# MASTER SERVICES AGREEMENT

THIS AGREEMENT made in duplicate on «AgreementDate».

BETWEEN **CEATI INTERNATIONAL INC.**, a company duly incorporated under the laws of Canada and having its Head Office and chief place of business in the City of Montreal, Province of Quebec, Canada, H3A 2R7 (hereinafter “**CEATI**”).

A

AND **«Ccompany»,** a company duly incorporated under the laws of «Ccountry» and having its Head Office and chief place of business in the City of «Ccity», «CstateProv», «Ccountry» (hereinafter the "**CONTRACTOR**").

CEATI and CONTRACTOR may also be referred to individually as a Party or collectively as the Parties.

 WHEREAS CEATI requires the services of the CONTRACTOR to conduct the work set forth in statements of work issued by CEATI from time to time, with respect to the production, transmission, distribution and/or utilization of electrical energy, for the ultimate benefit of the consortium of project co-funders (hereinafter called “**CONSORTIUM MEMBERS**”).

 AND, WHEREAS the CONTRACTOR has represented that it is equipped and qualified to perform such work.

 NOW THEREFORE, THIS AGREEMENT WITNESSETH CEATI and the CONTRACTOR, for the consideration hereinafter set forth, covenant, promise and agree as follows:

1. **PURPOSE AND WORK**
	1. The CONTRACTOR shall perform the work (“**Work**”) set forth in one or more statements of work (each, a “**SOW**”) issued under this Agreement. CONTRACTOR warrants to CEATI that it shall perform the Work with the degree of skill and care required by current, good and sound professional practices and in conformity with the generally accepted professional standards.
	2. Any SOW entered into by the Parties shall be in the form set forth at Schedule A hereto, unless otherwise agreed by the Parties. Each SOW will be jointly prepared by the Parties and be duly executed by both Parties, it being understood that the CONTRACTOR shall agree to any SOW proposed by CEATI containing reasonable terms and requesting Work that the CONTRACTOR has the capacity to perform. Upon execution, a SOW shall become binding upon the Parties, be deemed to be incorporated by reference into this Agreement, and be subject to the terms and conditions of this Agreement.
	3. The period(s) of performance of the Work shall be as set forth in the applicable SOW. All Work related to a SOW, including submission of the final technical report as provided in Article 4, shall be completed during such period(s) of performance.
	4. It is understood that CEATI requires the services of the CONTRACTOR for the ultimate benefit of CONSORTIUM MEMBERS, but that it is entering into this Agreement in its own name, and not as an agent or mandatary of CONSORTIUM MEMBERS.
2. **CHANGE PROCESS**
	1. Upon written notice from CEATI, the CONTRACTOR will make changes to the Work set out in a specific SOW, including but not limited to (a) revising or adding to the Work, or deleting portions thereof, or (b) revising the period or schedule of performance; that do not have a material impact on the delivery, performance, or on the cost of providing of the Work (“**Ordinary Course Changes**”). In such case, the CONTRACTOR shall immediately take all necessary steps to implement the applicable Ordinary Course Change and to minimize the incurrence of costs assignable to Work eliminated or suspended thereunder.
	2. CEATI may request a change to the Work set out in a specific SOW (a “**Change**”) that is outside the scope of Ordinary Course Changes by delivering a written notice (a “**Change Request**”) to the CONTRACTOR specifying the proposed change. Following receipt of a Change Request, the Parties will negotiate in good faith the terms and conditions pursuant to which the applicable Change will be implemented, including, if applicable, any changes to the “SOW Cost Limitations” stemming from the Change. The CONTRACTOR acknowledges that CEATI will be dependent on the CONTRACTOR for the Work, and the CONTRACTOR agrees that it will not be entitled to reject any Change Request received from CEATI unless it is not technically or legally possible to carry out the proposed Change.
	3. The CONTRACTOR will not implement any Change unless a change order setting out in detail the terms and conditions pursuant to which the Change will be made to the applicable SOW (a “**Change Order**”) has been executed by an authorized signing representative of CEATI; unless CEATI provides written notice to the CONTRACTOR to require the CONTRACTOR to implement the Change pending the resolution of any dispute in respect of the Change, in which case the CONTRACTOR will promptly implement the Change. Upon the execution by the Parties of a Change Order: (a) the CONTRACTOR will implement the Change described in the Change Order in accordance with its terms; and (b) the Change will be deemed part of the Work. The CONTRACTOR will maintain an accurate and complete record of all Ordinary Course Changes and Change Orders in a form acceptable to CEATI and, upon request by CEATI, will provide these documents to CEATI.
3. **COSTS AND PAYMENTS**
	1. For the Work set out in each SOW, CEATI shall pay to the CONTRACTOR, an amount not to exceed the “SOW Cost Limitation” stated in such SOW (as may be amended pursuant to a Change Order), upon receipt of an invoice from the CONTRACTOR and according to the requirements of this Article 3. CEATI shall not be obligated to pay the CONTRACTOR for costs incurred in excess of the “SOW Cost Limitation” unless there has been a prior written agreement between CEATI and the CONTRACTOR.
	2. Before proceeding with any work involving possible claims for extra compensation not specified in this Agreement or the applicable SOW, CONTRACTOR shall submit in writing to CEATI a detailed estimate of the cost of such proposed work, including:
		1. a clear description of the proposed work, including a thorough breakdown by task,
		2. estimated cost of each task; and,
		3. expected date of completion of each task.
	3. The CONTRACTOR shall not proceed with any work not authorized in this Agreement without first obtaining specific written authorization from CEATI. The CONTRACTOR agrees that all costs for any such modification performed by the CONTRACTOR without the prior written approval of CEATI shall be at the CONTRACTOR’s sole risk.
	4. Except as otherwise may be provided in the applicable SOW, CEATI shall pay the CONTRACTOR the amount of each invoice received and approved by CEATI, within seventy-five (75) days of receipt of CEATI’s receipt of the invoice. Invoices shall be submitted on milestone basis, unless otherwise provided for in the applicable SOW. All payments shall be made by electronic funds transfer. Should the CONTRACTOR request or require another form or method of payment, any and all fees incurred shall be borne by the CONTRACTOR.

