**LICENSE AGREEMENT**

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This licence Agreement – Exclusive and Non-Transferable (the "Agreement") is effective [DATE],

**BETWEEN: [PROGRAMMER NAME]** (the "Programmer"), a company organised and existing under the laws of the [STATE/PROVINCE] of [YOUR COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [YOUR COMPANY NAME]** (the "Developer"), a company organised and existing under the laws of the [STATE/PROVINCE] of [YOUR COUNTRY], with its head office located at:

 [COMPLETE ADDRESS]

PREAMBLE:

WHEREAS [YOUR COMPANY NAME] is the owner of the entire and undivided right, title and interest in and to certain inventions and proprietary rights relating to [description of the technology];

WHEREAS [YOUR COMPANY NAME] is willing to licence said technology to [COMPANY NAME] under the specific provisions and restrictions hereinafter provided for:

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **DEFINITIONS**

“Affiliate(s)” shall mean any Company or other business entity controlled by or in common control of a party. "Control" as used herein means ownership directly or through one or more Affiliates, of [PERCENTAGE %] or more of the shares of the share capital entitled to vote for the election of directors, in the case of any Company, or [PERCENTAGE %] or more of the equity interests in the case of any other type of legal entity, status as a general partner in any partnership, or any other arrangement whereby a party controls or has the right to control the board of directors or equivalent governing body of a Company or other entity.

“Licensed Patents” shall mean the patents and patent applications as specified in Schedule A, as amended from time to time, as well as any patents and patent applications which claim priority from any such patent or patent applications including without limitation any addition, continuation, continuation-in-part, division, extension, reissue, re-examination, application or substitution with respect thereto.

“Licensed Products” means any product, apparatus, method or service the manufacture, use, sale or lease of which:

1. is covered by a Valid Claim of an issued, unexpired licenced Patent, in a jurisdiction where said manufacture, sale, use and lease is carried out; or
2. is covered by any claim being prosecuted in any pending application for the licenced Patent; and is listed in Schedule B.

“Net Revenues” shall mean the gross invoice price for sales or transfers of licenced Products to final users by [COMPANY NAME], less the following deductions where they are factually applicable and are not already reflected in the gross invoice price:

* 1. discounts allowed and taken, in amounts customary in the trade; and
	2. consumption and other taxes imposed upon and with specific reference to particular sales; and
	3. actual bad debts which [COMPANY NAME] can prove and document shall be considered by a deduction of no more than [PERCENTAGE %] of the gross invoice price for each accounting period.

The Net Revenues for licenced Products sold by [COMPANY NAME] or any of its Affiliates, or any third party enjoying a special course of dealing with [COMPANY NAME], shall be determined by reference to the Net Revenues which would be applicable in an arm’s length transaction.

“Territory” means the world.

“Valid Claim” shall mean any claim contained in any pending patent application or issued patent included within the licenced Patents which has not been abandoned or declared invalid in a non-applicable order and which would be infringed by the manufacture or sale of licenced Products in the absence of the licence granted in this Agreement.

