

**NORTHEASTERN UNIVERSITY  
EXCLUSIVE PATENT LICENSE AGREEMENT  
(LIFE SCIENCES – Corp.)**

This License Agreement (the “Agreement”) is made and entered into as of this [REDACTED] day of [REDACTED], 20[REDACTED] (“Effective Date”) by and between Northeastern University (“NU” or “Licensor”), a Massachusetts not-for-profit institution of higher education having a principal place of business at 360 Huntington Avenue, Boston, MA 02115 and [INSERT COMPANY NAME] (“Company” or “Licensee”), a [BUSINESS ENTITY TYPE] having a principal place of business at [ADDRESS] (each individually referred to as a “Party” and collectively as the “Parties”).

**RECITALS**

**WHEREAS**, NU owns and controls certain Patent Rights (as defined and identified herein) and has the right to grant licenses to said Patent Rights;

**WHEREAS**, NU desires to have the Patent Rights developed and commercialized to benefit the public and is willing to grant a license thereunder;

**WHEREAS**, Company has represented to NU that Company shall commit itself to a thorough, vigorous and diligent program of exploiting the Patent Rights so that public utilization shall result therefrom; and

**WHEREAS**, Company desires to obtain a license to the Patent Rights upon the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the promises contained in this Agreement, the Parties hereby agree as follows:

**ARTICLE 1. DEFINITIONS**

The following terms used in this Agreement shall have the respective meanings ascribed to them below in this Section, unless otherwise expressly defined in this Agreement, and such definitions shall be equally applicable to both the singular and plural forms of the defined terms. The words “hereof,” “herein,” and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise specified.

**1.1 “Affiliate”** shall mean any legal entity (such as an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization or any other form of entity not specifically listed herein) that directly or indirectly controls, is controlled by, or is under common control with Company. For the purposes of this definition, the term “control” means the power to direct or cause the direction of management and policies of another entity, whether by contract or otherwise, and includes, but is not limited to, (i) beneficial ownership of at least fifty percent (50%) of the voting securities of a corporation or other legal entity with voting securities, or (ii) a fifty percent (50%) or greater interest in the net assets or profits of a partnership or other legal entity without voting securities; but in any country where the local law does not permit foreign equity participation of at least fifty percent (50%), then an “Affiliate” includes any company in which Company owns or controls or is owned or controlled by, directly or indirectly, the maximum percentage of outstanding stock or voting rights permitted by local law.

**1.2 “Combination Product”** shall mean a Licensed Product (as defined below) sold in combination with one or more other components which are themselves not Licensed Products.

**1.3 “Convertible Securities”** shall mean evidences of indebtedness, options, warrants, restricted stock, shares of capital stock or other securities that are exercisable, convertible into or exchangeable for shares of common stock, whether or not the right to convert, exchange or exercise is at the time exercisable.

**1.4 “Equity Financing”** shall mean a cash investment in exchange for any Equity Securities for the purpose of raising capital for Company. A cash investment in exchange for Convertible Securities shall not constitute an Equity Financing at the time of the issuance of such Convertible Securities but instead shall constitute an Equity Financing only at the time of the conversion or exchange (if any) of such Convertible Securities into shares of Company stock (or securities exercisable or exchangeable for, or convertible into, shares of Company).

**1.5 “Equity Securities”** shall mean the shares of the Company’s common stock, any other shares, equity securities, or any other equity interests of the Company (including preferred shares), as applicable, and any Convertible Securities.

**1.6 “Field”** shall mean [the field of Licensee’s commercial interest].

**1.7 “First Commercial Sale”** shall mean, in each country of the Territory, the first sale to a Third Party of any Licensed Product, after the Effective Date, in such country, by or on behalf of the Company, its Affiliates or Sublicensees following receipt of all regulatory approvals necessary to commence regular sales of such Licensed Product and, in a country where regulatory approval is not required, the first sale to a Third Party of any Licensed Product. First Commercial Sale shall not include transfers of Licensed Products at or below cost by or on behalf of the Company, its Affiliates or Sublicensees of Licensed Products in connection with compassionate use, emergency use, Investigational New Drug Applications (INDs), or the like authorized by the U.S. Food and Drug Administration (“FDA”) or corresponding foreign agencies.

**1.8 “Licensed Product”** shall mean:

- (a) any product or material comprising a composition of matter (i) covered in whole or in part by a Valid Claim, (ii) made by a process covered in whole or in part by a Valid Claim, (iii) used in a manner covered in whole or in part by a Valid Claim, or (iv) the making, use, sale, offer to sell, or importation of which would, but for the license granted herein or a statutory exemption, infringe one or more Valid Claim; and
- (b) any process (i) covered in whole or in part by a Valid Claim or (ii) the use of which would, but for the license granted herein or a statutory exemption, infringe one or more Valid Claim.

**1.9 “Liquidity Event”** shall mean, in one transaction or series of related transactions, (i) the closing of the sale, distribution, transfer or other disposition of all or substantially all of the Company’s assets, (ii) the consummation of the merger or consolidation of the Company with or into another entity (except a merger or consolidation in which the holders of Equity Securities immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the Equity Securities of the Company or the surviving or acquiring entity in substantially the same proportions as immediately prior to such transaction or related transactions), (iii) the closing of the transfer (whether by merger, consolidation or otherwise) to an entity or group of affiliated entities, of the Equity Securities if, after such closing, such entity or group of affiliated entities would hold 50% or more of the outstanding Equity Securities (or the

surviving or acquiring entity), (iv) a Qualified Public Offering, or (v) any liquidation, dissolution or winding up of the Company; provided, however, that an Equity Financing shall not be deemed a Liquidity Event. The treatment of any particular transaction or series of related transactions as a Liquidity Event may be waived by the vote or written consent of the Licensor.

**1.10 “Net Sales”** shall mean the total of all gross revenues arising from the sale or lease of Licensed Products, including Combination Products, whether sold separately or in combination with other products sold, less the following deductions:

- (i) cash, trade, quantity discounts or rebates (as allowed under applicable law) actually granted solely on account of sale or lease of Licensed Products;
- (ii) sales and/or use taxes, tariffs, import/export duties or other excise taxes imposed on particular sales (except for value-added and income taxes imposed on the sales of Licensed Products in foreign countries), to the extent included in the amounts invoiced;
- (iii) shipping and transportation charges, to the extent invoiced and paid by customer;
- (iv) cost of insurance for products during shipping, to the extent invoiced and paid by customer; and
- (v) credits issued to customers for returns of Licensed Products recalled or rejected and returned by customers.

