

MATERIAL TRANSFER AGREEMENT

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MATERIAL LOAN AGREEMENT, entered into in the City of, Province of (insert name of province), Canada.

BETWEEN: V1 (name of individual), (occupation), domiciled and residing at (insert civic number and street name), in the City of (insert name of city), Province of (insert name of province), (postal code);

OR

V2 (corporate or business name), a legal person duly incorporated pursuant to the Act (name of statute under which the corporation was incorporated), having its principal place of business at (insert civic number and street name), in the City of (insert name of city), Province of (insert name of province), (postal code);

OR

V3 (corporate or business name), a legal person duly incorporated pursuant to the Act (name of statute under which the corporation was incorporated), having its head or registered office at (insert civic number and street name), in the City of (insert name of city), Province of (insert name of province), (postal code), represented by (name of representative), its (title of representative), duly authorized for the purposes hereof;

OR

V4 (corporate or business name), a legal person, duly incorporated pursuant to the Act (name of statute under which the corporation was incorporated), having its head or registered office at (insert civic number and street name), in the City of (insert name of city), Province of (insert name of province), (postal code), and duly registered under number (.....) in accordance with (insert name of statute pursuant to which the entity is registered), represented by (name of representative), its (title of representative), duly authorized for the purposes hereof as he/she so declares [or as indicated in the resolution of the [sole director or board of directors]];

HEREINAFTER REFERRED TO AS "LENDER";

LENDER	BORROWER

AND: (identification of the borrower);

HEREINAFTER REFERRED TO AS "BORROWER";

HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES".

RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- (A) LENDER is engaged in the business of (identification of business activities);
- (B) LENDER has developed, in the course of its activities, (description of the goods subject to the Agreement) (hereinafter referred to as the "Goods");
- (C) BORROWER is engaged in the business of (identification of business activities);
- (D) BORROWER wishes to obtain the Goods for the purpose of (description of the proposed use for the Goods) (hereinafter referred to as the "Application");
- (E) LENDER agrees to supply the Goods to BORROWER, subject to certain restrictions intended to protect its intellectual property, it being understood that the Goods shall only be used for the Application;
- (F) The PARTIES wish to set out in writing the terms of their agreement regarding such purpose;
- (G) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

0.00 INTERPRETATION

0.01 Definitions

LENDER	BORROWER

Unless otherwise indicated, capitalized words and expressions appearing in the Agreement shall be interpreted or construed as follows:

0.01.01 Activities

means (*identify business sector*) of BORROWER;

0.01.02 Agreement

means this agreement including its recitals and schedules, any related or ancillary agreement or document identified therein, as well as any amendment made thereto from time to time by the PARTIES in compliance with Section 12.05; the terms “herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the Agreement, shall generally refer to the agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

0.01.03 Application

means the (*description of the proposed use of the Goods*) process, described in more details in Schedule 0.01.03 of the Agreement;

0.01.04 Best Effort

means the efforts which a prudent Person desirous of achieving a result would use in similar circumstances to maximize, to the extent reasonably practicable, the probability that a result will occur and includes state of the art as it relates to any trade or profession in addition to generally acknowledged best practices in a field of activity;

0.01.05 Breach

means any misrepresentation, inaccuracy, error, omission, non-compliance, infringement, failure, claim or other circumstance relating to a representation, warranty, covenant, obligation or other provision of the Agreement leading to:

- (a) any infringement of the Agreement; or
- (b) any claim by any Person or other occurrence or circumstance which (i) is inconsistent with a covenant, obligation or other provision of the Agreement and (ii) causes damage to such Person;

0.01.06 Change in Control

LENDER	BORROWER

means, in relation to any PARTY to the Agreement whose legal status is that of a business corporation, any one of the following events:

- (a) the direct or indirect acquisition by any Person or entity of securities of such a corporation representing more than FIFTY PERCENT (50%) of the corporation's voting rights;
- (b) an agreement for the sale or disposition of all or substantially all of such a corporation's assets;
- (c) a reorganization of such corporation leading to an assignment of a PARTY's rights in the Agreement to a Related Person;
- (d) a merger of such a corporation; or
- (e) the approval by the shareholders of such a corporation of a plan for its complete liquidation;

