

EXCLUSIVE LICENSE AGREEMENT

This Exclusive License Agreement ("Agreement") is made and entered into as of _____ (the "Effective Date") by and between: The Washington University, a corporation established by special act of the Missouri General Assembly approved February 22, 1853 and acts amendatory thereto, through its Office of Technology Management having its principal offices at 4240 Duncan Avenue, Suite 110, St. Louis, MO 63110 (hereinafter referred to as "WU"); and _____ a _____ organized and existing under the laws of the State of _____, having its principal offices at _____ and its Affiliates (hereinafter and collectively referred to as "Licensee").

SUMMARY OF TERMS

The terms set forth below shall apply to this Agreement, and shall be interpreted in accordance with **Schedules A – D** appended hereto. This Agreement includes and hereby expressly incorporates **Schedules A – D** appended hereto.

- Field: [TBD]
- Territory: Worldwide
- Patent Royalty Rate: 2%
- Success Fee Rate: 0.95%
- Financial Diligence Milestones:
 - Milestone 1 Licensee will raise no less than \$_____ in startup funding by [DATE].
 - Milestone 2 Licensee will raise no less than \$_____ in a second round of funding by [DATE].
- Non-Financial Diligence Milestones:
 - Technical Milestone 1 :
 - Technical Milestone 2 :
 - Technical Milestone 3 :
 - Technical Milestone 4
 - Technical Milestone 5

[The signature page follows]

The signatures of the undersigned indicate that they have read, understand, and agree with the terms of this Agreement, including its appended **Schedules A - D**, and have the authority to execute this Agreement on behalf of and to bind their represented party.

WASHINGTON UNIVERSITY

LICENSEE

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SCHEDULE A

TERMS AND CONDITIONS

1. Definitions.

1.1 “Affiliate” means an entity that now or hereafter, directly or indirectly, controls or is controlled by or is under common control with a party to this Agreement whether by beneficial ownership, contract, or otherwise.

1.2 “Calendar Half” means each six-month period of a calendar year, or portion thereof, beginning on January 1 or July 1.

1.3 “Diligence Milestones” means the activities outlined in the Summary of Terms above, which Licensee shall perform for the purpose of developing and commercializing the first Licensed Product.

1.4 “Field” means the field, as described in the Summary of Terms, in which Licensee is authorized to use the Patent Rights, Technical Information, and Tangible Research Property under this Agreement.

1.5 “First Commercial Sale” means the earliest date on which a Sale of a Licensed Product is consummated pursuant to this Agreement.

1.6 “Licensed Product” means (a) any product or service that is covered by a Valid Claim; and/or (b) any product or service that uses a method, or any product that is produced using a method, which is covered by a Valid Claim.

1.7 “Net Sales” means the gross value of all forms of consideration received from Sales of Licensed Products, less all Permissible Deductions.

1.8 “Patent Rights” means the patents and patent applications listed in **Schedule B**; all continuations, divisionals, continuations-in-part (excluding any claim that is not supported by the disclosures contained in the patents and patent applications listed in **Schedule B** as of the Effective Date), reexaminations, reissues, and foreign counterparts thereof; and all patents that issue from any and all of the foregoing applications.

1.9 “Patent Royalty Rate” means the royalty rate, in the amount listed in the Summary of Terms, which shall apply to Sales of Licensed Products that are made, sold, used, or transferred to a customer located within a country in which a patent or patent application is then subsisting that contains at least one Valid Claim.

1.10 “Permissible Deductions” means a set of deductions from the gross sales of Licensed Products, which account for (a) trade, quantity, and cash discounts on Licensed Products; (b) credits, allowances, or refunds for actual claims, damaged goods, rejections, or returns of Licensed Products; (c) excise, sales, use, value added, and other taxes (but not income taxes); and (d) shipping and transportation. No additional deductions are allowed.

1.11 “Sale” means any transaction in which a Licensed Product is sold, exchanged, provided, or transferred to another for any value, payment, or compensation of any type or kind. Sales shall not include transfers by Licensee to others for the sole purpose of researching,

developing, or testing a Licensed Product, provided that Licensee receives no value, payment, or compensation for such Licensed Product in excess of the costs for producing and transporting such Licensed Product.

1.12 “Success Fee Rate” means the rate that will be used to calculate the amount that Licensee shall pay to WU upon each Liquidation Event or Initial Public Offering, in accordance with Section 4 and **Schedule C**.

1.13 “Tangible Research Property” means the materials and other property that WU provides to Licensee pursuant to this Agreement, including without limitation the materials listed in **Schedule B**.

1.14 “Technical Information” means the information, know-how, data, and methods not readily available in the public domain, which WU provides to Licensee pursuant to this Agreement, including without limitation the information, know-how, data, and methods listed in **Schedule B**.

1.15 “Territory” means the countries and other territories listed in the Summary of Terms, but excluding those countries and territories to which export of technology or goods is prohibited by applicable U.S. export control laws or regulations.

1.16 “Valid Claim” means a claim (a) of a pending patent application, within the Patent Rights, which has been pending for no longer than seven (7) years after its earliest priority date; and/or (b) of an issued and unexpired patent within the Patent Rights, provided that such claim has not been held invalid or unenforceable by a court or other governmental agency of competent jurisdiction in a decision or order that is not subject to appeal.

2. License Grants and Restrictions.

2.1 Subject to the terms and conditions of this Agreement, WU hereby grants to Licensee, and Licensee hereby accepts, a non-transferable (subject to Section 14.6), exclusive (subject to Section 2.3 below), royalty-bearing license under the Patent Rights, in the Field and in the Territory, for the Term of this Agreement, to make, have made, sell, offer for sale, use, and import Licensed Products.