Licensed Products and Combination Products are deemed to have been sold when paid for. For purposes of calculating Net Sales, transfers to an Affiliate of Licensed Products under this Agreement for end use (but not resale) by the Affiliate shall be treated as sales by Company at list price of Company. For the purposes of calculating Net Sales, in the event that Company transfers Licensed Products under this Agreement to an Affiliate and the Affiliate retransfers the Licensed Products to a Third Party within one year of its receipt, the gross revenue of such sales shall be the list price of the Affiliate. In the event that Licensed Products under this Agreement are transferred to an Affiliate for the purpose of resale and such Licensed Products are not retransferred to a Third Party within one year of receipt, such transfers to an Affiliate shall be treated as transfer for end use (but not resale) by the Affiliate. In the event that a Licensed Product is sold as part of a Combination Product, and the Licensed Product is not separately valued on the invoice or other document evidencing such sale, the Net Sales shall be determined by multiplying the aggregate selling price of the Combination Product by a fraction: the numerator of which shall be the seller’s average unit price for the Licensed Product and the denominator of which shall be the seller’s average unit price for the Combination Product at the time of sale.

In determining the Net Sales in each country, on a country-by-country basis, the local currency shall be converted to U.S. Dollars on the last business day of each Reporting Period, based on applicable currency conversion rates then in effect as reported by the Wall Street Journal.

**1.11 “Patent Rights”** shall mean the following NU intellectual property:

- (i) the United States (U.S.) and international patents and patent applications listed in **Appendix A**;

- (ii) U.S. and international patents issued from the applications listed in **Appendix A**, and any divisional and continuation applications of the patent applications, and the resulting patents, claiming priority to the patent applications listed in **Appendix A**;
- (iii) claims of U.S. and international continuation-in-part applications, and of the resulting patents, which are directed only to subject matter specifically described in the U.S. and international applications listed in **Appendix A** and the inventorship of which is identical to or consists of a subset of the inventorship of a U.S. or international application listed in **Appendix A**; and
- (iv) any patents resulting from reissues, reexaminations, or extensions (and their relevant international equivalents) of the patents described in 1.11 (i)-(iii) above.

**1.12 “Qualified Public Offering”** shall mean the consummation by Company of its first underwritten public offering of common stock under the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Securities Exchange Commission issued under such statute, as they each may, from time to time, be in effect, pursuant to which the total proceeds received by Company equal at least Thirty Million Dollars (\$30,000,000).

**1.13 “Reporting Period”** shall mean the period beginning on the Effective Date or the anniversary thereof, and end on the day prior to the subsequent anniversary of said Effective Date.

**1.14 “Sublicense Income”** shall mean the gross amount actually received by Licensee and/or Affiliates, directly or indirectly, for or on account of sublicenses of any of the rights granted hereunder, including without limitation, license fees, milestone payments, license maintenance fees, royalties on Net Sales, and other payments, without deduction of any kind, but excluding the following, in relation to which no payments shall be due to NU:

- (i) payments received by either Licensee or an Affiliate for performance of research and development by either Licensee or an Affiliate to the extent that such payments cover the actual cost of the research and development work; or
- (ii) payments made to either Licensee or an Affiliate to the extent they cover the actual costs of conducting clinical testing and other activities in connection with obtaining regulatory approval for a Licensed Product.

**1.15 “Sublicensee”** shall mean any Third Party to whom Licensee has granted a sublicense to make, have made, use, sell, offer to sell, lease, or import Licensed Products under the Patent Rights, that is not an Affiliate or the Licensee, provided said Third Party has agreed in writing with Licensee to accept the conditions and restrictions agreed to by Licensee in this Agreement.

**1.16 “Term”** shall mean the term of this Agreement, which shall commence on the Effective Date and shall remain in effect until the expiration, abandonment, or written express disclaimer of the validity or enforceability by NU, of all issued patents and filed patent applications within the Patent Rights, unless earlier terminated in accordance with the provisions of this Agreement.

**1.17 “Territory”** shall mean worldwide.

**1.18 “Third Party”** shall mean any individual or legal entity other than NU, the Company and their respective Affiliates.

**1.19 “Third Party Royalties”** shall mean any royalties Company owes to a Third Party pursuant to a license or licenses to intellectual property rights entered into by Company and Third Party (i) to avoid infringement of such rights by the practice of the Patent Rights in the manufacture, use, sale, or import of any Licensed Product or (ii) to reasonably avoid litigation related to Company’s practice of the Patent Rights.

**1.20 “Valid Claim”** shall mean an issued and unexpired claim or a pending claim within the Patent Rights, that shall not have been irretrievably withdrawn, cancelled, or disclaimed, nor been held invalid or unenforceable by a court or other appropriate agency of competent jurisdiction in an unappealable decision.

## **ARTICLE 2. GRANT OF RIGHTS**

**2.1 License Grant.** Subject to the terms of this Agreement, NU hereby grants to Company for the Term a royalty-bearing license under the Patent Rights to make, have made, use, sell, offer to sell, lease, or import Licensed Product(s) in the Field in the Territory under its Patent Rights. For the purposes of this Agreement, references to Licensee or Company shall include, collectively, Company and each Affiliate that has agreed to be bound by all of the terms and conditions of this Agreement in a written amendment to this Agreement signed by such Company Affiliates. Notwithstanding any provision to the contrary contained in this Agreement, neither Party shall enter into any transaction with any Affiliate that would circumvent its monetary or other obligations under this Agreement. Such license shall be exclusive as to the Patent Rights, except as provided in Sections 2.4 and 2.5 below.

**2.2 Sublicenses.** Company shall have the right to grant Sublicenses of its rights under Section 2.1. Sublicensees shall not have rights to sublicense. Company shall promptly provide NU with a copy of any sublicense agreement. Any sublicense shall by its terms bind the Sublicensee to all provisions of this Agreement that by their terms are capable of performance by a Sublicensee and shall provide that NU is a third-party beneficiary. Any breach by a Sublicensee shall be considered a breach by Company. Company shall promptly provide NU with a copy of any notice of breach, termination, or the like sent to or received from a Sublicensee.

**2.3 Exclusivity.** In order to establish exclusivity for Company for the Patent Rights, NU agrees that it shall not grant any other license to make, have made, use, sell, offer to sell, lease or import Licensed Products in the Field in the Territory for the Term.

**2.4 Retained Rights.** Notwithstanding anything in this Agreement to the contrary, NU retains the right to (i) use the Patent Rights for research (sponsored or otherwise), teaching and educational purposes and (ii) permit others at academic, government, and not-for-profit institutions to use the Patent Rights in the course of research or clinical trial.

**2.5 U.S. Government.** Company acknowledges that all rights granted herein are subject to the rights of the U.S. to practice any government-funded invention as set forth in 35 U.S.C. § 200 *et seq.*, and the regulations promulgated thereunder, as amended, or any successor statutes or regulations.

**2.6 No Additional Rights.** NU reserves all rights not expressly granted in this Agreement. Nothing in this Agreement shall be construed to confer any rights upon Company by implication, estoppel, or otherwise as to any technology or patent rights other than the Patent Rights, regardless of whether such technology or patent rights shall be dominant or subordinate to the Patent Rights. It is understood that

practice of the full scope of the Patent Rights may not be possible absent the grant of a license to patents not included in the Patent Rights.

### **ARTICLE 3. COMPANY DILIGENCE OBLIGATIONS**

**3.1** Company shall use best efforts to bring Licensed Products to market through a thorough, vigorous and diligent program for exploitation of the Patent Rights, and continue active, diligent marketing efforts for Licensed Products throughout the Term. Without limiting the foregoing, Company shall meet the performance milestones listed in **Appendix B**.