1. **GRANT AND OBLIGATIONS OF [COMPANY NAME]**
	1. [YOUR COMPANY NAME] hereby grants and hereby accepts an exclusive and non-transferable licence under licenced Patents in the Territory to manufacture, have manufactured, use, sell and have sold the licenced Products.
	2. [COMPANY NAME] shall have the right to grant sublicenses to its Affiliates and to third parties that are approved by [YOUR COMPANY NAME], such approval not to be unreasonably withheld. Each such sublicense shall be consistent with the terms hereof and shall be terminable at [YOUR COMPANY NAME]’s option upon the termination of this Agreement. [COMPANY NAME] shall furnish [YOUR COMPANY NAME] with a copy of each sublicense with a third party.
	3. In connection with the grant to [COMPANY NAME] above, during the term hereof, [YOUR COMPANY NAME] agrees to furnish to [COMPANY NAME] any new information or data accumulated by [YOUR COMPANY NAME] relative to the licenced Patents, and shall make appropriate personnel available to [COMPANY NAME] to the extent necessary to transmit the foregoing.
	4. [YOUR COMPANY NAME] has the right to make, use, and grant non-exclusive licences to make and use, for research purposes only, and not for any commercial purpose, the subject matter described and claimed in the licenced Patent.
	5. [COMPANY NAME] shall obtain all necessary governmental or regulatory approval [COMPANY NAME] deems necessary to use or to commercialise the licenced Patents and the licenced Products.
	6. [COMPANY NAME] agrees to mark the licenced Products sold in [COUNTRY] in accordance with [COUNTRY] Patent Laws and with all applicable [COUNTRY] patent numbers. All licenced Products shipped to or sold in other countries will be marked in a manner as to conform with the patent laws and practise of the country of manufacture or sale or use.
2. **ROYALTIES, RECORDS AND REPORTS**
	1. In consideration for the grant of the licence to [COMPANY NAME] in section 2.1, [COMPANY NAME] agrees to pay to [YOUR COMPANY NAME] a royalty of [PERCENTAGE %] of the Net Revenues of all licenced Products sold by [COMPANY NAME] and its Affiliates or sub-Developers.
	2. On sales between [COMPANY NAME] and its Affiliates or sub-Developers for resale, the royalty shall be paid on the resale to third party.
	3. [COMPANY NAME] shall report to [YOUR COMPANY NAME] the date of first sale of licenced Products in each country of the Territory within [NUMBER] days of occurrence.
	4. [COMPANY NAME] shall keep, and shall require its Affiliates and sub-Developers to keep, such records as may under recognised accounting practise enable royalty due under this Agreement to be accurately determined. [COMPANY NAME] shall permit a firm of certified public accountants, selected by [YOUR COMPANY NAME] and acceptable to [COMPANY NAME], upon request of [YOUR COMPANY NAME] and to examine such records no more than once in each calendar year during normal business hours for the purpose of verifying [COMPANY NAME]’s reports and accounting hereunder and determining the correctness of said accountings and the royalty payments made by [COMPANY NAME] to [YOUR COMPANY NAME]. Such examination will be at the cost of [COMPANY NAME].
	5. [COMPANY NAME] shall within [NUMBER] days after the [DATE] and [DATE] of each year deliver to [YOUR COMPANY NAME] a true and accurate report as provided in Schedule C, giving such particulars of the business conducted by [COMPANY NAME] during the preceding [NUMBER] calendar months as are pertinent to an accounting for royalty under this Agreement. Such report shall include a description and the number of licenced Products manufactured and sold, Net Revenues including deductions made and royalty due.
	6. [COMPANY NAME]ultaneously with the delivery of each report to [YOUR COMPANY NAME], [COMPANY NAME] shall pay the royalty due for the period covered by such report. If no royalties are due, it shall be so reported.
	7. All amounts payable hereunder by [COMPANY NAME] to [YOUR COMPANY NAME] shall be payable in [COUNTRY] to the address indicated by [YOUR COMPANY NAME]. Conversion of foreign currency to [YOUR COUNTRY & CURRENCY] [AMOUNT] shall be made at the conversion rate existing in [COUNTRY] (as reported by the [COMPANY NAME]) on the last working day of each royalty period. Payment shall be without deduction of exchange, collection or other charges.
	8. Withholding taxes (if any) levied on account of royalties accruing under this Agreement shall be deducted from such royalty and shall be paid by [COMPANY NAME] to the proper taxing authority, and proof of payment shall be sent by [COMPANY NAME] to [YOUR COMPANY NAME].