Each invoice shall be supported by a milestone report and a progress report.

CONTRACTOR shall maintain an itemized statement of costs incurred in the performance of the Agreement during the period covered by such invoice, and present upon CEATI request. The CONTRACTOR costs shall be determined in accordance with the hourly rates, material costs, and equipment rentals, including mark-ups, if any, as laid out in the applicable SOW.

* 1. CEATI shall endeavor, in good faith and to the best of its ability, to minimize any delays in approving each invoice received from the CONTRACTOR. However, as the Work being conducted is for the ultimate benefit of the CONSORTIUM MEMBERS and requires their consent, CEATI cannot and shall not pay any interest on such invoices.
	2. The CONTRACTOR shall keep proper accounting records of the cost of the Work under each applicable SOW. Upon request, at any time during the term of this Agreement or for one year thereafter, the accounting records maintained by the CONTRACTOR in the performance of the Work shall be subject at all reasonable times to audit by CEATI or at the option of either Party by an independent public accounting firm acceptable to both Parties.
	3. Within the “SOW Cost Limitation”, the CONTRACTOR shall charge its actual expenditures for reasonable, ordinary and necessary out-of-pocket expenses for travel and subsistence of the CONTRACTOR'S employees while temporarily assigned away from their normal place of work, long distance communications and all such other disbursements and out-of-pocket expenses properly incurred in the performance of Work required by the CEATI. All air travel costs shall be reimbursed only on a coach fare basis. The above expenses shall be billed at cost, without any mark-up, overhead and/or profit to the CONTRACTOR. None of the aforementioned expenditures shall be paid for by CEATI unless the CONTRACTOR has received CEATI’s prior written approval for such expenditures.
1. **REPORTS**
	1. The CONTRACTOR shall submit detailed milestone and progress reports to CEATI at such intervals as set forth in the applicable SOW and in the format set out in Schedule “B”, as such format may be modified from time to time by CEATI by written notice to the CONTRACTOR or set forth in the applicable SOW. The CONTRACTOR shall promptly address and respond to the comments of the CEATI technical advisors regarding said reports. Insofar as it has a right to do so, and without disclosing information deemed to be proprietary, the CONTRACTOR shall keep CEATI informed in such reports as to the developments of work performed by the CONTRACTOR for its own account or in connection with research contracts in effect with others, when such work is pertinent to the Work hereunder. The CONTRACTOR shall submit to CEATI each technical progress report in electronic form as set forth in Schedule B, as such format may be modified from time to time by CEATI by written notice to the CONTRACTOR or set forth in the applicable SOW.
	2. Upon the completion or termination of the Work set forth in a SOW, the CONTRACTOR shall submit to CEATI a comprehensive final technical report covering all Work performed and results achieved under such SOW (the “**Report**”). The CONTRACTOR shall submit a preliminary form of the Report to CEATI, and shall incorporate any of CEATI’s comments thereon into the final version of the Report. The Report shall comply with the CEATI Report Format & Typing Guide (the “**Guide**”), as such Guide may be updated from time to time by CEATI and provided to the CONTRACTOR. The CONTRACTOR hereby acknowledges that it has received a copy of the current Guide. Any information deemed by both Parties to be of a commercial or proprietary nature, shall not be included in the Report of the CONTRACTOR but shall be in an addendum annexed to the Report.
2. **INTELLECTUAL PROPERTY**
	1. For the purposes of this Article 5, the following definitions shall apply:
		* 1. “**Intellectual Property**” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) business information, inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) designs, design registrations, design registration applications and integrated circuit topographies; (v) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vi) software of any nature, including all object code and source code; and (vii) any other intellectual property and industrial property.
			2. “**Data**” means the books, records, reports, research notes, charts, graphs, comments, computations, analyses, recordings, photographs, computer programs and documentation thereof, computer information storage means, samples of materials, and other graphic or written data generated in connection with the Work.
	2. The CONTRACTOR agrees to maintain all Data in sufficient detail as will properly reflect the Work done and results achieved in the performance of this Agreement, provided, however, that the CONTRACTOR shall not be required to retain any Data not requested by CEATI within three (3) years from the date of final payment to the CONTRACTOR and provided, further, that until such delivery to CEATI, the CONTRACTOR agrees to permit representatives of CEATI to examine and review at reasonable times all Data still in the possession of the CONTRACTOR. The CONTRACTOR shall ensure that all Data is kept in orderly, safe and secure storage.
	3. Each Party is and will be the exclusive owner of all Intellectual Property created, conceived, made, or reduced to practice by or on behalf of such Party (“**Background IP**”), whether alone or jointly with one or more persons, prior to or after the date hereof or under or independent of this Agreement, other than, in the case of the CONTRACTOR, Project IP (which shall be governed by Section 5.4 below). Each Party will acquire no rights to any of the other Party’s Background IP other than by the licence rights or assignments expressly granted in this Agreement.
	4. CEATI is and will be the exclusive owner of all of the following Intellectual Property (collectively, “**Project** **IP**”): (a) Intellectual Property that is or has been created, conceived, made, or reduced to practice by or for CONTRACTOR (whether alone or jointly with one or more persons), in the performance of the Work or of the CONTRACTOR’S obligations set out in this Agreement, in a SOW or pursuant to a Change Order; and (b) any modifications, other changes to or derivative works created or developed from Intellectual Property referred to in (a) or from any Background IP of CEATI. All right, title and interest in the Project IP will vest in CEATI, immediately upon creation and regardless of the state of completion of the Project IP. To the extent ownership of the Project IP does not vest in CEATI, the CONTRACTOR hereby assigns, agrees to assign, and cause to be assigned, all right, title and interest in the Project IP, and to waive, and cause all authors to waive, in favour of CEATI all moral rights in the Project IP. The CONTRACTOR will acquire no rights in or to any of the Project IP. For certainty and without limiting the foregoing, the Project IP includes (i) the Data, (ii) the Report, and (iii) any patentable Intellectual Property stemming from the Work. CEATI shall have the exclusive right to distribute the Report.