2.2 Subject to the terms and conditions of this Agreement, WU hereby grants to Licensee, and Licensee hereby accepts, a non-transferable (subject to Section 14.6), non-exclusive license, in the Field and in the Territory, for the Term of this Agreement, to use the Technical Information and Tangible Research Property solely for the purpose of exploiting the license granted to Licensee in Section 2.1 above.

2.3 WU retains the right to use the Patent Rights, Technical Information, and Tangible Research Property for research and educational purposes.

2.4 Licensee agrees and acknowledges that: (a) in accordance with Public Laws 96-517, 97-256, and 98-620, codified at 35 U.S.C. §§ 200-212, the United States government retains certain rights to inventions arising from federally supported research or business; (b) under such laws and implementing regulations, the government may impose requirements on such inventions; (c) Licensed Products embodying inventions subject to such laws and regulations sold in the United States must be substantially manufactured in the United States; and (d) the license rights granted in this Agreement are expressly made subject to such laws

and regulations as amended from time to time. Licensee agrees to abide by all such laws and regulations.

2.5 WU retains all ownership rights in the Patent Rights, Technical Information, and Tangible Research Property. Licensee agrees that it will not do any act or thing which would in any way contest WU's ownership in, or otherwise derogate from the ownership by WU, of any rights in the Patent Rights, Tangible Research Property, and/or Technical Information.

2.6 To the extent applicable, Licensee shall ensure that all Licensed Products are marked with the appropriate patent numbers, in accordance with each country's patent laws.

2.7 Licensee shall have the right to sublicense the rights and licenses granted in Sections 2.1 and 2.2 to research collaborators and contractors, for the sole and exclusive purpose of researching, developing, and testing Licensed Products. In addition, if and only to the extent that a Sale of Licensed Products requires that a sublicense be granted under the Patent Rights to the purchaser of such Licensed Products, Licensee shall have the right to sublicense the Patent Rights in connection with such Sale, for the sole and exclusive purpose of enabling the purchaser to use the Licensed Products for their intended purpose. If Licensee sublicenses the rights and licenses granted in Sections 2.1 and 2.2 for any purpose other than those set forth in this Section 2.7, the additional terms and conditions of **Schedule D** shall apply.

3. Diligence.

3.1 Licensee shall exercise commercially reasonable efforts to fully satisfy all of the Diligence Milestones set forth in the Summary of Terms. Licensee will deliver to WU written reports on Licensee's progress towards achieving such Diligence Milestones at the end of each calendar year. Each report will include sufficient detail to enable WU to assess whether Licensee is making reasonable progress towards each Diligence Milestone. In the event that a report does not, in WU's sole discretion, contain sufficient information, within thirty (30) days from WU notifying Licensee of such deficiency, Licensee shall provide the additional information that WU requests under this Section 3.1.

3.2 After fully satisfying the Diligence Milestones under Section 3.1, Licensee will continue to exercise commercially reasonable efforts to develop, manufacture, promote, and sell Licensed Products in the countries in which Patent Rights exist for the duration of the Term.

3.3 Should WU conclude, in its sole discretion, that Licensee fails to meet the diligence requirements set out in this Section 3, WU may notify Licensee of its conclusions and the basis therefor. The parties shall then undertake to resolve WU's concerns through good faith negotiations for a period of ninety (90) days. Should such negotiations fail to result in Licensee achieving a level of diligence consistent with its obligations under this Section 3, in WU's sole discretion, WU may terminate this Agreement as provided in Section 12 below.

3.4 Licensee may elect to extend each of the Diligence Milestones only once by a period of twelve (12) months, by paying WU a non-refundable fee in the amount of fifty thousand (\$50,000) dollars (the "Milestone Extension Fee"). Upon WU's receipt of the Milestone Extension Fee, the applicable Diligence Milestone will become due twelve (12) months after the original deadline for such Diligence Milestone, and the deadline for each subsequent Diligence Milestone, if any, shall also be extended by twelve (12) months.

4. Royalties and Success Fee.

4.1 Licensee will pay WU the Patent Royalty Rate of Net Sales, for those Sales that are subject to the Patent Royalty Rate. A Sale of a Licensed Product will be deemed to have been made at the time Licensee first invoices, ships, or receives value for a Licensed Product. If rights under any intellectual property owned by any third party needed to practice, use, make, sell, offer to sell, or import any Licensed Product, then royalties payable to WU with respect to such Licensed Product under this Section 4.1 may be reduced by Licensee dollar for dollar in an amount up to fifty percent (50%) of any royalty payable by Licensee to any such third party for such right. However, in no event shall the effective Patent Royalty Rate be reduced below 1.0%. The royalty reductions in this Section 4.1 shall only be applicable for third party licenses needed to provide freedom to operate under the Patent Rights and do not apply to other licenses or permissions that Licensee may obtain to develop, produce, or market a Licensed Product, including third party formulation technology.

4.2 The royalties owed to WU will be paid by Licensee within thirty (30) days after the end of each Calendar Half in which the Sales of the applicable Licensed Products occur.

4.3 Licensee shall not consummate a Sale of a Licensed Product for an amount that is less than the fair market value of the Licensed Product, except in connection with the launch of a Licensed Product and a related introductory pricing strategy.

4.4 In the event that Licensee becomes subject to a Liquidation Event or Initial Public Offering, Licensee shall pay WU a Success Fee, which shall be calculated in accordance with **Schedule C**. Licensee shall pay WU a Success Fee for each Liquidation Event or Initial Public Offering that it undertakes following the Effective Date.

4.5 For the avoidance of doubt, multiple royalties will not be owed to WU if a Licensed Product or its manufacture, use, Sale or importation is covered by more than one Valid Claim (or more than one patent or patent application within the Patent Rights).

