

**INTELLECTUAL PROPERTY ONTARIO
POSTSECONDARY EDUCATION, HOSPITAL, OR RESEARCH INSTITUTIONAL
CLIENT AGREEMENT**

EFFECTIVE JUNE 19, 2026

WHEREAS Intellectual Property Ontario (“IPON”) is a board-governed provincial agency that helps Ontario’s small-and-medium size enterprises (SMEs), postsecondary education institutions, hospitals, Indigenous Institutes, and research and innovation sector clients generate, protect, manage, and commercialize intellectual property.

WHEREAS the Client is a post-secondary institution, hospital, research institution, or Indigenous Institute in the province of Ontario and as further defined in this Client Agreement (the “Client”).

WHEREAS IPON’s mandate is to support the development and protection of intellectual property to advance economic growth and competitiveness in Ontario and to improve the commercialization outcomes of research in Ontario.

WHEREAS the parties intend that under the terms of this Agreement, IPON will provide funds to the Client to support the Client’s affiliated Ontario-based Researchers, Entrepreneurs, and SMEs (as defined in IPON’s By-Law #4, Eligibility for Services) access to services for the protection or commercialization of intellectual property.

WHEREAS the Client will use IPON funds to support projects involving intellectual property that is intended to remain under the control or ownership of a Canadian entity.

WHEREAS the exploitation of intellectual property funded by IPON by a non-Canadian entity may be inconsistent with IPON’s mandate.

WHEREAS IPON may request that the Client repay funds tied to any intellectual property funded by IPON that is subsequently acquired or licensed exclusively by an entity that is not a Canadian entity or is otherwise made available for the sole benefit of such an entity.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in this “Client Agreement” and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, IPON and the Client (as defined in Schedule A) agree as follows:

1.0 ENTIRE AGREEMENT

1.1 The Client Agreement, together with

Schedule "A" - General Terms and Conditions, and

any amendment entered into as provided for in Article 4.0,

constitutes the entire "Agreement" between IPON and the Client, with respect to the subject matter contained herein, and supersedes all prior oral or written representations and agreements.

1.2 In the event there is any conflict or inconsistency between the terms and conditions of the Client Agreement and the terms and conditions of any Schedule that forms a part of the Agreement, such conflict or inconsistency shall be resolved, to the extent of such conflict, in accordance with the following order of precedence:

- (a) The Client Agreement;
- (b) Schedule "A".

2.0 COUNTERPARTS

2.1 The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

3.0 REQUESTING FUNDS FOR REIMBURSEMENT OF CLIENT SERVICES

3.1 Notwithstanding that IPON enters into this Client Agreement with Client, Client acknowledges that Client will not be entitled to receive Funds (as defined in Schedule A) from IPON under this Client Agreement unless and until IPON, in its sole discretion, is satisfied with the Client's requirements for funding and that the Client has met all requirements for the disbursement of Funds under the Agreement including without limitation the following:

- (a) the Client has submitted an invoice within four months of the date of that invoice;

- (b) the work was solely for Client Services that IPON has previously communicated in writing are eligible for funding by IPON;
- (c) the work was completed by a Service Provider (as defined in Schedule A);
- (d) the Client has fully paid the Service Provider the invoiced amount; and
- (e) the Client and Sponsored Entity (as defined in Schedule "A") meet the Eligibility Requirements (as defined in Schedule "A") and all requirements for the disbursement of Funds under the Agreement.

3.4 Upon receipt of an invoice, IPON has the discretion to approve the Client Services, and the amount of Funds that the Client will be eligible to receive.

3.5 Should IPON, at its discretion, approve payment of an invoice, IPON will only disburse Funds up to a maximum of 80% of the costs of approved Client Services, exclusive of applicable taxes.

3.6 Where the Client obtains Client Services from any professional other than a Service Provider, the Client may still submit an invoice to IPON for such services, however the Client will not be eligible to receive Funds unless the professional is approved by IPON as a Service Provider.

3.7 The Client acknowledges that IPON has the sole discretion to approve Service Providers.

3.8 IPON retains the right to terminate this Agreement and to recover some or all of the Funds from the Client as outlined in Article A9.0 and Article A10.0 of Schedule "A".

4.0 AMENDING THE AGREEMENT

4.1 The Client acknowledges that IPON may make changes to this Agreement and its By-Laws from time to time. IPON will provide written notice of these changes. Changes that are administrative in nature or do not diminish or otherwise adversely affect the Client's rights under this Agreement will take effect thirty (30) days after written notice is provided to the Client unless Client elects to terminate this Agreement in accordance with Schedule "A", section A9.5. Without limiting the Client's rights of termination under section A9.5, all other changes required by IPON will be deemed to take effect upon the Client's further request for funding by way of a submission of an invoice to IPON.

Execution, renewal or extension of this Agreement shall constitute the Client's acceptance of the revised terms.

- 4.2 Where, as a result of a change to IPON's By-law #4 (Eligibility for Services), any of the Client's Sponsored Entities no longer meet the eligibility requirements, IPON will not exercise its right to terminate or recover Funds tied to those Sponsored Entities. However, the Client may no longer seek Funds to support those entities.

