

DRAFT AGREEMENT No. T0##700-####

THIS AGREEMENT made in duplicate this **XX day of Month**, Two Thousand Eleven.

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 Montréal, District of Montréal, Province of Québec, Canada, (hereinafter called "CEATI").

AND **<CONTRACTOR>**, a company duly incorporated under the laws of **COUNTRY** and having its Head Office and chief place of business in the City of **CITY**, **State/Province of XXXX**, **COUNTRY** (hereinafter called the "CONTRACTOR").

WHEREAS CEATI requires the services of the CONTRACTOR to study and to conduct research and development with respect to the production, transmission, distribution 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 research and development directed toward these objectives.

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

ARTICLE 1

1.1 The CONTRACTOR shall perform the work ("Work") set forth in the Schedule attached hereto and made a part hereof (Schedule "A").

1.2 The Work shall be performed by the CONTRACTOR with the guidance of the CEATI "Project Monitors" and "Technology Co-ordinator" as designated by CEATI in Schedule "A". CEATI, at any time, may designate a new or alternate Project Monitor. CEATI will provide the CONTRACTOR with a written notification if and when a new or alternate Project Monitor is appointed.

1.3 The period or periods of performance of the Work shall be as set forth in Schedule "A". All the Work, including submission of the final technical report as provided in Article 4, shall be completed during such period or periods of performance.

1.4 Whenever the CONTRACTOR knows or reasonably should know that any actual or potential condition due to circumstances beyond its control is delaying or threatens to delay the timely performance of the Work, the CONTRACTOR shall within ten (10) days give CEATI written notice thereof, including all relevant information with respect thereto, and may request an extension of time to perform the Work. CEATI may extend said time taking all relevant factors into consideration, but CEATI's determination shall be final.

1.5 It is understood that CEATI requires the services of the Contractor for the ultimate benefit of CONSORTIUM MEMBERS, but that it is signing the AGREEMENT in its own name, and not as an agent or mandatory of CONSORTIUM MEMBERS.

ARTICLE 2

Changes in the Work

2.1 CEATI may, at any time, by written order to the CONTRACTOR, make changes within the general scope of the Work, 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.

2.2 Upon receipt of such notice of change, the CONTRACTOR shall immediately take all necessary steps to comply therewith and to minimize the incurrence of costs assignable to Work eliminated or suspended.

2.3 If any order under this Article 2 causes a significant increase or decrease in the cost of, or the time required for, performance of this Agreement, an equitable adjustment shall be made by CEATI in the “Contract Cost Limitation”, or time of performance, or both. Any request by the CONTRACTOR for equitable adjustment under this subparagraph must be asserted in writing within thirty (30) days from the date of receipt by the CONTRACTOR of the notification of change or such longer period as may be arrived at by mutual agreement. Where, as a result of a change, a property is made obsolete or the cost thereof becomes excessive, CEATI shall have the right to determine such cost and the manner of its disposition.

ARTICLE 3

Costs and Payments

3.1 Subject to the provisions of subparagraph 2.3, CEATI shall pay to the CONTRACTOR, an amount not to exceed the “Contract Cost Limitation” stated in Schedule “A”. CEATI shall not be obligated to pay the CONTRACTOR for costs incurred in excess of the “Contract Cost Limitation” unless there has been a prior written agreement between CEATI and the CONTRACTOR.

3.2 Except as otherwise may be provided in Schedule “A”, CEATI shall pay the CONTRACTOR ninety per cent (90%) of the amount of each invoice received and approved by CEATI within forty-five (45) days of receipt of written approval of CEATI’s Technical Monitoring Team, including but not limited to the CEATI Technology Coordinator and designated Project Monitors. The remaining ten per cent (10%) of each invoice shall be retained and paid by CEATI to the CONTRACTOR after the CONTRACTOR’S final report is published, as provided in Article 4. Invoices shall be submitted on a quarterly or milestone basis, unless otherwise provided for in Schedule “A”.