5. Payments, Records, and Audits.

5.1 All dollar (\$) amounts referred to in this Agreement are expressed in United States dollars. All payments to WU shall be made in United States dollars by check or electronic transfer payable to "Washington University." Any Sales revenues for Licensed Products in currency other than United States dollars shall be converted to United States dollars at the conversion rate for the foreign currency as published in the Eastern edition of *The Wall Street Journal* as of the last business day in the United States of the applicable Calendar Half. All payments shall include or reference the WU Contract Number listed herein, to ensure accurate crediting to Licensee's account. Electronic transfers shall be made to a bank account designated in writing by WU, and all checks shall be sent to:

Washington University
Office of Technology Management
Attn: Accounting Dept.
660 S. Euclid, Campus Box 8013
St. Louis, MO 63110

5.2 Within forty-five (45) days after the end of each Calendar Half in which a Sale of a Licensed Product is made, Licensee shall deliver to WU a written report setting forth the

calculation of all amounts due to Licensee for such Calendar Half. Each report will show, at a minimum, (a) the number of Licensed Products sold, by country, during such Calendar Half; (b) the gross receipts for Sales of Licensed Products, by country, during such Calendar Half, including total amounts invoiced and received; (c) the amount of any Permissible Deductions for such Calendar Half; and (d) the amount of Net Sales of Licensed Products, by country, for such Calendar Half.

5.3 Licensee shall maintain complete and accurate books of account and records that would enable an independent auditor to verify the amounts paid as royalties and other payments under this Agreement. The books and records must be maintained for at least six (6) years following each Calendar Half. Upon notice by WU, Licensee must give WU (or auditors or inspectors appointed by and representing WU) access to all books and records relating to Sales of Licensed Products by Licensee to conduct, at WU's expense, an audit or review of those books and records. This access must be available at least once every twelve (12) months, during regular business hours, during the Term of this Agreement and for the six (6) calendar years following the year in which termination or expiration of this Agreement occurs. If any such audit or review determines that Licensee has underpaid royalties by 5% or more for any Calendar Half, Licensee shall (a) reimburse WU for the costs and expenses of the accountants and auditors in connection with the review and audit and (b) immediately pay WU the amount of such underpayment along with interest on the past due amount as provided in Section 5.4 below.

5.4 Any amounts not paid by Licensee to WU when due shall accrue interest, from the date thirty (30) days after the balance is due at an interest rate of 1.5% per month or portion of a month. In addition, Licensee will reimburse WU for all reasonable costs and expenses incurred (including reasonable attorneys' fees) in collecting any overdue amounts.

6. Confidentiality.

6.1 The parties acknowledge that, prior to and during the Term of this Agreement, the parties may disclose to one another scientific, technical, business, or other information which is treated by the disclosing party as confidential or proprietary, including but not limited to unpublished Patent Rights, Technical Information, Tangible Research Property, and reports provided by Licensee to WU under this Agreement (hereinafter referred to as "Confidential Information"). Both parties agree that in order to ensure that each party understands which information is deemed to be confidential, all Confidential Information will be in written form and clearly marked as "Confidential," and if the Confidential Information is initially disclosed in oral or some other non-written form, it will be confirmed and summarized in writing and clearly marked as "Confidential" within thirty (30) days of disclosure. The receiving party shall hold such Confidential Information in confidence and shall treat such information in the same manner as it treats its own confidential information but not less than with a reasonable degree of care. In recognition that WU is a non-commercial, academic institution, Licensee agrees to limit to the extent possible the delivery of Licensee Confidential Information to WU. WU retains the right to refuse to accept any such information or data from Licensee which it does not consider to be essential to this Agreement or which it believes to be improperly designated. The Confidential Information provided to the receiving party will remain the property of the disclosing party, and will be disclosed only to those persons necessary for the performance of this Agreement. The parties agree that no indirect or consequential damages, or damages based on loss of profits or lost market share, are contemplated or recoverable for breach of the confidentiality obligations of this Agreement.

6.2 Confidential Information does not include information that (a) was known to the receiving party prior to receipt from the disclosing party as evidenced by the receiving party's records; (b) is or becomes part of the public domain through no act by or on behalf of the receiving party; (c) is lawfully received by the receiving party from a third party without any restrictions, and/or (d) comprises identical subject matter to that which had been originally and independently developed by the receiving party personnel without knowledge or use of any Confidential Information as evidenced by the receiving party's records.

6.3 The receiving party may, to the extent necessary, disclose the disclosing party's Confidential Information in accordance with a judicial or other governmental order, provided that the receiving party either (a) gives the disclosing party reasonable notice prior to such disclosure to allow the disclosing party a reasonable opportunity to seek a protective order or equivalent, or (b) obtains written assurance from the applicable judicial or governmental entity that it will afford the Confidential Information an appropriate level of protection afforded under applicable law or regulation.

6.4 Licensee may, to the extent necessary, use and disclose the Confidential Information to secure governmental approval to clinically test or market a Licensed Product, or, if applicable, to secure patent protection for an invention within the Patent Rights, or in connection with the sale of all, or substantially all, of the Licensee's assets to which this Agreement relates. Licensee will, in any such event, take all reasonably available steps to maintain the confidentiality of the disclosed Confidential Information and to guard against any further disclosure.

7. Representations and Warranties.

7.1 Each of WU and Licensee represents and warrants to the other that (a) this Agreement has been duly executed and delivered and constitutes a valid and binding agreement enforceable against such party in accordance with its terms, (b) no authorization or approval from any third party is required in connection with such party's execution, delivery, or performance of this Agreement, and (c) the execution, delivery, and performance of this Agreement does not violate the laws of any jurisdiction or the terms or conditions of any other agreement to which it is a party or by which it is otherwise bound.