	5. CEATI hereby grants to the CONTRACTOR a limited, fully paid-up, royalty-free, worldwide, non-exclusive license to use and sublicense the Project IP solely for the purposes of conducting the Work under this Agreement.
	6. The CONTRACTOR hereby grants to CEATI, a perpetual, irrevocable, fully paid-up, royalty-free, worldwide, non-exclusive licence to access, use, copy, support, maintain, modify, sublicense, assign, distribute or otherwise exploit any Background IP of the CONTRACTOR, that is integrated with, embedded in, forms part of, or is otherwise required in order to access, use, copy, support, maintain, modify, sublicense, assign, distribute or otherwise exploit any Project IP.
	7. To the extent the Project IP contains any software elements, the CONTRACTOR shall provide CEATI with such software in a form which may be used by others independently of the CONTRACTOR’s or its suppliers’ proprietary programs and computer configurations. Such software will be transmitted to CEATI in a machine-independent language, by secure and private file sharing service. Complete and suitable documentation, a comprehensively written program description, and two (2) copies of the source code shall also be supplied to CEATI.
	8. In the event that the CONTRACTOR, its subcontractors or their respective employees develop, invent or discover any Intellectual Property which may be patentable, in the provision of the Work or otherwise related to this Agreement (an “**Invention**”), the CONTRACTOR shall promptly furnish CEATI with complete information thereon including, without limitation, a written description thereof giving the date of the Invention, the names of the inventors and others involved in the development thereof. The Inventions shall form part of the Project IP pursuant to this Agreement and shall be the sole property of CEATI.
	9. The CONTRACTOR undertakes to render and procure its employees to render to CEATI such reasonable assistance, including prompt signature of all documents as CEATI may request for the purpose of giving effect to this Article 5. Additionally, the CONTRACTOR agrees to extend to CEATI or CEATI’s designee its full cooperation in (a) enforcing any patents that may issue related to the Work; (b) giving of testimony; and (c) providing invention or discovery records and other documents in support of such enforcement procedures.
	10. No claim for compensation shall be asserted by the CONTRACTOR or any of its employees with respect to any Intellectual Property, including any Invention, made or conceived in the course of or under this Agreement. The CONTRACTOR shall not, directly or indirectly, infringe, dispute or contest the validity of any Project IP or any Intellectual Property registrations of CEATI relating thereto, nor directly or indirectly assist any Party in doing so.
	11. The CONTRACTOR shall obtain all necessary agreements to effectuate the provisions of this Article 5, from all parties who perform any part of the Work under this Agreement. The CONTRACTOR shall insert in all subcontracts for services related to the Work, a provision making this Article 5 applicable to the subcontractor and its employees.
3. **CONFIDENTIAL INFORMATION**
	1. For the purposes of this Agreement, “**Confidential Information**” means information in any form disclosed or made available by CEATI, or any of its affiliates, licensors, other suppliers or CONSORTIUM MEMBERS or their respective representatives (the “**Discloser**”) to the CONTRACTOR or its representatives (the “**Recipient**”) that the Recipient knows or has reason to know (either because such information is marked or otherwise identified by the Discloser orally or in writing as confidential or proprietary, because it has commercial value, because it is not generally known in the relevant trade or industry, or because a reasonable person would consider it to be confidential) is confidential information of the other Party, and shall include, without limitation, information concerning the Discloser’s past, present or future technical or non-technical data, formulae, programs, patents, devices, methods, techniques, designs, processes, or procedures. Confidential Information shall also include any information related to the Data and Project IP, including without limitation any Invention.
	2. Recipient shall receive and hold all Confidential Information of Discloser in strict confidence and shall not disclose such Confidential information to any third party without the prior consent of Discloser. Recipient shall use adequate safeguards to protect the Confidential Information against unauthorized access or disclosure and will exercise no less care to safeguard the Confidential Information of Discloser than Recipient exercises in safeguarding its own Confidential Information. Recipient shall not use Confidential Information for any purpose other than the business relationship referred to above, except with the prior written authorization of Discloser.
	3. The restrictions set forth in this Article 6 shall not apply to the extent that such Confidential Information: (i) was lawfully already known to Recipient prior to receipt from Discloser; (ii) lawfully is or becomes public knowledge without breach of Recipients obligations hereunder; (iii) is rightfully acquired by Recipient from a third party without restriction on disclosure or use; or (iv) is required or compelled by law or order of competent body to be disclosed, provided that Recipient gives reasonable prior notice to Discloser to allow it to seek protective or other court orders.
	4. Upon request of CEATI, all Confidential Information will be returned to CEATI or upon request by the CEATI, destroyed by the Recipient and the CONTRACTOR will provide CEATI with written certification signed by an officer of the Recipient that all Confidential Information (and copies thereof) have been either returned to CEATI or destroyed.
	5. The CONTRACTOR understands and acknowledges that monetary damages may not be a sufficient remedy for any breach of this Article 6 and that CEATI may be entitled to equitable relief (including, but not limited to, an injunction or specific performance) in the event of any breach of the provisions of this Article 6. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Article 6 and the undertakings hereunder and shall be in addition to all other remedies available at law or in equity.
	6. The provisions of this Article 6 shall not terminate upon the termination or expiry of this Agreement but shall continue for a period of **[five (5)]** years from the date of termination or expiry of this Agreement.
	7. The CONTRACTOR shall obtain all necessary agreements to effectuate the provisions of this Article 6, from all parties who perform any part of the Work under this Agreement. The CONTRACTOR shall insert in all subcontracts for services related to the Work, provision making this Article 6 applicable to the subcontractor and its employees.
4. **VISITS AND INSPECTIONS**
