

TECHNOLOGY TRANSFER AGREEMENT

THIS AGREEMENT made effective the _____ day of _____, _____.

BETWEEN:

LICENSEE
(the "Licensee")

OF THE FIRST PART

- and -

LICENSOR
(the "Licensor")

OF THE SECOND PART

WHEREAS:

- A. The Grantor is the owner of certain technological know-how with respect to the manufacture of _____;
- B. The Licensee desires to manufacture the Products in the territory hereinafter specified (the "Territory") and desires to license the Technology (as hereinafter defined) from the Grantor.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions

- (a) "Net Sales" shall mean the net invoiced sales of Products sold by the Licensee or on behalf of the Licensee during any given fiscal period, excluding returns, discounts, or any sales or other similar taxes payable on the amounts so charged, freight charges, insurance, packaging of Products and credit, provided, however, that with respect to any Products disposed of by the Licensee to third persons in any manner other than a regular sales transaction, the net invoice price of any Product sold in such manner shall be deemed to be an amount equal to the net invoice price of such Product had it been sold for cash in a regular sales transaction;
- (b) "Products" shall mean those products manufactured by the Grantor with the Technology, as more specifically set forth in Schedule "___" attached hereto and made a part hereof;
- (c) "Technology" includes all technical information, procedures, processes, trade secrets, know-how, methods, practices, techniques, information, parts, diagrams, drawings, specifications, blueprints, lists of materials, labour and general costs, production manuals, software programs and data relating to the design, manufacture, production, inspection and testing of the Products.

2. Grant of License

- (a) The Grantor grants the Licensee an exclusive license within the territory to use the Technology in the manufacture, use and sale of the Products within the territory.
- (b) The obligation of the Grantor to furnish the Technology to the Licensee shall extend to Technology existing at the date of this Agreement.
- (c) The Grantor warrants that there are no other subsisting licenses with respect to the Technology in the territory and covenants that no further disclosure of the Technology or any part thereof to third parties will be made by the Grantor in the territory while this Agreement is in force.

- (d) The Grantor warrants that the Technology will be sufficient and suitable for the purpose of manufacturing the Products to a marketable quality provided that the Licensee at all times conforms strictly with the Technology.
- (e) No further or other rights or licenses are granted or implied hereunder except as specifically set forth herein.

3. Term of Agreement

Subject to the provisions for early termination as set out herein, this Agreement shall remain in full force and effect for a period of _____ years from the date hereof. This Agreement may be renewed for a further period of _____ year(s) by written agreement between the parties.

4. Improvements

- (a) Each party shall promptly disclose to the other any and all technical data and information relating to any future development or improvement of the Products (whether or not patentable) and of the Technology that it may develop or acquire during the term of this Agreement to the extent that such disclosure is not restricted or prohibited by law, by any undertaking given to, or any condition, restriction or restraint imposed by third parties, or by considerations relating to the validity of any patent application.
- (b) The license granted under this Agreement shall include all improvements and developments to the Products and the Technology, provided that any grant by the Grantor to the Licensee under this provision shall be limited in accordance with the disclosure restrictions set out in paragraph 4(a) above.
- (c) Under all developments or improvements of the Products to be furnished by the Licensee to the Grantor, the following additional terms shall apply:
 - (i) Outside the Territory, the Grantor shall have the exclusive royalty-free license (including the right to grant sublicenses) on any such improvements on the Products now owned or hereafter made or acquired by the Licensee during the life of this Agreement. The Licensee further covenants and agrees to notify the Grantor of any improvement and to execute promptly, and without compensation, any and all documents and to perform whatever actions may be reasonably deemed necessary by the Grantor in connection with the filing of any application for letters patent or that may be necessary or desirable to effect and maintain the Grantor's licensed rights or the rights of any of the Grantor's sub-licensees in said improvements and said applications for letters patent and in all letters patent issuing from said applications for letters patent.
 - (ii) Inside the Territory, the Licensee shall have the exclusive royalty-free license to manufacture and sell the Products incorporating or constituting such developments or improvements.

Provided that in the case of any such improvement or development the disclosure of which by the Licensee is subject to any restriction, legal prohibitions, undertakings given to or conditions, restrictions or restraints imposed by third parties, or considerations relating to the validity of any patent in respect of which application is about to be made, any grant by the Licensee to the Grantor shall be limited accordingly.

THIS IS A 10-PAGE FORM.