# SAMPLE
# EXCLUSIVE LICENSE AGREEMENT FOR [*SOFTWARE NAME*]*

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This exclusive license agreement ("AGREEMENT") is effective on [***DATE***] ("Effective Date"), and is by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California corporation, whose legal address is 1111 Franklin Street, 12th Floor, Oakland, California 94607-5200, acting through its Office of Technology Licensing, at the University of California, Berkeley, 2150 Shattuck Avenue, Suite 408, Berkeley, CA 94704-1362 ("REGENTS") and [***LICENSEE name***], a [***State of incorporation***] corporation having a principal place of business at [***LICENSEE address***] ("LICENSEE"). The parties agree as follows:

## 1. BACKGROUND

1.1. REGENTS has an assignment of the software titled *"**SOFTWARE NAME***" as described in REGENTS' Case No. [***BK-XXXX-XXX***]) including all intellectual property rights therein (the "SOFTWARE"). The SOFTWARE was made in the course of research at the University of California, Berkeley by [***Authors NAMES***].

1.2 REGENTS and LICENSEE wish to have the SOFTWARE commercialized and marketed as soon as possible so that the resulting products may be available for public use and benefit.

1.3 LICENSEE is desirous of obtaining a license to the SOFTWARE for commercial purposes.

1.4 LICENSEE has provided REGENTS with a commercialization plan for the SOFTWARE in order to evaluate its capabilities as a LICENSEE.

## 2. DEFINITIONS

2.1 "AFFILIATE" means any entity which, directly or indirectly, CONTROLS LICENSEE, is CONTROLLED by LICENSEE, or is under common CONTROL with LICENSEE. "CONTROL" means (i) having the actual, present capacity to elect a majority of the directors, or the power to direct greater than fifty percent (50%) of the voting rights entitled to elect directors, of such entity; or (ii) in any country where the local law will not permit foreign equity participation of a majority, the ownership or control (directly or indirectly) of the maximum percentage of such outstanding stock or voting rights permitted by local law. For clarity, an entity will be deemed an AFFILIATE of LICENSEE solely for the term during which it satisfies the foregoing definition.

2.2 "CHANGE of CONTROL" means (i) a consolidation, acquisition or merger of the LICENSEE with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, acquisition, merger or reorganization in which the shares of capital stock of the LICENSEE immediately prior to such consolidation, acquisition, merger or reorganization continue to represent a

* The license agreement will not be limited to the provisions of this Sample License Agreement, and may include other provisions as appropriate on a case by case basis, such as provisions required for inventions arising from Howard Hughes Medical Institute appointees, and the like.

for reference only

majority of the voting power of the surviving entity immediately after such consolidation, acquisition, merger or reorganization; (ii) any transaction or series of related transactions to which the LICENSEE is a party in which in excess of 50% of the LICENSEE's voting power is transferred; or (iii) the sale or transfer of all or substantially all of the LICENSEE's assets, or the exclusive license of all or substantially all of the LICENSEE's intellectual property; provided that a CHANGE of CONTROL shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the LICENSEE or any successor, indebtedness of the LICENSEE is cancelled or converted, or a combination thereof.

2.3 "DERIVATIVE WORK(S)" means any revision, enhancement, modification, translation, abridgement, condensation, or expansion created by LICENSEE or any SUBLICENSEE that is based upon the SOFTWARE or a portion thereof that would be a copyright infringement if prepared without the authorization of the copyright owners of the SOFTWARE or portion thereof or that otherwise is considered a DERIVATIVE WORK as defined in 17 U.S.C. § 101.

2.4 "HUMANITARIAN PURPOSES" means the use of LICENSED PRODUCTS and LICENSED SERVICES for research and development purposes by any nonprofit organization or other third party, anywhere in the world that has the express purpose of developing the LICENSED PRODUCTS or LICENSED SERVICES for use in a Low- or Middle-income country as that term is defined by the World Bank (hereinafter "LMI COUNTRY(IES)"); and SALE of LICENSED PRODUCTS and LICENSED SERVICES in LMI COUNTRIES at or below the cost of manufacture and distribution.

2.5 "LICENSED FIELD OF USE" means [***TBD***].

2.6 "LICENSED PRODUCTS" means the SOFTWARE ***[If applicable, "and DERIVATIVE WORKS"]*** covered by REGENTS' COPYRIGHT RIGHTS or any product whose creation, use, manufacture, performance, production, reproduction, display, distribution, import, offer for sale or sale would, absent the license granted under this AGREEMENT, constitute an infringement, inducement of infringement, or contributory infringement, of any work covered within REGENTS' COPYRIGHT RIGHTS. If the LICENSED PRODUCT is a component of another product or work, such product or work is deemed to be the LICENSED PRODUCT for purposes of this AGREEMENT.

2.7 "LICENSED SERVICE" means a service provided using a LICENSED PRODUCT.

2.8 "LICENSED TERRITORY" means the United States of America, its territories and possessions, and any foreign countries where REGENTS' COPYRIGHT RIGHTS are licensed to LICENSEE under this AGREEMENT.

2.9 "NET SALES" means the total amount invoiced or otherwise charged (including fair market value of any non-cash consideration) by LICENSEE or a SUBLICENSEE on the SALE, lease, provision, transfer, or other disposition of a LICENSED PRODUCT or LICENSED SERVICE after deduction of the following in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") to the extent separately itemized in the applicable invoice, and not otherwise reimbursed, and allowed:

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(a) cash, trade or quantity discounts;
(b) sales, use, tariff, import/export duties or other excise taxes when included in gross sales, but not income taxes derived from such sales, and value added taxes, but only to the extent such value-added tax is not subject to a credit or deduction to a taxing authority;
(c) discounts actually granted, rebates, refunds, chargebacks actually allowed or granted;
(d) freight and other transportation or handling expenses or charges (actually incurred), including insurance; and
(e) allowances or credits to customers because of rejections or returns.

For purposes of calculating NET SALES, transfers to an AFFILIATE for end-use by the AFFILIATE will be treated as sales at list price.

If LICENSEE or a SUBLICENSEE makes any SALES to any third party in a transaction in a given country that is not an arms'-length transaction, or a LICENSED PRODUCT or LICENSED SERVICE is SOLD, transferred or otherwise provided to a third party without charge or at a discount, then NET SALES means the gross amount normally charged in arm's length transactions in such country less the allowable deductions set forth above.

In the case of transfers between any of LICENSEE, SUBLICENSEE, or their respective AFFILIATES, (i) a SALE to a SUBLICENSEE or AFFILIATE for end use (but not resale) by the SUBLICENSEE or AFFILIATE will be treated as a SALE at list price, and (ii) a SALE to a SUBLICENSEE or AFFILIATE for resale by the SUBLICENSEE or AFFILIATE will not be treated as a SALE; provided that NET SALES shall include the amounts invoiced by such AFFILIATE or SUBLICENSEE to a third party upon resale.

2.10 "REGENTS' COPYRIGHT RIGHTS" means the REGENTS' interest under 17 U.S.C. § 100 *et seq*. in any of the SOFTWARE listed in APPENDIX D attached to this AGREEMENT ***[If applicable, and DERIVATIVE WORKS are to be included "and any DERIVATIVE WORK(S) created therefrom; all of which will be automatically incorporated in and added to APPENDIX D and made a part of this AGREEMENT"]***.

2.11 "SALE" means, for LICENSED PRODUCTS and LICENSED SERVICES, the act of selling, leasing or otherwise transferring, providing, or furnishing such product or service for any use or for any consideration. Correspondingly, "SELL" means to make or cause to be made a SALE, and "SOLD" means to have made or caused to be made a SALE.

2.12 "SUBLICENSE" means any transaction with a third party in which LICENSEE or SUBLICENSEE: (a) grants, transfers or agrees not to assert any of the rights licensed to LICENSEE hereunder, or (b) is under an obligation to grant or transfer such rights or to forebear from granting or transferring such rights, including by means of an option.

2.13 "SUBLICENSEE" means any third party, including AFFILIATES, granted a SUBLICENSE to all or any portion of SOFTWARE.