**3.2** Company shall give NU written notice and evidence within thirty (30) days of the achievement of each of the performance milestones listed in **Appendix B** and shall pay, as appropriate, the associated milestone payment identified in the appendix.

**3.3** Company shall provide to NU the most current updates, if any, to the detailed business plan provided to NU prior to the Effective Date for the development of the Licensed Technology, including relevant information such as schedules of capital investments needed to implement the plan, equipment, facility plans, number and kind of personnel and time planned for each phase of development of the Licensed Technology for a three (3) year period, to the extent formed by Company, the committed management team of Company, and plans to recruit team and management personnel.

**3.4** Company shall provide annual reports, pursuant to Article 6, to NU to relay update and status information on Company's business, research and development progress, including projections of activity anticipated for the next reporting year.

**3.5** Company shall be solely responsible, at its sole cost and expense, for securing any necessary governmental or regulatory approvals for development, manufacture, and sale of Licensed Products and shall advise NU, through the annual reports described in Section 3.4 and Article 6, of its program for obtaining said approvals and any such approvals obtained.

**3.6** If Company is the subject of a demand, notice, inquiry, or inspection report by a governmental authority or certification agency or any other Third Party in relation to any Licensed Product that (i) by its terms directs or may reasonably be expected to require suspension or cessation of manufacturing, sale, development, or marketing of Licensed Products, (ii) concerns a recall or potential recall of Licensed Products, (iii) concerns a loss of life or material issue of safety, or (iv) may reasonably be expected to prevent Company's compliance with its diligence obligations, then Company shall provide a copy of the demand, notice, inquiry, or inspection report to NU without delay and keep NU reasonably apprised of its response.

### **ARTICLE 4. CONSIDERATION AND REIMBURSEMENT**

**4.1 Consideration for Grant of Rights.** In consideration for the rights, privileges and licenses granted herein, Company agrees to pay to NU in the manner hereinafter provided:

#### **4.1.1 Equity Interest:**

**(i) Equity Transfer.** On the Effective Date, Company shall immediately grant and deliver to NU a number of shares of common stock that shall be equal to four percent (4%) of the total number of shares issued and outstanding of Company. All shares of common stock issued to NU hereunder shall be fully-paid and non-assessable upon their issuance to NU. The shares

of common stock shall have at least the same rights and preferences granted other holders of shares of common stock, including the rights and preferences specified in Company's Certificate of Incorporation, but in no event will the shares of common stock issued to NU have any rights less than the rights specified herein.

**(ii) Preemptive Right.** Licensor shall have a preemptive right to acquire such Equity Securities as may be issued or proposed to be issued by Company from time to time. Such preemptive right shall apply with respect to any Equity Securities issued by Company after the Effective Date, whether such additional Equity Securities constitute a part of the Equity Securities presently or subsequently authorized or constitute Equity Securities held in the treasury of Company. Licensor shall have the right to acquire Equity Securities of the type being issued in an amount equal to the product of (i) Licensor's Share Percentage immediately prior to such issuance, multiplied by (ii) the number of Equity Securities of the type that are to be issued to all Persons pursuant to such issuance.

**(iii) Indemnification Pursuant to Equity Interest.** Notwithstanding any provision in this Agreement, the Company's Certificate of Incorporation, the Company's bylaws, any operating agreement of Company, each as applicable and as the same may be amended and in effect from time to time, and/or any other similar or related agreement of Company whether now or hereafter existing (collectively, the "Company Agreements") or act or omission of Company, NU shall not have or acquire any liability whatsoever by virtue of the receipt or acceptance by NU of any equity interest in the Company including Equity Securities and shares of common stock. Company shall take all actions necessary to ensure that, at all times, no Company Agreement causes or permits, or causes or permits any other person(s) to create, impose or allow, any obligation or liability on NU that is greater than the value of the Equity Securities owned or held by NU in accordance with the terms of this Agreement.

**4.1.2 Dilution.** Company shall issue to NU, without additional payment or consideration, any additional shares of common stock necessary to maintain NU's ownership percentage of the Company's Equity Securities at a rate of dilution no greater than that of Company founders' shares rate of dilution from the time of issuance.

**4.1.3 Liquidity Events.** Upon the occurrence of a Liquidity Event, Company shall deliver to NU NU's pro rata portion of the proceeds of such Liquidity Event, in accordance with the number of Equity Securities held by NU at the time of the Liquidity Event, and, if applicable, the fee described in either 4.1.3(i) or 4.1.3(ii), below, as appropriate.

**4.1.3(i)** In the event that, at the time of a Liquidity Event as defined under Section 1.9(i-iii or v), NU owns less than one percent (1%) of Company Equity Securities, Company shall pay to NU a fee in an amount equal to the difference between one percent (1.0%) of the value of all Company Equity Securities at the time of such Liquidity Event and the value of NU's Equity Securities, which difference shall factor in any aggregate consideration and trailing consideration of such Liquidity Event.

**4.1.3(ii)** In the event that a Liquidity Event is a Qualified Public Offering as defined under Section 1.12 and NU owns less than one percent (1%) of Company Equity Securities, Company shall pay to NU a fee in an amount equal to the difference between one percent (1.0%) of the value of all Company Equity Securities according to the pre-money valuation of Company and the value of NU's Equity Securities according to that pre-money valuation.

**4.1.3(iii)** Notwithstanding the foregoing, in no event shall the portion of the proceeds of a Liquidity Event delivered to NU by Company be less than \$50,000.00.

**4.2 License Initiation Fee.** *[Note – License initiation fee when Company founder is NU faculty, staff student or alumni = \$0.00. Insert “Intentionally omitted”]*

**4.3 Annual License Maintenance Fee.** Company shall pay to NU an annual license maintenance fee according to Table 1(a) or Table 1(b), as appropriate.

**4.3.1 Milestone Payments.** In addition to annual license maintenance fees, Company shall pay to NU the milestone payments identified in Appendix B upon achievement of each associated milestone.

If this Agreement identifies Patent Rights including up to three invention IDs in Appendix B, then the annual license maintenance fee shall be payable to NU according to Table 1(a) below.

**TABLE 1(a): Annual License Maintenance Fee**

<b>REPORTING PERIOD</b>	
End of Reporting Period 1	\$ 0.00
End of Reporting Period 2	\$ 5,000.00
End of Reporting Period 3	\$ 10,000.00
End of Reporting Period 4	\$ 15,000.00
End of Reporting Period 5 and each Reporting Period thereafter	\$ 20,000.00

If this Agreement identifies Patent Rights including four to six invention IDs in Appendix B, then the annual license maintenance fee shall be payable to NU according to Table 1(b) below.

**TABLE 1(b): Annual License Maintenance Fee**

<b>REPORTING PERIOD</b>	
End of Reporting Period 1	\$ 0.00
End of Reporting Period 2	\$ 10,000.00
End of Reporting Period 3	\$ 20,000.00
End of Reporting Period 4	\$ 30,000.00
End of Reporting Period 5 and each Reporting Period thereafter	\$ 40,000.00

Royalties paid at the end of each Reporting Period pursuant to Section 4.4 of this Agreement are creditable against the Annual License Maintenance Fee for the corresponding Reporting Period.