Each invoice shall be supported, as set forth in Schedule “A”, by an itemized statement of costs incurred by the CONTRACTOR in the performance of the Agreement during the period covered by such invoice. The CONTRACTOR’S costs shall be determined in accordance with the hourly rates, material costs, and equipment rentals, including mark-ups, if any, as laid out in Schedule “A”.

The remaining ten percent (10%) of each invoice shall be retained and paid by CEATI to the CONTRACTOR

3.3 The CONTRACTOR shall keep proper accounting records of the cost of the Work. Upon request, 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. Such audits shall be performed not more than once each year during the performance of the Work. In addition, CEATI may have such an audit performed at any time within one year following the completion or termination of this Agreement.

3.4 Within the “Contract Cost Limitation”, the CONTRACTOR shall charge its actual expenditures for reasonable 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 services required by the CEATI. The above expenses shall be without any mark-up and profit to the CONTRACTOR.

ARTICLE 4

Reports

4.1 The CONTRACTOR shall submit detailed progress reports to CEATI at such intervals as set forth in Schedule “A” and in the format set out in Schedule “B”. The CONTRACTOR shall personally 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 "A".

4.2 Upon the completion or termination of the Work, the CONTRACTOR shall submit to CEATI a comprehensive final technical report covering all Work performed and results achieved under this Agreement, including conclusions and recommendations derived therefrom and a bibliography of background research. The final report shall comply with the CEATI Report Format & Typing Guide and include a complete disclosure of all materials, processes and equipment employed, and shall be clear, concise, precise and shall include data such as mathematical, graphic and written descriptive materials and other means of disclosure appropriate in the circumstances to enable any person skilled in the art to achieve similar results as the Work performed under this Agreement. The CONTRACTOR shall furnish, to the extent applicable, drawings, specifications and the necessary operating and maintenance instructions concerning any equipment, item or process developed under the Agreement to enable any person skilled in the art to understand and use such equipment and such process. Where appropriate, the final report shall also include recommendations for further improvements which would advance the state-of-the-art.

CEATI shall be the sole owner of any Intellectual Property, including copyright, arising from the work and shall have the sole and exclusive right to commercialize and/or publish any invention or materials derived therefrom.

The final report will be submitted to CEATI in preliminary form for review and comment prior to final printing. If submitted by email, this report must be password-protected, with the password sent separately. The CONTRACTOR, once CEATI approval of the final report is obtained, shall make available to CEATI the final report in an editable, electronic format (on CD-ROM or password-protected via E-mail).

The final report, as approved by CEATI, may only be printed and distributed by CEATI unless otherwise stipulated in Schedule "A". Such reports shall always be bound by the CEATI cover.

Any information deemed by both parties to be of a commercial or proprietary nature, shall not be included in the final report of the CONTRACTOR but shall be in an addendum annexed to the said report.

4.3 The parties contemplate that in the performance of the Work the CONTRACTOR may furnish proprietary information which is generally related to the subject matter of this Agreement but has been developed by the CONTRACTOR apart from this Agreement and which is confidential to the CONTRACTOR. If the CONTRACTOR furnishes such information, the CONTRACTOR shall clearly identify it as ("CONTRACTOR'S Proprietary Information"). Such identification, however, shall not be considered conclusive in any determination of whether such information is developed by the CONTRACTOR apart from this Agreement or whether such information is confidential to the CONTRACTOR.

4.4 A legal notice shall be affixed to each report furnished by the CONTRACTOR to CEATI hereunder and to any report resulting from this Agreement which may be distributed outside of CEATI.

(a) Progress or Preliminary Report

"DISCLOSURE"

This report has not been reviewed to determine whether it contains patentable subject matter, nor has the accuracy of its information or conclusions been evaluated or verified. Accordingly, the report is not to be considered a published report and is not available for general distribution, and its distribution is limited to employees and advisors of CEATI for the sole purpose of evaluating the progress and future course of the project described in the report. Until the report has been reviewed and evaluated by CEATI, it should be neither disclosed to others nor reproduced wholly or partially, without written consent of CEATI.