	9. If [COMPANY NAME] should fail to pay any amount specified under this Agreement at the due date thereof, the amount owed shall bear interest at a rate of [PERCENTAGE %] per month from the due date until paid.
3. **NEGATION OF WARRANTIES AND INDEMNITY**
	1. Nothing in this Agreement shall be construed as:
4. a warranty or representation by [YOUR COMPANY NAME] as to the validity or scope of any licenced Patent;
5. a warranty or representation that the manufacture and sale of licenced Products by [COMPANY NAME] and/or the use of such licenced Products by [COMPANY NAME]’s customers is or will be free from infringement of patents not licenced hereunder;
6. an obligation to bring or prosecute actions or suits against third parties for infringement of licenced Patents. However, it is understood that it is in the best interest of both parties that third parties’ infringement, which have a significant impact on the market, will be prosecuted by [YOUR COMPANY NAME];
7. conferring by implication or otherwise any licence or rights under any patents, know-how or other industrial property rights of [YOUR COMPANY NAME] other than expressly granted hereunder.
8. **INDEMNIFICATION**
	1. Each party hereby agrees to save, defend and hold the other party and its agents and employees harmless from and against any and all suits, claims, actions, demands, liabilities, expenses and/or loss, including reasonable legal expense and attorneys fees, other than claims for infringement as provided in Section 6 (collectively “Claims”) relating to or arising from or in connection with this Agreement or with the manufacture, use or sale of the licenced Products except to the extent such claims are determined to have resulted from the negligence or misconduct of the party seeking indemnification.
	2. Any entity entitled to indemnification under this Article shall give written notice to the indemnifying party of any Claims that may be subject to indemnification, promptly after learning of such Claim, and the indemnifying party shall assume the defence of such Claims with counsel reasonably satisfactory to the indemnified party. If such defence is assumed by the indemnifying party with counsel so selected, the indemnifying party will not be subject to any liability for any settlement of such Claims made by the indemnified party without its consent (but such consent will not be unreasonably withheld or delayed), and will not be obligated to pay the fees and expenses of any separate counsel retained by the indemnified party with respect to such Claims.
9. **INFRINGEMENT**
	1. In any event that [COMPANY NAME] is sued by a third party for patent infringement because of its exercise of the licence granted herein, [COMPANY NAME] shall defend the suit at its own expense and shall keep [YOUR COMPANY NAME] informed of any development in the defence. [YOUR COMPANY NAME] shall cooperate to the fullest at its own expense in the conduct of the defence. In the event the parties to the suit reach a tentative settlement, [YOUR COMPANY NAME] shall be consulted before the settlement is finally accepted. [YOUR COMPANY NAME] shall provide its response within [NUMBER] days of notice of the settlement. If [YOUR COMPANY NAME] does not so consent, [COMPANY NAME] may not proceed to such settlement.
	2. In the event that any infringement of the licenced Patent comes to the attention of any party hereto, such party shall promptly notify the other parties thereof. If [YOUR COMPANY NAME] and [COMPANY NAME] agree to institute suit jointly, their suit shall be brought in both their names, the out-of-pocket costs thereof shall be borne equally, and any recovery and settlement shall be retained by [YOUR COMPANY NAME] who must reimburse [YOUR COMPANY NAME] for its out-of-pocket expenses. [YOUR COMPANY NAME] shall have full discretion and control over the litigation and the parties will use counsel retained by [YOUR COMPANY NAME].
	3. In the absence of an agreement to institute a suit jointly, then [COMPANY NAME] may institute suit and at its option join [YOUR COMPANY NAME] as a plaintiff. [COMPANY NAME] shall bear the entire costs of such litigation and shall be entitled to retain the entire amount of any recovery or settlement. In such case, [YOUR COMPANY NAME] agrees to cooperate fully and aid the case of [COMPANY NAME] and [COMPANY NAME] shall reimburse the out-of-pocket disbursements of [YOUR COMPANY NAME] for said purpose. If [COMPANY NAME] joins [YOUR COMPANY NAME] as a plaintiff in a lawsuit under this provision, it will indemnify and hold harmless [YOUR COMPANY NAME] from any claim or damages whatsoever incurred or suffered by [YOUR COMPANY NAME] and resulting directly or indirectly from the institution of such lawsuit by [COMPANY NAME].