2.14 "SUBLICENSE INCOME" means any consideration (including, without limitation, any licensing or optioning fees, or license maintenance fees, or milestone payments, and fair

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market value of any non-cash consideration) received by, or payable to, LICENSEE or SUBLICENSEE from any SUBLICENSEE, based in whole or in part on rights granted in a SUBLICENSE. SUBLICENSE INCOME excludes:

(a) earned royalty payments but only to the extent such royalty payments are calculated using the same SALES that generated payment of an earned royalty to the REGENTS pursuant to Paragraph 6.1 (Earned Royalty);

(b) payments for equity or debt securities of LICENSEE (except to the extent such payments exceed the fair market value of such securities upon date of receipt, in which case such premiums over fair market value shall be deemed to be "SUBLICENSE INCOME");

(c) payments for bona fide research or development to be applied directly to the future research and/or development of LICENSED PRODUCTS; and

(d) payments and reimbursement of costs previously paid to REGENTS by LICENSEE with respect to the filing, preparation, prosecution or maintenance of the REGENTS' COPYRIGHT RIGHTS.

## 3. GRANT

3.1 **License Grant.** Subject to the limitations set forth in this AGREEMENT and the rights reserved in Paragraph 3.2 (Reservation of Rights), REGENTS hereby grants and LICENSEE hereby accepts an exclusive, royalty-bearing, non-transferable (except as specifically provided herein), license under REGENTS' COPYRIGHT RIGHTS to [***Choose the applicable software grant out of the following: reproduce, make copies, distribute, [..and, if applicable, prepare DERIVATIVE WORKS, perform, display]***] LICENSED PRODUCTS and LICENSED SERVICES in the LICENSED FIELD OF USE in the LICENSED TERRITORY.

3.2 **Reservation of Rights**. The REGENTS reserves on behalf of itself and any other educational or nonprofit institutions the right to produce, reproduce, use, compile, modify, enhance, execute and practice the SOFTWARE, any DERIVATIVE WORKS, the REGENTS' COPYRIGHT RIGHTS, and any technology or software created by the REGENTS relating to any of the foregoing for educational and research purposes, including publication and other communication of any research results.

3.3 **Humanitarian Purposes**.

(a) REGENTS further reserves the right to license REGENTS' COPYRIGHT RIGHTS to any third parties solely for HUMANITARIAN PURPOSES. Such licenses for HUMANITARIAN PURPOSES will: (i) expressly exclude the right of the third party licensee to export or SELL the LICENSED PRODUCTS from a LMI COUNTRY into a market outside of the LMI COUNTRY where LICENSEE has introduced or will introduce a LICENSED PRODUCT and where REGENTS' COPYRIGHT RIGHTS exist (such markets hereinafter the "LICENSEE MARKETS") and (ii) require the third party licensee to create and maintain distinctive trade dress and trademarks that clearly distinguish third party LICENSED PRODUCTS and LICENSED SERVICES from LICENSEE'S LICENSED PRODUCTS and LICENSED SERVICES, (iii) require such third party licensee's sale of LICENSED PRODUCTS and LICENSED SERVICES in such LMI COUNTRIES be at or below cost. For avoidance of doubt, such third-party licensee may be permitted to export LICENSED PRODUCTS from the LMI COUNTRY

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of origin to other LMI COUNTRIES and all other countries that are mutually agreed to by REGENTS and LICENSEE; and

(b) Notwithstanding the foregoing, prior to issuance of any such license to REGENTS' COPYRIGHT RIGHTS to a third party, REGENTS will notify LICENSEE of its intention to grant such license so that LICENSEE may have the opportunity to fill the anticipated market need itself and/or to engage in discussions for a sublicense with such third party in accordance with the procedures set forth in Paragraph 4.8. In the event any LICENSED PRODUCT SOLD in any LMI COUNTRY by any such third party according to the provisions of Paragraph 3.3(a) is exported, re-SOLD or otherwise introduced in any LICENSEE MARKETS, LICENSEE will provide REGENTS with written notification thereof, and if such exportation, re-sale or introduction does not cease within ninety (90) days after the date of such notice, then an amount equal to the retail price of LICENSED PRODUCT so exported, re-SOLD or introduced to such LICENSEE Market will be credited to royalties due to REGENTS hereunder.

3.4 **License Back**. LICENSEE will provide REGENTS a non-transferable license to use LICENSED PRODUCTS that contain SOFTWARE, at no charge to REGENTS, for academic, educational and research purposes within the University of California system (including facilities operated by REGENTS) for the term of this AGREEMENT. Further, LICENSEE hereby agrees to provide maintenance, bug fixes, upgrades and technical support of LICENSED PRODUCTS for a period of five (5) years from the date of first commercial availability of LICENSED PRODUCTS, or until this AGREEMENT expires, whichever is sooner. LICENSEE may offer REGENTS its standard written maintenance, upgrade and support (MUS) agreement for this purpose, however, such agreement will be subject to REGENTS prior review and approval.

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## 4. SUBLICENSES

4.1 REGENTS also grants to LICENSEE the right to SUBLICENSE to AFFILIATES and third parties the right to practice the rights granted to LICENSEE under this AGREEMENT, provided that LICENSEE, at the time of sublicensing: 1) has exclusive rights under this AGREEMENT; 2) is not in breach of this AGREEMENT; and 3) is in good standing with this AGREEMENT, including all payments. Every such SUBLICENSE will include:

(a) a statement setting forth the date upon which LICENSEE's exclusive rights, privileges, and license hereunder will expire;
(b) terms consistent with and be subject to, the terms in this AGREEMENT, including without limitation, all applicable obligations due to REGENTS and the provisions contained in:

(i) Paragraph 3.2 (Reservation of Rights); (ii) Article 4 (Sublicenses); (iii) Article 9 (Books and Records); (iv) Article 14 (Copyright Registration and Notice); (v) Article 15 (Use of Names and Trademarks); (vi) Article 16 (Limited Warranties); (vii) Article 18 (Indemnification and Insurance); (viii) Article 19 (Compliance with Laws), (ix) Article 30 (Bankruptcy), etc., other than those rights and obligations specified in Paragraph 5.1 (License Issue Fee), Paragraph 6.2 (License

Maintenance Fee) and Paragraph 6.3 (Minimum Annual Royalty) and, it being understood that, except as otherwise set forth in the AGREEMENT, LICENSEE is responsible to pay REGENTS a royalty as described in this AGREEMENT on SUBLICENSEE'S SALES of LICENSED PRODUCT or LICENSED SERVICES;

(c) a provision requiring payment of royalties to LICENSEE in an amount sufficient to permit LICENSEE to meet its royalty obligations to REGENTS at the rates and basis set forth in this AGREEMENT; and

(d) a prohibition on the grant of further SUBLICENSES.

4.2 LICENSEE will pay to REGENTS [***Written percent***] (***XX***%) of SUBLICENSE INCOME received with respect to a SUBLICENSE:

For the purposes of calculating the amount of SUBLICENSE INCOME due REGENTS, the amount of SUBLICENSE INCOME due REGENTS is based on when the SUBLICENSE is executed. If SUBLICENSE INCOME received by LICENSEE with respect to a SUBLICENSEE's achievement of any milestone is substantially the same to a milestone under this AGREEMENT, such SUBLICENSE INCOME may be reduced by the amount of the milestone fee due and paid by LICENSEE to REGENTS in respect of that substantially same milestone.

4.3 LICENSEE will notify REGENTS of each SUBLICENSE granted hereunder and within 30 days after execution of each SUBLICENSE, will furnish to REGENTS a copy of each such SUBLICENSE and any amendments to the SUBLICENSE; provided, however, that LICENSEE has the right to redact any portion of the SUBLICENSE only as necessary to remove content that does not include obligations due to REGENTS.

4.4 AFFILIATES will have no licenses under REGENTS' COPYRIGHT RIGHTS except as granted by SUBLICENSE pursuant to this AGREEMENT.

4.5 For the purposes of this AGREEMENT, the operations of all SUBLICENSEES are deemed to be the operations of LICENSEE, for which LICENSEE is responsible.

4.6 LICENSEE will collect and guarantee payment of all monies and other consideration due REGENTS from SUBLICENSEES and deliver all reports due REGENTS and received from SUBLICENSEES.