0.01.07 Confidential Information

means any commercial, technical, scientific, financial, legal, personal or other information disclosed by a PARTY relating to the disclosing PARTY's business activities, strategies or opportunities, Intellectual Property, suppliers, customers, financial condition or employees which, at the time of disclosure, is designated as confidential, is disclosed in confidence, or would be understood by the receiving PARTY, exercising reasonable business judgment, to be confidential, but excludes:

- (a) information known to the receiving PARTY before the date on which it is received;
- (b) information known by the public or available to the public before the date on which it is received;
- (c) information which becomes known by or available to the public after the date on which it is received and which does not result from a breach of confidentiality on the part of the receiving PARTY;
- (d) information received at any time by a Person not bound to one of the PARTIES by an undertaking of confidentiality with regard to such information;
- (e) information independently produced by the receiving PARTY;
- (f) personal information provided by an individual when such information is being used for the purpose for which it has been previously disclosed or any other purpose permitted by Law;

LENDER	BORROWER

0.01.08 Delivery Costs

means any preparation, handling, conservation, packing, transportation, insurance, custom, supervision or other fees incurred for the delivery of the Goods to the delivery location indicated by BORROWER;

0.01.09 Encumber or Encumbrance

encumber means to create or grant an encumbrance and encumbrance means a legal cause of preference, a dismemberment of ownership rights, an ownership modality, a restriction on the right to sell or a security interest;

0.01.10 Force Majeure

means any event beyond the control of a PARTY which could not have been reasonably foreseen and against which it could not have protected itself such as, without limiting the generality of the foregoing, natural disasters, epidemics, fires, accidents, acts of war (whether declared or not), insurrections, riots, acts of terrorism, wildcat strikes, partial or total work stoppages or slowdowns, lock-outs, changes in market conditions, power or communications breakdowns, interventions by civil or military authorities, compliance with any orders of governmental authorities, courts or tribunals or public authorities;

0.01.11 Fundamental Provisions

means, in the opinion of the PARTIES, Parts of the Agreement;

0.01.12 Goods

means, individually or collectively, the goods listed in Schedule 0.01.12 hereof;

0.01.13 Improvements

means any improvement or upgrade to the Goods created during the duration of the Agreement;

0.01.14 Intellectual Property

means any intangible asset, the proprietary rights of which may be protected by contract such as trade secrets, know-how and other similar assets and any intangible asset, the proprietary rights of which are protected by Canadian or foreign Laws such as patents, copyright, trademarks, industrial designs, integrated circuit topographies or plant species and includes any application made to and any registration or patent issued by a public

LENDER	BORROWER

authority for the purpose of securing proprietary and/or intellectual property rights to such intangible assets;

0.01.15 Legal Representatives

means, in respect of each PARTY and, as the case may be, its authorized assignee, when a natural person, the executors or administrators of his estate, his legal heirs, legatees, successors or mandataries and, when a legal person, its directors, officers, shareholders, members, employees and representatives;

0.01.16 PARTY

refers to a signing party to the Agreement and includes its Legal Representatives;

0.01.17 Person

means, as the case may be, a natural person, partnership, joint-stock company, business corporation, cooperative, association, labour union, trust or any other organization whether incorporated or unincorporated, or any public authority of foreign, federal, provincial, territorial or municipal jurisdiction which is not a party to the Agreement, and includes their Legal Representatives;

0.01.18 Prime Rate

means, for each day, the annual rate of interest which the main business bank of sets for that day, according to the financial markets, which it discloses publicly and based upon which it sets the interest rates for the loans it grants in Canada in Canadian currency;

0.01.19 Related Person

means, in relation to a PARTY, any Person identified in Subsection 251(2) of the *Income Tax Act* (Canada), R.S.C. 1985, c.1. (1st Supp.) or any Person not dealing at arm's length with such PARTY;

0.01.20 Results

Means the results obtained by the performance of the Trials;

0.01.21 Trials

Means the list of tasks regarding the Goods indicated in Schedule 0.01.21 of the Agreement;

0.01.22 Trial Period

LENDER	BORROWER