5.0 ACKNOWLEDGEMENT

5.1 The Client acknowledges and agrees that:

- (a) the Client and its Sponsored Entities (as defined in Schedule A) and Service Providers must meet requirements established from time-to-time by IPON before accessing any Funds or Client Services.
- (b) the Client will comply with all representations, warranties, and covenants in Schedule "A", and advise IPON of any changes thereto within thirty (30) days of any non-compliance event.
- (c) IPON is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to IPON in connection with Client Services or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act;
- (d) Funds provided by IPON are to be used by the Client only for Client Services from Service Providers and in relationship with a Sponsored Entity, and not for any other Client expenditures or debts, and not to provide goods or services to IPON;
- (e) The Client's obligations to pay Service Providers for any work provided by a Service Provider to the Client or its Sponsored Entity is its own, not those of IPON;
- (f) Regardless of whether IPON disburses Funds, holds back Funds, recovers Funds, or cancels the disbursement of Funds (e.g., in the Event of Default by Client), in no event will IPON be liable under this Agreement to the Service Provider; and
- (g) IPON is not responsible for providing the Client Services nor for the quality of, or result from, such services.

The Parties have executed the Agreement on the dates set out below.

Intellectual Property Ontario

Paul Paolatto

Jun 22, 2026

Date

Name: Paul Paolatto
Title: Chief Executive Officer

University of Waterloo



Jun 20, 2026

Date

Name: Alfred Yu
Title: Associate Vice President Partnerships,
Entrepreneurship and Commercialization

I have authority to bind the Client

SCHEDULE "A" GENERAL TERMS AND CONDITIONS

A1.0 INTERPRETATION AND DEFINITIONS

A1.1 **Interpretation.** For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) "include", "includes", and "including" denote that the subsequent list is not exhaustive.

A1.2 **Definitions.** In this Agreement, these terms will have the following meanings:

"Abandonment", "Abandon" or "Abandoned"

- (a) means any failure to take required actions within the specified timeframes under the *Patent Act* (Canada), the *Patent Rules* (Canada), or other applicable Canadian patent legislation or foreign patent legislation to keep the Funded Patent in force or the Funded Patent application in good standing. This includes the failure to respond to an examiner's requisition, non-compliance with notice requirements, failure to request examination, failure to pay required fees including issue fees, maintenance fees, annuity fees, renewal fees, failure to submit inventor declarations or statement of entitlement, or failure to take other necessary steps to keep the Funded Patent in force or the Funded Patent application in good standing;
- (b) means failure to take action within a reasonable amount of time to reinstate an abandonment, or failure to take action within one month of the start of any grace period for payment of maintenance fees;
- (c) has the same meaning as those same terms or equivalent terms are described under the *Patent Act* or applicable patent legislation; or
- (d) unless provision is made in advance for the assignment of that Funded Patent to another Canadian Entity, the owner of the Funded Patent

Ceases to Operate.

“Agreement” means the Client Agreement entered into by IPON and the Client, all of the schedules hereto and any amendment entered into pursuant to Article 4.0.

“Business Day” means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year’s Day; Family Day; Good Friday; Victoria Day; Canada Day; Civic Holiday (Ontario); Labour Day; Thanksgiving Day; National Day of Truth & Reconciliation; Christmas Day; Boxing Day and any other day on which IPON has announced through its website or online platforms that it is closed for business.

“Canadian Entity” means any entity:

- (a) whose direct and indirect beneficial ownership is under the Control of:
 - (i) an individual or individuals who are Canadian citizens or permanent residents;
 - (ii) an entity incorporated under, or created pursuant to, the laws of Canada or any of its provinces or territories and has its head office located in Canada; or
 - (iii) an entity registered under the Canada Not-for-profit Corporations Act or similar provincial or Canadian territorial legislation, and operates for charitable, educational, religious, or other non-profit purposes;or
- (b) who is a federal, provincial or municipal government body or agency that is established under the laws of Canada or any of its provinces or territories.

“Ceases to Operate” means:

- (a) to cease to operate or is dissolved or wound up;
- (b) to sell all or substantially all of its assets as part of a winding up of affairs; or
- (c) to make an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor making an application for an order adjudging the relevant entity bankrupt, or to apply for the appointment of a receiver.

“Client” means the entity named in the signature block of the Client Agreement.

“Client Services” means services described in sections 23, 24, and 26 of Ontario Regulation 4/22.

“Confidential Information” means all non-public information provided in any form by either Party to the other Party that has been marked or identified as proprietary or confidential at the time of disclosure, and any records or information derived from that information, but does not include information that a Party can demonstrate on a balance of probabilities:

- (a) was, at the time of disclosure, already known or in the possession of the Party without restriction, as evidenced by written records predating such disclosure;
- (b) is or has become publicly available through no fault of the Party and other than as a result of disclosure directly or indirectly by the Party;
- (c) is or becomes available to the Party on a non-confidential basis from a source other than the other Party unless the source is prohibited from disclosing the information by a contractual, fiduciary or other legal obligation to the other Party; or
- (d) is or was independently acquired or developed by the Party without use of or reference to the Confidential Information, as evidenced by written records in the Party’s possession, and without violating obligations under the Agreement or any other obligation of confidentiality it may have to the other Party.

“Control” of one person by another person means that person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other person, whether through the ownership of voting securities, by contract or otherwise, and **“Controlled”** and **“Controlling”** will have similar meanings.

“Effective Date” means the date set out at the top of the Agreement.