4.7 If the AGREEMENT terminates for any reason, REGENTS will provide to each SUBLICENSEE the right to enter into a license of the REGENTS' COPYRIGHT RIGHTS in the applicable SUBLICENSE directly with REGENTS, under the same terms and conditions as the AGREEMENT (as reasonably applied to such REGENTS' COPYRIGHT RIGHTS); provided that (a) REGENTS and SUBLICENSEE will discuss in good faith any appropriate modifications to such terms and conditions and (b) REGENTS is not obligated to enter into a license agreement having a scope of REGENTS' COPYRIGHT RIGHTS, LICENSED FIELD OF USE, LICENSED TERRITORY, or other obligation on the part of REGENTS that would exceed those in the applicable SUBLICENSE.

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REGENTS' obligation above will apply only if (i) REGENTS is legally, contractually, and per its policies permitted to enter into such license at the time; (ii) SUBLICENSEE provides written notice to both REGENTS and LICENSEE within 90 days after such termination of its desire for such discussions, and LICENSEE does not dispute the termination; (iii) SUBLICENSEE is not an AFFILIATE of LICENSEE; (iv) SUBLICENSEE is not currently involved in litigation as an adverse party to the REGENTS and (v) SUBLICENSEE is not in material breach of the SUBLICENSE in the two year period prior to the AGREEMENT termination. The SUBLICENSE shall not be terminated during the 90-day notice period and the negotiation period between REGENTS and SUBLICENSEE, unless SUBLICENSEE is in material breach of their SUBLICENSE.

4.8 (a) If REGENTS (to the extent of the actual knowledge of the licensing professional responsible for administration of this case) or a third party discovers and notifies that licensing professional that the SOFTWARE is useful for an application covered by the LICENSED FIELD OF USE, but for which LICENSED PRODUCTS have not been developed or are not currently under development by LICENSEE, then REGENTS, as represented by the Office of Technology Licensing, will give written notice to LICENSEE, except for: 1) information that is subject to restrictions of confidentiality with third parties, and 2) information which originates with REGENTS' personnel who do not assent to its disclosure to LICENSEE. LICENSEE will have ninety (90) days to give REGENTS written notice stating whether LICENSEE elects to develop LICENSED PRODUCTS for the application.

(b) If LICENSEE elects to develop and commercialize the proposed LICENSED PRODUCTS for the new application, LICENSEE will submit progress reports or royalty reports to REGENTS pursuant to Article 8 (Progress and Royalty Reports). If LICENSEE elects not to develop and commercialize the proposed LICENSED PRODUCTS for use in the new application, REGENTS may seek (a) third parties to develop and commercialize the proposed LICENSED PRODUCTS for the new application. If REGENTS is successful in finding a third party, it will refer such third party to LICENSEE. If the third party requests a SUBLICENSE under this AGREEMENT, then LICENSEE will report the request to REGENTS within thirty (30) days from the date of such written request. If the request results in a SUBLICENSE, then LICENSEE will report it to REGENTS pursuant to Paragraph 4.3.

(c) If LICENSEE refuses to grant a SUBLICENSE to the third party, then within thirty (30) days after such refusal LICENSEE will submit to REGENTS a report specifying the license terms proposed by the third party and a written justification for LICENSEE's refusal to grant the proposed SUBLICENSE. If REGENTS, at its sole discretion, determines that the terms of the SUBLICENSE proposed by the third party are reasonable under the totality of the circumstances, taking into account LICENSEE's LICENSED PRODUCTS in development, then REGENTS will have the right to grant to the third party a license to make, have made, use, SELL, offer for sale and import products for use in the LICENSED FIELD OF USE at substantially the same terms last proposed to LICENSEE by the third party providing royalty rates are at least equal to those paid by LICENSEE.

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## 5. LICENSE ISSUE FEE; EQUITY

5.1 **License Issue Fee**. LICENSEE will pay to REGENTS a non-creditable, non-refundable license issue fee of [***Written amount***] **($** ***Number***) due upon signing of this AGREEMENT. This fee is non-refundable and not an advance against royalties or other payments due under this AGREEMENT.

5.2 **Equity.** As additional consideration for this AGREEMENT, LICENSEE shall execute a Stock Issuance Agreement(s) on terms as set forth in the Summary of Equity Terms attached hereto as APPENDIX C and within thirty (30) days of the effective date of such Stock Issuance Agreement, issue and deliver such equity to the REGENTS; provided, in the case of uncertificated equity, LICENSEE will track the REGENTS' ownership on the books of LICENSEE and within thirty (30) days of the effective date of such Stock Issuance Agreement provide evidence of ownership to the REGENTS via account update.

## 6. ROYALTIES, LICENSE MAINTENANCE FEES, MINIMUM ANNUAL ROYALTIES

6.1 **Earned Royalty.** LICENSEE will pay to REGENTS earned royalties at the rate of [***Written percent***] (***Number*****%**) of the NET SALES of LICENSED PRODUCTS and LICENSED SERVICES. Royalties will be payable on SALEs covered by both pending patent applications and issued patents. Royalties accruing to REGENTS will be paid to REGENTS quarterly within sixty (60) days after the end of each calendar quarter.

6.2 **License Maintenance Fee.** LICENSEE will pay to REGENTS an annual license maintenance fee of [***Written amount***] U.S. Dollars (**$*****Number***) on the one (1) year anniversary date of the Effective Date and on each anniversary of the Effective Date thereafter. Notwithstanding the foregoing, the license maintenance fee will not be due and payable on any anniversary of the Effective Date, if on such date the LICENSEE is selling LICENSED PRODUCTS and LICENSEE pays an earned royalty to REGENTS.

6.3 **Minimum Annual Royalty.** Beginning in the calendar year after the first occurrence of SALEs, and in each succeeding calendar year thereafter, LICENSEE will pay to REGENTS a minimum annual royalty of [***Written amount***] U.S. Dollars (**$** ***Number***) for the life of this AGREEMENT. This minimum annual royalty will be paid to REGENTS by February 28 of each year and will be credited against the earned royalty due and owing for the calendar year in which the minimum payment is made.

6.4 **Milestone Payments**. [***TBD***].

6.5 **Payments**. All payments due REGENTS will be payable in United States dollars by check payable to "REGENTS of the University of California" or by wire transfer to REGENTS at the addresses shown in Article 22 (Notices). When LICENSED PRODUCTS or LICENSED SERVICES are SOLD for monies other than United States dollars, earned royalties will first be determined in the foreign currency of the country in which the SALE was made and then converted into equivalent United States dollars. The exchange rate will be that rate quoted in the *Wall Street Journal* on the last business day of the reporting period. REGENTS may provide invoices upon request or as a courtesy,

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but failure to receive an invoice from REGENTS does not relieve or otherwise change LICENSEE'S obligation to make accurate and complete payments at the time such payments are due.

(a) **Taxes**. SUBLICENSE INCOME, earned royalties, and other consideration accrued in any country outside the United States may not be reduced by any taxes, fees or other charges imposed by the government of such country. LICENSEE will also be responsible for all bank transfer charges.

(b) **Late Payments**. If monies owed to REGENTS under this AGREEMENT are not received by REGENTS when due, LICENSEE will pay to REGENTS interest charges at a rate of ten percent (10%) per annum. Such interest will be calculated from the date payment was due until actually received by REGENTS. Such accrual of interest will be in addition to, and not in lieu of, enforcement of any other rights of REGENTS related to such late payment. Acceptance of any late payment will not constitute a waiver under Article 23(Waiver) of this AGREEMENT.

## 7. DILIGENCE

7.1 **Development of Licensed Products and/or Licensed Services.** LICENSEE, upon execution of this AGREEMENT, will diligently proceed with the development, manufacture, and SALE of LICENSED PRODUCTS and/or LICENSED SERVICES and will diligently market them in quantities sufficient to meet the market demand.