(b) Final Report

NOTICE

This report was prepared by the CONTRACTOR and administered by CEATI International Inc. (CEATI) for the ultimate benefit of CONSORTIUM MEMBERS (hereinafter called "SPONSORS"). Neither of the latter parties necessarily agree with the opinions expressed herein.

Neither the SPONSORS, nor CEATI, nor the CONTRACTOR, nor any other person acting on their behalf (a) makes any warranty, express or implied, or assumes any legal responsibility for the accuracy of any information contained in this report or for the completeness or usefulness of any apparatus, product or process disclosed in the report, (b) accepts any liability for the use of, or damages resulting from the use of this report or any apparatus, product or process disclosed in this report or (c) represents that the use of such apparatus, product or process would not infringe upon the rights of third parties.

Furthermore, the SPONSORS, CEATI and the CONTRACTOR HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING BY LAW, CUSTOM, OR CONDUCT, WITH RESPECT TO ANY OF THE INFORMATION CONTAINED IN THIS REPORT. In no event shall the SPONSORS, CEATI or the CONTRACTOR be liable for incidental or consequential damages because of use or any information contained in this report.

Any reference in this report to any specific commercial product, process or service by tradename, trademark, manufacturer or otherwise does not necessarily constitute or imply its endorsement or recommendation by the CONTRACTOR, the SPONSORS or CEATI.

ARTICLE 5

Data

5.1 The CONTRACTOR agrees to maintain (in sufficient detail as will properly reflect the Work done and results achieved in the performance of this Agreement) 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 which shall hereinafter be referred to as "DATA".

5.2 Unless otherwise stipulated in Schedule "A", all DATA including computer programs procured hereunder, shall become the property of CEATI and shall be delivered to CEATI; provided, however, that the CONTRACTOR shall not be required to retain any DATA not requested by CEATI within three years from the date of final payment to the CONTRACTOR hereunder; 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 agrees that it will not assert any copyright at common law or equity and will not establish any claim to a statutory copyright on any DATA.

5.3 For the purposes of this agreement, the term Confidential Information shall mean but shall not be limited to new technical or non technical data, formulae, programs, patents, devices, methods, techniques, designs, processes, procedures which are not generally known to the public through legitimate origins and all specific data belonging to Consortium Members received by the Contractor. The Contractor and CEATI acknowledge and agree that such confidential information is invaluable to CEATI. Unless otherwise stipulated in Schedule A, required by law, or expressly authorized in writing by CEATI, the Contractor shall not at any time during or after the term of the present agreement, directly or indirectly disclose or communicate to any person, or any third party, any confidential information.

5.4 Any computer programs developed by the CONTRACTOR during the course of the work or substantially modified for use in this work will be supplied in a form which may be used by others independently of CONTRACTOR's proprietary programs or computer configurations. The programs will be transmitted to CEATI in a

machine-independent language, on CD-ROM. Suitable documentation, a written program description, and two copies of the source code shall also be supplied to CEATI. Title and ownership of programs developed during the course of the work shall vest in CEATI.

5.5 Except as otherwise authorized in writing by CEATI, the CONTRACTOR will insert in all subcontracts provisions making this Article 5 applicable to the subcontractor and its employees.

ARTICLE 6

Inventions and Patents

6.1 Whenever any invention or discovery is made or conceived by the CONTRACTOR or its employees in the course of, under, and during the life of this Agreement, 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.

6.2 The title to and rights in and to any inventions or discoveries made by the CONTRACTOR or its employees in the course of or under this Agreement shall vest in CEATI. CEATI shall have the sole power to determine whether or not and in which countries and jurisdictions patent applications for such inventions or discoveries shall be filed and the ownership of any patents that may issue will vest solely with CEATI. The judgement of CEATI on these matters shall be final. 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 these purposes. The CONTRACTOR agrees to extend to CEATI or its designee its full cooperation in (a) enforcing any patents that may issue; (b) giving of testimony; and (c) providing invention or discovery records and other documents in support of such enforcement procedures.