	1. Upon providing reasonable notice, CEATI or its authorized representative(s) shall have the right during ordinary business hours to visit and inspect the offices of the CONTRACTOR and its subcontractors, if any, and the site or sites at which the Work is being performed, to the extent that such visits do not unreasonably interfere with the Work and, when nuclear materials or processes are involved, subject to compliance with government security regulations.
	2. The CONTRACTOR shall provide and shall require its subcontractors to provide, all reasonable facilities and assistance for the safety and convenience of such representatives during their visits, including making personnel engaged in the performance of the Work available for consultation at all reasonable times.
5. **KEY PERSONNEL**
	1. The key personnel set forth in a SOW are considered essential to the Work being performed under such SOW; substitutions for any such key personnel or substantial reductions in any of their efforts will not be made without the prior written approval of CEATI.
	2. In the event that the key personnel set forth in a SOW are substituted or incur a substantial reduction in any of their efforts in connection with the Work performed under such SOW without the prior written approval of CEATI, CEATI may without further delay:
		* 1. Terminate the Agreement with the CONTRACTOR, pursuant to Section 13.3 hereof;
			2. Terminate the specific SOW to which such key personnel relates (without otherwise terminating the Agreement or other ongoing SOWs); or
			3. Reduce the amounts owed to the CONTRACTOR pursuant to such SOW by a reasonable percentage, taking into consideration the experience, knowledge, professionalism and reputation of the key personnel prior to and following the unauthorized substitution or substantial reduction in any of their efforts.
	3. Nothing in Section 8.2 shall limit CEATI’s right to deduct from the amount owed to the CONTRACTOR, amounts lost by CEATI as a direct result of the CONTRACTOR’s willful or negligent disregard for the terms and conditions of Section 8.1, nor does Section 8.2 prevent CEATI from deducting sums for loss of reputation, goodwill or future earnings.
6. **PUBLICITY RELEASE**
	1. No publicity releases, including but not limited to news releases, advertising, articles, papers and/or presentations relating to this Agreement and the Work hereunder shall be issued by the CONTRACTOR or by any subcontractor without the prior written consent of CEATI. The dissemination of any non-authorized publicity release shall be considered a serious breach of this Agreement and shall result in CEATI penalizing the CONTRACTOR and/or the subcontractor, as the case may be, the equivalent of twenty percent (20%) of the value of this Agreement for every such breach.
	2. Section 9.1 does not prevent, hinder or in any manner whatsoever limit CEATI's right or ability to further pursue legal recourse against the CONTRACTOR and/or the subcontractor(s), as the case may be, for any damages resulting from a breach of Article 9.
	3. Except as otherwise authorized in writing by CEATI, the CONTRACTOR will insert in all subcontracts provisions making this Article 9 applicable to any subcontractor and its employees. The CONTRACTOR shall be held liable for any breaches by any subcontractor or its employees.
	4. CEATI and the CONTRACTOR shall not use each other’s name in any publicity releases, including but not limited to news releases, advertising, articles, papers and/or presentations, relating to this Agreement and the Work hereunder without prior written consent of the other Party.
	5. All published information relating to this Agreement issued by the CONTRACTOR during the term of this Agreement or within five (5) years of the completion of the Work must acknowledge CEATI’s contribution to the Work.
7. **REPRESENTATIONS AND INDEMNIFICATION**
	1. The CONTRACTOR hereby represents and warrants to CEATI that:
		* 1. the CONTRACTOR has the authority and capacity to enter into this Agreement and it is not subject to any restrictive covenant or other legal obligation which prohibits the CONTRACTOR from performing the Work;
		1. the CONTRACTOR, its subcontractors and their respective employees will have and maintain throughout the term of this Agreement all skills, qualifications, expertise and experience necessary to perform the Work in an efficient, cost-effective manner with a high degree of quality and responsiveness, at all times consistent with industry standards applicable to top tier providers of similar services and otherwise in accordance with the terms of this Agreement;
		2. the CONTRACTOR will comply with all applicable laws in its dealings with CEATI and in performing its obligations under this Agreement and any SOWs (including ensuring that all Work complies with applicable law); and
		3. CONTRACTOR has all necessary rights to grant to CEATI the rights and permissions granted pursuant to this Agreement, including without limitation all Intellectual Property rights required to grant the assignment and license pursuant to ARTICLE 5 of this Agreement.
	2. The CONTRACTOR shall indemnify, defend and hold harmless CEATI and CONSORTIUM MEMBERS from and against any and all claims, damages, fines, penalties, deficiencies, losses, liabilities (whether actual, accrued, contingent, latent or otherwise), costs, fees and expenses (including interest, court costs and reasonable fees and expenses of lawyers, accountants and other experts and professionals) suffered or incurred by any of them directly or indirectly (each, a “**Loss**”), arising from or in connection with or related to: (i) the Work to be performed under this Agreement and any Change Order; (ii) any breach by the CONTRACTOR, its subcontractors or their respective employees of any of the CONTRACTOR’s representations, warranties, covenants, responsibilities or obligations set out in this Agreement or in a SOW; (iii) any claim by any person that the Project IP infringes such person’s intellectual property rights; or (iv) by any fault, negligence or wilful misconduct on the part of the CONTRACTOR, whether as a result of an act or an omission of the CONTRACTOR or of any person for whom the CONTRACTOR is responsible hereunder; except in each case where the Loss is the result of CEATI’s fault, negligence or willful misconduct.
8. **PROPERTY**
	1. No equipment, material, or test apparatus exceeding one thousand dollars ($1,000) shall be purchased with CEATI funds, nor shall any improvement, modification or construction of real or personal property be made with CEATI funds, unless such purchase or expenditure has been specifically approved in writing by CEATI. To the extent that the Parties hereto have agreed to the same, the applicable SOW contains an itemized listing of such authorized purchases and expenditures.