“Eligibility Requirements” means the requirements for individual clients set out in IPON’s By-law #4 (Eligibility for Services), as may be amended by IPON from time-to-time. IPON will post any such amended By-law on its website.

“Event of Default” has the meaning ascribed to it in section A10.1.

“Funded IP” means all IP created, developed, filed, obtained, or acquired by the Client or its Sponsored Entities with use of the Funds, and all Intellectual Property Rights therein including applications, registrations, divisional, continuation or other applications, renewals, and extensions thereof, but does not include any IP owned or licensed by the Client prior to the commencement of the Agreement or acquired by Client independent of the Agreement and without use of the Funds.

“Funded Patent” means any patent application that has been filed, prosecuted, or issued with the support of Funds under the Agreement and includes all registrations, divisional, continuation, continuation-in-part, re-examinations, or other applications, renewals, and extensions of such patents worldwide.

“Funding Year” means the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31.

“Funds” means the money IPON may disburse or has disbursed to the Client and excluding any Funds that relate to Sponsored Entities that have signed an agreement with IPON pursuant to section A10.5 (Release Owing to Sponsored Entity Agreement).

“Indemnified Parties” means IPON, its appointees, directors, employees, and authorized subcontractors.

“Intellectual Property” or **“IP”** means all algorithms including machine learning or artificial intelligence algorithms, models), application programming interfaces (APIs), apparatuses, concepts, data, databases and data collections, deliverables, designs, diagrams, documentation, drawings, engineering and test data, flow charts, formulae, ideas and inventions (whether or not patentable or reduced to practice), know-how, manufacturing methodology, materials, marketing and development plans, marks (including brand names, product names, logos, and slogans), measurements, methods, models, molds, practices, procedures, processes, protocols, prototypes, schematics, software code (in any form including source code and executable or object code), specifications, subroutines, techniques, test parameters, tools, uniform resource identifiers, user interfaces, works of authorship, and other forms of technology.

“Intellectual Property Rights” means all intellectual property rights in any IP in any country including all of the following:

- (a) all patents and utility models and applications therefor, and all reissues, divisions, re-examinations, renewals, extensions, provisional applications, continuations and continuations-in-part thereof, and equivalent or similar rights anywhere in the world in inventions and discoveries, including invention disclosures;

- (b) all trade secrets and other rights in technology, data, know-how and confidential or proprietary information;
- (c) mask works, mask work and integrated circuit topographies and registrations and applications therefor, and all other rights corresponding thereto throughout the world;
- (d) all copyrights, copyright registrations and applications therefor and all other rights corresponding thereto throughout the world, including, where applicable, moral rights and droit d'auteur;
- (e) all industrial designs and any registrations and applications therefor throughout the world;
- (f) all rights in all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefor, and in official marks; and
- (g) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

"Notice" means any communication given or required to be given pursuant to the Agreement.

"Notice Period" means the period of time within which the Client is required to remedy an Event of Default pursuant to section A10.2(b) and includes any extensions of time that IPON provides to the Client in writing.

"Parties" means IPON and the Client.

"Party" means either IPON or the Client.

"Reports" means any reports reasonably required by IPON to deliver, monitor, and evaluate performance under the Agreement, as further specified in sections A2.1 and A4.1.

"Service Provider" means a person or entity approved by IPON to provide Client Services to the Client, and for clarity this person may be an employee of the Client provided that the employee has provided services that would otherwise be paid for by IPON to a third party Service Provider had such third party Service Provider been retained by the Client.

"Sponsored Entity" means an Ontario-based SME, Ontario-based entrepreneur, or Ontario-based researcher, as defined by IPON's By-law #4

(Eligibility for Services), that the Client intends to support through this Agreement.

A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

A2.1 General. From the Effective Date until termination of the Agreement, the Client represents, warrants, and covenants that:

- (a) the Client has, and will continue to have, full power and authority to fulfill its obligations under the Agreement;
- (b) the Client has verified that any of its Sponsored Entities meets, and continues to meet the Eligibility Requirements at the time an invoice is submitted;
- (c) with respect to the IP for which Funds for Client Services are being sought, the Client or the Sponsored Entity is either:
 - (i) the owner of the IP that it has developed or is developing that it intends to protect via IP Rights for the purpose of commercializing and monetizing the IP in a manner that benefits Ontario;
 - (ii) the owner of IP Rights in the IP that it is using or intends to use, or that it relies on or intends to rely on, for the purpose of commercializing or monetizing the IP in a manner that benefits Ontario; or
 - (iii) the exclusive licensee of the IP that is protected via IP Rights for the purpose of commercializing or monetizing the IP in a manner that benefits Ontario;
- (d) the Client intends to help its Sponsored Entity grow their business and maintain substantial operations in Ontario;
- (e) the Client intends that the Funded IP remain under the ownership or Control of a Canadian Entity;
- (f) the Client believes its Sponsored Entities have the potential to realize societal or economic benefits to Ontario;
- (g) the Client will support Sponsored Entities whose business and IP strategies demonstrate a clear need for IPON's Client Services;
- (h) the Client is prepared to pay for a portion of the cost of the Client

Services;

