implement its portion of the Prototype Project in accordance with DH's responsibilities therein, as set out in the Specifications.

2.1.3 Deliverables

DH's Project deliverables are the Prototype Software. The Prototype Software will be made available as a web application executable on any common web browser. DH commits to hosting the web application for one (1) year following the completion of the Prototype.

2.1.4 Acceptance

The purpose of the Prototype is to establish a beta version of the System in order to showcase the System to prospective investors and customers, and therefore DH does not warrant that the Prototype Software will be completely error-free under circumstances and conditions expected of a production environment. However, the Prototype Software should be able to successfully perform the demonstration use cases set out in the Specifications to the extent of DH's reasonable best efforts.

2.1.5 Resources

DH commits to completing the Prototype Software within four to six months of the Effective Date. DH is aware that its timely completion is important and will assign competent staff to the Prototype Project. Once DH has allocated staff to the Prototype Project DH will, barring uncontrollable circumstances, commit to making the same staff members available to work on the Prototype Project.

2.1.6 Out-of-Pocket Expenses; Travel

No travel or other ancillary expenses are payable as separate disbursements under this Agreement unless first authorized by RDARS.

2.2 Development of Commercial System

Should the Prototype Project be successful, DH commits to developing, and assisting RDARS in the development of, Commercial Software for the Commercial System on a long-term basis as will be detailed in individual phase contracts or agreements. The roles and responsibilities of DH and RDARS (as well as the other Collaborators) for the Commercial System will be discussed and agreed-upon at the appropriate time.

In view of the fact that DH will be receiving equity in RDARS for DH's contributions to the Prototype Project as well as ongoing contribution payments, DH agrees to the principles that any work it is tasked to undertake for the Commercial System and/or long-term maintenance and support agreements will be charged no higher than DH's cost, which shall not be greater than the cost which any third party would incur had it utilized its own employees and resources, at market rates, to carry out the same task.

2.3 Minor Technical Assistance and Support

DH will use its reasonable best efforts to provide RDARS with technical assistance and support to deal with any minor issues with the Prototype Software. An issue is deemed minor if it objectively requires no more than a few hours work or investigation as to the source or correction of an error or minor enhancement. This obligation shall apply for 1 year following the completion of the Prototype Software and shall be limited to an effort of no more than 120 hours cumulatively.

2.4 Professionalism

DH represents and warrants that all services will be provided in a good and professional manner by duly skilled employees, agents or subcontractors who have the requisite skills and experience to provide such services.

2.5 Distribution Rights

RDARS intends to sell the Commercial System or components thereof, or otherwise conduct the Business, with the assistance of third party distributors. RDARS agrees that DH is entitled to be a distributor and RDARS will provide DH with distribution rights for the Commercial System on the same commercial terms as RDARS most favoured customer. The distribution agreement will be negotiated in good faith at the appropriate time (i.e. survives termination or expiration of this Agreement).

3. Intellectual Property

3.1 Ownership of Background IP

Each Party shall retain the title to and ownership of all IP owned or possessed by the respective party prior to the execution of this Agreement. In particular, DH shall retain the title to and ownership of all DH Background IP, and RDARS shall retain title to and ownership of all RDARS Background IP.

3.2 Ownership of New IP, including Prototype Software

DH will own and retain title to any New IP, including the Prototype Software and, if and when developed, the Commercial Software.

RDARS acknowledges and agrees that any improvement, development, modification, or alteration of any nature whatsoever of DH's Background Technology, including all writings, works of authorship, technology, inventions, algorithms, discoveries, ideas that are created, prepared, produced, authored, edited, amended, conceived or reduced to practice by RDARS, individually or jointly with others during the term of the Agreement relating in any way to DH's Background Technology, and all rights and claims related to the foregoing, and other tangible embodiments thereof, as well as any and all rights in and to copyrights, trade secrets, trademarks, patents and other intellectual property rights therein arising in any jurisdiction throughout the world and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, reissues, extensions and renewals thereof, shall be the sole and exclusive property of DH, without the right for RDARS to any indemnification whatsoever.