10. **INSURANCE**
	1. Beginning at the time the licenced Products are being commercially distributed or sold (other than to obta*in re*gulatory approvals) by [COMPANY NAME] or by an Affiliate, [COMPANY NAME] shall, at its sole cost and expense, procure and maintain comprehensive general liability insurance in amounts not less than [COUNTRY CURRENCY] [AMOUNT] per incident and R [AMOUNT] annual aggregate and naming [YOUR COMPANY NAME] and its current or former directors, officers, employees and agents and their respective successors, heirs and assigns as additional insured. During test of any licenced Product, [COMPANY NAME] shall, at its sole cost and expense, procure and maintain comprehensive general liability insurance in equal or lesser amount as [YOUR COMPANY NAME] requires, naming [YOUR COMPANY NAME] and its current or former directors, officers, employees and agents and their respective successors, heirs and assigns as additional insured. The comprehensive general liability insurance must provide (i) product liability coverage and (ii) broad form contractual liability coverage for [COMPANY NAME]’s indemnification under this Agreement.
	2. [COMPANY NAME] shall provide [YOUR COMPANY NAME] with written evidence of the insurance upon written request of [YOUR COMPANY NAME]. [COMPANY NAME] shall provide [YOUR COMPANY NAME] with written notice at least [NUMBER] days before the cancellation, non-renewal, or material change in insurance; if [COMPANY NAME] does not obta*in re*placement insurance providing comparable coverage within the [NUMBER] day period, [YOUR COMPANY NAME] has the right to terminate this Agreement effective at the end of the [NUMBER] day period without notice or any additional waiting periods.
	3. [COMPANY NAME] shall maintain comprehensive general liability insurance beyond the expiration or termination of this Agreement during the period that any product, process, or service, relating to, or developed pursuant to, this Agreement is being commercially distributed or sold by [COMPANY NAME], an Affiliate or by a sub-Developer.
11. **TERM AND TERMINATION**
	1. The licence under this Agreement shall become effective as per the date of execution of this Agreement and, unless terminated sooner as provided hereinbelow or by mutual agreement, shall remain in effect until the last licenced Patent having a Valid Claim will have expired.
	2. Failures by either party to this Agreement to comply with any of the obligations and conditions contained herein shall entitle the other party to give the party in default written notice requiring it to make good such default. If the default is not remedied within [NUMBER] days after receipt of such notice, the notifying party shall be entitled, without prejudice to any of its other rights conferred on it by this Agreement, to terminate the entire Agreement by giving notice to take effect immediately. The parties understand and agree in particular that the manufacture, use or sale of a licenced Product not listed in Schedule B which is covered by licenced Patents is a material default.
	3. Either party may terminate this Agreement upon [NUMBER] days written notice if, at any time, the other party shall file a petition in bankruptcy or insolvency before the courts or apply for an arrangement or for the appointment of a receiver or trustee for all of its assets or any part thereof, or if the other party proposes a written agreement of composition or extension of its debts or if the other party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within [NUMBER] days after its filing, or if the other party shall make an assignment for the benefit of creditors.
	4. [YOUR COMPANY NAME] has the right to terminate this licence at any time after [NUMBER] years from the date of execution of this Agreement if, in [YOUR COMPANY NAME]’s reasonable judgment, [COMPANY NAME]:
		1. has not put the licenced Product into commercial use in [COUNTRY] or countries where licensed, directly or through a sublicense, and is not keeping the licenced Product reasonably available to the public, or
		2. is not demonstrably engaged in a research, development, manufacturing, marketing, or licencing program, as appropriate, directed toward this end.