7.2 Licensee represents and warrants that it will (a) use the Patent Rights, Tangible Research Property, and Technical Information only in accordance with the provisions of this Agreement and with such laws, rules, regulations, government permissions and standards as may be applicable thereto in the Territory and in the Field, and (b) otherwise comply with all laws, rules, regulations, government permissions and standards as may be applicable to Licensee in the Territory with respect to the performance by Licensee of its obligations hereunder. Licensee further represents and warrants that (i) it has obtained the insurance coverage required by Section 11 below, and (ii) there is no pending litigation and no threatened claims against it that could impair its ability or capacity to perform and fulfill its duties and obligations under this Agreement. Licensee warrants that all reports and/or statements provided by Licensee hereunder are true and correct and are certified true and correct by Licensee upon delivery to WU.

7.3 WU represents that (a) as of the Effective Date, it has received no notice of any third party claims against WU challenging WU's ownership or control of the Patent Rights, Technical Information, and Tangible Research Property; and (b) it has obtained assignments from

all WU inventors named in patent applications and patents within the Patent Rights, which assign to WU all of their right, title and interest in and to the Patent Rights.

8. Patent Rights.

8.1 WU will have the sole right to control the preparation, filing, prosecution, and maintenance of Patent Rights. Subject to compliance by Licensee to the terms and conditions of this Agreement, WU will (a) prosecute and maintain the applications and patents within the Patent Rights and (b) prepare, file and prosecute additional applications within the Patent Rights as Licensee may reasonably request, in WU's name at Licensee's sole cost and expense. WU will select qualified patent counsel and corresponding foreign associates reasonably acceptable to Licensee to prepare, file, prosecute and maintain patents and patent applications within the Patent Rights. WU will consult with Licensee regarding the prosecution of Patent Rights, including providing Licensee with a reasonable opportunity to review and comment on proposed substantive correspondence with any patent office.

8.2 Licensee will reimburse WU for all costs and expenses associated with the preparation, filing, prosecution, issuance, and/or maintenance of patents and applications within the Patent Rights, provided that such costs and expenses are incurred after the Effective Date. Licensee will pay WU the amount of any such reimbursement within thirty (30) days after receipt by Licensee of documentation for any such costs and expenses, which WU may provide to Licensee from time-to-time.

8.3 Licensee may elect not to reimburse WU for amounts due under this Section 8 in respect to one or more Patent Rights, only by giving WU notice of such election at least sixty (60) days before the date on which the applicable cost or expense is to be incurred by WU (each an "Election Notice"). For purposes of this Section 8.3, a cost or expense shall be deemed to be incurred by WU on the earlier of (a) the date WU actually pays the cost or expense, or (b) the date WU becomes obligated to pay the cost or expense (which, for example, shall be the date WU engages a third party to perform any service which gives rise to any such cost or expense). Any such Election Notice shall specify the Patent Rights to which such Election Notice relates ("Elected Patent Rights"). In the event any Election Notice is given by Licensee, (i) the term "Patent Rights" shall be modified to exclude, as applicable, such Elected Patent Rights, (ii) the term "Technical Information" shall be modified to exclude any research and business information, unpatented inventions, know-how, data, methods, and information that is no longer necessary for the exploitation of the license granted to the remaining Patent Rights, and (iii) the term "Tangible Research Property" shall be modified to exclude any and all research tools and other materials that WU may have provided to Licensee that are no longer necessary for the exploitation of the license granted to the remaining Patent Rights, in each instance as of the date the Election Notice is given. As of the date the Election Notice, the license to the Elected Patent Rights, the applicable Technical Information, and the applicable Tangible Research Property granted to Licensee under this Agreement will terminate, and WU shall be free, without any further obligation to Licensee whatsoever, to abandon the applications or patents subject to the Election Notice, or to continue prosecution or maintenance of such applications or patents for WU's sole use and benefit, or to license such applications or patents to unrelated third parties, at WU's option. Licensee will deliver to WU, along with any Election Notice, all Technical Information and Tangible Research Property to which such Election Notice relates.

8.4 The parties desire to avail themselves to the maximum extent possible of all applicable legal privileges. The parties intend that information regarding the preparation, filing, prosecution, and maintenance of the applications and patents within the Patent Rights ("Shared

Information”) that would otherwise be subject to one or more legal privileges or protections is and shall be subject to those same privileges and protections, despite the fact that it has been developed by or exchanged between or among them and/or their joint or independent counsel. The parties further intend that Shared Information is and shall be subject to the joint defense doctrine and common interest/community of interest doctrine. The parties acknowledge that the legal privileges and protections pertaining to Shared Information are held jointly by all parties, and that no individual party is authorized to waive any such privilege or protection. Further, this Agreement shall not affect the ethical, fiduciary, or other obligations inherent in those attorney-client relationships, other than to extend the cloak of confidentiality and privilege to the Shared Information as provided herein.

9. Infringement, Enforcement, and Defense.

9.1 Throughout the Term of this Agreement, each of WU and Licensee agree to give the other prompt notice of (a) any known or suspected infringement of the Patent Rights or unauthorized use or disclosure of the Technical Information and/or Tangible Research Property in the Territory, and (b) any claim that a Licensed Product infringes the intellectual property rights of a third party.

9.2 Licensee will have the right, but not the obligation, at its sole expense, to promptly stop any infringement of the Patent Rights in the Territory and in the Field. Upon receipt of WU's written consent, such consent not to be unreasonably withheld, Licensee may initiate and prosecute actions in its own name or, if required by law, in WU's name against third parties for infringement of the Patent Rights in the Territory and in the Field through outside counsel of Licensee's choice who are reasonably acceptable to WU. Licensee shall consult with WU prior to and in conjunction with all significant issues, shall keep WU informed of all proceedings, and shall provide copies to WU of all pleadings, legal analyses, and other papers related to such actions. WU will provide reasonable assistance to Licensee in prosecuting any such actions. If Licensee fails or declines to take any action under this Section within a reasonable time after learning of the infringement of the Patent Rights, WU shall have the right (but not the obligation) to take appropriate actions including, without limitation, filing its own action. Licensee will provide reasonable assistance to WU in prosecuting, resolving and/or settling any such actions. If WU obtains any value, payment, or compensation of any type or kind, including all forms of non-cash consideration, as a result of any claim brought by WU pursuant to this Section, WU shall be entitled to retain all of such value, payment, and compensation.