3.3 Exclusive License to DH Background IP and New IP for Security Application

3.3.1 Subject to the limitations of Sections 3.3.2 and 3.3.3, DH grants RDARS a world-wide, exclusive license to the Prototype Software and, if and when developed, the Commercial Software, for the Field of Use. The license shall permit RDARS to use the Commercial Software for the conduct of its Business, including the right to host the Commercial Software, and to allow customers, distributors, installers and other such interested persons to use the Commercial Software in conjunction the ordinary use of the Commercial System.

3.3.2 The exclusive license will be subject to DH's receipt of the timely compensation in sections 4.1, 4.2 (i.e. the issuance of Shares and no surrogate, unless DH consents) and 4.3 hereof.

3.3.3 The exclusive license is further limited as follows:

(a) RDARS use of the Prototype Software will be limited to the purpose of demonstrating the Prototype to third parties, and no other.

(b) RDARS will not be entitled to receive the source code for the Prototype Software, the Commercial Software (if and when developed) or any other software developed under this Agreement and is subject to the prohibition on reverse engineering, disassembling, decompiling, modifying, or changing.

(c) DH may license its software (including DH's Background IP and New IP) to End Users ("End User" means an individual or legal entity that desires to use or acquire the product for its own use, rather than for resale or distribution) for any field of use, as long as the software is not designed to respond to security alarms.

3.3.4 This Agreement and the exclusive license provided hereunder may be transferred to a purchaser of all or substantially all of RDARS assets or business, unless the purchaser Competes with DH.

3.4 Escrow

DH agrees to negotiate in good faith an escrow arrangement with a third party escrow agent in connection with the development of the Commercial Software.

3.5 Marketing

RDARS will have the right to publicize DH's involvement in the System for marketing purposes, including identifying components developed primarily by DH (the "Purpose"). RDARS will seek DH's consent prior to publicizing any publication mentioning DH, which consent shall not be unreasonable withheld.

4. Compensation

4.1 Monetary Compensation

Monetary compensation for DH's services for the Prototype Project shall total USD \$220,000, payable as follows:

- (i) an initial deposit of \$44,000 payable within ten business days of the execution of this Agreement;
- (ii) thereafter, four additional payments of \$44,000 per month, commencing September 2019 and due at the end of each month, provided however, that RDARS may delay the final payment if, at the time the payment is due, DH has not completed its responsibilities under the Prototype Project.

4.2 Equity Compensation

RDARS agrees to issue to DH such number of shares of common stock in RDARS (for not more than their par value) that will yield DH with a four per cent (4%) interest in RDARS' issued and outstanding shares on a fully diluted basis (i.e. all shares, of all classes, outstanding including the assumed exercise of outstanding options and warrants or exchange of convertible securities), as of immediately after RDARS First Financing (the "Shares"). RDARS will provide DH with all corporate documents and other information in RDARS possession to satisfy DH's request for due diligence as to the number and type of shares to be granted to DH under this Agreement. The grant of Shares will occur prior to Dec 21, 2019 and in any event prior to a second financing in RDARS. Upon grant of the Shares, RDARS will contemporaneously update its share register and books and records to reflect the issuance of the Shares. If, between the First Financing and the issuance of the Shares, RDARS issues additional shares (including any grant of options, warrants or convertible securities) below the price per share of the First Financing the number of Shares issued to DH is to be adjusted accordingly unless DH consents to the issuance of such additional shares.

DH acknowledges that as of the Effective Date and at the time of issuance there are/will be restrictions with respect to trading in or selling of the Shares imposed by applicable securities legislation in the jurisdictions in which DH and/or RDARS resides. DH confirms:

- (i) that no representation has been made to it by or on behalf of RDARS with respect thereto;
- (ii) that it is aware of the characteristics of the Shares and the fact that it may not be able to sell the Shares, except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with other requirements of applicable law and/or limitations imposed under RDARS' Articles of Incorporation; and
- (iii) it agrees that any certificates representing RDARS securities may bear legends required by applicable securities laws regarding restrictions on share transfer.

4.3 Contribution Payments

4.3.1 Rate

DH will be paid on an ongoing basis for RDARS' use of DH Background IP and DH's New IP, including any software developed under this Agreement, in the amount of one and a half percent (1.5%) of net sales arising from: (a) the sale or lease of System units (b) recurring revenue arising from providing services associated with monitoring the System, and (c) any other sale or lease of a product or service containing DH's IP.