**4.4 Royalties.** Company shall pay to NU a royalty of two percent (2%) of Net Sales during a given Reporting Period. Royalties shall be payable for each Reporting Period and shall be due to NU within thirty (30) days of the end of each Reporting Period.



**4.5 Multiple Royalties.** In the event that Company must pay Third Party Royalties, Company may deduct up to fifty percent (50%) of such Third Party Royalties from any royalty amounts due NU under this Agreement, provided that in no event shall the royalties due to NU be less than fifty percent (50%) of the royalties that Company would otherwise pay to NU absent the effects of this Section 4.5.

**4.6 Sublicense Income.** Company shall furnish to NU twenty percent (20%) of any Sublicense Income received from Sublicensees.

**4.7 Patent Cost Reimbursement.** In accordance with Section 7.3, Company shall reimburse NU for its prior and future costs (“Patent Costs”) associated with the management of the Patent Rights as described in Article 7. Such Patent Costs incurred by NU prior to the Effective Date are \$ [REDACTED] (“Pre-agreement Expenses”). Reimbursement for Patent Costs incurred after the Effective Date, or Patent Costs incurred before the Effective Date which are not included in the Pre-agreement Expenses stated above, shall be paid by Company subsequent to invoicing in accordance with Section 7.3. Reimbursement of NU for Pre-agreement Expenses and other Patent Costs shall be according to the Minimum Patent Cost Reimbursement Schedule in Table 2 below. In the event that the total remaining Patent Costs to be reimbursed in a Reporting Period are less than the Minimum Reimbursement Amount for that Reporting Period, the total remaining Patent Costs in that Reporting Period will be the Minimum Reimbursement Amount for that Reporting Period. Company shall reimburse NU for all outstanding Patent Costs within 30 days of the occurrence of either a Liquidity Event or of a financing event or events closing on or before the end of Reporting Period 4, such financing event or events totaling at least \$2,500,000.00.

**Table 2: Minimum Patent Cost Reimbursement Schedule**

<b>REPORTING PERIOD</b>	<b>MINIMUM REIMBURSEMENT AMOUNT</b>
Reporting Period 1	Patent Costs incurred during the Reporting Period.
Reporting Period 2	Patent Costs incurred during the Reporting Period plus at least 25% of Pre-agreement Expenses amount shown in Section 4.7.
Reporting Period 3	Patent Costs incurred during the Reporting Period plus at least 25% of Pre-agreement Expenses amount shown in Section 4.7.
Reporting Period 4	Patent Costs incurred during the Reporting Period plus 25% of Pre-agreement Expenses amount shown in Section 4.7.
Reporting Period 5 and each Reporting Period thereafter	Patent Costs incurred during the Reporting Period plus all outstanding Pre-agreement Expenses.

**4.8 Payments.** All payments under this Agreement should be made payable to “Northeastern University” and sent to the address identified in Section 14.2. Each payment should reference this Agreement and identify the obligation under this Agreement that the payment satisfies.

**4.8.1 Payments in U.S. Dollars.** All payments due under this Agreement shall be drawn on a U.S. bank and shall be payable in U.S. dollars. Conversion of foreign currency to U.S. dollars shall be made at the conversion rate existing in the United States (as reported in the Wall Street Journal) on the last working day of the applicable Reporting Period. Such payments shall be without deduction of exchange, collection, or other charges, and, specifically, without deduction of withholding or similar taxes or other government-imposed fees or taxes, except as permitted elsewhere in this Agreement.

**4.8.2 Late Payments.** Any payments by Company that are not paid on or before the date such payments are due under this Agreement shall bear interest at the maximum interest permitted by Massachusetts law.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

**5.1 Representations and Warranties of Company.** The Company hereby represents and warrants to NU that:

**5.1.1 Organization, Standing, Power, Authority.** The Company is a duly organized and validly existing corporation in good standing under the laws of the Commonwealth of Massachusetts with power and authority adequate for (a) the execution, delivery and performance of this Agreement and (b) the carrying on of its business as presently conducted by it. The Company has full power and authority to enter into and perform this Agreement in accordance with its terms.

**5.1.2 Capitalization.** Immediately prior to the Effective Date, the authorized number of Equity Securities of the Company is [ ] of which [all] are issued and outstanding. All of the issued and outstanding Equity Securities of the Company immediately prior to the Effective Date, and with respect to the Equity Securities to be issued to NU, have been duly authorized and validly issued and are fully paid and non-assessable and in compliance with applicable securities laws, subject to no liens or restrictions on transfer of any kind except restrictions on transfer imposed by applicable securities laws.

**5.1.3 Enforceability of Agreement; No Conflict.** The Company has duly taken all action necessary to authorize the execution and delivery of this Agreement. This Agreement constitutes the valid and binding agreement of Company, enforceable against Company in accordance with its terms, except to the extent enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights and by the discretionary nature of equitable remedies and nothing in this Agreement conflicts or shall conflict with any other agreement or understanding of Company and any Third Party.

**5.1.4 No Actions, Suits, or Proceedings.** There are no actions, suits, or proceedings pending or threatened against Company, its properties, or its patents in any court or before any governmental or administrative agency, and Company is not in default under any order or judgment of any court or governmental or administrative agency; and no event has occurred or circumstances exist that may give rise to or serve as a basis for the commencement of any such action, suit or proceeding or any such default.

**5.1.5 Freedom to Operate.** Company is not a party to any agreement or instrument, or subject to any charter, bylaw, or other corporate restrictions materially or adversely affecting its business and operations, present or prospective, or its property, assets, or condition, financial or otherwise.

**5.1.6 No Default.** Company is not in default in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any bond, debenture, note, or other evidence of indebtedness or any contract or other agreement of Company; and no event has occurred, or circumstances exist, that may give rise to or serve as a basis for any such default.

**5.1.7 Compliance with Laws.** Company is in compliance with all federal, state and local laws, rules and regulations, including without limitation, applicable environmental laws, and there

are no conditions currently existing or contemplated which may subject Company to damages, penalties, injunctive relief, removal costs, remedial costs or cleanup costs under any such laws, rules or regulations, or assertions thereof.

**5.1.8 Business Plan.** All business plans and/or projections of Company provided to NU prior to the Effective Date were prepared by Company in good faith using reasonable assumptions and were based on Company management's best estimates.

**5.1.9 Observation Rights.** Licensor shall be provided notice and shall have full observation rights for any and all meetings of the Board of Directors of Company and shall be provided with copies of any written materials at the same time as such materials are provided to Company's Board of Directors.

**5.1.10 Certificate of Incorporation and Bylaws.** Attached hereto as Appendix C and hereby made a part hereof are the Certificate of Incorporation (including any amendments thereto) and the Bylaws (including any amendments thereto) of Company.

**5.1.11 Capitalization Table.** Attached hereto as Schedule A and hereby made a part hereof is a table setting forth the capital structure of Company (the "Capitalization Table") as of the Effective Date. The Capitalization Table is true and complete as of the date hereof and reflects all Equity Securities issued and outstanding or which Company has an obligation to issue.