6.3 No claim for compensation shall be asserted by the CONTRACTOR or its employees with respect to any invention or discovery made or conceived in the course of or under the Agreement.

6.4 The CONTRACTOR will obtain agreements to effectuate the provisions of subarticles 6.2 and 6.3 of this article 6, from all persons who perform any part of the Work under this Agreement, except such clerical and manual labour personnel as will not have access to any technical data.

6.5 The CONTRACTOR will insert in all subcontracts provisions making this Article 6 applicable mutatis mutandis for any subcontractor and its employees.

6.6 If any invention or discovery is made pursuant to this agreement, and during the life thereof and patent(s) in respect thereof are not applied for by either the CONTRACTOR or CEATI, the CONTRACTOR agrees not to disclose or communicate for a period of five (5) years the invention or discovery to any person or organization, except with the prior written approval of CEATI, and the CONTRACTOR agrees to use the same degree of care for a period of five (5) years to avoid unauthorized disclosure of such inventions or discoveries as is customarily used by the CONTRACTOR with its own trade secrets or proprietary information.

6.7 In the event CEATI obtains any patents in virtue hereof the CONTRACTOR agrees it will not at any time thereafter directly or indirectly, infringe the said patents, nor dispute or contest the validity of any of the claims thereunder, or the novelty, utility or patentability of any subject matter of any such patents, or the title of CEATI, nor directly or indirectly assist any other person contesting same, and the CONTRACTOR recognizes that the said patents shall be deemed to be in force and valid throughout their term.

ARTICLE 7

Visits and Inspections

7.1 Provided CEATI gives the CONTRACTOR suitable notification, CEATI and any of its authorized representatives 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.

7.2 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.

ARTICLE 8

Key Personnel

8.1 The key personnel set forth in Schedule "A" are considered essential to the Work being performed under this Agreement; 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.

8.2 In the event that the key personnel set forth in Schedule "A" are substituted or incur a substantial reduction in any of their efforts, without the prior written approval of CEATI, CEATI may without further delay,

- (a) Terminate the Agreement with the CONTRACTOR, reimbursing the CONTRACTOR only for the portions of the work performed by the originally approved upon team of key personnel, or
- (b) Reduce the amounts owed to the CONTRACTOR by a reasonable percentage, taking into account 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.

8.3 Nothing in Article 8.2 in any way limits CEATI's right to subtract 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 Article 8.1, nor does Article 8.2 prevent CEATI from deducting sums for loss of reputation or loss of future earnings.

ARTICLE 9

Publicity Release

9.1 CEATI and the CONTRACTOR may disclose information on the existence and progress of the work in their respective House Organs, Annual Reports, etc.

9.2 Subject to the provisions of Article 9.1, no publicity releases, including but not limited to news releases, advertising, articles, papers and 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.

9.3 Nothing in Article 9.2 prevents, hinders or in any manner whatsoever limits CEATI's ability or right to further pursue legal recourse against the CONTRACTOR and/or the subcontractor, as the case may be, for any damages resulting from a breach of Article 9

9.4 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.

9.5 Subject to the provisions of Article 9.1, 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 presentations, relating to this Agreement and the Work hereunder without prior written consent from each other.

9.6 All published information relating to this agreement issued by the CONTRACTOR during or within five (5) years of the completion of the work must acknowledge CEATI's contribution to the work.