- (i) the Client will disclose to IPON, upon request by IPON, information and documents relevant to any Client Services that was wholly or partially paid for using the Funds, including Confidential Information marked as such when submitted to IPON;
- (j) the Client will provide to IPON, within 30 days of the end of the Funding Year, an annual report sufficiently describing:
 - (i) all Sponsored Entities on whose behalf the Client has submitted invoices (in both the current and prior years);
 - (ii) any changes to these Sponsored Entities' status or information that would render them ineligible under the Eligibility Requirements, including details such as relevant date and nature of the change, and other information relating to such change as may be requested by IPON; and
 - (iii) the Funded IP that was the subject of the Client Services (in both the current and prior years); and
 - (iv) any changes to the ownership or exclusive licensing of the Funded IP, including such information as is appropriate or requested by IPON to enable IPON to determine where the Funded IP remains Controlled by a Canadian Entity or has been exclusively licensed to an entity that is not a Canadian Entity;
- (k) the Client will comply with all other reasonable reporting requirements specified by IPON from time-to-time;
- (l) the Client consents to IPON using information provided by the Client about its Sponsored Entities and about the Client Services received, for
 - (i) verifying Eligibility Requirements and the ownership of Funded IP; and
 - (ii) aggregate, de-identified analysis (i.e., combining with other client information) to identify trends and knowledge that will help improve IPON's services and efforts to support SMEs with the protection, management, and commercialization of their IP;
- (m) the Client is in compliance with, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules, and by-laws related to any aspect of the Client

Services, the Funds, or the Agreement, including the Eligibility Requirements;

- (n) where applicable, the Client has an agreement in place with Sponsored Entities that support the requirements of both the Client and Sponsored Entities under this Agreement;
- (o) subject to section A10.5, the Client is responsible for the acts or omissions of the Sponsored Entities and for the Sponsored Entities' compliance with the applicable terms of this Agreement; and
- (p) the Client authorizes IPON to collect sufficient information from a Service Provider that has provided the Client services, for the purpose of allowing IPON to confirm the completion of work and disburse funds to the Client.

A2.2 Execution of Agreement. The Client represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement.

A2.3 Governance. The Client represents, warrants, and covenants that it has and will follow procedures to enable the Client to address such matters as the Client considers necessary to enable the Client to carry out its obligations under the Agreement.

A2.4 Supporting Proof. Upon IPON's request, the Client will provide within 30 days, proof of the matters referred to in this Article.

A3.0 TERM OF THE AGREEMENT

A3.1 Term. The term of the Agreement will commence on the Effective Date and will continue for ten (10) years thereafter, unless terminated earlier pursuant to Article A9.0 or Article A10.0.

A4.0 REPORTS, RECORDS, CONFIDENTIALITY, AND AUDITS

A4.1 Reports. The Client will:

- (a) submit to IPON at the e-mail address provided by IPON, all Reports in accordance with the timelines and content requirements specified by IPON;
- (b) ensure that all Reports are completed to the satisfaction of IPON, acting reasonably and in good faith; and
- (c) ensure that all Reports are signed on behalf of the Client by an authorized signing officer.

A4.2 No Control of Records. No provision of the Agreement will be construed so as to give IPON any control whatsoever over the Client's records.

A4.3 Client Information. The Client agrees to share with IPON relevant information and documents (including any change in ownership or control of the business, or Confidential Information) in a timely fashion, to verify Client's and its Sponsored Entities' compliance with this Agreement and to otherwise support IPON's evaluation of Client's and its Sponsored Entities' exploitation of Funded IP. The Client will mark all Confidential Information as confidential when submitting information to IPON and, except to enforce the terms of this Agreement and such disclosures as are expressly permitted under this Agreement, IPON shall hold such Confidential Information in confidence under and subject to the terms of this Agreement.

A4.4 Ownership of Confidential Information. It is agreed that:

- (a) any Confidential Information or Intellectual Property furnished by one Party to the other Party pursuant to the Agreement is proprietary and confidential to the Party that furnished it and shall be so treated by the other Party that received it;
- (b) Confidential Information or Intellectual Property furnished by one Party to the other Party, shall not be construed as granting to the Party receiving the Confidential Information or Intellectual Property, either by implication or otherwise, any interest, licence, or right respecting the Confidential Information or Intellectual Property or any Intellectual Property Rights therein; and
- (c) when a Party receives Confidential Information or Intellectual Property from the other Party, the Confidential Information or Intellectual Property shall:

- (i) be kept confidential, and used only in connection with the purposes of the Agreement;
- (ii) not be disclosed to any third party except as permitted under the Agreement;
- (iii) not knowingly be used for the benefit of any third party;
- (iv) be maintained securely in the Party's custody, and safeguarded in a manner commensurate with its sensitivity;
- (v) be disclosed only:
 - 1. with the prior written consent of the Party that furnished it; or
 - 2. as required by law, and then only with advance notice to the Party that furnished it, unless the law prohibits such notice, and shall give the Party a reasonable opportunity prior to such access or disclosure to challenge such access or disclosure, make redactions (or cause such redactions to be made) or otherwise preserve the confidentiality of its Confidential Information and the contents of any such agreement, instrument, document, communication or other record (as defined in FIPPA) to the extent permitted under FIPPA or otherwise by law.

A4.5 Record Maintenance. The Client will keep and maintain:

- (a) all financial records (including invoices) relating to the Funds or otherwise to the Client Services in a manner consistent with generally accepted accounting principles, and for no less than seven (7) years; and
- (b) all non-financial documents and records relating to the Funds or otherwise to the Client Services for a period of no less than seven (7) years.