7.2 **Development Milestones.** In addition to its obligations under Paragraph 7.1, LICENSEE specifically commits to achieving (either itself or through the acts of a SUBLICENSEE) the following development milestones in its diligence activities under this AGREEMENT:

(a) [***Milestone 1***]
(b) [***Milestone 2***]

7.3 **Failure to Meet Development Milestones.**
(a) If LICENSEE is unable to meet any of its diligence obligations set forth in Paragraphs 7.1 and 7.2, then REGENTS will so notify LICENSEE of failure to perform. LICENSEE will have the right and option to extend the target date of any such diligence obligation for a period of six (6) months upon the payment of [***Written amount***] thousand dollars ($ ***Number***) within thirty (30) days of the date to be extended for each such extension option exercised by LICENSEE. LICENSEE may further extend the target date of any diligence obligation for an additional six (6) months upon payment of an additional [***Written amount***] thousand dollars ($ ***Number***). Additional extensions may be granted only by mutual written AGREEMENT of the parties to this AGREEMENT. These payments are in addition to the minimum royalty payments specified in Paragraph 6.3 (Minimum Annual Royalty). Should LICENSEE opt not to extend the obligation or fail to meet it by the extended target date, then REGENTS will have the right and option either to terminate this AGREEMENT or to reduce LICENSEE's exclusive license to a non-exclusive royalty-bearing license. This right, if exercised by REGENTS, supersedes the rights granted in Paragraph 3.1 (License Grant). The right to terminate this

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AGREEMENT or reduce LICENSEE's exclusive license granted hereunder to a non-exclusive license will be REGENTS' sole remedy for breach of Paragraph 7.1 or 7.2.

(b) To exercise either the right to terminate this AGREEMENT or to reduce the license to a non-exclusive license for lack of diligence under Paragraph 7.1 or 7.2, REGENTS will give LICENSEE written notice of the deficiency. LICENSEE thereafter has sixty (60) days to cure the deficiency. If REGENTS has not received satisfactory tangible evidence that the deficiency has been cured by the end of the sixty (60) - day period, then REGENTS may, at its option, either terminate the AGREEMENT or reduce LICENSEE's exclusive license to a non-exclusive license by giving written notice to LICENSEE. These notices will be subject to Article 22 (Notices).

## 8. PROGRESS AND ROYALTY REPORTS

8.1 **Progress Reports**. For the period beginning [***Date***]**,** LICENSEE will submit to REGENTS a semi-annual progress report covering LICENSEE's activities related to the development and testing of all LICENSED PRODUCTS and LICENSED SERVICES and the obtaining of necessary governmental approvals, if any, for marketing in the United States. These progress reports will be made for all development activities until the first SALE occurs in the United States. Each progress report will be a sufficiently detailed summary of activities of LICENSEE and any SUBLICENSEES so that REGENTS may evaluate and determine LICENSEE's progress in development of LICENSED PRODUCTS and LICENSED SERVICES, and in meeting its diligence obligations under Article 7 ( Diligence), and will include (but not be limited to) the following: summary of work completed and in progress; current schedule of anticipated events and milestones, including diligence milestones under Paragraph 7.2; anticipated market introduction dates for the LICENSED TERRITORIES; status of implementation of the Affordable Access Plan and SUBLICENSEE's activities during the reporting period. LICENSEE also will report to REGENTS in its immediately subsequent progress and royalty reports, the date of first SALE.

8.2 **Royalty Reports.** After the first SALE anywhere in the world, LICENSEE will make quarterly royalty reports to REGENTS within sixty (60) days after the quarters ending March 31, June 30, September 30, and December 31, of each year. If no SALEs have occurred during the report period, a statement to this effect is required in the royalty report for that period. Each such royalty report will be substantially similar to APPENDIX A and include at least the following:

(a) The number of LICENSED PRODUCTS manufactured and the number SOLD;
(b) Gross revenue from SALE of LICENSED PRODUCTS and LICENSED SERVICES;
(c) NET SALES pursuant to Paragraph 2.9;
(d) Total royalties due REGENTS; and
(e) Names and addresses of any new SUBLICENSEES along with a summary of the material terms of each new SUBLICENSE entered into during the reporting quarter.

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## 9. BOOKS AND RECORDS

9.1 **Accounting.** LICENSEE will keep, and will require its AFFILIATES and SUBLICENSEES to keep, accurate books and records showing all payments due REGENTS and all LICENSED PRODUCTS manufactured, used, offered for SALE, imported, SOLD, and/or otherwise exploited under the terms of this AGREEMENT. Books and records may encompass data maintained on LICENSEE's accounting and enterprise resource planning systems including, but not limited to production and manufacturing data, general ledger data, and data showing territory of sale, customer name and location, invoice number and date, ship date, part number and/or description, quantity SOLD, gross SALES, deductions taken, and NET SALES. Books and records will be preserved for at least seven (7) years after the date of the payment to which they pertain.

9.2 **Auditing.** Books and records kept in accordance with Paragraph 9.1 will be open to inspection by representatives or agents of REGENTS at reasonable times to determine the completeness and accuracy of those payments and to assess the LICENSEE's compliance with terms of this AGREEMENT. As necessary and reasonable, LICENSEE will make its personnel available to interpret documents, understand accounting methodologies employed, and to run reports from LICENSEE's accounting and enterprise resource planning systems to permit REGENTS agents and representatives to verify the completeness and accuracy of LICENSEE's payments due REGENTS. The agents or representatives of REGENTS may retain one copy of books and records supporting their findings until the matters identified during the course of the inspection are resolved. Notwithstanding any other provision of this AGREEMENT or any confidentiality agreement between LICENSEE and agents or representatives of REGENTS, such agents and representatives are permitted to disclose their findings regarding the completeness and accuracy of LICENSEE's payments to REGENTS as well as the evidentiary basis therefore. REGENTS right to conduct an inspection will be preserved for one year following the later of the termination or expiration of this AGREEMENT or the LICENSEE's final report setting forth royalties due in connection with LICENSED PRODUCTS manufactured or in inventory at the expiration or termination of the AGREEMENT. The fees and expenses of representatives of REGENTS performing such an inspection will be borne by REGENTS. If, however, the payments made to REGENTS under this AGREEMENT by the LICENSEE are found after REGENTS initiate their inspection to be less than ninety-five percent (95%) of the total payments due to REGENTS under this AGREEMENT for any year, LICENSEE will bear the cost of the inspection. Should an overpayment by LICENSEE be discovered after REGENTS initiate their inspection, LICENSEE will be entitled to a credit equal to such excess payment, minus the expenses of such inspection, against the payment obligations next accruing under the AGREEMENT, provided such payments are due and payable.

9.3 **LICENSEE Audit**. LICENSEE will conduct an independent audit of SALEs and royalties at least every two (2) years if annual SALEs of LICENSED PRODUCT are over Five Million ($5,000,000) US Dollars. The audit will address, at a minimum, the amount of gross SALEs by or on behalf of LICENSEE during the audit period, the amount of funds owed to REGENTS under this AGREEMENT, and whether the amount owed has been paid to REGENTS and is reflected in the records of LICENSEE. LICENSEE will

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submit the auditor's report promptly to REGENTS upon completion. LICENSEE will pay for the entire cost of the audit.

## 10. LIFE OF THE AGREEMENT

10.1 **Term.** Unless otherwise terminated by the operation of law or by acts of the parties in accordance with the terms of this AGREEMENT, this AGREEMENT will be in force from the Effective Date and will remain in effect for ten (10) years from the Effective Date.. Any termination of this AGREEMENT will not relieve LICENSEE of its obligation to pay any monies due or owing at the time of such termination and will not relieve any obligations, of either party to the other party, established prior to termination or expiration.

10.2 **Survival.** Any termination or expiration of this AGREEMENT will not affect the rights and obligations set forth in the following articles:

| | |
|---|---|
| Article 2 | Definitions |
| Article 4 | Sublicenses |
| Article 5 | License Issue Fee; Equity |
| Paragraph 6.6 | Payments |
| Article 9 | Books and Records |
| Article 10 | Life of the Agreement |
| Article 13 | Disposition of Licensed Products or Licensed Services Upon Termination or Expiration |
| Article 15 | Use of Names and Trademarks |
| Article 16 | Limited Warranties |
| Article 18 | Indemnification and Insurance |
| Article 22 | Notices |
| Article 24 | Confidentiality |
| Article 27 | Applicable Law; Venue; Attorney's Fees |
| Appendix C | Summary of Equity Terms |

for reference only

## 11. TERMINATION BY REGENTS

11.1 If LICENSEE should violate or fail to perform any term of this AGREEMENT, then REGENTS may give written notice of such default ("Notice of Default") to LICENSEE. If LICENSEE should fail to repair such default within sixty (60) days of the effective date of such notice, REGENTS will have the right to terminate this AGREEMENT and the licenses herein by a second written notice ("Notice of Termination") to LICENSEE. If a Notice of Termination is sent to LICENSEE, this AGREEMENT will automatically terminate on the effective date of such notice. Such termination will not relieve LICENSEE of its obligation to pay any royalty or license fees owing at the time of such termination and will not impair any accrued rights of REGENTS. These notices will be subject to Article 22 (Notices).