ARTICLE 10

Indemnification

10.1 The CONTRACTOR shall indemnify and save harmless CEATI and CEATI arranged sponsors from and against any and all liability, for injury to persons and/or damage to property occasioned wholly, or in part, by any act or omission of the CONTRACTOR, its subcontractors, agents, or employees, including any and all expenses, legal or otherwise, (including court costs and reasonable attorney's fees) incurred in the defence of any claim or suit insofar as it involves liability for injury to persons and/or damage to property arising or alleged to have arisen based upon work done under this Agreement. The CONTRACTOR shall indemnify and save CEATI and CEATI arranged sponsors from any claims of infringement of copyright, patents and trademarks in connection with the work done under this agreement. In accordance with the CEATI Report Format & Typing Guide, the CONTRACTOR shall obtain authorization from all relevant copyright holders for the use of any copyrighted illustrations, tables and text referenced or reproduced in the resulting report. The CONTRACTOR affirms that it is solely responsible for obtaining said authorization and properly acknowledging the copyright holders within the Final Report and that CEATI shall be held harmless in the event of a claim made by any of the aforementioned copyright holders.

10.2 In the event that CEATI or the CONTRACTOR with the prior approval of CEATI, transfers or licences for commercial purposes the technology developed under this agreement to a third party, the Contractor or CEATI shall insert in the agreement with said third party the following provision:

“Neither CEATI and CEATI arranged sponsors nor the CONTRACTOR assumes any liability for the use of technology developed under their joint funding or any portion thereof or with respect to any damages which may result from such use.

(NAME OF THE THIRD PARTY) shall indemnify and hold CEATI, CEATI arranged sponsors and the CONTRACTOR harmless against all losses, costs and/or damages resulting from any and all claims based upon losses incurred or bodily injury, including attorney fees, and including but not limited to claims of infringement of patents and trademarks, arising from or in connection with the manufacturing, assembly, development, use or sale of such technology by (NAME OF THE THIRD PARTY), or any of its affiliates, subsidiaries, licensees, agents, employees or contractors.

ARTICLE 11

Property

11.1 No equipment, material, or test apparatus exceeding \$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 Schedule contains an itemized listing of such authorized purchases and expenditures. Authorization for purchase shall not be granted, except in unusual circumstances, for test equipment and other apparatus which can have general application to other than the Work hereunder.

11.2 Unless otherwise specified in the Schedule or amendment to this Agreement, the 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 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 3 working days of such loss.

ARTICLE 12

Insurance

12.1 Unless otherwise specified in Schedule or amendment to this Agreement, the CONTRACTOR shall not commence the Work until it shall obtain and 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 millions dollars (\$5,000,000.00) as well as Professional Liability Insurance (coverage for errors and omissions), of not less than four million dollars (\$4,000,000.00). Both policies shall be subject to approval by CEATI. The policies must include cross-liability and severability of interest clauses, a thirty (30) day notification of cancellation, termination or material change and they 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.

12.2 The Contractor shall provide CEATI with a certificate of insurance identifying the coverage taken pursuant to the present agreement.

12.3 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.

ARTICLE 13

Termination

13.1 The CONTRACTOR recognizes that this Agreement may be terminated only by CEATI at any time upon ten (10) calendar day's written notice to the CONTRACTOR. In full discharge of any obligations to the CONTRACTOR in respect of this Agreement and such termination, CEATI shall pay for costs and non-cancellable commitments incurred prior to the date of termination and reasonable close-out costs. The CONTRACTOR shall take all reasonable steps to minimize termination costs. In no event, however, shall CEATI be obligated to pay the CONTRACTOR any amount in excess of the total funds committed by CEATI up to the time of termination to support the Work. Except to the extent that the CONTRACTOR has been relieved from completion of the Work and CEATI being obliged to pay for the costs, non-cancellable commitments, and, reasonable close-out costs referred to above, all remaining obligations of CONTRACTOR under this Agreement, including but not limited to those involving reports which may be due, insurance, data, inventions and patents, indemnification, ownership of property shall remain in full force and effect.

13.2 The CONTRACTOR recognizes that this Agreement may be terminated by CEATI at any time should the CONTRACTOR fail to satisfactorily perform and carry out its duties and obligations as clearly stipulated in this Agreement in accordance with the attached proposal. For greater clarity, the CONTRACTOR fails to satisfactorily perform and carry out its duties and obligations under the following non-exclusive situations,

- (i) 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;
- (ii) The CONTRACTOR submits a completed Work to CEATI, however, said Work does not significantly correspond to the proposed Work herein agreed upon;
- (iii) 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 in Schedule A of this Agreement and beyond any approved delay given the nature of said project.