**5.1.12 Transfer Restrictions, Shareholder Agreements and Convertible Debt.** Attached hereto as Schedule B and hereby made a part hereof is a list of all restrictions on the transfer of any Equity Securities and all agreements between any shareholders or convertible debtholders of Company or any other holders of Equity Securities regarding the valuation or transfer of any Equity Securities.

**5.2 Representations and Warranties of NU.** NU hereby represents and warrants to Company that:

**5.2.1 Power and Authority.** NU has full power and authority to enter into this Agreement in accordance with its terms.

**5.2.2 Right to Grant License.** NU hereby warrants that, to the best of its knowledge without due inquiry, it has the right to grant the licenses as set forth in Sections 2.1 and 2.2, subject to Section 5.3.1 of this Agreement.

**5.2.3 Binding Effect.** The execution, delivery and performance by it of this Agreement constitutes the valid and binding obligation of NU, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights and by the discretionary nature of equitable remedies.

**5.2.4 Investment Representations.** NU represents and warrants to the Company that it is or will be acquiring the Equity Securities issuable for its own account for investment and not with a view of the distribution thereof.

**5.3 Limitations on Warranty and Liability**

**5.3.1 Limitations on Warranty.** EXCEPT AS PROVIDED IN THIS SECTION, NU MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE PATENT

RIGHTS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, VALIDITY OF CLAIMS TO THE PATENT RIGHTS, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE. Specifically, and not to limit the foregoing, NU makes no warranty or representation (i) regarding the validity or scope of the claims of the Patent Rights or (ii) that the exploitation of the Patent Rights will not infringe any patents or other intellectual property rights of NU or of a Third Party.

**5.3.2 Limitations on Liability.** In no event shall NU's liability for breaching any representation or warranty set forth herein exceed the cash amount actually received by NU from Company under Section 4. Further, IN NO EVENT SHALL NU, ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGES OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER NU SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING.

## **ARTICLE 6 REPORTS AND RECORDS**

### **6.1 Reports.**

**6.1.1 Frequency.** Company shall deliver reports to NU annually, within thirty (30) days of the end of each Reporting Period, containing information concerning the immediately preceding Reporting Period, as further described in Section 6.1.3.

**6.1.2 Notice of First Commercial Sale.** Company shall report to NU the date of the First Commercial Sale of a Licensed Product within thirty (30) days of such sale.

**6.1.3 Content of Reports and Payments.** Each report delivered by Company to NU shall contain at least the following information for the immediately preceding Reporting Period:

- (i) the number of Licensed Products sold or leased by Company, its Affiliates, and all Sublicensees to independent Third Parties in each country, and, if applicable, the number of Licensed Products used by Company, its Affiliates, and all Sublicensees;
- (ii) a calculation of Net Sales for the applicable Reporting Period in each country, including a listing of billings for all Licensed Products sold pursuant to Section 6.1.3(i) and a listing of applicable deductions;
- (iii) total royalty payable in U.S. dollars, together with the exchange rates used for conversion;
- (iv) the amount of Sublicense Income, including the amount of any non-royalty income and income based on net proceeds of Sublicensee sales, received by Company from each Sublicensee and the amount due to NU therefrom, including an itemized breakdown of the sources of income comprising the Sublicense Income;
- (v) the number of sublicenses entered into for the Licensed Products;

(vi) any license maintenance fees or other payments due to NU for the Reporting Period most recently ended;

(vii) any changes to the committed management team of Company or to Company's plans to recruit team and management personnel;

(viii) research activity with NU including but not limited to sponsored research, cooperative education of undergraduate students, and the lease and/or use of NU facilities; and

(ix) a check payable to Northeastern University representing all amounts due under this Section 6.1.3 or a statement to the effect that no amounts are due to NU.

**6.2 Records.** Company shall maintain, and shall cause its Affiliates to maintain, complete and accurate records and books of account, in accordance with generally accepted accounting principles, relating to the rights and obligations under this Agreement and any amounts payable to NU in relation to this Agreement.

**6.2.1 Content.** Such records shall contain sufficient information to permit NU to confirm the accuracy of any reports delivered to NU and compliance in other respects with this Agreement.

**6.2.2 Retention.** Company shall retain such records at its principal place of business for at least six (6) years following the end of the calendar year to which they pertain, during which time NU, or NU's appointed agents, shall have the right, at NU's expense, to inspect such records during normal business hours, upon reasonable notice, to verify any reports and payments made or compliance in other respects under this Agreement.

**6.2.3 Audit.** In the event that any audit performed under this Section reveals an underpayment in excess of five percent (5%), Company shall bear the full cost of such audit and shall remit any amounts due to NU within thirty (30) days of receiving notice thereof from NU plus interest on any underpayment at the maximum statutory rate under Massachusetts law.

## **ARTICLE 7 MANAGEMENT OF PATENT RIGHTS**

**7.1 Responsibility for Patent Rights.** NU shall prepare, file, prosecute, and maintain all of the Patent Rights. Company shall have reasonable opportunities to advise NU and shall cooperate with NU in such filing, prosecution and maintenance. For purposes of clarity, if Company is not current in reimbursing NU for all costs and fees (the "Patent Costs") incurred under this Article 7, NU shall have no obligation to incur any new Patent Costs under this Agreement or to further prosecute the Patent Rights or to file any new patent applications under the Patent Rights. NU shall provide Company with copies of all relevant documents related to prosecution of Patent Rights and Company shall keep these documents confidential in accordance with the provisions set forth in Section 14.1. Any attorneys working on patent prosecution, filing, or maintenance of Patent Rights shall take instructions only from NU, and all patents and patent applications shall be assigned solely to NU. NU shall control all patent filings and patent prosecution decisions. Patent prosecution and patent filings includes, but is not limited to, interferences, reissues, re-examination, opposition proceedings and any other *inter-partes* matters originating in a patent office anywhere in the world.

**7.2 Patent Cost Reimbursement.** Reimbursement of all fees and costs, including attorneys' fees, incurred by NU and relating to the preparation, filing, prosecution, maintenance and post grant proceeding relating to the Patent Rights shall be the responsibility of Company, whether incurred prior to

or after the Effective Date. Company shall reimburse all amounts due that were accrued prior to the Effective Date and all amounts incurred subsequent to the Effective Date by the method detailed in Sections 4.7 and 4.8 of this Agreement. Company will be invoiced for amounts due that were incurred after the Effective Date, which invoicing shall include reasonable documentation by NU of amounts due, including copies of relevant portions of invoices received by NU. In all instances, NU shall pay the fees prescribed for small entities to the United States Patent and Trademark Office unless Company notifies NU in writing and in accordance with Section 14.2 that Company is a large entity as that term is defined by the various patent offices within which NU is seeking patent protection. A failure to notify NU of Company's large entity status may result in a loss of Patent Rights.

**7.3 Reporting of Expenses.** NU shall invoice Company for reimbursement of Patent Costs at ninety (90) day intervals to the correspondence address for Company identified in Section 14.2.