## 12. TERMINATION BY LICENSEE

12.1 LICENSEE will have the right at any time to terminate this AGREEMENT by giving notice in writing to REGENTS. Such notice of termination will be subject to Article 22 (Notices) and termination of this AGREEMENT will be effective ninety (90) days after the effective date of such notice.

12.2 Any termination pursuant to Paragraph 12.1 will not relieve LICENSEE of any obligation or liability accrued prior to such termination or rescind anything done by LICENSEE or any payments made to REGENTS prior to the time such termination becomes effective, and such termination will not affect in any manner any rights of REGENTS arising under this AGREEMENT prior to such termination.

## 13. DISPOSITION OF LICENSED PRODUCTS AND LICENSED SERVICES UPON TERMINATION OR EXPIRATION

13.1 Upon termination of this AGREEMENT, for a period of one hundred twenty (120) days after the date of termination LICENSEE may complete and SELL any partially made LICENSED PRODUCTS and continue to render any previously commenced LICENSED SERVICES only to the extent necessary to do so; provided, however, that all such SALEs will be subject to the terms of this AGREEMENT including, but not limited to, the payment of royalties at the rate and at the time provided herein and the rendering of reports thereon.

13.2 Notwithstanding anything to the contrary in the AGREEMENT, to the extent the manufacture of a LICENSED PRODUCT occurs before the expiration of REGENTS' COPYRIGHT RIGHTS, the SALE of that LICENSED PRODUCT after the expiration date of the REGENTS' COPYRIGHT RIGHTS still constitutes a royalty-bearing SALE under Paragraph 6.1 (Earned Royalty) and all such SALEs will be subject to the terms of this AGREEMENT including, but not limited to, the payment of earned royalties at the rate and at the time provided herein and the rendering of reports thereon.

for reference only

## 14. COPYRIGHT REGISTRATION AND NOTICE

### 14.1 COPYRIGHT REGISTRATION

LICENSEE will bear all costs incurred prior to and during the term of this AGREEMENT in the preparation and filing, of copyright registration in REGENTS' COPYRIGHT RIGHTS, should registration be filed. LICENSEE must send payment to REGENTS within thirty (30) days of LICENSEE's receipt of an invoice for such costs.

### 14.2 COPYRIGHT NOTICE

LICENSEE shall incorporate into the LICENSED PRODUCTS or their packages, in accorance with the applicable copyright marking laws in a manner substantially similar to the following:
Copyright © [***Insert Year***] THE REGENTS OF THE UNIVERSITY OF CALIFORNIA. ALL RIGHTS RESERVED.

## 15. USE OF NAMES AND TRADEMARKS

15.1 Nothing contained in this AGREEMENT will be construed as conferring any right to use in advertising, publicity or other promotional activities any name, trademark, trade name, or other designation of either party hereto by the other (including any contraction, abbreviation, or simulation of any of the foregoing), except that REGENTS may publicly identify LICENSEE's name and contact information as an entity whom REGENTS has an agreement with that involves the commercialization of technology developed at REGENTS. Unless required by law or consented to in writing by REGENTS, the use by LICENSEE of the name "REGENTS of the University of California" or the name of any University of California campus in advertising, publicity or other promotional activities is expressly prohibited.

## 16. LIMITED WARRANTIES

16.1 This license and the associated SOFTWARE are provided WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESSED OR IMPLIED. REGENTS MAKES NO REPRESENTATION OR WARRANTY THAT THE REGENTS' COPYRIGHT RIGHTS, SOFTWARE, LICENSED PRODUCTS, OR LICENSED SERVICES WILL NOT INFRINGE ANY PROPRIETARY RIGHTS.

16.2 REGENTS WILL NOT BE LIABLE FOR ANY LOST PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS OR SERVICES, LOST BUSINESS, ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT, OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR OTHER SPECIAL DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, JOINT VENTURES, OR AFFILIATES ARISING OUT OF OR RELATED TO THIS AGREEMENT FOR ALL CAUSES OF ACTION OF ANY KIND (INCLUDING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, AND BREACH OF WARRANTY) EVEN IF REGENTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. REGENTS WILL NOT BE LIABLE FOR ANY DIRECT DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, JOINT VENTURES OR AFFILIATES ARISING OUT OF OR RELATED TO COPYRIGHTS TO THE EXTENT ASSIGNED OR LICENSED BY REGENTS' AUTHORS TO THIRD PARTIES.

16.3 Nothing in this AGREEMENT is or will be construed as:

(a) a warranty or representation by REGENTS as to the validity, enforceability or scope of any the SOFTWARE or REGENTS' COPYRIGHT RIGHTS; or

(b) a warranty or representation that anything made, used, or SOLD under any license granted in this AGREEMENT is or will be free from infringement of copyright, patent, trademark, or other rights of third parties; or

(c) an obligation to bring or prosecute actions or suits against third parties for copyright infringement, except as provided in Article 17 (Copyright Infringement); or

for reference only

(d) conferring by implication, estoppel, or otherwise any license or rights under any patents of REGENTS other than REGENTS' COPYRIGHT RIGHTS as defined herein; or
(e) an obligation to furnish any know-how not provided in SOFTWARE; or
(f) an obligation to update SOFTWARE, offer fixes, or provide support of any kind.

## 17. COPYRIGHT INFRINGEMENT

17.1 If either party learns of infringement of potential commercial significance of any of the REGENTS' COPYRIGHT RIGHTS, it will provide the other with (i) written notice of such infringement and (ii) any evidence of such infringement available to it (the "Infringement Notice").

## 18. INDEMNIFICATION AND INSURANCE

18.1 **Indemnification.** LICENSEE will, and will require its SUBLICENSEES to, indemnify, hold harmless, and defend REGENTS and its officers, employees, and agents; sponsor(s) of the research that led to the SOFTWARE; and the inventors of any patents and patent applications under REGENTS' COPYRIGHT RIGHTS and their employers against any and all claims, suits, losses, damages, costs, fees, and expenses resulting from or arising out of exercise of this AGREEMENT or any SUBLICENSE. This indemnification will include, but not be limited to, any product liability.

18.2 **Insurance**. LICENSEE, at its sole cost and expense, will insure its activities in connection with any work performed hereunder and will obtain, keep in force, and maintain the following insurance:

(a) Prior to SALE of a LICENSED PRODUCT, Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

Each Occurrence……..$1,000,000
Products/Completed Operations Aggregate.....$0
Personal and Advertising Injury……..$1,000,000
General Aggregate……...$2,000,000

If the above insurance is written on a claims-made form, it will continue for three (3) years following termination or expiration of this AGREEMENT. The insurance must have a retroactive date of placement prior to or coinciding with the Effective Date of this AGREEMENT; and

(b) Worker's Compensation as legally required in the jurisdiction in which LICENSEE is doing business.

18.3 **Certificates**. The coverage and limits referred to in Subparagraphs 18.2(a) and 18.2(b) above will not in any way limit the liability of LICENSEE under this Article. Upon the

for reference only

execution of this AGREEMENT, LICENSEE will furnish REGENTS with certificates of insurance evidencing compliance with all requirements. Such certificates will:

(a) provide for thirty (30) days' (ten (10) days for non-payment of premium) advance written notice to REGENTS of any cancellation of insurance coverages and LICENSEE will promptly notify REGENTS of any material modification of the insurance coverages; and
(b) indicate that REGENTS has been endorsed as an additional insured under the coverage described above in Paragraph 18.2; and
(c) include a provision that the coverage will be primary and will not participate with, nor will be excess over, any valid and collectable insurance or program of self-insurance maintained by REGENTS.

18.4 **Notifications**. REGENTS will promptly notify LICENSEE in writing of any claim or suit brought against REGENTS for which REGENTS intends to invoke the provisions of this Article 18. LICENSEE will keep REGENTS informed of its defense of any claims pursuant to this Article 18.