- (iv) The CONTRACTOR fails to fulfil its obligation with regards to key personnel, as set forth in Article 8 of this Agreement.

In full discharge of any obligations to the CONTRACTOR in respect of this Agreement and such termination, 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. The CONTRACTOR shall also remain liable for all damages, 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.

ARTICLE 14

Notices

- 14.1 All notices to CEATI under this Agreement shall be in writing and sent to:

CEATI International Inc.
Attn: Mr. Alex Mogilevsky
Director of Operations
1010 Sherbrooke St. West, Suite 2500
Montréal, QC H3A 2R7

- 14.2 All notices to the CONTRACTOR under this Agreement shall be in writing and sent to:

<<ADDRESS of CONTRACTOR's SIGNING AUTHORITY>>

- 14.3 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.

ARTICLE 15

Assignment; Subcontracting

- 15.1 This Agreement may not be assigned, in whole or in part, by either party without the prior written consent of the other party.

15.2 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, (a) CEATI shall not bear any liability to the CONTRACTOR or any subcontractor arising out of any act or omission of the CONTRACTOR or any subcontractor and the CONTRACTOR shall indemnify and save CEATI harmless from and against all loss, damage and liability whatsoever, including expenses and reasonable attorney's fees incurred in connection with any such act or omission of the CONTRACTOR or any subcontractor (as specified in item 10.1); (b) any subcontracting by the CONTRACTOR shall not relieve the CONTRACTOR of any responsibility for the performance of this Agreement or the Work hereunder; (c) the CONTRACTOR may not without the prior written consent of CEATI, substitute or substantially reduce the efforts of the key personnel with subcontractors.

ARTICLE 16

Interpretation of Agreement

- 16.1 This Agreement shall be interpreted and governed by the law of the Province of Quebec, excluding the conflict of laws provisions thereof. The parties hereby irrevocably attorn to the exclusive jurisdiction of the courts located within the district of Montreal of the Province of Quebec. The parties hereby waive any objections to jurisdiction based on venue, forum non conveniens or any other grounds.

ARTICLE 17

Benefit; Entire Agreement

17.1 This Agreement is binding upon signature and shall inure to the benefit of the parties hereto, their representatives, successors and 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.

17.2 This Agreement and attached Schedules hereto 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.

17.3 The parties hereto 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.

Signed in the presence of:

By: _____
J. A. Roiz, President & CEO
CEATI International Inc.

By: _____
(Witness)
Date: _____

<<COMPANY>>

Signed in the presence of:

By: _____
SIGNING AUTHORITY, TITLE
<<COMPANY>>

By: _____
(Witness)
Date: _____

SCHEDULE “A” FOR AGREEMENT No. T0##700-####

TITLE

TITLE

WORK

The project shall be conducted in accordance with the attached proposal dated **Mmmm dd, yyyy, as modified in the comment matrix of Mmmm dd, yyyy** and as specified in this Agreement. In all matters where the Agreement and proposal/matrix conflict, the Agreement shall take precedence.

KEY PERSONNEL

	Telephone:	Fax:	E-mail:
NAME (Project Leader)			

TECHNOLOGY COORDINATOR/PROJECT MANAGEMENT - Technical

	Telephone:	Fax:	E-mail:
<name> Technology Coordinator			
<Program Administrator>			

PROJECT MANAGEMENT – General

	Telephone:	Fax:	E-mail:
Mr. Alex Mogilevsky Director of Operations	(514) 866-5372	(514) 904-5038	alex.mogilevsky@ceati.com

REPORTS

(a) Detailed Progress Reports

The Contractor shall provide detailed progress or milestone reports, drafted in the English language, at no less than quarterly intervals. These reports shall be in the CEATI format attached (see Schedule B) and shall carry the disclaimer stipulated in Article 4.4(a) of the Agreement. They are to be sent by email directly to the CEATI Technology Coordinator and 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. The Technology Coordinator will forward the reports to the Project Monitors and collect their comments and/or approval messages. The Technology Coordinator shall consolidate these comments along with his own and discuss said comments with the Contractor. Upon the Monitors' approval, the CEATI Project Manager is to send Progress Reports to Consortium Members, if needed.