## **ARTICLE 8 INFRINGEMENT**

**8.1 Notification of Infringement.** Each Party agrees to provide written notice to the other Party promptly after becoming aware of any alleged or actual infringement of the Patent Rights, or is sued or threatened with an infringement suit, in any country in the Territory as a result of activities that concern the Patent Rights.

### **8.2 Right to Prosecute Infringements.**

**8.2.1 Company Right to Assert the Patent Rights.** So long as Company remains the exclusive licensee of the Patent Rights in the Field in the Territory, Company, to the extent permitted by law, shall have the right, but not the obligation, under its own control and at its own expense, to institute, prosecute and control any action or proceeding against any Third Party for infringement of the Patent Rights in the Field in the Territory, subject to Section 8.4. If, for the purpose of standing, NU is required to be a named party to any such action or proceeding, the Company may join NU as a party, provided that Company shall hold NU harmless from, and indemnify NU against, any costs, expenses, or liability that NU incurs in connection with such action and shall keep NU reasonably apprised of all developments in any such action or proceeding. Prior to commencing any such action or proceeding, Company shall consult with NU and shall consider the views of NU regarding the advisability of the proposed action and its effect on the public interest. Company shall not enter into any settlement, consent judgment, or other voluntary final disposition of any infringement action under this Section without the prior written consent of NU which consent shall not be unreasonably withheld. Except for providing reasonable assistance, at the request and expense of the Company, NU shall have no obligation regarding an action or proceeding described in this Section 8.2.1 unless required to participate by law. However, NU shall have the right to participate in any such action or proceeding through its own counsel and at its own expense.

**8.2.2 NU Right to Prosecute.** In the event that Company is unsuccessful in persuading the alleged infringer to desist or fails to initiate an action or proceeding within a reasonable time after Company first becomes aware of the basis for such action, NU shall have the right, at its sole discretion, to institute, prosecute and control any action or proceeding against such Third Party for infringement, under its sole control and at its sole expense, and any recovery obtained shall belong to NU. In such case, Company shall provide reasonable assistance to NU, at NU's expense, if requested to do so.

**8.3 Declaratory Judgment Actions.** In the event that a declaratory judgment action is brought against NU or Company by a Third Party alleging invalidity, unenforceability, or non-infringement of the Patent

Rights, NU, at its option, shall have the right within thirty (30) days after commencement of such action to take over the sole defense of the action at its own expense. If NU does not exercise this right, Company may take over the sole defense of the action at Company's sole expense, subject to Section 8.4.

**8.4 Recovery.** Any monetary recovery obtained in an action brought by Company under this Article 8 shall be distributed as follows:

(i) each Party shall be reimbursed for any expenses incurred in the action;

(ii) damages in the form of lost profits as a remedy for infringement recovered from a Third Party infringer shall be payable to NU subject to the royalty rate specified in Section 4.4 of this Agreement;

(iii) damages in the form of a reasonable royalty as a remedy for infringement and any other damages, including punitive damages, recovered from a Third Party infringer shall be payable to NU subject to the Sublicense Income rate specified in Section 4.6 of this Agreement.

**8.5 Cooperation.** Each Party agrees to cooperate in any action under this Article 8 which is controlled by the other Party, provided that the controlling Party reimburses the cooperating Party promptly for any costs and expenses incurred by the cooperating Party in connection with providing such assistance.

## **ARTICLE 9 INDEMNIFICATION AND INSURANCE**

**9.1 Indemnification.** Except in the case of a final determination by a court of competent jurisdiction of NU's gross negligence, Company shall indemnify, defend, and hold harmless NU and its trustees, officers, faculty, students, employees, and agents and their respective successors, heirs and assigns (the "Indemnitees"), against any liability, damage, loss, or expense (including reasonable attorney's fees and expenses) incurred by or imposed upon any of the Indemnitees in connection with any claims, suits, actions, demands or judgments arising out of any theory of liability (including without limitation actions in the form of tort, warranty, or strict liability and regardless of whether such action has any factual basis) arising in any way from Company's performance of rights or obligations assumed by Company under this Agreement including without limitation those concerning any Licensed Product or service that is made, used, sold, offered for sale, leased or imported pursuant to any right or license granted to Company or Affiliates under this Agreement.

**9.1.1 Procedures.** The Indemnitees agree to provide Company with prompt written notice of any claim, suit, action, demand, or judgment for which indemnification is sought under this Agreement. Company agrees, at its own expense, to provide attorneys reasonably acceptable to NU to defend against any such claim. The Indemnitees shall cooperate fully with Company in such defense and will permit Company to conduct and control such defense and the disposition of such claim, suit, or action (including all decisions relative to litigation, appeal, and settlement); provided, however, that any individual Indemnitee shall have the right to retain its own counsel, at the expense of Company, only if representation of such Indemnitee by the counsel retained by Company would be inappropriate because of actual or potential material differences in the interests of such Indemnitee and any other Party represented by such counsel. Company agrees to keep NU informed of the progress in the defense and disposition of such claim and to consult with NU with regard to any proposed settlement.

**9.2 Insurance.** During any time which any Licensed Product is being commercially distributed or sold or being commercially used by Licensee to provide services to a Third Party, Licensee shall, at its sole cost and expense, procure and maintain commercial general liability insurance.

**9.2.1 Insurance Amounts and Coverage.** Company's commercial general liability insurance shall include coverage for amounts no less than \$1,000,000 (ONE MILLION U.S. DOLLARS) per occurrence and \$2,000,000 (TWO MILLION U.S. DOLLARS) annual aggregate and an umbrella/excess policy having limits not less than \$5,000,000 (FIVE MILLION U.S. DOLLARS) and naming NU as additional insured. Such commercial general liability insurance shall provide bodily injury and property damage, products and completed operations, personal injury, advertising injury, liability assumed in an insured contract and broad form contractual liability coverage for Licensee's indemnification under Section 9.1 of this Agreement. If Licensee elects to self-insure all or part of the limits described above (including deductibles or retentions which are in excess of \$250,000.00 annual aggregate), such self-insurance program must be approved by NU in writing. The minimum amounts of insurance coverage required under this Section 9.2 shall not be construed to create a limit of Licensee's liability with respect to its indemnification obligation under Section 9.1 of this Agreement.

**9.2 Notification of Insurance.** Licensee shall provide NU with written evidence of such insurance upon request by NU. Licensee shall provide NU with written notice at least sixty (60) days prior to the cancellation, non-renewal, or material change in such insurance and must obtain replacement insurance providing comparable coverage as described in Section 8.2(a). NU may terminate this Agreement upon thirty (30) days advance written notice to Licensee in the event of Licensee's breach of any provision of this Section 8, which breach is not cured within such thirty (30) day period.