9.3 Notwithstanding anything in this Agreement to the contrary, Licensee may not, without the advanced written consent of WU, settle, compromise, or otherwise enter into any form of settlement (or other similar agreement) regarding any claim or action brought under this Section that either (a) admits liability on the part of WU; (b) negatively affects the rights of WU or imposes any liability, restrictions, or obligation upon WU; (c) requires any financial payment by WU; and/or (d) grants rights or concessions to a third party to the Patent Rights or any Licensed Products. If Licensee obtains any value, payment, or compensation of any type or kind, including all forms of non-cash consideration, as a result of any claim brought by Licensee pursuant to this Section, Licensee shall pay to WU a percentage equal to the Patent Royalty Rate of any such value, payment, and compensation, including the fair market value of any non-cash forms of consideration.

10. Indemnification.

Licensee agrees to indemnify, defend, reimburse and hold harmless WU, WU personnel, WU's Affiliates, and each of their respective trustees, faculty, staff, employees, students, directors, officers, agents, successors and assigns (altogether the "WU Indemnitees") from, for and against any and all judgments, settlements, losses, expenses, damages and/or liabilities and any and all court costs, attorneys' fees, and expert witness fees and expenses that a WU Indemnatee may incur from any and all allegations, claims, suits, actions or proceedings (the "Claims") arising out of, relating to, or incidental to Licensee's breach of this Agreement or its use, development, commercialization, or other exploitation of Licensed Products, Patent Rights, Tangible Research Property and/or Technical Information, whether by or through Licensee, and including all Claims for infringement, injury to business, personal injury, and product liability. The obligations set forth in this Section shall survive termination of this Agreement, shall continue even after assignment of rights and responsibilities, and shall not be limited by any provision of this Agreement outside this Section.

11. Insurance.

11.1 Throughout the Term of this Agreement and for a period of five (5) years thereafter, Licensee shall obtain and maintain comprehensive general liability and product liability insurance, naming WU as an additional insured, with carrier(s) having at least A.M. Best ratings/class sizes of A/VII and in the following minimum annual limits:

- From the Effective Date until the date at least one day prior to the First Commercial Sale or clinical study: \$1,000,000 per occurrence and \$2,000,000 in the aggregate; and
- From the date at least one day prior to the earliest of the First Commercial Sale or commencement of clinical study: \$5,000,000 per occurrence and \$10,000,000 in the aggregate.

11.2 Licensee will provide WU with a certificate of insurance within thirty (30) days of the Effective Date and each year thereafter at WU's request. The certificates must provide that Licensee's insurer will notify WU in writing at least thirty (30) days prior to cancellation or material change in coverage. The specified minimum insurance coverage and limits do not constitute a limitation on Licensee's liability or obligation to indemnify or defend under this Agreement.

12. Term and Termination.

12.1 The term of this Agreement will commence on the Effective Date and continue on a country-by-country and Licensed Product-by-Licensed Product basis and end, separately in each such country and for each such Licensed Product, upon the last day that at least one Valid Claim exists (the "Term").

12.2 Licensee may terminate this Agreement without cause by giving at least ninety (90) days' written notice thereof to WU. Licensee shall pay WU all amounts due and owing to WU under this Agreement as of the date of termination, including the above mentioned ninety (90) day notice period, within ten (10) days after receipt of an invoice from WU for such amounts. Licensee may also terminate this Agreement by giving written notice thereof to WU in the event WU commits a breach of any provision of this Agreement and fails to cure such breach within thirty (30) days after the day that Licensee gives notice to WU of such breach.

12.3 WU may terminate this Agreement by giving written notice thereof to Licensee in the event Licensee commits a breach of any provision of this Agreement and fails to cure such breach within thirty (30) days after the day that WU gives Licensee notice of such breach. Licensee agrees and acknowledges that Licensee's failure to (a) fully satisfy any of the Diligence Milestones set forth in this Agreement (regardless of whether Licensee exerts commercially reasonable efforts to satisfy such Diligence Milestones); and/or (b) timely pay WU the amounts owed under Sections 4 and 8 will be considered a breach of this Agreement. In addition, WU may immediately terminate this Agreement by giving written notice thereof to Licensee in the event that Licensee (i) becomes insolvent, bankrupt, or is otherwise unable to pay its debt(s) to WU by the due date(s), (ii) suffers the appointment of a receiver, receiver and manager, or administrative receiver of the whole or any part of its assets or undertaking, (iii) a resolution is passed, for its winding up (other than for the purpose of amalgamation or reconstruction), or (iv) it enters into any arrangement with its creditors or suffers any distress or execution to be levied on its goods.

12.4 On the date of earlier termination of this Agreement, all license rights granted to Licensee under Section 2 shall terminate. Licensee agrees to, promptly upon the earlier termination of this Agreement, deliver to WU all originals, copies, reproductions and summaries of all Tangible Research Property, Technical Information and Confidential Information, in each instance in the format in which it exists at the time of the earlier termination of this Agreement, or in another mutually agreed format. The expiration or earlier termination of this Agreement shall not relieve Licensee of its obligation to account for and make payment to WU of any amount due hereunder including, without limitation, under Sections 4 and 8. Licensee may, upon prior written consent from WU which shall not be unreasonably withheld, request a wind down period not to exceed six (6) months following the date of such earlier termination, which will allow the Licensee to continue selling Licensed Product for the duration of the agreed upon wind down period, provided that Licensee pays to WU the applicable royalty or other amounts due on such sales of Licensed Product in accordance with the terms and conditions of this Agreement.