(b) Final Report

The Contractor is to issue the Final Report in draft form to the CEATI Technology Coordinator and Project Manager. The report shall be prepared in conformity with the CEATI "Format and Typing Guide for Final Reports" (<http://www.ceati.com/guidelines.php>). 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 may be sent on CD to the CEATI head office for further distribution.

The Technology Coordinator shall forward the draft final report to the Project Monitors for comments. The Technology Coordinator shall collect all comments and consolidate them into one document to be issued to the Contractor. The Contractor shall revise and reissue the draft report for comments/approval as needed. Once the Project Monitors send their approval to the Technology Coordinator, the Technology Coordinator shall send a message of approval to print to the Project Manager and inform the Contractor that the report is accepted as Final.

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. Once they approve the report, it shall be sent to print.

NB: Project Management must be kept in copy on all correspondence related to the project.

PROGRESS REVIEW MEETINGS

The Contractor agrees to provide the Project Monitors, the Technology Coordinator and the Project Manager with a copy of the minutes of any progress review meeting/conference call. Subsequently the minutes will be circulated by CEATI to the Consortium Members.

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. The Contractor will then work with the Technology Coordinator to ensure adequate coverage of the issue in the final report.

INVOICES

Invoices for time spent and expenses incurred may be submitted in duplicate to CEATI on a quarterly or milestone basis, and shall each state the percentage of work completed to date, corresponding with that of the appropriate schedule reported to the Project Monitors. Each invoice must be accompanied by a detailed progress or milestone 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. A 10% holdback will be retained by CEATI, to be released after the Report is published, upon submission of an invoice or statement to CEATI.

FUNDING DATA

Rates for billing purposes are as shown in the Contractor's proposal dated <Date> <IF POSSIBLE, INDICATE AS IN PROPOSAL>.

CONTRACT COST LIMITATION

The Work under this Agreement is subject to a Contract Cost Limitation of \$### (CAN) including all costs. CEATI Contract Cost Limitation is \$### (CAN) (100%).

Included in this Contract Cost Limitation, CEATI will reimburse travel expenses (airfare, accommodation, meals) for a presentation which it may require at cost (no overhead), to a limit of \$### CAN. To be eligible, expenses must be pre-approved by CEATI and should be billed separately.

DELIVERABLES

The deliverables shall be in accordance with the attached proposal dated Mmmm dd, yyyy.

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 Technical Brief is a summary of the report (between 1,000 and 1,500 words), which will be published separately. It should contain 4 sections: Background, Summary, Conclusions and Recommendations.

- The Report Background section should be short (approximately 200 words) and should detail the reasons the work was conducted.
- The Summary section should be approximately 700 words. It must provide a general description of the work program.
- The Conclusions section should be about 150 words and should provide a general outline of the key results (do not include specifics).
- The Recommendations section should be about 200 words and should include a description of the potential applications of the results.

SCHEDULE

It is expected that the project will be completed within x (x) months of the Project start date.

The Project start date is _____.

Progress/Milestone Report 1 must be submitted on _____.

Etc.

The Draft Final Report is anticipated by _____.

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.

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 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 or the provisions of this Schedule A, the provisions of this Schedule A 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 No.

SUGGESTED FORMAT FOR CEATI INTERNATIONAL PROGRESS REPORTS

Title	CEATI International Inc. Project # XXXXX
Project Leader:	Name and 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	Detailed description of work completed in the reporting quarter or period. Length: several pages. Appendices may be required for the submission of deliverables, completed or in progress. 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.
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/guidelines.php>

December 2011
Montréal, Québec