	2. Unless otherwise specified in the applicable SOW, title to all tangible property including without limitation material, equipment, structures and test apparatus, which is purchased, constructed, or produced with CEATI funds during the performance of this Agreement, shall vest at the time of acquisition in CEATI. The CONTRACTOR acquires such property on behalf of CEATI. Within six (6) months following completion of the Work or upon notification that the items are no longer in use, CEATI shall, at CEATI’s expense, arrange for sale or disposal, including, if mutually acceptable, sale to the CONTRACTOR. The CONTRACTOR shall exercise reasonable care in the custody and maintenance of such property while in its control, and should any loss occur, CONTRACTOR shall notify CEATI within three (3) business days of such loss.
9. **INSURANCE**
	1. Unless otherwise specified in the Schedule, the CONTRACTOR shall not commence the Work until it has obtained and shall maintain in force for the term of this Agreement, Commercial General Liability Insurance, including public liability and property damage, products and completed operations coverage and contractual liability coverage, of not less than **[five million dollars ($5,000,000)]** as well as Professional Liability Insurance (coverage for errors and omissions), of not less than **[four million dollars ($4,000,000)]**. Both policies shall be subject to approval by CEATI. The commercial general liability policy must include cross-liability and severability of interest clauses, a thirty (30) day notification of cancellation, termination or material change and it must name CEATI as an additional insured. The CONTRACTOR shall not allow any subcontractor to commence any part of the Work until the subcontractor has obtained similar insurance policies abiding by the terms stipulated above. It is the CONTRACTOR’s responsibility to confirm and certify that the insurance policy of the subcontractor is in accordance with this Agreement.
	2. The CONTRACTOR shall provide CEATI with a certificate of insurance identifying the coverage taken pursuant to the present agreement.
	3. All policies of insurance obtained pursuant to this Agreement shall provide that such insurance shall not be changed or cancelled until thirty (30) days written notice has been given to CEATI.
10. **TERM AND TERMINATION**
	1. This Agreement will commence on the date hereof and will continue until the end of the **[three year]** period following the date hereof (the “**Initial** **Term**”), unless renewed or terminated in accordance with this Agreement. This Agreement will automatically renew on the terms and conditions contained herein for additional successive periods of **[one year]** each (each a “**Renewal Term**”, and if so renewed, all such Renewal Terms together with the Initial Term, the “**Term**”) unless either Party provides written notice to the other Party that it does not wish to renew this Agreement at least **[six months]** in advance of the end the then current Initial Term or Renewal Term (if any).
	2. CEATI may terminate this Agreement or any individual SOW for convenience upon ten (10) days’ written notice to the CONTRACTOR.
	3. CEATI may also terminate this Agreement or any individual SOW at any time should the CONTRACTOR fail to satisfactorily perform and carry out its duties and obligations as clearly stipulated in this Agreement or the applicable SOW or is otherwise in breach of any of its representations, warranties or obligations under this Agreement or the applicable SOW. For greater clarity, the CONTRACTOR fails to satisfactorily perform and carry out its duties and obligations under the following non-exclusive situations:
		* 1. The CONTRACTOR refuses, omits or neglects to submit any completed Work to CEATI. Whereas in order to constitute a completed Work the CONTRACTOR must supply all materials requested by CEATI, including but not limited to provisional reports, raw data and a summary of data collected from a survey or literature search, preliminary lab test results, outline or other sections from the draft final report or other materials relevant to the scope of the particular project;
			2. The CONTRACTOR submits a completed work to CEATI, however, said Work does not significantly correspond to the proposed work agreed upon under the applicable SOW;
			3. The CONTRACTOR submits or intends to submit a completed Work to CEATI, however, said submission takes place past the originally agreed upon submission date as set forth the applicable SOW and beyond any approved delay given the nature of the project.
			4. The CONTRACTOR fails to fulfil its obligation with regards to key personnel, as set forth in Article 8 of this Agreement.
	4. In the event of termination of this Agreement by CEATI pursuant to Section 13.2 hereof, in full discharge of any obligations to the CONTRACTOR hereunder, CEATI shall pay for costs and non-cancellable commitments incurred prior to the date of termination and that CEATI has previously agreed to, and reasonable close-out costs, subject to the CONTRACTOR taking all reasonable steps to minimize termination and close-out costs.
	5. In the event of termination of this Agreement by CEATI pursuant to Section 13.3 hereof, in full discharge of any obligations to the CONTRACTOR hereunder:
		1. CEATI shall only be obliged to pay for the portion of the Work which it received within the agreed upon submission date and which significantly corresponds to the attached proposal initially submitted and agreed upon, and will be under no obligation to pay close-out costs.
		2. The CONTRACTOR shall be liable for all Losses, including lost revenues, incurred by CEATI as a result of the CONTRACTOR’s failure to submit the Work in the manner and within the time-frame agreed upon.
	6. Each SOW shall come into force on the date indicated therein, and shall remain in force until the Work set forth in such SOW is received and accepted by CEATI. In the event of expiry of this Agreement due to non-renewal by a Party pursuant to Section 13.1, any SOWs which are currently in force and this Agreement shall continue until such time as all SOWs are completed or otherwise terminated in accordance with the terms of this Agreement or the SOW, at which time this Agreement shall automatically terminate.
	7. In the event of termination or expiry of this Agreement for any reason, (i) the CONTRACTOR shall deliver to CEATI any reports, software or other documents or materials prepared for CEATI prior to the date of termination or expiry; and (ii) the CONTRACTOR shall, at the election of CEATI, either return or destroy all Confidential Information held by or for the CONTRACTOR and will provide CEATI with written certification signed by an officer of the CONTRACTOR that all Confidential Information (and copies thereof) have been either returned or destroyed. The termination or expiry of this Agreement shall not affect any of the provisions of this Agreement which by their nature are intended to survive and continue in effect after such termination or expiry, including without limitation ARTICLE 5 (Intellectual Property); ARTICLE 6 (Confidential Information); ARTICLE 9 (Publicity Release); Section 10.2 (Indemnification); Sections 13.4 to 13.6 (Effects of Termination); ARTICLE 14 (Notices); ARTICLE 16 (Non-Solicitation); ARTICLE 17 (Canadian Investment Tax Credits); and ARTICLE 19 (Miscellaneous).
11.