In making this determination, [YOUR COMPANY NAME] will take into account the normal course of programmes conducted with sound and reasonable business practises and judgment, and will take into account the reports provided by [COMPANY NAME].

* 1. [YOUR COMPANY NAME] has the right to terminate this licence if [COMPANY NAME] does not pay to [YOUR COMPANY NAME] at least the following amounts in licence maintenance fees and/or minimum royalties: [insert licence fee payment schedule].
	2. Termination of this Agreement for any reason shall be without prejudice to any other remedies to which either party is or thereafter becomes entitled hereunder and shall not affect any obligations or rights accrued before termination hereunder including but not limited to the obligation to maintain insurance provided in section 7 and the obligation of confidentiality provided in section 9.
	3. Upon termination of this Agreement, [COMPANY NAME] shall notify [YOUR COMPANY NAME] of the stock of licenced products it has on hand and [COMPANY NAME] shall pay the royalty thereon, upon which [COMPANY NAME] shall be entitled to sell the said stock in a period of [NUMBER] months.
1. **CONFIDENTIALITY/PUBLICITY**
	1. The Parties hereby acknowledge and agree that they have been and will be given access to or otherwise come into contact with information relating to the businesses, operations, properties, assets, liabilities and financial conditions of the other party, including without limitation, information relating to business plans and ideas, trade secrets, invention, processes, methods, know-how, policies, materials, results of operations, financial and statistical information, personnel data and customer, supplier and price lists, which are considered by the disclosing party to be valuable, secret and confidential (hereinafter referred to as the “Confidential Information”).
	2. Each of the [parties hereby agrees that it will not, for any purpose, at any time that it is a party and for a period of [NUMBER] years following the date upon which it ceases to be a party, allow one of its shareholders, directors, officers, employees or agents during the same period, to make public, disclose, divulge, furnish, transfer, sell, release or otherwise make available to any person, firm, association, partnership, syndicate, company or any of the Confidential Information or otherwise use any of the Confidential Information or allow any of the Confidential Information to be used for any purpose other than, during the period during which a party hereto remains a party to this Agreement.
	3. A party may not use the name of the other party in any publicity or advertising and, except as provided in this section 9.2, may not issue a press release or otherwise publicise or disclose any information related to this Agreement or the terms or conditions hereof, without the prior written consent of the other party. The parties shall agree on a form of an initial press release that may be used by either party to describe this Agreement. Nothing in the foregoing, however, shall prohibit a party from making such disclosures to the extent deemed necessary under applicable [YOUR COUNTRY] securities laws or any rule or regulation of any nationally recognised securities exchange; in such event, however, the disclosing party shall use good faith efforts to consult with the other party prior to such disclosure and, where applicable, shall request confidential treatment to the extent available.
2. **ASSIGNMENT**