In this context:

- "contribution payments" means the payments contemplated in section 4.3.1.
- "net sales" means revenue under (a), (b) or (c), less taxes, duties or other such governmental surcharges; less freight, shipping packaging charges; less customary trade discounts; less returns or credit allowances; and less uncollectible amounts as properly allocated under IFRS or US GAAP, as applicable.
- "System unit" means a combination of a drone and base station, and no other tangible or intangible product.

4.3.2 *Term*

The contribution payments will commence from date of the first revenue generated under (a), (b) or (c) and extend for ten (10) years (i.e. survives termination or expiration of this Agreement).

4.3.3 *Reports and Payments*

RDARS shall submit to DH within ninety (90) days of the end of each calendar quarter a comprehensive statement setting forth RDARS sales activities during the calendar quarter which are subject to the contribution payments, and the contribution payment due.

RDARS will keep true and accurate records and books of account containing all data necessary for the determination of contribution payments payable under this Agreement.

At any time during the Term and for a period of two (2) years thereafter, upon not less than ten (10) days notice, DH shall have the right, at DH's sole cost and expense, to inspect and examine the books of account of RDARS, so far as they relate to this Agreement, for the purpose of verifying the amounts due to DH hereunder. Such notice shall be in writing and shall state the accounting periods in respect of which examination is required. If it shall be determined that RDARS has underpaid DH, then RDARS shall forthwith pay to DH the amount(s) of the underpayment(s). If the aggregate underpayment is found to be in excess of ten percent (10.0%) of the total amount payable for the period audited, then the proper and reasonable costs of such inspection shall be reimbursed to DH by RDARS. In the case of an overpayment, DH shall forthwith refund to RDARS the amount(s) of the overpayment or otherwise permit RDARS to offset the amount(s) of the overpayment(s) against future amounts due to DH hereunder.

4.4 Taxes

The above compensation shall be exclusive of value added, sales, use, goods and services, or transaction taxes ("Indirect Taxes"), as well as other taxes. RDARS shall make all payments of fees to DH under this Agreement without deduction or withholding for any tax, unless such deduction or withholding is required by law. If deduction or withholding is required by law and no tax treaty provides for an exemption, upon payment of such taxes, RDARS shall provide confirmation in writing to DH that such taxes have been paid and indicate the amount of such payment. Each Party shall be responsible (including reporting) for: taxes based on its own income ("Income Taxes"); gross receipts, capital stock, and net worth taxes; franchise and privilege taxes on its business; and employment taxes of its employees. DH may charge RDARS for Indirect Taxes, as long as the amount of Indirect Taxes is specified in a valid invoice compliant with applicable law. RDARS shall either pay such invoiced amount or supply valid exemption documentation. If DH does not provide RDARS with a valid invoice (including separate identification of Indirect Taxes where required by applicable law), DH shall assume responsibility for such non-compliance, including payment of any tax-related interest and penalties. DH shall segregate on the invoice fees for taxable services from fees for nontaxable.

5. Representations and Warranties

5.1 DH

DH represents and warrants that:

- (a) It has all requisite corporate power and authority to enter into and to carry out its obligations under this Agreement;
- (b) all of its employees, agents and subcontractors have executed/will execute all necessary agreements with DH that will enable the license of IP rights from DH to RDARS as contemplated in this agreement to occur.
- (c) there are no licenses relating to the DH Background Technology or to the Prototype Software under which DH must or is likely pay a fee or royalty to any third party; and
- (d) to the best of its knowledge, the DH Background Technology does not infringe any third-party Intellectual Property.

5.2 RDARS

RDARS represents and warrants that:

- (a) it has all requisite corporate power and authority to enter into and to carry out its obligations under this Agreement.
- (b) it does not require any notice, consent, waiver, approval or clearance by any governmental agency or regulatory body of any nature or any other person to enter into this Agreement and carry out its obligations under this Agreement. There are no proceedings or investigations whatsoever pending or threatened against RDARS or its officers that could compromise the consummation of this Agreement.
- (c) the execution and the performance of this Agreement will not result in a breach, or default under, any term or provision of any agreement, license or other instrument or of any order, judgment or decree of any court, governmental agency or regulatory body to which RDARS or its officers are a party or by which they are bound.
- (d) it will use reasonable best efforts to conduct the Business in accordance with Good Industry Practices. For the purpose of this clause, "Good Industry Practices" means the exercise of that degree of care, diligence and skill which would reasonably and ordinarily be expected from a skilled, professional and experienced person engaged in the same type of undertaking under the same or similar circumstances;
- (e) it will not perform its obligations hereunder in any manner which is likely to injure the reputation of DH, infringe DH's IP or which might expose DH to liabilities or sanctions;
- (f) it will not modify or change any of the Prototype Software without DH's prior written consent;
- (g) during the Term of this Agreement and thereafter it will not cause or permit the reverse engineering, disassembly, or de-compilation of the Prototype Software, Commercial Software or any other software developed by DH under this Agreement, or DH's Background Technology (including any future improvements and features) in any way whatsoever;
- (h) it will pay DH a reasonable fee, if during the Term of this Agreement or thereafter, RDARS or any of its affiliates uses any source code of the Prototype Software, any other software developed by DH under this Agreement, or DH's Background Technology for any other purpose than contemplated by this Agreement;
- (i) it will inform DH immediately about any significant risk of insolvency or bankruptcy;

- (j) it will inform DH prior to any event of winding-up or change of control in the shareholding structure (i.e. if 35% or more of the shares are sold, transferred, issued, or encumbered in any way whatsoever); and
- (k) it will as soon as reasonably practicable, provide DH with any information as DH may reasonably require in connection with this Agreement.

6. Confidentiality

6.1 Application of Pre-existing NDAs

The four-way confidentiality agreement signed between the Parties and the Collaborators effective as of June 1, 2019 shall apply to this Agreement, with the term "Project" in the confidentiality agreement being broadened to include the development of the System as contemplated in this Agreement. This Agreement will also supplant the indefinite term of the confidentiality obligations in the confidentiality agreement to the Term of this Agreement plus five years thereafter.

7. Competition

7.1 Non-compete

7.1.1 During the term of this Agreement, and for a period of five (5) years thereafter, DH agrees that it will not, without the prior written consent of RDARS, Compete against RDARS' Business in the Field of Use, on a worldwide basis, save for and with the exception of functioning as a Commercial System distributor, pursuant to Section 2.5.

7.1.2 During the term of this Agreement, and for a period of five (5) years thereafter, RDARS agrees that it will not, without the prior written consent of DH, Compete against DH outside the Field of Use, on a worldwide basis.

7.1.3 Each Party agrees not to enforce above non-competes if the Prototype Project was not successful or either Party ceased operating its business for more than six (6) consecutive months. In addition, if RDARS decides not to pursue the development of the Commercial System (despite a successful Prototype Project), RDARS agrees not to enforce above non-competes against DH.

7.2 Alternative Scope

In the event that a court of competent jurisdiction or a mutually agreed-to adjudicator deems the scope of any of the non-competes in section 7.1.1, 7.1.2, or 7.1.3 to be invalid as a matter of law then the parties agree that this Agreement will be modified to geographically and/or temporally narrow the scope of the applicable non-compete to a level acceptable to the court or adjudicator.

8. Term and Termination

8.1 Term.

This Agreement terminates five (5) years following the Effective Date of this Agreement.

8.2 Early Termination

7.2.1 Cessation of Business.

If one Party ceases to carry on its business related to this Agreement for more than six (6) consecutive months or due to insolvency, the other Party shall have the right to terminate this Agreement immediately upon written notice to the Party that ceased to carry on its business.

7.2.2 Termination for Default.

In the event one Party commits a material breach of its obligations under this Agreement and fails to cure that breach within 30 days after receiving written notice thereof, the other Party may terminate this Agreement immediately upon written notice to the defaulting Party.

7.2.3 Other

If the Prototype Project was not successful either Party may terminate this Agreement immediately by giving the other Party written notice. In addition, if RDARS decides not to pursue the development of the Commercial System (despite a successful Prototype Project), DH may terminate this Agreement immediately by giving RDARS written notice.

8.3 Effect of Termination.

Unless explicitly specified, the provisions of this Agreement shall not survive its expiration or termination.

9 Disclaimer; Indemnification; Limitations of Liability

9.1 Disclaimer

EXCEPT AS MAY OTHERWISE BE EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, VALIDITY OF INTELLECTUAL PROPERTY RIGHTS, WHETHER ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE.