12.5 Upon expiration, but not early termination, of this Agreement, Licensee shall have a continued right to use the Technical Information and Tangible Research Property pursuant to the rights granted in Section 2.1.

13. Disclaimer and Limitation of Liability.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EVERYTHING PROVIDED BY WU UNDER THIS AGREEMENT IS UNDERSTOOD TO BE EXPERIMENTAL IN NATURE, MAY HAVE HAZARDOUS PROPERTIES, AND IS PROVIDED WITHOUT ANY WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF ANY THIRD-PARTY PATENT, TRADEMARK, COPYRIGHT OR ANY OTHER THIRD-PARTY RIGHT. WU MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE QUALITY, ACCURACY, COMMERCIAL VIABILITY, OR ANY OTHER ASPECT OF ITS PERFORMANCE PURSUANT TO THIS AGREEMENT OR REGARDING THE PERFORMANCE, VALIDITY, SAFETY, EFFICACY, OR COMMERCIAL VIABILITY OF ANYTHING PROVIDED BY WU UNDER THIS AGREEMENT. WITH THE EXCEPTION OF LICENSEE'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, WHETHER IN BREACH OF CONTRACT, TORT OR

OTHERWISE, EVEN IF SUCH PARTY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. WITH THE EXCEPTION OF LICENSEE'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, EACH PARTY'S AGGREGATE LIABILITY TO THE OTHER UNDER THIS AGREEMENT SHALL NOT EXCEED THE PAYMENTS MADE OR PAYMENTS DUE UNDER THIS AGREEMENT.

14. General Provisions.

14.1 In performing their respective obligations under the Agreement, the parties will comply with United States export control and asset control laws, regulations, and orders, as they may be amended from time to time, applicable to the export or re-export of goods or services, including software, processes, or technical data. WU is not transferring any information or material outside of the United States under this Agreement and is providing no representation or warranty regarding the export control status or classification of any information or materials provided hereunder.

14.2 This Agreement embodies the entire understanding of the parties and supersedes all other past and present communications and agreements relating to the subject matter. No amendment or modification of this Agreement shall be valid unless made in writing and signed by authorized representatives of both parties.

14.3 This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, without regard to its rules or procedures involving conflicts of laws. All actions relating to this Agreement shall be brought exclusively in the United States District Court for the Eastern District of Missouri or the Circuit Court of St. Louis County, Missouri, if no federal subject matter jurisdiction exists. The parties irrevocably waive all present and future objections to personal jurisdiction, forum or venue in such courts.

14.4 Each provision of this Agreement that would by its nature or terms survive, shall survive any termination or expiration of this Agreement, regardless of the cause. Such provisions include, without limitation, Sections 5.3, 6, 7, 10, 11, and 13. Upon and following the five (5) year anniversary of the Effective Date, Section 4.4 and **Schedule C** shall also survive any termination or expiration of this Agreement, regardless of the cause.

14.5 Notices pursuant to this Agreement shall be effective when sent, if delivered by a commercial carrier's overnight delivery service or when received if sent otherwise. Notices to WU and Licensee should be sent to the addresses set forth in the preamble of this Agreement, or such other address as a party so notifies the other party pursuant to this Section 14.5.

14.6 This Agreement shall be personal to Licensee, and it is not assignable by Licensee to any other person or entity without the prior written consent of WU, such consent to be in WU's sole discretion. Notwithstanding the foregoing, Licensee shall be free to assign this Agreement and its rights and obligations hereunder without WU's consent (a) to any Affiliate or (b) in connection with any sale of substantially all of Licensee's assets or business (or that portion of its assets or business related to the subject matter of this Agreement), merger, acquisition, consolidation, reorganization, or other similar transaction, provided that (i) Licensee shall not be released of its obligations existing at the time of such assignment and (ii) the assignee or successor to this Agreement confirms, in writing, that it will be subject to and must comply with all terms, conditions, and obligations of this Agreement.

14.7 Each party is an independent contractor and not a partner or agent of the other party. This Agreement will not be interpreted or construed as creating or evidencing any partnership or agency between the parties or as imposing any partnership or agency obligation or liability upon either party. Further, neither party is authorized to, and will not, enter into or incur any agreement, contract, commitment, obligation or liability in the name of or otherwise on behalf of the other party.

14.8 If any provision in this Agreement is held invalid, illegal, or unenforceable in any respect, such holding shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if it had never contained the invalid, illegal, or unenforceable provisions.

14.9 The failure of either party to insist upon or enforce strict performance by the other party of any provision of this Agreement, or to exercise any right or remedy under this Agreement will not be interpreted or construed as a waiver or relinquishment of that party's right to assert or rely upon any such provision, right or remedy in that or any other instance; rather, the same will be and remain in full force and effect. All rights and remedies under this Agreement are cumulative of every other such right or remedy and may be exercised concurrently or separately from time-to-time.

14.10 Neither party may use the trademarks or name of the other party or its employees for any commercial, advertisement, or promotional purposes without the prior written consent of an authorized corporate officer of the other party. If either party is required by law, governmental regulation, or its own authorship or conflict of interest policies to disclose its relationship with the other party, including, but not limited to, in SEC filings, scientific publications or grant submissions, it shall provide the other party with a copy of the disclosure.

14.11 Neither WU nor Licensee will be liable for failure of or delay in performing obligations set forth in this Agreement, and neither will be deemed in breach of its obligations, other than for payments, if such failure or delay is due to natural disasters or other causes reasonably beyond the control of a party and reasonable notice of the delay is provided to the other party.

