

# SERVICE AGREEMENT (Clinical Trials)

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SERVICE 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 “RESEARCH CENTER”;**

RESEARCH CENTER	CLIENT	INTERVENOR

AND: ..... (identification of the client);

HEREINAFTER REFERRED TO AS "CLIENT";

AND: ..... (identification of the intervenor);

HEREINAFTER REFERRED TO AS THE "INTERVENOR";

HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES".

RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- (A) RESEARCH CENTER has developed expertise in the field of the distribution of products ..... (identify type of product);
- (B) RESEARCH CENTER created a "Clinical Studies Center" supervised by a science committee;
- (C) In addition, RESEARCH CENTER has access to qualified personnel to proceed with the registration formalities for the products ..... with the competent health authorities;
- (D) CLIENT wishes that RESEARCH CENTER perform, through its "Clinical Studies Center", clinical trials of the products for its account and prepare a file intended for the registration of such products so that the latter may have the ..... mark affixed to them;
- (E) RESEARCH CENTER agrees to conduct, on an exclusive basis, all clinical trials required by CLIENT and to prepare a file intended for said registration, for consideration;
- (F) This agreement shall serve as the framework agreement for the performance of various works required by CLIENT regarding the clinical trials and preparation of the file;
- (G) The PARTIES wish to set out in writing the terms of their agreement regarding such purpose;

RESEARCH CENTER	CLIENT	INTERVENOR

(H) 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**

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 ..... (identify subject person);

**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 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;

**0.01.04 Change in Control**

RESEARCH CENTER	CLIENT	INTERVENOR

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;

**0.01.05 Clinical Trials**

means all of the following Phases, which are included in the Schedule and regarding the conduct of the clinical trials of the Products by RESEARCH CENTER including, among others, without limitation, the following Tasks:

- (a) identification of potential investigators;
- (b) writing of protocols, observation notebooks, data collection forms and all procedures required for follow-up of the clinical trials;
- (c) transmission of the protocols and observation notebooks to CLIENT for approval and signature;
- (d) collecting the approval or signature or both on all documents by the investigator;
- (e) collecting all required regulatory authorizations for the conduct of the clinical trials within the Territory;
- (f) transmission of information on the legal and regulatory obligations in force within the Territory to CLIENT;
- (g) Regular transmission of information on the progress of the clinical trials to CLIENT;
- (h) transmission of the final Report written by the investigator to CLIENT;

RESEARCH CENTER	CLIENT	INTERVENOR

- (i) if applicable, organizing the publishing of the study in scientific publications;

**0.01.06 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;

**0.01.07 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;

**0.01.08 Event of Default**

refers to any of the following events:

- (a) if a PARTY fails to make any of the payments (of principal or interest) according to the timetable set and if it fails to cure such default within ..... ( ..... ) days following receipt of notice to such effect;

RESEARCH CENTER	CLIENT	INTERVENOR

- (b) if any of the security mentioned in the Agreement is reduced in value, forfeited or expires before the obligation it guarantees is performed;
- (c) if a PARTY, in its interim or annual financial statements, does not show a working capital having a ratio of at least 1:1;
- (d) if the operations of a PARTY are interrupted for any reason whatsoever during ..... ( ..... ) consecutive days or more;
- (e) if a PARTY assigns its property for the benefit of its creditors or involuntarily liquidates its property;
- (f) if a PARTY becomes insolvent or if a petition in bankruptcy is instituted against it and a final judgment is handed down confirming its bankruptcy;
- (g) if a PARTY sells, assigns or transfers its rights in the Agreement, in whole or in part, without having obtained the prior written consent of .....
- (h) if a PARTY does not comply with one or more of its undertakings pursuant to the Agreement or to any ancillary agreement and such default is not cured within ..... ( ..... ) ..... following receipt of a notice of default from .....
- (i) if a PARTY (or any of its Subsidiaries) is subject to a Change in Control;

**0.01.09 File Preparation**

means the tasks related to the preparation of a file, by RESEARCH CENTER, intended for the registration of the Product as a “.....” so that the appropriate mark may be affixed to the latter;

**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;

RESEARCH CENTER	CLIENT	INTERVENOR

**0.01.12 Industrial Property**

means RESEARCH CENTER’s expertise, any Confidential Information which RESEARCH CENTER does not normally reveal to its competitors, as well as any knowledge acquired by RESEARCH CENTER in the framework of the program regarding the conception, performance, improvement or evaluation of the Product; it may also means, for as long as RESEARCH CENTER has not been paid in full for its performance, any process or Product not yet patented, any technical information, any procedure, any process, any formulas, any plans or analysis, any technical use, any information, any diagram, any drawing, any Specifications, any list of materials and any production guide created by RESEARCH CENTER regarding the conception, realization, improvement or evaluation of the Product;

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

**0.01.14 Legal Representatives**

means, in respect of each PARTY and, as the case may be, it’s 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;

**0.01.15 PARTY**

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

**0.01.16 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;

**0.01.17 Phase**

RESEARCH CENTER	CLIENT	INTERVENOR

means each of the steps of the Clinical Trials, regrouping several tasks and subtasks described in a Purchase Order, namely:

- (a) Phase I; preparation of the file;
- (b) Phase II: evaluation of the Product;
- (c) Phase III: Clinical Trials for the Product.

**0.01.18 Prime Rate**

means, for each day, the annual rate of interest which the main business bank of RESEARCH CENTER 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 Product**

means the product which is subjected to the Clinical Trials;

**0.01.20 Purchase Order**

means any purchase order issued in compliance herewith during the full duration of the Agreement;

**0.01.21 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. (1<sup>st</sup> Supp.) or any Person not dealing at arm's length with such PARTY;

**0.01.22 Report**

Means a progress report regarding a Phase or the final report for the Clinical Trials;

**0.01.23 Results**

means any results obtained by the performance of a Phase or, as the case may be, of the Clinical Trials;

**0.01.24 Sample**

means any material, Product or object supplied by CLIENT;

RESEARCH CENTER	CLIENT	INTERVENOR

**0.01.25 Schedule**

Means the schedule reproduced in Schedule 0.01.25 of the Agreement;

**0.01.26 Specifications**

means the objectives of and the description of each specific task in a Purchase Order;

**0.01.27 Subsidiary**

means an entity controlled by or under common control of a PARTY to the Agreement, through ownership or control of more than FIFTY PERCENT (50%) of the voting rights or other means of ownership or control, provided that such control continues to exist;

**0.01.28 Territory**

means the location where the Clinical Trials are conducted;

**0.01.29 Trial Program**

means all Phases, Tasks and subtasks regarding the appropriate marking of the Product.

**0.02 Precedence**

**0.02.01 Entire Understanding**

The Agreement reflects the entire understanding between the PARTIES and controls the performance of all Purchase Orders issued in compliance herewith. It supersedes all other written or verbal promises or covenants relating to such purposes made prior to its execution date in addition to any schedules hereto attached and all amendments agreed upon by the PARTIES which do not comply with Section 12.05 of the Agreement.

**0.02.02 Interpretative Conflict**

In the event of a conflict between the provisions of the Agreement and the provisions of any Purchase Order, the latter shall prevail.

**0.03 Jurisdiction**

**0.03.01 Governing Law**

The Agreement shall be interpreted, construed and performed in accordance with applicable laws of the Province of Quebec and of Canada. Where the Agreement refers to a specific

RESEARCH CENTER	CLIENT	INTERVENOR