A4.6 Inspection. IPON, any authorized representative, or any independent auditor identified by IPON may request digital copies or access to digital records, or at IPON's expense, upon three (3) business days' Notice to the Client and during normal business hours, enter upon the Client's premises to inspect records and make inquiries of the Client in order to assess the truth of the Client's representations and warranties hereunder, to review the delivery of the Client

Services to the Client, and to review the delivery of the Client Services to the Client by the Service Provider and the Client's allocation and expenditure of the Funds and, for these purposes, IPON, any authorized representative, or any independent auditor identified by IPON may take one or more of the following actions:

- (a) inspect and copy the records and documents referred to in section A4.5;
- (b) remove any copies made pursuant to section A4.6(a) from the Client's premises; and
- (c) conduct an audit or investigation of the Client in respect of any or all of the Client's representations and warranties, the delivery of the Client Services to the Client, the delivery of the Client Services to the Client by the Service Provider, and the Client's expenditure of the Funds. Any and all records that IPON inspects, removes or makes copies of shall be considered Confidential Information of the Client.

A4.7 Cooperation. To assist in respect of the rights provided for in section A4.6, the Client will cooperate by providing access to or disclosing any information requested by IPON, or any authorized representatives or independent auditor identified by IPON, and will do so in the form requested; will assist in copying such information, where requested; and authorizes IPON to:

- (a) correspond with any Service Providers, which are or have already provided Client Services to the Client, and with any Sponsored Entities regarding provision of the Client Services; and
- (b) internally review, without disclosure, Client-specific documents and files in possession of any Service Providers, which are or have already provided Client Services to the Client for the sole purpose of IPON auditing.

A4.8 Auditor General. The rights of IPON, its authorized representatives and any independent auditor identified by IPON under this Article are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

A5.0 COMMUNICATIONS AND OTHER REQUIREMENTS

A5.1 Acknowledge Support. Unless otherwise agreed to by IPON, the Client will acknowledge the support of IPON for Client Services in a form and manner as directed by IPON.

- A5.2 **Written Surveys, Focus Groups, and One-on-One Sessions.** The Client will complete written survey(s) and participate in focus group discussions and one-on-one sessions, as required by IPON but no more than twice a year, to provide feedback about the Client Services received under the Agreement.
- A5.3 **Share Info with Ministries.** The Client authorizes IPON to share the Client's and its Sponsored Entities' name, the amount of Funds received, and a general description of the Client Services for which Funds were received with the Ministry of Colleges, Universities, Research Excellence and Security (MCURES) and the Ministry of Economic Development, Job Creation, and Trade (MEDJCT).
- A5.4 **Publication with approval.** The Client authorizes IPON, MCURES, and MEDJCT to publicize its or its Sponsored Entities' name, quotes, and any comments or insights about IPON and its services, with prior approval of Client and Sponsored Entity as applicable, such consent not to be unreasonably withheld or delayed.
- A5.5 **Necessary rights, permissions and consents.** The Client has all necessary rights, permissions and consents, including from Sponsored Entities, where applicable, to permit IPON to use, share and publicize information as contemplated under this Agreement.

A6.0 LIMITATION OF LIABILITY

- A6.1 **Limitation of Liability.** IPON and its directors, employees, contractors, agents or representatives shall not be liable for any loss or damage whatsoever, whether direct, indirect, special, incidental, punitive, exemplary or consequential damages, and any lost revenue or profits, loss of reputation or additional operating expenses, whether based upon negligence, strict liability or other tort, contract, statutory right or other theory of liability, with respect to the Service Provider, or arising out of or in connection with IPON's provision of the Client Services to the Client or Sponsored Entities, even if IPON has been advised of the possibility of such damages. Without limiting the foregoing, IPON and its directors, employees, contractors, agents and representatives shall not be liable for any damages arising from:
- (a) IPON's delay or refusal in paying the Funds or any other amounts to the Client or the Service Provider for any reason, including:
 - (i) an Event of Default has occurred;
 - (ii) the Client ceases to be a party to this Agreement;

- (iii) the Sponsored Entity no longer meets the Eligibility Requirements;
 - (iv) the Service Provider no longer meets IPON's requirements;
 - (v) this Agreement has been terminated; or
 - (vi) the invoice fails to meet IPON's requirements;
- (b) the Client's failure to submit an invoice to IPON in accordance with section 3.1;
 - (c) the Service Provider going bankrupt; and
 - (d) a dispute between any or all of the Client or Sponsored Entity and the Service Provider regarding the quality or results of work performed or any matter relating to the Service Provider's retainer by the Client.

Without limiting the foregoing, the total aggregate liability of IPON under this Agreement shall not exceed five thousand dollars (\$5,000).

A6.2 Professional Advice. Advice given by IPON and its employees and contractors to a Client or a Sponsored Entity shall not constitute legal/professional advice, and IPON shall have no responsibility or liability whatsoever for any such advice provided or not provided by IPON, its staff, or contractors. IPON likewise is not responsible or liable whatsoever for any legal/professional advice provided by coaches or Service Providers used by the Client or Sponsored Entity in conjunction with Client Services under the Agreement.