14.12 Licensee agrees that for all WU faculty or staff members who serve Licensee in the capacity of consultant, officer, employee, board member, advisor, or otherwise through a personal relationship with Licensee (a "Consultant") (a) such Consultant shall serve the Licensee in his or her individual capacity, as an independent contractor, and not as an agent, employee or representative of WU; (b) WU exercises no authority or control over such Consultant while acting in such capacity; (c) WU receives no benefit from such activity; (d) neither Licensee nor the Consultant may use WU resources in the course of such service; (e) WU makes no representations or warranties regarding such service and otherwise assumes no liability or obligation in connection with any such work or service undertaken by such Consultant; and (f) any breach, error, or omission by a Consultant acting in the capacity set forth in this Section shall not be imputed or otherwise attributed to WU, and shall not constitute a breach of this Agreement by WU.

14.13 Each party shall, at the reasonable request of the other, execute and deliver to the other such instruments and/or documents and shall take such actions as may be required to more effectively carry out the terms of this Agreement.

14.14 Licensee acknowledges (a) that WU is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, (b) that maintenance of such exempt status is of critical importance to WU and to its members, and (c) that WU has entered into this Agreement with the expectation that there will be no adverse impact on its tax exempt status. As such, and if it becomes necessary, the parties agree to amend, modify or reform this Agreement as necessary (i) in order to ensure that there is no material adverse impact on WU's tax exempt status, and (ii) in a manner that preserves the economic terms of the Agreement as such are set forth in this Agreement.

14.15 This Agreement may be executed in counterparts, each of which shall be deemed an original and as executed shall constitute one agreement, binding on both parties, even though both parties do not sign the same counterpart.

SCHEDULE B

Patent Rights

Tangible Research Property

Technical Information

SCHEDULE C

Success Fee

Definitions

1. “Aggregate Consideration” means the amount equal to: (a) in the case of an Asset Sale, the sum of all cash and the fair market value of all securities or other property transferred to Licensee at the time of the transaction, less all current and long-term liabilities (but not contingent liabilities) of Licensee that are not discharged or assumed by the buyer (or its affiliates) in connection with the Asset Sale, and all cash and the fair market value of all securities and other property for Trailing Consideration payable to Licensee, when and if actually paid; or (b) in the case of a Merger or Stock Sale, the sum of (i) all cash and the fair market value of all securities and other property transferred to the stockholders of the Licensee (and any option holders or warrant holders) in return for their stock (or options or warrants) in the Licensee at the time of the transaction, and (ii) all cash and the fair market value of all securities and other property transferred to the stockholders of the Licensee (and any option holders or warrant holders) for Trailing Consideration payable to the holders of Licensee’s securities, when and if actually paid.
2. “Initial Public Offering” means the effectiveness of a registration statement for the first sale of Licensee’s common stock in a public offering registered under the Securities Act of 1933, as amended.
3. “Liquidation Event” means (a) a merger, share exchange or other reorganization (“Merger”), (b) the sale by one or more stockholders of a majority of the voting power of the Licensee (“Stock Sale”) or (c) a sale of all or substantially all of the assets of the Licensee (or that portion of its assets related to the subject matter of this Agreement) (“Asset Sale”) in which for (a), (b), and (c) above, the stockholders of the Licensee prior to such transaction do not own a majority of the voting power of the acquiring, surviving or successor entity, as the case may be. Notwithstanding the foregoing, a Liquidation Event shall not include a bona fide financing transaction in which voting control of the Licensee transfers to one or more persons or entities who acquire shares of Licensee capital stock from Licensee in exchange for either an investment in Licensee or the cancellation of indebtedness owed by Licensee, or a combination thereof.
4. “Pre-Money Valuation” means the amount equal to the product of (a) the price per share of common stock sold in the Initial Public Offering and (b) the total number of outstanding shares of common stock of Licensee immediately prior to the closing of the Initial Public Offering, determined on a fully diluted, as converted into common stock basis, giving effect to any stock split, stock dividend, stock combination, recapitalization or similar action impacting Licensee’s capitalization that occurs, or is deemed to occur, upon consummation of the Initial Public Offering.
5. “Trailing Consideration” means any payments due for any deferred or contingent consideration payable to Licensee or its security holders including, without limitation, any post-closing milestone payment, escrow or holdback of consideration.

Success Fee Calculation

6. Licensee shall pay WU an amount equal to the Success Fee Rate, as listed in the Summary of Terms, applied to the (a) Aggregate Consideration (and Trailing Consideration, if any) for a Liquidation Event or (b) Pre-Money Valuation for an Initial Public Offering (the "Success Fee"). The Success Fee shall be paid after only the first to occur of either a Liquidation Event or Initial Public Offering. The Success Fee, when and if payable, shall be paid upon closing of the event; except for Trailing Consideration which shall be payable within thirty (30) days after the actual receipt of such Trailing Consideration by Licensee or its security holders.

7. For a Liquidation Event, the Success Fee shall be payable in the form of the proceeds payable to either Licensee or its security holders, whether in cash, securities or other property, and in the same proportion such form of consideration is payable to the Licensee or its security holders. Notwithstanding the foregoing, in the event the form of consideration includes securities for which there is not an active public market, in lieu of paying that portion of the fee with such securities, Licensee will make a cash payment to WU equal to the fair market value of such securities. The valuation of such securities shall be determined in accordance with paragraph 9 below.

8. For an Initial Public Offering, the Success Fee shall be payable in the form of cash.

9. The valuation of any securities or other property shall be determined by reference to the operative transaction agreement for a respective Merger, Stock Sale or Asset Sale, provided that, if no such valuation is readily determinable from such operative transaction agreement, then for securities for which there is an active public market: (a) if traded on a securities exchange or market, the value shall be deemed to be the average of the closing prices of the securities on such exchange or market over the 30-day period ending three days prior to the closing of such transaction; or (b) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the 30-day period ending three days prior to the closing of such transaction. For securities for which there is no active public market, the value shall be the fair market value thereof as either (i) determined in good faith by the board of directors of Licensee, which must be approved by WU, such approval not to be unreasonably withheld; or (ii) determined by a third party appraiser appointed and paid for by Licensee.