## 19. COMPLIANCE WITH LAWS

19.1 LICENSEE will, and will ensure that its SUBLICENSEE, comply with all applicable international, national, state, regional, and local laws and regulations in performing its obligations hereunder and in its use, manufacture, SALE or import of the LICENSED PRODUCTS and LICENSED SERVICES. LICENSEE understands that REGENTS is subject to United States laws and regulations (including the Arms Export Control Act, as amended, and the Export Administration Act of 1979), controlling the export of technical data, computer software, laboratory prototypes and other commodities, and REGENTS' obligations under this AGREEMENT are contingent on compliance with such laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE will not export such technical data and/or commodities to certain foreign countries without prior approval of such agency. REGENTS neither represents that a license will not be required nor that, if required, it will be issued.

## 20. GOVERNMENT APPROVAL OR REGISTRATION

20.1 If this AGREEMENT or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, LICENSEE will assume all legal obligations to do so. LICENSEE will notify REGENTS if it becomes aware that this AGREEMENT is subject to a United States or foreign government reporting or approval requirement. LICENSEE will make all necessary filings and pay all costs including fees, penalties, and all other out-of-pocket costs associated with such reporting or approval process.

## 21. ASSIGNMENT/CHANGE OF CONTROL

for reference only

21.1 This AGREEMENT is binding upon, and will inure to the benefit of, REGENTS, its successors and assigns. LICENSEE may assign or transfer this AGREEMENT only with the prior written consent of REGENTS. The prior written consent of REGENTS will not be required if the assignment or transfer of this AGREEMENT is in conjunction with a bona fide arms' length transaction involving a CHANGE of CONTROL, so long as LICENSEE is in good standing with its obligations under this AGREEMENT and REGENT is legally, contractually, and, per its policies, able to enter into an agreement with such assignee. In any assignment or transfer of this AGREEMENT or CHANGE of CONTROL, the conditions (a)-(c) below must be timely met:

(a) provide REGENTS written notice identifying the proposed acquirer's or successor entity's name and contact information prior to any such assignment or transfer;
(b) provide REGENTS with a written agreement signed by the proposed acquirer or successor entity agreeing to be bound by all of the provisions of this AGREEMENT, as well as assume all responsibilities and liabilities that arose under this AGREEMENT prior to the effective date of the proposed assignment, as if such acquirer or successor entity were the original LICENSEE within thirty (30) days after any such assignment or transfer; and
(c) pay to REGENTS an assignment/change of control fee of [***Written amount***] ***($Number***) ("ASSIGNMENT/CHANGE of CONTROL FEE") within thirty (30) days after any such assignment or transfer.

21.2 For avoidance of doubt, the requirements (a) – (c) above are triggered when the LICENSEE is acquired but remains a subsidiary such that no assignment occurs. Any attempted assignment or transfer by LICENSEE other than in accordance with this Article will be null and void.

## 22. NOTICES

22.1 All notices under this AGREEMENT will be deemed to have been fully given and effective when done in writing and delivered in person, or mailed by registered or certified U.S. mail, or deposited with a carrier service requiring signature by recipient, and addressed as follows:

For the LICENSEE: **See APPENDIX B**

For the REGENTS: **Office of Technology Licensing**
**2150 Shattuck Avenue, Suite 408**
**Berkeley, CA 94704-1362**
**Attn.: Director (UC Case No.: *BK-XXXX-XXX*)**

**with notices concerning Equity also sent to:**

**IO-CampusEquity @ucop.edu**
**venture@berkeley.edu and**
**otl@berkeley.edu**

Either party may change its address upon written notice to the other party.

for reference only

Remittance address for royalty and fee payments, as well as legal reimbursements associated with this license AGREEMENT are to be sent to (**Please reference the UC Berkeley Invoice Number, UC Berkeley Case Number or UC Berkeley AGREEMENT Control Number with your payment**):

**University of California**
**Innovation Transfer and Entrepreneurship**
**Attn: ITE Accounting Services**
**1111 Franklin Street, 11th Floor**
**Oakland, CA 94607**

Payments due under this AGREEMENT may also be sent via wire transfer as follows. In order to ensure that funds are properly credited to your account, **please reference the UC Berkeley Agreement Control Number on all wire transfers.**

**Wire:**

**Bank of America**
**100 West 33rd Street,**
**New York, New York, 10001**
**Account: OTT Depository Account No. 1233717062**
**Beneficiary Name: Regents of the University of California**
**Domestic Wire ABA: 026009593 (within U.S. only)**
**Foreign Wire Swift: BOFAUS3N**

**ACH:**
**Bank of America CA4-704-05-41**
**2000 Clayton Rd.,**
**Concord, CA 94520**
**Account: OTT Depository Account No. 1233717062**
**Beneficiary Name: Regents of the University of California**
**ACH/EFT Routing No.: 121000358**

22.2 **LICENSEE Contact Information:** LICENSEE must provide to the REGENTS the completed LICENSEE contact information form attached hereto as APPENDIX B concurrent to execution of this AGREEMENT and incorporated herein by this reference, showing the contacts responsible for (i) Progress Reports, (ii) Royalty Reports, and (iii) Invoices.

## 23. WAIVER

23.1 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this AGREEMENT will not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party. None of the terms and conditions of this AGREEMENT can be waived except by the written consent of the party waiving compliance.

for reference only

## 24. CONFIDENTIALITY

24.1 LICENSEE and the REGENTS will hold the other party's proprietary business information ("Proprietary Information") in confidence, using at least the same degree of care as the receiving party uses to protect its own proprietary information of a similar nature. Proprietary Information will be protected from the date of disclosure until five (5) years after the termination or expiration of this AGREEMENT. [***INCLUDE THIS IF THERE IS AN EXECUTED A SECRECY AGREEMENT:*** *[This confidentiality obligation will apply to the information defined as "Data" under the Secrecy Agreement and such Data will be treated as Proprietary Information hereunder*.]

24.2 LICENSEE and the REGENTS may disclose Proprietary Information to their employees, agents, provided that such parties are bound by a like duty of confidentiality as set forth in this Article 24 (Confidentiality). In addition, if a third party inquires whether a license to REGENTS' COPYRIGHT RIGHTS is available, the REGENTS may disclose to the third party the existence of this AGREEMENT and the extent of the grant in Paragraph 3.1 (License Grant) and related definitions but will not disclose the name of the LICENSEE unless that information is already public.

24.3 All written Proprietary Information will be marked confidential or proprietary. If the Proprietary Information is orally disclosed, then it will be reduced to writing, marked as confidential by the disclosing party and delivered to the receiving party within thirty (30) days after the oral disclosure.

24.4 Nothing contained herein will in any way restrict the right of the LICENSEE or the REGENTS to use or disclose any Proprietary Information that the recipient can demonstrate by written records:

(a) was previously known to it prior to its disclosure by the disclosing party;
(b) is public knowledge other than through acts or omissions of recipient;
(c) was lawfully obtained without restrictions on the recipient from sources independent of the disclosing party; or
(d) was independently developed by recipient.

24.5 Nothing in this AGREEMENT will restrict either party from producing Proprietary Information that is required to be disclosed: (i) in litigation or by a governmental entity or agency, or (ii) by law (including the California Public Records Act or similar applicable law), provided that the recipient uses reasonable efforts to give the party that disclosed the Proprietary Information sufficient notice to allow it a reasonable opportunity to object. To the extent feasible, the party with the obligation to disclose under subparagraph (i) in the previous sentence will make reasonable efforts to make such disclosure subject to confidentiality obligations at least as protective as the terms set forth in this Paragraph.

24.6 Upon termination or expiration of this AGREEMENT the LICENSEE and the REGENTS, upon request, will destroy or return any of the disclosing party's Proprietary Information in its possession within fifteen (15) days following the termination or expiration of this AGREEMENT and provide written confirmation of such to the other

for reference only

party. Each party may, however, retain one copy of such Proprietary Information for archival purposes in non-working files.

## 25. FORCE MAJEURE

25.1 Except for LICENSEE's obligation to make any payments to REGENTS hereunder, the parties to this AGREEMENT are excused from any performance required hereunder if such performance is rendered impossible or unfeasible due to any catastrophes or other major events beyond their reasonable control, including, without limitation, war, riot, and insurrection; laws, proclamations, edicts, ordinances, or regulations; strikes, lockouts, or other serious labor disputes; and floods, fires, explosions, pandemics, or other natural disasters. When such events have abated, the parties' respective obligations hereunder will resume.