A7.0 INDEMNITY AND INSURANCE

A7.1 Indemnification. The Client will defend, indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages, and expenses (including legal, expert, and consultant fees), causes of action, actions, claims, demands, lawsuits, or other proceedings ("Claims"), made, sustained, incurred, brought, or prosecuted by any third party, including Sponsored Entities, in any way arising out of or in connection with:

- (a) the Client Services;
- (b) any breach of this Agreement by the Client or the Sponsored Entities; or

- (c) the negligence or willful misconduct of the Client, the Sponsored Entities or the Service Provider.

A7.2 Indemnification Procedure. Following receipt by IPON of a threat, notice, or filing of any Claims against any of the Indemnified Parties, IPON shall give such notice to the Client. The Client shall have sole control of the defense and of all negotiations for settlement of a Claim and IPON shall not independently defend or respond to a Claim; provided, however, that:

- (a) IPON may defend or respond to a Claim, at the Client's expense, if IPON's counsel determines, in its sole discretion, that such defense or response is necessary to preclude a default judgment from being entered against an Indemnified Party;
- (b) IPON shall have the right, at its own expense, to monitor Client's defense of a Claim; and
- (c) Client shall not settle a Claim without IPON's express consent, not to be unreasonably withheld.

At Client's request, IPON shall reasonably cooperate with Client in defending against or settling a Claim; provided, however, that the Client shall reimburse IPON for all reasonable out-of-pocket costs incurred by IPON (including, without limitation, reasonable legal fees and expenses in providing such cooperation).

A7.3 Client's Insurance. The Client represents, warrants, and covenants that it has, and will maintain, at its own cost and expense, all the necessary and appropriate insurance that a prudent person would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury, and property damage.

A8.0 ABANDONMENT OF IPON-SUPPORTED PATENTS

A8.1 Notice of Intent to Abandon. If the Client or its Sponsored Entity decides or intends to Abandon any Funded Patent, it shall make best efforts to notify IPON immediately upon such decision or of such intention and provide sufficient notice to permit IPON to take all steps necessary to preserve such Funded Patent and at least sixty 60 days before Abandonment. This notice shall include the reasons for Abandonment and any relevant documentation.

A8.2 Reasonable Assistance. At IPON's request and expense, the Client shall provide reasonable assistance to IPON in preserving the Funded Patent that is the subject of a notice of intended Abandonment, including cooperating with any acts IPON elects to take to maintain the Funded Patent prior to

Abandonment. Following delivery of a notice of intended Abandonment and upon IPON's request, the Client and its Sponsored Entity agree to promptly engage in good faith discussions regarding potential assignment of the Funded Patent to IPON. The Client and its Sponsored Entity shall use commercially reasonable efforts to enter into an agreement with IPON to assign the Funded Patent and not to unreasonably refuse assignment of the Funded Patent.

- A8.3 **Repayment if no notice.** If the Client fails to provide sufficient notice required by this section and upon Abandonment of the Funded Patent, IPON shall be entitled, in its sole discretion, to demand repayment by the Client of all Funds associated with the Funded Patent.

A9.0 TERMINATION ON NOTICE

- A9.1 **Termination on Notice by IPON.** IPON may terminate the Agreement at any time without liability, penalty, or costs to IPON, upon giving at least sixty (60) days' Notice to the Client.
- A9.2 **Termination if Client Ceases to Operate.** If the Client Ceases to Operate, IPON may on Notice to Client, terminate this Agreement without liability, penalty, or costs to IPON, effective on the date as IPON may specify in its Notice.
- A9.3 **Termination if Client is in a Conflict of Interest.** If, in the opinion of IPON, the continuation of this Agreement creates a conflict of interest within IPON or with Client that IPON determines cannot be managed, having provided Client a reasonable opportunity to respond and rectify, IPON may on Notice to Client terminate this Agreement, without liability, penalty, or costs to IPON, which termination will be effective on the date as IPON may specify in its Notice.
- A9.4 **Consequences of Termination on Notice by IPON.** If IPON terminates the Agreement pursuant to sections A9.1, A9.2, A9.3, or A10.2(a) IPON may take one or more (or all) of the following actions:
- (a) cancel and discontinue any disbursement of Funds;
 - (b) if IPON is terminating the Agreement under section A10.2(a) on the basis that there is an Event of Default, demand from the Client repayment to IPON of the disbursed Funds in relation to the Event of Default, such amount to be repaid by Client to IPON within sixty (60) days of the demand by IPON.

A9.5 **Termination on Notice by the Client.** The Client may terminate the Agreement upon giving at least thirty (30) days' Notice to IPON and upon returning an amount equal to any disbursed Funds in the past three (3) years, and to do so on such reasonable terms and conditions as IPON may specify.

A9.6 **Right to Notify Service Provider.** Upon termination of the Agreement, IPON may notify any of the Client's Service Providers of the termination.