**9.3 Term of Insurance.** Licensee shall maintain such commercial general liability insurance beyond the expiration or termination of this Agreement during (i) the period that any Licensed Product, including Combination Products, is being commercially distributed, sold, leased or otherwise transferred, or used (other than for the purpose of obtaining regulatory approvals and/or clearances), by Licensee or a Sublicensee, Affiliate or agent of Licensee and (ii) a reasonable period after the period referenced to in (c)(i) above, which in no event shall be less than fifteen (15) years. If coverage is on a claims made basis, it must be approved in writing by NU and coverage must remain in place (or tail/extended reporting period purchased) for a period of six (6) years following the period that any such Licensed Product is being commercially distributed, sold, leased or otherwise transferred or used by Licensee or by a Sublicensee, Affiliate or agent of Licensee.

## **ARTICLE 10 ASSIGNMENT**

**10.1** This Agreement is personal to Company and no rights or obligations may be assigned by Company without the prior written consent of NU, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Company shall be free to assign this Agreement and its rights and obligations hereunder without NU's consent (i) to any Affiliates or (ii) in connection with any sale of all or substantially all of Company's assets or business (or the portion of its assets or business related to the subject matter of this Agreement), merger, acquisition, consolidation, reorganization, or similar transaction, provided that the Licensee shall not be released from its obligations existing at the time of such assignment.

## **ARTICLE 11 GENERAL COMPLIANCE WITH LAWS**



**11.1 Compliance with Laws.** Company shall, and shall cause its Affiliates and Sublicensees, to use reasonable commercial efforts to comply with all commercially material local, state, federal, and international laws and regulations relating to the development, manufacture, use, and sale of Licensed Products.

**11.2 Export Control.** Company and its Affiliates and Sublicensees shall comply with all United States laws and regulations controlling the export of certain commodities and technical data, including without limitation all Export Administration Regulations of the United States Department of Commerce. Among other things, these laws and regulations prohibit or require a license for the export of certain types of commodities and technical data to specified countries. Company hereby gives written assurance that it will comply with, and will cause its Affiliates and Sublicensees to comply with, all United States export control laws and regulations, that it bears sole responsibility for any violation of such laws and regulations by itself or its Affiliates or Sublicensees, and that it will indemnify, defend, and hold NU harmless (in accordance with Section 9.1 of this Agreement) for the consequences of any such violation.

**11.3 Non-use of NU Name.** Company and its Affiliates and Sublicensees shall not use the name of “Northeastern University,” or any variation, adaptation, or abbreviation thereof, or of any of its trustees, officers, faculty, students, employees, or agents, or any trademark owned by NU, or any terms of this Agreement in any promotional material or other public announcement or disclosure without the prior written consent of NU.

**11.4 Marking of Licensed Products.** To the extent commercially feasible and consistent with prevailing business practices, Company shall mark, and shall cause its Affiliates and Sublicensees to mark, all Licensed Products that are manufactured or sold under this Agreement with the number of each issued patent under the Patent Rights that applies to such Licensed Product.

## **ARTICLE 12 TERMINATION**

**12.1 Termination without Cause.** Company shall have the right to terminate this Agreement, for any or no reason, (i) upon at least thirty (30) days prior written notice to NU, such notice to state the date at least thirty (30) days in the future upon which termination is to be effective, and (ii) upon payment of all amounts due to NU through such termination effective date.

### **12.2 Termination for Cause.**

**12.2.1 Material Breach.** In the event that either Party hereto commits any material breach of any terms or conditions of this Agreement, and also fails to reasonably remedy such breach within sixty (60) days after receipt of written notice thereof, the non-breaching Party may, at its option and in addition to any other remedies that it may have at law or in equity, terminate this Agreement by sending notice of termination in writing to the other Party to such effect. Termination shall be effective as of the day of the receipt of such notice.

**12.2.2 Insolvency.** Either Party shall have the right to terminate this Agreement, immediately upon written notice, if the other Party ceases to carry out its business, becomes bankrupt or insolvent or applies for or consents to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other official with similar powers over a substantial part of the Party’s property.

### **12.3 Effect of Termination.**

**12.3.1 Survival.** The following provisions shall survive the expiration or termination of this Agreement: Articles 1, 7, 9, 14, Section 6.1.3 (to provide final report and payment), and Section 4.1.3 (Liquidity Events).

**12.3.2 Return of Materials.** In the event of early termination of this Agreement, NU shall regain full rights to the Patent Rights licensed to Company in this Agreement, and Company shall transfer to NU any and all files, notes, documents, and other materials relevant to their use of the Patent Rights.

**12.3.3 Pre-termination Obligations.** In no event shall termination of this Agreement release Company, Affiliates or Sublicensees from the obligation to pay any amounts that became due on or before the effective date of termination.

**12.3.4 Continuing Royalty Obligations.** Early termination of this Agreement does not relieve Company and its Affiliates and Sublicensees from payments to NU in accordance with Article 4 should Company and its Affiliates or Sublicensees continue to lease, sell, or otherwise generate revenue from the Licensed Products. Such obligations shall survive, in full force and effect, for the original term of this Agreement.

## **ARTICLE 13 DISPUTE RESOLUTION**

**13.1 Equitable Remedies.** Although the procedures specified in this Article are the sole and exclusive procedures for the resolution of disputes arising out of or relating to this Agreement, either Party may seek a preliminary injunction or other provisional equitable relief if, in its reasonable judgment, such action is necessary to avoid irreparable harm to itself or to preserve its rights under this Agreement.

**13.2 Dispute Resolution Procedures.** In the event of any controversy or claim arising out of, relating to, or in connection with any provision of this Agreement, the Parties shall try to settle their differences amicably and in good faith between themselves first by referring the matter to Company's Chief Executive Officer or his/her designee and to NU's Director of the Center for Research Innovation or his/her designee. If the Parties are unable to resolve their dispute informally, they shall file their dispute in a court of competent jurisdiction in the Commonwealth of Massachusetts.

**13.3 Performance to Continue.** Each Party shall continue to perform its undisputed obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement; provided, however, that a Party may suspend performance of its undisputed obligations during any period in which the other Party fails or refuses to perform its undisputed obligations. Nothing in this Article is intended to relieve Company from its obligation to make undisputed payments pursuant to Articles 4 and 7 of this Agreement, not to permit NU to bring suit against Company, its Affiliates and/or Sublicensees, pending final resolution.

**13.4 Statute of Limitations.** The Parties agree to enter into a written tolling agreement, to the extent permitted by law, to the effect that all applicable statutes of limitation and time-based defenses (such as estoppel and laches to the extent) shall be tolled while the procedures set forth in Section 13.3 are pending. The Parties shall cooperate in taking any actions necessary to achieve this result.

## **ARTICLE 14 MISCELLANEOUS**

**14.1 Confidentiality.** "Confidential Information" includes, but is not limited to, proprietary knowledge, nonpatentable inventions, processes, formulas, and information which are specific to the use, manufacture

or sale of the Licensed Products, and may include sublicense agreements, technical reports, development plans, marketing evaluations and reports, information obtained from plant and/or laboratory inspections and royalty reports or portions thereof. "Confidential Information" shall be disclosed in written, electronic or other permanent form and shall be prominently identified as "Confidential" or "Proprietary," by the disclosing Party, using an appropriate legend, marking stamp, or other clear and conspicuous written identification which unambiguously indicates that the information being provided is the disclosing Party's Confidential Information. If Confidential Information is disclosed in other than written or other permanent form, it shall be considered Confidential Information as of the time of original disclosure if: (i) the disclosing Party identifies it as Confidential Information at the time of the original disclosure and (ii) within thirty (30) days of the non-written disclosure, the disclosing Party reduces the information to written or other permanent form, clearly identifying the information "Confidential" or "Proprietary" as indicated above, and transmits it to the receiving Party, referencing the place and date of such oral disclosure and identifying the name(s) of the employees or officers of the receiving Party to whom it was made.