## 26. SEVERABILITY

26.1 The provisions of this AGREEMENT are severable, and in the event that any provision of this AGREEMENT will be determined to be invalid or unenforceable under any controlling body of law, such invalidity or enforceability will not in any way affect the validity or enforceability of the remaining provisions hereof.

## 27. APPLICABLE LAW; VENUE; ATTORNEYS' FEES

27.1 THIS AGREEMENT WILL BE CONSTRUED, INTERPRETED, AND APPLIED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, excluding any choice of law rules that would direct the application of the laws of another jurisdiction, but the scope and validity of any patent or patent application under REGENTS' PATENT RIGHTS will be determined by the applicable law of the country of such patent or patent application. Any legal action brought by the parties relating to this AGREEMENT will be conducted in San Francisco, California. The prevailing party in any legal action under this AGREEMENT will be entitled to recover its reasonable attorneys' fees in addition to its costs and necessary disbursements.

## 28. SCOPE OF AGREEMENT

28.1 This AGREEMENT (***except for the Agreements(s) dated _____), which will continue to the extent it is not inconsistent with this AGREEMENT***) incorporates the entire AGREEMENT between the parties with respect to the subject matter hereof, and this AGREEMENT may be altered or modified only by written amendment duly executed by the parties hereto.

## 29. ELECTRONIC COPY____

29.1 The parties to this AGREEMENT agree that a copy of the original signature (including an electronic copy) may be used for any and all purposes for which the original signature

for reference only

may have been used. The parties further waive any right to challenge the admissibility or authenticity of this document in a court of law based solely on the absence of an original signature.

## 30. BANKRUPTCY

30.1 In the event of a bankruptcy or insolvency, assignment of this AGREEMENT is only permitted to a party that can provide adequate assurance of future performance, including diligent development and SALES of LICENSED PRODUCT.

**IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in duplicate originals by their duly authorized officers or representatives.**

| | |
|---|---|
| REGENTS OF THE<br>UNIVERSITY OF CALIFORNIA | [***LICENSEE NAME***] |
| By_____ | By_____ |
| Title _____ | Title_____ |
| Date_____ | Date_____ |

for reference only

# APPENDIX A

UNIVERSITY OF CALIFORNIA AT BERKELEY
OFFICE OF TECHNOLOGY LICENSING

1111 FRANKLIN STREET, 11TH FLOOR
OAKLAND, CA 94607-5200

DATE

Company Name
Address

Reference: Agreement between The Regents of the University of California and Company Name
UC Control No. [Case No.] [Licensing Officer], Effective Date
Agreement Reference Paragraph:

ROYALTY REPORT REQUEST FOR
THE PERIOD [DATES: From - To]

REPORT AND PAYMENT DUE DATE:

Product NAME
Royalty:
Calculated Royalty This Period: $ _____

New Products
_____ $ _____

Total Royalties this Period: $ _____

Minimum Royalty Credit Available $
Show Minimum Royalty Credit To Apply -$ _____
Show Any Credit To Apply (other than Minimum Royalty) -$ _____

Total Royalty Amount Due: $ _____

Have you removed or added products this period? If applicable, provide the commercial name and approval date of any FDA-approved product utilizing the invention that became commercially available during this period.

Product _____ Removed _____/_____/_____ Added _____/_____/_____

Commercial Name _____ FDA-Approved _____/_____/_____

Submitted By: _____

Date: _____ Title _____

PLEASE RETURN THIS COMPLETED FORM WITH A CHECK PAYABLE TO 'THE REGENTS OF THE UNIVERSITY OF CALIFORNIA [Agreement #]' AT THE ABOVE ADDRESS.
If you have questions please call (510) 587-6019, or send an e-mail to valerie.redmond@ucop.edu. Thank you for your prompt attention.

for reference only

**APPENDIX B**

Licensee Contact Information

| | |
|---|---|
| **LICENSEE NAME**: | **UC CONTROL NO.:** |
| **PROGRESS REPORT CONTACT** | |
| NAME: | TELEPHONE: |
| TITLE: | EMAIL: |
| ADDRESS: | |
| CITY, STATE, ZIP: | |
| COUNTRY: | |
| **ROYALTY REPORT CONTACT** | |
| NAME: | TELEPHONE: |
| TITLE: | EMAIL: |
| ADDRESS: | |
| CITY, STATE, ZIP: | |
| COUNTRY: | |
| **INVOICE CONTACT** | |
| NAME: | TELEPHONE: |
| TITLE: | EMAIL: |
| ADDRESS: | |
| CITY, STATE, ZIP: | |
| COUNTRY: | |

for reference only

**APPENDIX C**

Summary of Equity Terms for Equity Issuable as Partial Consideration for License

This Summary of Equity Terms summarizes the principal terms of the securities issuable to the REGENTS as partial consideration for a potential license agreement ("License Agreement") pursuant to which the UC licenses certain intellectual property to the undersigned (the "LICENSEE"). No legally binding obligations will be created until a definitive License Agreement is executed and delivered by all parties at which time a final and binding Summary of Equity Terms will be attached to the License Agreement and/or reflected in a Stock Issuance Agreement among the parties. This Summary of Equity Terms is not a commitment to license any intellectual property to the LICENSEE or to make any investment in the LICENSEE, and is conditioned on the completion of due diligence, legal review and documentation that is satisfactory to the REGENTS. This Summary of Equity Terms is governed in all respects by the laws of the State of California, without giving effect to principles of conflicts of laws.

**Offering Terms**

| | |
|---|---|
| *Closing Date:* | As soon as practicable following the REGENTS' receipt of approval from either its requisite signatory at the campus or its Office of the President, as the case may be, and satisfaction of the Conditions to Closing (the "**Closing**"). |
| *Shares:* | The LICENSEE will issue the REGENTS ***Number*** shares of the LICENSEE's voting common stock (the "**Shares**"). The Shares will equal ***Written number*** percent (***Number***%) of the outstanding and issued securities of the LICENSEE, calculated on an as converted and "Fully Diluted Basis" as of the Effective Date of the License Agreement. For purposes hereof, "Fully Diluted Basis" means the total number of shares of the LICENSEE's outstanding and issued common stock on an as converted basis after giving effect to the issuance of the Shares and any Antidilution Shares (as defined below), and assuming full conversion or exercise of any convertible securities (whether then vested or not) such as preferred stock, warrants, outstanding options, restricted stock units, convertible notes, SAFEs (or other instruments convertible into common stock), and also including all unissued but reserved shares set aside for issuance pursuant to any stock option or other equity incentive plan of the LICENSEE. The parties will construe the term "Fully Diluted Basis" and other similar references to stock/shares mutatis mutandis in the case where the LICENSEE is organized as a limited liability company. To the best of the LICENSEE's knowledge, the fair market value of a Share as of the date of issuance is $***Number.*** To the extent the Shares issuable upon conversion of any convertible securities (SAFEs, convertible notes, etc.) cannot be calculated at the time of the initial issuance or issuance of any Antidilution Shares, the LICENSEE agrees to promptly issue Shares or Additional Shares to the REGENTS upon conversion of convertible securities, without further consideration, that are |

for

necessary to true up the Shares to maintain and accurately reflect the REGENTS holding of at least (***Number***)% of the outstanding and issued common stock of the LICENSEE on a Fully-Diluted Basis.

*Fully Paid Shares:* The Shares will be fully paid and nonassessable and will be issued as partial consideration for the License Agreement. The REGENTS will not be required to pay any additional consideration for the Shares or any Antidilution Shares (as defined below). The Shares will be issued in the name of the REGENTS OF THE UNIVERSITY OF CALIFORNIA, solely on behalf of the UC Berkeley campus.

*Capitalization:* The LICENSEE will provide the REGENTS with a pre- and post-Closing capitalization table.

*Stock Issuance Agreement:* The Shares will be issued pursuant to a Stock Issuance Agreement in a form drafted by the REGENTS but that is mutually agreeable to the parties and with terms consistent to those set forth in the agreed upon Summary of Equity Terms.