A10.0 EVENT OF DEFAULT AND TERMINATION FOR DEFAULT

A10.1 **Events of Default.** Each of the following events will constitute an Event of Default:

- (a) If the Funded IP is no longer legally or beneficially Controlled by a Canadian Entity or if a right of first refusal, an exclusive license, or a sole license that operates as an exclusive commercial license, has been granted to an entity that is not a Canadian Entity;
- (b) If the Client or the Sponsored Entity, no longer meets the Eligibility Requirements;
- (c) If the Client breaches any representation, warranty, covenant, or other material term of the Agreement or, without limiting the generality of the foregoing, Client fails to:
 - (i) provide accurate or timely information under this Agreement;
 - (ii) use or spend Funds in accordance with the terms of this Agreement; or
 - (iii) provide Reports in accordance with section A4.1;
 - (iv) provide an annual report as required by section A2.1(j) or respond in a timely manner to reasonable requests from IPON for information to help IPON determine whether the Sponsored Entity meets the Eligibility Requirements or whether the Funded IP is legally or beneficially Controlled by a Canadian Entity or if a right of first refusal, exclusive license, or a sole license that operates as an exclusive commercial license, has been granted to an entity that is not a Canadian Entity;
 - (v) repay an amount to IPON as and when required under this Agreement including for Events of Default;

- (vi) comply with IPON funding procedures despite IPON's reasonable efforts to clarify its requirements and support the Client's compliance; or
- (vii) treat IPON staff respectfully (i.e., avoiding verbally abusive language, threats, or harassment of IPON staff or its authorized representatives);
- (d) The Client is not a Canadian Entity; or
- (e) The legal or beneficial owner of the Funded Patent (whether the Client, the Sponsored Entity or otherwise) or the sole or exclusive licensee of the Funded Patent is not a Canadian Entity;

A10.2 Consequences of Events of Default. If an Event of Default occurs, IPON may upon at least thirty (30) days prior written notice to the Client and if IPON determines in its sole discretion that the Event of Default is not cured within such thirty (30) days period, then take one or more of the following actions with which the Client will comply:

- (a) terminate the Agreement without liability, penalty or costs to IPON, upon giving Notice to the Client;
- (b) require the Client to initiate and complete within a Notice Period any action IPON considers necessary in order to facilitate the successful continuation or completion of the Client Services or of the Agreement in general;
- (c) suspend the disbursement of Fund for such period as IPON determines appropriate;
- (d) cancel disbursement of Funds;
- (e) demand from the Client the payment of an amount equal to any Funds the Client used, but did not use in accordance with the Agreement; and
- (f) where an Event of Default relates to an invoice, Funded IP, or a Sponsored Entity, demand from the Client the payment of an amount equal to any disbursed Funds provided by IPON for that invoice, Funded IP, or Sponsored Entity, such amount to be repaid by Client to IPON within sixty (60) days of the demand of IPON.

A10.3 When Termination is Effective. Termination under this Article and Article A9.0 will take effect as provided for in the Notice.

A10.5 Release Owing to Sponsored Entity Agreement. If the Sponsored Entity enters into a separate agreement directly with IPON pursuant to which the Sponsored Entity assumes liability and obligations for any Funds previously disbursed or to be disbursed by IPON in connection with such Sponsored Entity then the Client shall no longer be responsible for repayment obligations in respect of such Funds, and Client also shall no longer be responsible for the acts, omissions or compliance of the Sponsored Entity under section A2.1(o). From the date of such separate agreement, the Client shall be precluded from requesting any Funds in connection with such Sponsored Entity including by an invoice.

A11.0 NOTICE

A11.1 Notice in Writing and Addressed. Notice will be in writing and will be sent by email and will be addressed to IPON and the Client respectively as provided in this section, or as either Party later designates to the other Party by Notice.

Party	Contact Information
(a) Contact information for the purposes of Notice to IPON	Email: legal@ip-ontario.ca
(b) Contact information for the purposes of Notice to the Client	Name: Alfred Yu Position: Associate Vice President Partnerships, Entrepreneurship and Commercialization Address: 200 University Avenue West Waterloo, ON N2L 3G1 Email: alfred.yu@uwaterloo.ca

A11.2 Notice Given. Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five (5) Business Days after the Notice is mailed; or
- (b) in the case of email or personal delivery, one (1) Business Day after the Notice is delivered.

A12.0 CONSENT BY IPON AND COMPLIANCE BY CLIENT

A12.1 **Consent.** When IPON provides its consent pursuant to the Agreement, it may impose any terms and conditions on such consent and the Client will comply with such terms and conditions.

A13.0 SEVERABILITY OF PROVISIONS

A13.1 Invalidity or Unenforceability of Any Provision. The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

A14.0 WAIVER

A14.1 Waiver Request. Either Party may, in accordance with the Notice provision set out in Article A11.0, ask the other Party to waive an obligation under the Agreement.

A14.2 Waiver Applies. Any waiver a Party grants in response to a request made pursuant to section A14.1 will:

- (a) be valid only if the Party granting the waiver provides it in writing; and
- (b) apply only to the specific obligation referred to in the waiver.

A15.0 INDEPENDENT PARTIES

A15.1 Parties Independent. The Client or any Sponsored Entity is NOT an agent, joint venturer, partner, or employee of IPON, and the Client and any Sponsored Entity will not represent itself in any way that might be taken by a reasonable person to suggest that it is or take any actions that could establish or imply such a relationship.

A16.0 ASSIGNMENT OF AGREEMENT

A16.1 No Assignment. The Client will not, without the prior written consent of IPON, assign any of its rights or obligations under the Agreement.

A16.2 Agreement Binding. All rights and obligations contained in the Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors, and permitted assigns.