This Agreement shall not be assignable by [COMPANY NAME] (including without limitation any purported assignment or transfer that would arise from a sale or transfer of [COMPANY NAME]’s business) without the express written consent of [YOUR COMPANY NAME], except for the sublicense granted by [COMPANY NAME] to third party pursuant to paragraph 2.2.

1. **NOTICES**

Any notice, request, instruction or other documents to be given hereunder shall be deemed validly given if in writing, and delivered personally, sent by overnight courier, or sent by certified mail, postage prepaid, return receipt requested, as follows:

 If to [COMPANY NAME]:

 If to [COMPANY NAME]:

 [COMPANY NAME]

 [FULL ADDRESS]

 [STATE/PROVINCE]

Attn: [NAME]

 Fax: [FAX NUMBER]

# If to [YOUR COMPANY NAME]

[YOUR COMPANY NAME] Inc.

 [FULL ADDRESS]

 [STATE/PROVINCE],

Attn: [NAME]

 Fax: [FAX NUMBER]

Alternatively, notices and other communications including any change of address may be sent by fax [COMPANY NAME] file transmission with a confirmation copy sent by one of the forms of delivery set forth above. All notices and other communications shall be deemed delivered on the date of actual receipt.

1. **GOVERNING LAW AND ARBITRATION**
	1. This Agreement shall be governed by and interpreted in accordance with the [YOUR COUNTRY] Law of the Province/State of [PROVINCE/STATE].
	2. If a dispute arises out of or relates to this Agreement or its breach (the “Matter”), the parties agree to resolve the Matter as follows:
2. a party (the “Initiating Party”) shall submit written notice of the Matter to the other parties and request negotiation;
3. the parties shall attempt in good faith to resolve any Matter arising out of or relating to this Agreement promptly by negotiation between representatives which the parties may appoint, and
4. if the Matter has not been resolved within [NUMBER] days of a party’s request for negotiation, either party may request that the Matter be submitted to a sole mediator selected by the parties for mandatory mediation of not more than five days’ duration.
	1. If the Matter has not been resolved by such mediation, either party may submit the Matter for binding arbitration, to a sole arbitrator in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce as in effect on the date hereof, (the “ICC Rules”), except where such ICC Rules conflict with the provisions of Article [NUMBER] in which event the provisions of this Article [NUMBER] shall prevail.
	2. If the parties fail to agree on the appointment of the sole arbitrator within [NUMBER] days after one party has served the other party, a written notice to concur in the appointment of the single arbitrator nominated by the serving party, the sole arbitrator shall be appointed in accordance with the ICC Rules. The arbitrator shall render any final award within [NUMBER] days following the completion of evidence and arguments on the Matter.
	3. The parties shall not be entitled to rely on or introduce as evidence before any arbitral proceedings whether or not such proceedings relate to the Matter that is the subject of the negotiations:
		1. views expressed or suggestions made by another party *in re*spect of a possible settlement of the Matter;
		2. admissions or proposals made by another party in the course of negotiations; or
		3. the fact that the other party had indicated his willingness to accept a proposal for settlement made by another party.
	4. The mediation and arbitration shall be held in [PROVINCE/STATE]. The parties, their representatives, the mediator and the arbitrator shall hold the existence, content and results of any negotiation, mediation or arbitration in confidence unless disclosure is required by [YOUR COUNTRY] Law or regulation, and in such case the parties shall take reasonable precautions to only disclose what is required by Laws of [YOUR COUNTRY] or governmental regulation.
	5. Any award of the Arbitration shall be final and binding on the parties and shall be enforceable in any court having jurisdiction over the party from whom enforcement is requested.
5. **GENERAL**
	1. This Agreement, along with the Supply Agreement between [COMPANY NAME] and [YOUR COMPANY NAME], constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes and replaces all prior agreements, understandings, writings and discussions between the parties relating to said subject matter. Only a written instrument executed by the parties may amend this Agreement.
	2. The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the same. No waiver by either party of any condition or term in any one or more instances shall be construed as a further or continuing waiver of such condition or term or any other condition or term.
	3. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.
	4. If any provision(s) of this Agreement are or become invalid, or ruled illegal by any court of competent jurisdiction, or are deemed unenforceable under then current applicable [COUNTRY] Law from time to time in effect during the term hereof, it is the intention of the parties that the remainder of this Agreement shall not be affected thereby. It is further the intention of the parties that in lieu of each such provision which is invalid, illegal, or unenforceable, there be substituted or added as part of this Agreement, a provision which shall be as [COMPANY NAME] similar as possible in economic and business objectives as intended by the parties to such invalid, illegal, or unenforceable provision, but which shall be valid, legal, and enforceable, and shall be mutually agreed by the parties.
	5. The headings contained herein are for reference purposes only and shall not in any way affect the meaning of this Agreement.
	6. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.
	7. Nothing contained in this Agreement shall be deemed to create a partnership between [YOUR COMPANY NAME] and [COMPANY NAME]. Neither party shall be liable for the act of the other party unless the other party expressly authorises such act in writing.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

## PROGRAMMER DEVELOPER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

**SCHEDULE A**

[Title of Patent]

### SCHEDULE B

Licensed Products

Products name:

### SCHEDULE C

SUMMARY ROYALTY REPORT

For the Period of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DEVELOPER: [COMPANY NAME] Composites Inc.

FIELD OF USE

ROYALTY RATE \_\_\_\_\_\_\_\_\_\_\_\_% Date of Report \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

G Check here if there were no sales for the period covered by this report.

Licensed Products Number of licenced Products Sold Net Sales Royalties Due

1.

2.

3.

4.

5.

6.

7.

8.

Total

Total Royalty Earned : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We hereby certify the information set forth above is correct and complete with respect the amounts due under the licence Agreement.

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Institution/Company \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please attach supporting or supplement data to this sheet, if necessary.