**14.1.1 Disclosure.** The recipient of Confidential Information will maintain the confidentiality of the Confidential Information and will not disclose the Confidential Information to any Third Party. Confidential Information will only be used for the purposes of, or as otherwise authorized by this Agreement. Each Party agrees to treat Confidential Information received from the other Party with at least the same degree of care with which it treats its own Confidential Information, but not less than reasonable care, and further agrees not to disclose such Confidential Information to a Third Party without prior written consent from the disclosing Party.

**14.1.2 Exceptions.** The foregoing obligations of non-disclosure do not apply to Confidential Information which:

- (i) is known to the public at the time of disclosure or becomes known to the public through no wrongful act on the part of the recipient;
- (ii) is in the recipient's possession at the time of disclosure other than as a result of prior disclosure by the disclosing Party;
- (iii) is supplied to the receiving Party, without restriction on disclosure, by a Third Party who has a lawful right to disclose such information and is under no obligation to either Party or to a Third Party to maintain such Confidential Information in confidence; or
- (iv) is independently developed by the receiving Party without reference to or reliance upon the Confidential Information as evidenced by written records.

**14.1.3 Discovery Requests.** If a Party receives a subpoena, discovery request, competent demand of a government agency, or other process calling for disclosure of Confidential Information, it shall without delay notify the other Party, make all reasonable efforts to resist production or obtain confidential treatment, and shall not produce the Confidential Information without affording the other Party a reasonable opportunity to oppose production or seek confidential treatment.

**14.1.4 Continuing Obligation of Confidentiality.** The obligations under this Article 14 shall be in force and effect for five (5) years after the termination of this Agreement.

**14.2 Notice.** Any notices, invoices and communications hereunder shall be given in writing, shall specifically refer to this Agreement, and shall be deemed made if sent by overnight courier, or by registered or certified mail, postage prepaid and addressed to the Party to receive such notice, invoice or communication at the address given below or such other address as may hereafter be designated by notice to the other Party in writing:

If to NU:

Director, Center for Research Innovation  
Northeastern University  
360 Huntington Avenue, 177-450  
Boston, MA 02115  
Tel: (617) 373-8810  
Fax: (617) 373-8866  
CRIAgreements@northeastern.edu

If to Company:

[Name of Contact]  
[Position]  
[Address Information Line 1]  
[Address Information Line 2]  
[Address Information Line 3]  
[City, State, Zip]  
Tel: [Phone]  
Fax: [Fax]  
[e-mail address]

All notices under this Agreement shall be deemed effective upon receipt.

**14.3 Governing Law and Forum.** This Agreement and all disputes arising out of or related to this Agreement, or the performance, enforcement, breach or termination hereof and any remedies relating thereto, shall be construed, governed, interpreted and applied in accordance with the laws of the Commonwealth of Massachusetts, without regard to conflict of laws principles. Any dispute related to or arising out of this Agreement or the relationship of the Parties created hereby shall be heard in the state or federal courts located in Suffolk County, Massachusetts, to the exclusion of all other courts or fora, and the Parties (for themselves and their successor and assigns) irrevocably consent to the jurisdiction and venue of such courts for such purpose.

**14.4 Force Majeure.** Other than the obligation to pay amounts when due, neither Party shall be responsible to the other for failure to perform any of the obligations imposed by this Agreement, provided such failure is occasioned by fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, failure or destruction, in whole or in part, of machinery or equipment or failure of supply of materials, discontinuity in the supply of power, governmental interference, civil commotion, riot, war, strikes, labor disturbance, transportation difficulties, labor shortage or any other cause beyond its reasonable control.

**14.5 Amendment and Waiver.** This Agreement may be amended, supplemented, or otherwise modified only by means of a written instrument signed by both Parties. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar.

**14.6 Severability.** In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement.

**14.7 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

**14.8 Headings.** All headings are for convenience only and shall not affect the meaning of any provision of this Agreement.

**14.9 Counterpart Signatures; Electronic Delivery.** The Parties may execute this Agreement in one or more counterparts, which may be by electronic signature or transmission, each of which will be deemed an original and all of which, taken together, will constitute one and the same instrument, and will be given the effect of an original signature upon receipt by the other Party of the electronic signature or transmission.

**14.10 Entire Agreement.** This Agreement (including the Appendices and Schedules hereto) constitutes the full understanding between the Parties with reference to the subject matter hereof and supersedes or cancels all previous and contemporaneous negotiations, agreements, commitments and writings between the Parties on the subject of this Agreement, including, but not limited to, non-disclosure agreements between NU and the Company. Should processing of this Agreement require issuance of a purchase order or other contractual document, all terms and conditions of said document are hereby deleted in their entirety. This Agreement may not be amended in any manner except by an instrument in writing signed by the duly authorized representatives of each of the Parties hereto. The Appendices and Schedules hereto are made a part of this Agreement to the same extent as if they were included in the body of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

NORTHEASTERN UNIVERSITY

[Company]

By: /s/ \_\_\_\_\_

By: /s/ \_\_\_\_\_

Name:

Name:

Title: Director, Center for Research  
Innovation

Title:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX A**

**Technology Identification**

Invention ID	INV-XXXX
Title	
Application No(s). or Patent No(s).	
Patent Status	Application pending; patent issued, etc.
Date of Filing	
Priority Date	

SAMPLE

**APPENDIX B**

**Performance Milestones with dates**

<b>Milestone Description</b>	<b>Completion Date</b>
At minimum, _____ (\$_____) in research funding received and/or investments raised	___ months from the Effective Date
Completion of pre-clinical in vitro or in vivo testing	___ months from the Effective Date
Regulatory approval of IND filing	___ months from the Effective Date
Completion of Phase I clinical trials	___ months from the Effective Date
Completion of Phase II clinical trials	___ months from the Effective Date
Completion of Phase III clinical trials	___ months from the Effective Date
First Commercial Sale	___ months from the Effective Date

**Performance Milestones with fees**

<b>Milestone Description</b>	<b><u>Milestone Fee</u></b>
New Drug Application approval by United States Food and Drug Administration	<b><u>\$300,000.00</u></b>
New Drug Application approval by European Medicines Agency Approval	<b><u>\$300,000.00</u></b>
New Drug Application approval by the Japanese Minister of Health, Labour and Welfare	<b><u>\$300,000.00</u></b>

**APPENDIX C**

**Company Certificate of Incorporation and Bylaws**

SAMPLE



**SCHEDULE A**

**Capitalization Table**

SAMPLE

Schedule B

Stock Transfer Restrictions, Shareholder Agreements, and Convertible Debt

SAMPLE