**Notices**

* 1. All notices to CEATI under this Agreement shall be in writing and sent to:

 CEATI International Inc.

 Igor Sklokin

 Research Operations

 1010 Sherbrooke St. West, Suite 1510

 Montreal, Quebec H3A 2R7

* 1. All notices to the CONTRACTOR under this Agreement shall be in writing and sent to:

«Ccompany»

«Signauthority»

«SATitle»

«Caddress»

«Ccity» «CstateProv» «CpostalZIP»

* 1. Either Party may change its above address by notice to the other in accordance herewith, and any such change shall take effect immediately upon receipt of such notice.

**Assignment; Subcontracting**

* 1. This Agreement (including any SOWs) may not be assigned, in whole or in part, by either Party without the prior written consent of the other Party.
	2. No part of this Agreement or the Work hereunder shall be subcontracted by the CONTRACTOR without prior written consent of CEATI. Where any portion of the Work requires subcontracting, the CONTRACTOR will select a subcontractor with the concurrence of CEATI. Notwithstanding any such consent or concurrence, (i) CEATI shall not bear any liability to the CONTRACTOR or subcontractor(s) arising out of any act or omission of the CONTRACTOR or any subcontractor(s) and the CONTRACTOR shall indemnify and save CEATI harmless from and against all Losses incurred in connection with any such act or omission of the CONTRACTOR or subcontractor(s) (pursuant to the indemnity set forth in Section 10.2); (ii) any subcontracting by the CONTRACTOR shall not relieve the CONTRACTOR of any responsibility for the performance of this Agreement or the Work hereunder; and (iii) the CONTRACTOR may not without the prior written consent of CEATI, substitute or substantially reduce the efforts of the key personnel with subcontractors.
1. **NON-SOLICITATION**
	1. For a period commencing on the abovementioned date of this Agreement and terminating two (2) years following the expiry or termination of this Agreement, the CONTRACTOR, its employees, directors, officers and agents undertake:
		1. not to incite, directly or indirectly, any customer or supplier to terminate a business relationship with CEATI, nor to help anyone to such end;
		2. not to incite, directly or indirectly, any employee, consultant, technical advisor or representative of CEATI to leave or cease employment or service with CEATI, nor to help anyone to such end; and
		3. not to use for any of the purposes listed above, information relating to CEATI and obtained in the course of its involvement with CEATI prior to the date hereof.
2. **CANADIAN INVESTMENT TAX CREDITS**
	1. CONTRACTOR relinquishes to CEATI any and all rights and interests with respect to any federal (Canadian) or provincial investment tax credits (hereinafter “**ITC**”) on the Scientific Research and Experimental Development (hereinafter “**SR&ED**”) expenditures which may exist or arise from this Agreement, up to the full amount indicated in the Contractor Cost Limitation. For additional clarity, ITC is defined in subsection 127(9) of the Income Tax Act (Canada).
	2. CONTRACTOR acknowledges that CEATI has the sole and exclusive right to file an ITC in Canada and her provinces with respect to the work stipulated in his Agreement, in accordance with Form T661, “Scientific Research and Experimental Development Expenditure Claim”, as well as any other relevant provincial forms or future federal or provincial requirements.
	3. CONTRACTOR may be contacted by CEATI or a party designated to act on CEATI’s behalf, in order to ensure any such claim is filed in a complete and accurate manner, in compliance with governmental regulations. CONTRACTOR or a knowledgeable representative shall provide CEATI or the party appointed to act on behalf of CEATI with a maximum of ninety 90 minutes to conduct a telephone interview, so as to obtain all of the necessary information for the SR&ED claim. Failure to comply with such a request will be considered a material breach of this Agreement and may result in forfeiture of the final payment, in order to mitigate CEATI’s damages.
3. **FORCE MAJEURE**
	1. Neither Party shall be deemed to be in default of this Agreement where failure to perform or delay in performing any obligation arises from or is due wholly or in part to a cause beyond its reasonable control, including but not limited to an act of God, acts of a public enemy, act of any federal, provincial, municipal or government authority, civil commotion, strikes, lockouts and other labour disputes, fires, floods, war, explosion, malicious acts, vandalism, sabotage, earthquakes, storms, epidemics.
	2. In the event of force majeure, the Party prevented from or delayed in performing its obligations shall promptly notify the other Party of the circumstances constituting such force majeure and shall take all reasonable steps necessary to remove the cause of interruption as soon as practicable, and provide an estimate, as to when the obligation will be performed.
4. **MISCELLANEOUS**
	1. This Agreement shall be interpreted, governed and enforced in accordance with the laws of the Province of Ontario, excluding the conflict of laws provisions thereof. The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts located within the district of Toronto of the Province of Ontario. The Parties hereby waive any objections to jurisdiction based on venue, forum non conveniens or any other grounds.
	2. This Agreement is binding upon signature and shall enure to the benefit of the Parties hereto, their representatives, successors and permitted assigns. No failure or successive failures on the part of CEATI, its successors or assigns, to enforce any covenant or agreement, and no waiver or successive waivers on its or their part of any condition of this Agreement shall operate as a discharge of such covenant, agreement, or condition, or render the same invalid, or impair the right of CEATI, its successors and assigns, to enforce the same in the event of any subsequent breach or breaches by the CONTRACTOR, its successors or assigns.
	3. This Agreement, the attached Schedules hereto and any SOWs issued hereunder, constitute the entire Agreement between the Parties and supersedes all previous agreements and understandings relating to the Work. This Agreement may not be altered, amended or modified except by a written instrument signed by the duly authorized representatives of both Parties.
	4. In the event of any inconsistency between any of the provisions of the main body of this Agreement, any SOW, the Schedules and any Change Order, the inconsistency will be resolved by reference to the following descending order of priority: the applicable Change Order; the main body of this Agreement; the applicable SOW; and the Schedules (with equal priority as between the Schedules); provided, however, that the terms and conditions of the applicable SOW will prevail over the terms and conditions of the main body of this Agreement to the extent the SOW expressly refers to the provisions in the main body of this Agreement and Schedules over which it prevails.
	5. Should any provisions of this Agreement be deemed to be illegal, unenforceable or invalid, either in whole or in part, such provision or part thereof shall be stricken from this Agreement and shall not affect the legality, enforceability or validity of the remainder of the Agreement.
	6. The failure on the part of a Party to enforce a term or provision of this Agreement will not constitute a waiver of the right to later enforce that term or provision.
	7. CONTRACTOR is an independent contractor and all persons or parties hired by CONTRACTOR in connection with this Agreement shall be employees of the CONTRACTOR and shall not be construed as employees or agents of CEATI in any respect.
	8. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts.