IN NO EVENT SHALL EITHER PARTY, ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS BE LIABLE TO THE OTHER PARTY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGES OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER SUCH PARTY SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING.

9.2 Indemnity

Each party shall indemnify the other (including its officers, employees, subcontractors) and keep it indemnified against any and all claims, liability and costs arising from breach or non-performance of the foregoing covenants, representations and warranties. Each party agrees to indemnify and save the

other party harmless from and against any and all third party claims and losses involving personal injury, death, damage or destruction to tangible real property or equipment (including, but not limited to claims asserted by the indemnified party's officers, employees and agents), caused by the gross negligence or willful misconduct of the indemnifying party.

9.3 Limitations of Liability

Notwithstanding any other provision of this Agreement, the parties hereto agree that the aggregate amount of damages that can be awarded in respect of all claims by one party relating to the other party's obligations, representations, warranties or indemnities under this Agreement (whether based in tort or otherwise) shall not exceed USD \$500,000 save and except where the claim is the direct result of the gross negligence or willful misconduct of the indemnifying party or where the claim relates to any infringement by RDARS of DH's IP. .

In addition to any monetary damages, the Parties may seek equitable relief in order to protect their interests under this Agreement.

10. Independent Contractors

Each Party is an independent contractor and nothing in this Agreement shall be construed as constituting any party as a partner, joint venturer, agent or legal representative of the others, or as conferring on any party any right, power or authority to create any obligation, express or implied, on behalf of the others. Each party's employees, agents and subcontractors ("Personnel") shall be and shall remain employees, agents, and subcontractors of that party, and shall not be employees, agents, or representatives of the other party. Each party shall be solely responsible for its Personnel, and shall have the sole right to hire, engage, maintain, and terminate all of its Personnel.

11. Governing Law

This Agreement shall be governed by the laws of Ontario, Canada, without regard to its conflict of laws principles, as if the parties were residents of Ontario. The parties attorn to the exclusive jurisdiction of the state or federal courts of Ontario, waiving any claims for more convenient forums, save and except for any claim relating to any infringement of DH's IP which can be brought before the state or arbitration courts in Zurich, Switzerland.

12. General

(a) Each Party shall comply with all applicable laws and regulations relating to the subject matter of this Agreement, including, but not limited to, laws and regulations regarding the manufacture, sale and use of products under this Agreement, export licenses, importation, exportation and re-exportation of technical data, and currency controls.

(b) The failure of either Party to complain of any act or omission of the other Party, to declare the other Party in default, or to exercise any right or remedy hereunder shall not in any way constitute a waiver by such Party of any rights or remedies hereunder.

(c) If any provision of this Agreement is found by a competent authority to be invalid, unenforceable or in violation of any applicable law or regulation, such provision shall be inoperative and the validity of the remaining provisions shall not be affected, and this Agreement shall remain binding upon the Parties hereto to the fullest extent permitted by law.

(d) No Party has entered into this Agreement in reliance upon any representation, warranty or undertaking by or on behalf of the other Party that is not expressly set out in this Agreement, save that this provision shall not limit liability for fraudulent or negligent misrepresentation.

(e) Each Party agrees to take or cause to be taken such further actions, and to execute, deliver and file, or cause to be executed, delivered and filed such further documents and instruments, and to obtain such consents, as may be reasonably required or requested in order to effectuate fully the purposes, terms and conditions of this Agreement.

(f) This Agreement (including the Schedules attached hereto which is incorporated herein by reference), sets forth the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersede all previous understandings, agreements, contracts, communications and representations, whether written or oral, concerning the subject matter to which this Agreement relates and shall not be extended, supplemented or amended in any manner, except by an instrument in writing duly executed by authorized officers or representatives of the Parties hereto which expressly identifies the specific terms to be extended, supplemented or amended.

(g) Any notice, request, demand or other communication required or permitted hereunder shall be in writing, shall reference this Agreement and shall be: (a) delivered personally; (b) sent by facsimile, with written confirmation of receipt; (c) sent by registered or certified mail, return receipt requested, postage prepaid; or (d) sent by a private industry express courier, with written confirmation of receipt; as follows:

In the case of RDARS, to:

In the case of DH, to:

or to such other address or addresses as a Party may from time to time designate as its address by notice in writing to the other Party. All notices so addressed are effective when received.