SCHEDULE D

Sublicensing Rights

1. Licensee may grant sublicenses under the rights granted in Sections 2.1 and 2.2 to third parties by entering into a written agreement with any such third party (each such agreement shall be referred to herein as a “Sublicense” and each such third party shall be referred to herein as a “Sublicensee”). Only Licensee (and not any Sublicensee) may enter into a Sublicense, and each Sublicense shall expressly prohibit the Sublicensee from granting further sublicenses.

2. Licensee will pay WU a running royalty based on Sales of Licensed Products by Sublicensees (a “Sublicensee Running Royalty”). The Sublicensee Running Royalty will be calculated as follows:

- Licensee will pay WU the Patent Royalty Rate of Net Sales, for those Sales by Sublicensees that are subject to the Patent Royalty Rate.

3. A Sale of a Licensed Product will be deemed to have been made at the time Sublicensee first invoices, ships, or receives value for a Licensed Product. The royalties owed to WU will be paid by Licensee within thirty (30) days after the end of each Calendar Half in which the Sales of the applicable Licensed Products occur.

4. Licensee shall pay to WU fifteen (15%) percent of Sublicensing Revenue within thirty (30) days of the end of the Calendar Half in which Licensee receives the Sublicensing Revenue. Once Licensee has raised over \$10M in funding or five years have passed from the Effective Date, which ever should come first, the rate payable to WU under this Paragraph 4 will decrease to five percent (5%) and will remain at that level for the remaining Term of the Agreement. As used herein, “Sublicensing Revenue” means all value, payment or compensation of any type or kind, other than Sublicensee Running Royalty amounts, received by Licensee from or through its Sublicensees for the licensing, cross-licensing or other authorized use of any license or right granted herein by WU. Sublicensing Revenue shall include, without limitation, all fees, milestone payments, cash equivalents, equities, securities, equipment, property, rights or anything else of value received by Licensee as sublicensing consideration from or for the benefit of any Sublicensee.

5. Licensee agrees that it will require all Sublicensees to comply with the terms and conditions set forth in this Agreement and applicable to Licensee. In furtherance of the foregoing but without limiting the generality thereof, each Sublicense shall, for the express benefit of WU, bind the Sublicensee to terms and conditions no less favorable to WU than those between WU and Licensee contained in this Agreement. To the extent that any term, condition, or limitation of any Sublicense is inconsistent with the terms, conditions and limitations contained in this Agreement, such term, condition, and/or limitation shall be null and void against WU.

6. Licensee will be primarily liable to WU for all acts, errors or omissions of a Sublicensee. Any act, error or omission of a Sublicensee that would be a breach of this Agreement if imputed to Licensee will be deemed to be a breach of this Agreement by Licensee.

7. At Licensee's written request, any Sublicense granted by Licensee under this Agreement will remain in effect in the event that this Agreement is terminated prior to expiration. Any such Sublicensee will automatically become a direct licensee of WU under the rights originally sublicensed to it by Licensee provided the Sublicensee did not cause the termination of this Agreement and the Sublicensee agrees to comply with the terms of this Agreement and to fulfill all the responsibilities of Licensee hereunder. Each such Sublicensee shall be an intended third party beneficiary of this Paragraph 7. In the event that this Agreement is terminated, all amounts subsequently owed to Licensee with respect to any Sublicense granted under this Agreement shall become paid directly by Sublicensee to WU following the date of termination.

8. Within thirty (30) days after the effective date of any Sublicense, Licensee shall provide WU a complete and accurate copy of the Sublicense, without any redactions, including without limitation any and all exhibits and/or attachments thereto. If the Sublicense is written in a language other than English, the copy of the Sublicense shall be accompanied by a complete translation written in English. Upon delivery of such translation to WU, Licensee shall be deemed to represent and warrant to WU that such translation is a true and accurate translation of the Sublicense.

9. Without in any way narrowing or limiting the scope of the foregoing provisions, all Sublicenses shall contain the terms and conditions set forth below:

a. Sublicensee agrees to indemnify, defend, and hold harmless WU Indemnitees to the same extent and under terms no less favorable to WU Indemnitees as Licensee's obligations under Section 10 of this Agreement.

b. Sublicensee agrees to maintain insurance for WU's benefit to the same extent and under terms no less favorable to WU as Licensee's obligations under Section 11 of this Agreement.

c. Sublicensee agrees to maintain books and records and allow audits for WU's benefit to the same extent and under terms no less favorable to WU as Licensee's obligations under this Agreement.

d. If Licensee enters bankruptcy or receivership, voluntarily or involuntarily, Sublicensee Running Royalty and Sublicensing Revenue then or thereafter due to Licensee will, upon notice from WU to any Sublicensee, become directly due and owing to WU for the account of Licensee.

e. Sublicensee shall not consummate a Sale of a Licensed Product for an amount that is less than the fair market value of the Licensed Product.

f. Washington University is a third party beneficiary of the Sublicense.

10. In the event that Licensee sublicenses any of the rights or licenses granted in Sections 2.1 and 2.2, in combination with any rights or licenses to any other patents, patent applications, or other forms of intellectual property that are owned or controlled by Licensee and/or any third party (referred to herein as "non-WU IP"), whether as part of the same agreement or pursuant to separate agreements, Licensee shall confer with WU and the parties shall agree upon the relative value that will be assigned to (a) the sublicense under the rights and licenses granted in Sections 2.1 and 2.2 of this Agreement and (b) the non-WU IP. The agreed upon relative

WU Contract Number: [TBD]

valuation will then be used to properly calculate the Sublicensee Running Royalty and the amount of Sublicensing Revenue that will be owed to WU under this **Schedule D**.