The exchange of copies of this Agreement and of signature pages by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by electronic mail shall be deemed to be their original signatures for all purposes.

|  |  |
| --- | --- |
| Only applies to Quebec corporations and residents | 20.8 The Parties have expressly required that this Agreement be drafted in English only. *Les parties aux présentes ont expressément exigé que la présente convention soit rédigée en anglais seulement.* |
|  |  |

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

**CEATI INTERNATIONAL INC.**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Alex Johnston, CEO

 CEATI International Inc.

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| «Ccompany» |  |

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 «Signauthority», «SATitle»

 «Ccompany»

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SCHEDULE “A” – FORM OF SOW**

**SOW FOR PROJECT NO [INSERT PROJECT NUMBER]**

THIS STATEMENT OF WORK (“**SOW**”) forms part of the Master Services Agreement between CEATI INTERNATIONAL INC. (“**CEATI**”) and «Ccompany» (“**CONTRACTOR**”) made as of **[•]**, as amended from time to time (the “**Agreement**”) and is entered into as of **[•]** (the “**SOW Effective Date**”) between CEATI and CONTRACTOR in accordance with Section 1.2 of the main body of the Agreement.

1. Interpretation
	1. Definitions. All capitalized terms used in this SOW and not otherwise defined will have the meaning given to them in the Agreement. In this SOW:

“**SOW Work**” has the meaning given to it in Section 2.1.

“**[PROJECT NAME] Work**” has the meaning given to it in Section 2.2.

* 1. Appendices. The following is the Appendix to this SOW as of the SOW Effective Date:

|  |  |  |
| --- | --- | --- |
| Appendix 1 | – | SOW Work Description |
|  |  |  |

* 1. Deemed Incorporation of Agreement Terms. In accordance with Section 1.2 of the main body of the Agreement, this SOW will be deemed to incorporate by reference the terms and conditions of the Agreement (excluding other SOWs) except to the extent otherwise expressly stated herein.
	2. Order of Priority. In the event of any inconsistency between any of the provisions of the main body of this SOW and the Appendix, the inconsistency will be resolved by reference to the following descending order of priority: the main body of this SOW, and the Appendix.
1. SOW WORK
	1. SOW Work. CONTRACTOR will perform, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this SOW, the following Work (the “**SOW Work**”): the [PROJECT NAME] Work, as described in Section 2.2; and all other work and obligations of CONTRACTOR set out in this SOW; and , whether or not expressly described in this Agreement, all work, functions and responsibilities that are inherent, necessary or customarily provided as part of and the SOW Work, or that are reasonably required for the proper performance of the SOW Work; and the provision of all hardware, software, systems, materials, documentation, facilities, personnel and other resources used or required to be used in order to provide the SOW Work, as the SOW Work may be modified during the SOW Term in accordance with the Agreement.
	2. [PROJECT NAME] Work. Commencing on the SOW Effective Date, CONTRACTOR will perform the Work described inAppendix1 (the “**[PROJECT NAME] Work**”). CONTRACTOR will, at all times, provide the [PROJECT NAME] Work in accordance with the other requirements set out in AppendixA.  The requirements and schedule for CONTRACTOR’s performance of the [PROJECT NAME] Work, as well as the key personnel for the [PROJECT NAME] Work, are set out in AppendixA.
2. SOW COST LIMITATIONS
	1. SOW Cost Limitations. The SOW Work is subject to the following SOW Cost Limitation including all costs: $«CostLimit».
	2. Travel Expenses. Travel expenses are to be billed to CEATI at cost subject to prior approval by CEATI.
3. GENERAL
	1. Notice. Any notice, consent, authorization or other communication required or permitted to be given hereunder will be required to be provided in accordance with ARTICLE 14 of the main body of the Agreement.
	2. Counterparts and Electronic Execution. This SOW may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this SOW by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the SOW by that Party.

EXECUTED by the Parties as of the SOW Effective Date.

|  |  |  |
| --- | --- | --- |
| **CEATI INTERNATIONAL INC.** |  | «Ccompany» |
|  |  |  |  |  |
|  |  |  |  |  |
| By: |  |  | By: |  |
| Name: |  |  | Name: |  |
| Title: |  |  | Title: |  |

**Appendix 1 – SOW Work Description**

**TITLE**

**«ProjectTitle»**

**WORK**

The project shall be conducted in accordance with the attached proposal dated «ProposalDate» and as specified in this Agreement. In all matters where the Agreement and proposal conflict, the Agreement shall take precedence.

**KEY PERSONNEL**

|  |  |  |
| --- | --- | --- |
|  | Telephone: | E-mail:  |
| «ProjectLeader» | «Plphone» | «Plemail» |
|  |  |  |

**TECHNICAL ADVISOR**

|  |  |  |
| --- | --- | --- |
|  | Telephone: | E-mail:  |
| «TechAdvisor» | «Taphone» | «Taemail» |
|  |  |  |

**PROJECT MANAGEMENT – General**

|  |  |  |
| --- | --- | --- |
|  | Telephone: | E-mail:  |
| Igor Sklokin | (514) 866-5377 | Igor.sklokin@ceati.com |

**INVOICES TO BE SENT TO:**

|  |  |
| --- | --- |
|  | E-mail:  |
| Accounts Payable | ap@ceati.com |

**REPORTS**

(a) Detailed Milestone Reports

The Contractor shall provide detailed milestone reports, drafted in the English language using Microsoft Word softwareaccording to the project schedule. The milestone report shall be prepared using CEATI’s 2016 Report Template or newer and in conformity with the CEATI "Format and Typing Guide for Final Reports" (http://www.ceati.com/guidelines). Milestones reports constitute the work completed on the project to date and shall carry the disclaimer stipulated in Article 4.4(a) of the Agreement. They are to be sent by email directly to CEATI Project Management, as listed above, and must be accompanied by any deliverables, whether completed or in progress, available to date. This shall include raw data and a summary of data collected from a survey or literature search, preliminary lab test results, outline or other sections from the draft final report or other materials relevant to the scope of the particular project.