A17.0 GOVERNING LAW

A17.1 Governing Law. The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or

proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

A18.0 FURTHER ASSURANCES

A18.1 **Agreement into Effect.** The Client will provide such further assurances as IPON may request from time to time with respect to any matter to which the Agreement pertains and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A19.0 JOINT AND SEVERAL LIABILITY

A19.1 **Joint and Several Liability.** Where the Client is comprised of more than one entity, all such entities will be jointly and severally liable to IPON for the fulfillment of the obligations of the Client under the Agreement.

A20.0 RIGHTS AND REMEDIES CUMULATIVE

A20.1 **Rights and Remedies Cumulative.** The rights and remedies of IPON under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

A21.0 CONFLICTS OF INTEREST

A21.1 **No Conflict of Interest.** In its use of Funds and Client Services, the Client will take appropriate measures to avoid actual, potential, or perceived conflicts of interest.

A21.2 **Conflict of Interest.** For the purposes of this Article, a conflict of interest includes any circumstances where:

- (a) the Client, a Sponsored Entity, or any person who has the capacity to influence the Client's decisions has outside commitments, relationships, or financial interests that could, or could reasonably be seen to, interfere with the Client's objective, unbiased, and impartial judgment relating to the Client Services, the use of the Funds, or both; and
- (b) an IPON employee, board member, contractor, or representative:

- (i) stands to benefit, directly or indirectly, should a specific Client request for Funds be accepted or rejected by IPON;
- (ii) has a family relationship or other close relationship with the Client or a Sponsored Entity, or their directors, officers, trustees, partners, employees, or shareholders, or any person representing the Client or Sponsored Entity;
- (iii) is a director, officer, trustee, partner, investor, or shareholder of the Client or Sponsored Entity;
- (iv) has been employed by the Client or Sponsored Entity within the past two years; or
- (v) has or had any other relationship with the Client or Sponsored Entity that could be perceived as causing bias or a conflict.

A21.3 Disclosure to IPON. The Client will:

- (a) disclose to IPON, without delay, any situation that a reasonable person would interpret as an actual, potential, or perceived conflict of interest; and
- (b) comply with any terms and conditions that IPON may reasonably prescribe as a result of the disclosure.

A21.4 IPON Supporting other clients. The Client acknowledges that IPON may provide services to other eligible clients, including entities that may be competitors of the Client or its Sponsored Entities and that the foregoing does not create a conflict of interest between the Parties. The Client waives any right to bring claims against IPON regarding the foregoing.

A22.0 FUNDS AND OBTAINING IP-RELATED SERVICES

A22.1 Funds Provided. IPON may in its sole direction, pursuant to Article 3.0, disburse Funds to the Client for invoiced and completed work.

A22.2 Limitation on Payment of Funds. Despite section A22.1:

- (a) IPON is not obligated to disburse Funds until the Client Services have

been provided;

- (b) IPON is not obligated to disburse Funds in the Event of Default (with respect to either the Client or Sponsored Entity); and
- (c) IPON may adjust the amount of Funds to be disbursed at any time upon IPON's assessment of the information the Client provides to IPON pursuant to sections A4.1 and A2.1(j) or other relevant information made available to IPON.

A22.3 Use of Funds and Obtaining IP-Related Services. The Client will do all of the following:

- (a) unless otherwise directed by IPON, request Funds by submitting invoices only for Client Services provided by a Service Provider;
- (b) obtain the Client Services in accordance with the Agreement;

not request Funds to cover any cost that has or will be funded or reimbursed by one or more of any third party, or a ministry, department, agency, or organization of the Government of Ontario or Government of Canada.

A23.0 DEBT DUE AND PAYMENT

A23.1 Payment of Overpayment. If at any time IPON provides Funds in excess of the amount to which the Client is entitled under the Agreement, IPON may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Client pay an amount equal to the excess Funds to IPON.

A23.2 Debt Due. If, pursuant to the Agreement:

- (a) IPON demands from the Client the payment of any Funds or an amount equal to any Funds; or
- (b) the Client owes any Funds or an amount equal to any Funds to IPON, whether or not IPON has demanded their payment,

such Funds or other amount will be deemed to be a debt due and owing to IPON by the Client, and the Client will pay the amount to IPON immediately, unless IPON directs otherwise.

A23.3 **Interest Rate.** IPON may charge the Client interest on any money owing by the Client at the then current interest rate charged by the Province of Ontario on accounts receivable.

A23.4 **Payment of Money to IPON.** The Client will pay any money owing to IPON by cheque payable to “Intellectual Property Ontario” and delivered to IPON at the address set out in section A11.1.

A23.5 **Fails to Pay.** Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Client fails to pay any amount owing under the Agreement, IPON may deduct any unpaid amount from any money payable to the Client by IPON.

A24.0 SURVIVAL

A24.1 **Survival.** The following Articles and sections, and all applicable cross-referenced sections and schedules, will continue in full force and effect for a period of seven (7) years from the date of expiry or termination of the Agreement: Article 1.0, Article 3.0, Article 4.0, Article A1.0 and any other applicable definitions, section A2.1, Article A4.0, Article A5.0, Article A6.0, Article A7.0, section A9.6, Article A10, Article A11.0, Article A13.0, section A16.2, Article A17.0, Article A19.0, Article A20.0, section A21.3, section A21.4, section A22.3, Article A23.0, and Article A24.0.