*Antidilution Adjustment:* As a further condition of LICENSEE as of the Effective Date of the License Agreement, the LICENSEE will issue additional shares ("**Antidilution Shares**") to the REGENTS without further consideration, until such time as $***Number*** has been raised by the LICENSEE in gross proceeds from the sale of securities or by conversion of instruments convertible into equity, so that, solely the Shares issued hereunder together with the issuance of the Antidilution Shares, add up to aggregate ***Written number*** percent (***Number***%) of the outstanding and issued securities of the LICENSEE on as converted and Fully Diluted Basis; provided, any increase in the number of shares of stock reserved for any stock option or equity incentive plan of the LICENSEE authorized in connection with a financing will be deemed to have been authorized prior to the sale of such securities.

In the event that a round of financing results in more than $ ***Number*** in gross proceeds being raised, then for purposes of issuing these Antidilution Shares, a hypothetical round will be considered to have taken place in which sufficient funds are invested to reach $ ***Number*** in gross proceeds and any shares issuable upon conversion of convertible securities (SAFEs, convertible notes, etc.) will first be included in such hypothetical round prior to taking into account any shares issuable upon new consideration invested at the full price by investors in the financing.

*Participation Rights*: If the LICENSEE proposes to sell any equity securities or securities that are convertible into equity securities of the

for reference only

LICENSEE (collectively, "Equity Securities") in a financing, then the REGENTS and/or its Assignee (as defined below) will have the right to purchase up to that portion of the Equity Securities that equals the greater of (i) 5% of the securities issued in such offering and (ii) REGENTS's then current, fully-diluted percentage ownership of the LICENSEE, in each case on the same terms and conditions as are offered with respect to such Equity Securities sold in such financing.

LICENSEE will provide 30 days advanced written notice of each such financing, including reasonable detail regarding the number of Equity Securities to be offered (or aggregate value of the offering in the case of an offering of securities convertible into equity securities), price, terms and purchasers in the financing (the "Notice").

The Notice will be delivered to the REGENTS in accordance with the terms of the Stock Issuance Agreement; provided, a copy of any such Notice, which shall not constitute notice, sent via email to:

venture@berkeley.edu and
IO-CampusEquity@ucop.edu.

Further, upon request of the REGENTS, the LICENSEE will also provide (i) a pre- and post-financing (projected) capitalization table, (ii) investor presentation (if available), (iii) an introduction to the lead investor in such financing for the purpose of discussing the lead investor's due diligence process, and (iv) such other documents and information as the REGENTS may reasonably request for the purpose of making an investment decision or verifying the amount of equity securities it is entitled to purchase in such financing. The term "Assignee" means (a) any entity to which the REGENTS's participation rights under this Paragraph have been or are assigned either by the REGENTS or another entity, or (b) an entity with a campus affiliation, meaning a venture capital or similar fund now or hereafter existing that has signed an affiliation agreement with UC Berkeley including, without limitation, existing campus-facing shared carry funds or (c) any entity that is controlled by the REGENTS.

If REGENTS and/or its Assignee has not given notice to the LICENSEE of its non-binding intent to participate within 30 days of receipt of such LICENSEE Notice (which such 30 day period (i) starts upon REGENTS's receipt of all reasonable detail regarding the terms and purchasers in the financing and (ii) may be extended with the mutual agreement of the LICENSEE and REGENTS (or its Assignee to the extent of any assigned participation rights)), then the participation

for reference only

rights shall be deemed to have been waived solely in connection with the Equity Securities as described in the Notice for that round of financing. If (i) the terms set forth in the Notice materially change, (ii) the LICENSEE does not enter into an agreement for the sale of securities on the offering terms provided to the REGENTS in the Notice within 90 days of the earlier of the date the REGENTS and/or its Assignee(s), as the case may be, notifies, or is deemed to have notified, the LICENSEE of its intent to participate or not participate in such offering, the right provided hereunder shall be deemed to be revived and such Equity Securities shall not be offered unless first reoffered to the REGENTS in accordance with this provision.

The Participation Rights described herein shall not be applicable to any equity securities issued (i) pursuant to any stock option or other equity incentive plan, (ii) upon exercise of equity securities issued pursuant to any stock option or other equity incentive plan, (iii) issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction, without regard to whether such equity securities were issued prior to or are issued concurrently with or subsequent to the Effective Date, and (iv) issued upon conversion of convertible securities (including SAFEs) outstanding as of the Effective Date.

*Right to Valuation Reports:* So long as the REGENTS holds any of the Shares, the LICENSEE will deliver to the REGENTS a final copy of each third-party valuation report received on or after the date hereof which values the Common Stock (the "Valuation Report"). The REGENTS will use commercially reasonable efforts to keep such Valuation Report and its contents confidential (except for distribution to the REGENTS' accountants, management and other agents to the extent necessary to monitor the REGENTS' investment in the LICENSEE and to the extent disclosure is required by applicable law (including the California Public Records Act or similar applicable law), in which case the REGENTS shall use reasonable efforts to provide LICENSEE with prior notice of such disclosure obligation).

*Representations and Warranties:* Standard representations and warranties by the LICENSEE (including, among other things, a capitalization, organization and good standing, full disclosure, due authorization and valid issuance of Shares representation) and the REGENTS. The LICENSEE's representations will reflect the LICENSEE's authority to issue Antidilution Shares. Further, LICENSEE represents that it has read the AGREEMENT and this

for reference only

Appendix C in its entirety, has had an opportunity to obtain the advice of counsel prior to executing the AGREEMENT and agreeing to the terms thereof (including this Appendix C) and fully understand the same.

*Restrictions*: Customary 180 day lockup on the Shares and any Antidilution Shares (excluding securities acquired in or following the IPO) following the LICENSEE's initial public offering, if requested by the managing underwriter and provided, all officers, directors and greater than 1% stockholders are subject to similar lockups.

***Other Terms***: Notwithstanding anything to the contrary in the LICENSEE's Bylaws (as amended from time to time) or other LICENSEE agreement, the REGENTS and its nominee will be free to transfer Shares and any Antidilution Shares to its inventors of the intellectual property licensed under the AGREEMENT pursuant to the REGENTS' Patent Policy.

The REGENTS has the right to approve any press release or other disclosure referencing the name of the REGENTS as investor.

This Summary of Equity Terms and the Stock Issuance Agreement will be governed in all respects by the laws of the State of California, without giving effect to principles of conflicts of laws [*Note: add the following if the company charter has a provision noting that jurisdiction and venue for disputes is in federal courts not in California: "and venue and jurisdiction for any related disputes will be in the courts of the State of California"].*

*Information Rights:* So long as the REGENTS owns Shares or Antidilution Shares (or any securities issued upon exchange thereof) of the LICENSEE, the LICENSEE will provide the REGENTS and/or its Assignee with financial statements and capitalization information of the LICENSEE on a quarterly basis. The LICENSEE will give the REGENTS notice of the terms of a new offering, including: (i) the names of the investors, the allocation of equity securities among them and the total amounts to be invested by each of them in such offering; (ii) pre- and post-financing (projected) capitalization table; (iii) investor presentation (if available); (iv) an introduction to the lead investor in such offering for the purpose of discussing the lead investor's due diligence process; and (v) such other documents and information as the REGENTS may reasonably request for the purpose of making an investment decision or verifying the amount of equity securities it is entitled to purchase in such offering.

for reference only

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| *Observer Rights:* | So long as the REGENTS owns Shares or Antidilution Shares (or any securities issued upon exchange thereof), the LICENSEE will permit a representative of The REGENTS to attend (whether in person, via telephone, teleconference or otherwise) all meetings of the LICENSEE's Board of Directors and committees thereof in a non-voting, observer capacity. The LICENSEE will also provide to the REGENTS all notices, minutes and other written or tangible materials provided to the LICENSEE's Board of Directors and committees thereof, at the same time and in the same manner as are provided to the LICENSEE's Board of Directors and committees thereof. |
| *Insurance:* | The LICENSEE undertakes to carry adequate insurance. |
| *Legal Expenses:* | The LICENSEE will be responsible for up to $ ***Number*** legal fees and expenses incurred by the REGENTS in connection with the negotiation and execution of agreements to affect the issuance of equity to the REGENTS on the terms contemplated by this Summary of Equity Terms. |
| *Piggyback Registration Rights:* | The REGENTS will have piggyback registration rights on terms as set forth in the Stock Issuance Agreement. |

for reference only

## APPENDIX D

## REGENTS' COPYRIGHT RIGHTS

1) UC Berkeley Case No. [***Case Number***] ("[ ***SOFTWARE NAME"***]

for reference only