(b) Final Report

The Contractor is to issue the Final Report in draft form to the CEATI Project Management. The report shall be prepared using CEATI’s 2016 Report Template or newer and in conformity with the CEATI "Format and Typing Guide for Final Reports" (http://www.ceati.com/guidelines). In the interest of protecting the confidentiality of project deliverables, the Contractor shall not circulate either the project draft or project final report via e-mail unless it is first properly secured with a password, to be sent separately. This policy applies equally to Word or other editable files, as well as PDF and other non-editable files. In the event that a report, due to its size, cannot be transmitted by email, an electronic version shall be sent using a secure and private file sharing service.

Milestone and Final Reports shall be accompanied by a progress report briefly summarizing the progress in the CEATI format attached (see Schedule B)

**PROGRESS REVIEW MEETINGS**

The Contractor agrees to provide CEATI with a copy of the minutes of any progress review meeting/conference call.

**SPECIAL ISSUES**

The Contractor is required to bring to the attention of CEATI’s Project Management any issues related to health, safety or environmental concerns which may be discussed in the resulting Report.

**INVOICES**

Invoices for time spent and expenses incurred shall be submitted to CEATI on a milestone basis, and shall each state the percentage of work completed to date, corresponding with that of the appropriate schedule reported. Each invoice must be accompanied by a detailed milestone and progress report, as outlined above, as well as all deliverables prepared to date. The invoices will indicate the billing period (and the Agreement Number as above) and will show time charged for each class of key personnel and the basis for all other charges. The final invoice of no less than 20% shall be released after the Report is published, upon submission of an invoice to CEATI.

Invoices must be submitted to ap@ceati.com and must reference the agreement number.

**DELIVERABLES**

The deliverables shall be in accordance with the attached proposal dated «ProposalDate».

If a literature search is part of the scope of the project, the data collected during that search must be submitted to CEATI as part of the deliverables for the project. Electronic format of this data is preferable.

In addition to the deliverables outlined in the attached proposal, the Contractor shall submit:

A ten to fifteen (10-15) slide Power Point Presentation to be sent to the CEATI office. This should be composed of three main sections:

 1) The factors motivating the initiation of the work;

 2) A description of the main findings;

 3) A summary of the conclusions and recommendations for future research.

The Project Fact Sheet – a 2-page document summarizing the scope, objectives, and summary of the project that should be submitted within 30 days of project initiation and updated with the final report. The Project Fact Sheet Template provided by CEATI should be used.

**SCHEDULE**

It is expected that the project will be completed within «ProjectDuration» months of the Project start date.

The Project start date is «ProjectStart».

Sample Schedule:

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Tasks** | **Due Date** | **Invoice Amount** |
| Project Fact Sheet |  |  |  |
| Milestone Report # 1 | Task 1-2 | September 5th, 2017 | $15,000 |
| Milestone Report # 2 | Task 3 | December 5th 2017 | $15,000 |
| Draft Final Report & Citation Quality Assurance & End of Project Webinar & Updated Project Fact Sheet | Task 4-5 | March 5th, 2018 | $10,000 |
| CEATI Publishing Acceptance |  |  | $10,000\* |
| **Total Project Budget** | **$50,000 CAD** |

\*Final invoice is no less than 20% of total

Comments on the Draft Final Report will be submitted to the Contractor for inclusion approximately four (4) weeks after submission.

The Contractor will then have two (2) weeks to revise and reissue the final report.

This process shall repeat as needed until the technical team is satisfied and approves the report for publishing.

CEATI’s Publishing team will conduct an Internal Review of the approved Final Report, consulting directly with the Contractor if any changes or clarifications are required.

The Contractor will then have two (2) weeks to revise and reissue the final report for publishing.

**PROPERTY**

Items of property with unit cost of $1,000 or more:

(1)

(2) N/A

(3)

**Provisions**

The Parties acknowledge and agree that the Provisions below of this Schedule “A” shall form an integral part of the Agreement as if contained therein and are incorporated into the Agreement by this reference. To the extent of any inconsistency or discrepancy between the Agreement, the proposal and the Provisions below of this Schedule “A”, the Provisions below shall govern and take precedence. Unless otherwise noted, capitalized terms contained in this Schedule “A” shall have the same meaning as in the Agreement.

| Article/Heading | Provision |
| --- | --- |
|  |   |
|  |   |

 **SCHEDULE “B” TO AGREEMENT «ProjectNBR»**

**SUGGESTED FORMAT FOR CEATI INTERNATIONAL PROGRESS REPORTS**

**Title** CEATI International Inc. Project #«ProjectNBR»

«ProjectTitle»

**Project Leader:**  Signature

**Reporting Period** Work completed to (date of report).

**Executive Summary** Four to five lines indicating main findings in the reporting period.

**Introduction** Objectives of the project and staging

 Length: One-half page or about 10 lines.

**Previously Reported Work** Outline of what was reported in previous progress reports.

 Length: One-half page or about 10 to 15 lines.

**Recently Completed Work** Description of work completed in the reporting period.

 Length: one page.

 This progress report should be provided along with the milestone report and should be provided in word format.

**New Developments/Difficulties** Details of any developments not anticipated in the proposal and a complete description of any problems encountered should be provided.

**Future Work** Work scheduled for the next reporting period.

 Length: One-quarter page or about 10 lines.

**Schedule and Budget** - Percentage of budget expended out of the total project cost.

- Updated bar chart of schedule

- Percentage of project completed to date if different from the percentage of expanded budget.

 Length: A few lines.

**FORMAT FOR CEATI INTERNATIONAL FINAL REPORT**

Please refer to the updated online CEATI Format & Typing Guide and Template at:

http://www.ceati.com/technology-providers

February 2023

Montréal, Québec