

Memorandum of Understanding – ESI Materials

This Memorandum of Understanding (“**MOU**”) is made effective as of _____ (*WiCell to fill in date*), by and between _____ (Institution”), having an address at _____, and **WiCell Research Institute, Inc.** (“**WiCell**®”), a Wisconsin nonprofit corporation having an address at 614 Walnut Street, Madison, Wisconsin 53726 USA.

WHEREAS, WiCell has been appointed as a distributor of certain human embryonic stem cell lines developed by ES Cell International PTE. LTD (the “**ESI Materials**”), and various other providers of human embryonic stem cell lines;

WHEREAS, the Wisconsin Alumni Research Foundation (“**WARF**”) holds certain intellectual property rights provided by U.S. Patent Nos. 5,843,780; 6,200,806; 7,005,252, and various patents or patent applications (foreign and domestic) claiming priority thereto (collectively the “**WARF Patent Rights**”), and has afforded WiCell the right to grant sublicenses under the WARF Patent Rights to non-profit and academic research institutions for use in relation to the ESI Materials;

WHEREAS, WARF and WiCell have a mission to serve the public good and desire to provide Institution researchers who desire to receive and use the ESI Materials (“**Institution Researchers**”), the opportunity to use the ESI Materials for non-commercial research purposes; and

WHEREAS, Institution agrees that any such research conducted by the Institution Researchers using the ESI Materials shall be in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants contained herein, WiCell and Institution agree as follows:

1. Institution shall have the nontransferable right under the WARF Patent Rights to maintain and use the ESI Materials within the laboratories of Institution Researchers solely for non-commercial research purposes. As used herein, the “ESI Materials” shall further include any progeny and modified version of the ESI Materials, other than differentiated cells no longer capable of functioning as a stem cell. Any and all use of the ESI Materials must be in compliance with all applicable statutes, regulations, Institutional Review Board decisions, and consistent with applicable guidelines (including the NAS Guidelines).

2. Institution agrees that it shall require each Institution Researcher requesting ESI Materials, whether the ESI Materials are to be provided by WiCell hereunder or by a third party authorized by WiCell to provide the ESI Materials to Institution Researcher, to enter into and execute a copy of the “**Simple Letter Agreement**” attached hereto as **Exhibit A as a condition and prior to receipt of any ESI Materials**. Institution shall give a copy of this MOU to each Institution Researcher to enable such Institution Researcher to comply with the terms of the MOU and Simple Letter Agreement. In particular, the provisions of paragraph 9 of this MOU shall apply and be incorporated by reference to the Simple Letter Agreement. WiCell shall cause the requested ESI Materials to be shipped to the Institution Researcher upon WiCell’s receipt and approval of a Simple Letter Agreement duly executed by the Institution Researcher requesting such ESI Materials and any applicable transmittal fee (see Paragraph 3 below).

3. Institution acknowledges that a transmittal fee may be requested by WiCell to cover the preparation and distribution costs for each sample of ESI Materials transferred by WiCell to each Institution

Researcher. Such fees will be the responsibility of the requesting laboratory/Institution. Despite the payment of any such fee, the transfer of the ESI Materials shall not be considered a sale of or transfer of rights to the ESI Materials.

4. ESI Materials are the property of the ESI and are being made available to Institution Researchers as a service of ESI and WiCell. ESI is not a party to this MOU and ESI shall have no liability to Institution, Institution Researcher or any other party under this MOU or the Simple Letter Agreement. Ownership of all ESI Materials is not affected by this MOU and shall remain solely with ESI, regardless of whether such ESI Materials are received from WiCell. Any ESI Materials provided to any Institution Researcher hereunder shall be promptly returned to WiCell or destroyed, at WiCell's direction, upon any breach of any term of this MOU or the Simple Letter Agreement or when the Institution Researcher ceases use of ESI materials.

5. Institution Researchers shall have the right to transfer ESI Materials to other academic researchers ("**Recipients**"), in accordance with this MOU provided that:

(a) prior to any such transfer, WiCell provides to Institution Researcher written confirmation that such Recipient has as an Institution Researcher entered into and executed a Simple Letter Agreement with WiCell relating to the ESI Materials to be transferred;

(b) the transfer of the ESI Materials to Recipient shall be made for no consideration (i.e., commercial grantback rights, ownership interest in inventions created by the Recipient, or royalties from the Recipient due to the commercialization of inventions created using the ESI Materials), however, Institution may request a transmittal fee solely to cover preparation and distribution costs;

(c) the transfer of the ESI Materials to Recipient shall be subject to the terms of this MOU and the Simple Letter Agreement between WiCell and such Recipient; and

(d) Institution Researcher must provide written proof to WiCell that it has provided written notice to the Recipient that the ESI Materials are not being provided by or on behalf of WiCell and have been maintained by Institution Researcher in conditions which may not be consistent with those utilized by WiCell. In particular, the provisions of paragraph 9 of this MOU shall apply and be incorporated by reference to the Simple Letter Agreement.

(e) A transfer fee for ESI Materials transferred between researchers in the amount of \$5,000.00 is submitted with the request to transfer cells.

6. WiCell recognizes that the technology of the WARF Patent Rights may be used by Institution Researchers in relation to ESI Materials for research that may result in patentable discoveries ("**Institution Patent Rights**"), which may eventually provide commercial products that benefit the public health. Institution agrees that ESI, WiCell, the University of Wisconsin, the Morgridge Institute for Research, and other like non-profit and/or academic research institutions shall have the right under the Institution Patent Rights to use without payment of any fee or cost the technology of the Institution Patent Rights for non-commercial research purposes.

7. The rights provided hereunder do not grant Institution the right to grant sublicenses under the WARF Patent Rights, or the right to develop and/or use the ESI Materials for any therapeutic or commercial purpose, including the right to use the ESI Materials to perform services (including diagnostic services) for consideration, or for the production or manufacture of products for sale or distribution to third parties. Any license needed by a third party under the WARF Patent Rights for the manufacture, production, use or commercialization of any Institution Patent Rights shall be provided by a separate written agreement with WARF. Nothing herein shall be construed to require WARF to enter into any such agreement, or to hinder WiCell or WARF from entering into any other agreement with any third party which may limit the

grant of any license under the WARF Patent Rights necessary for the practice of the Institution Patent Rights.

8. Institution and Institution Researchers shall communicate to WiCell all publications and/or research results made public by Institution or Institution Researchers based on research using the ESI Materials. In addition, any reports, publications, or other disclosure of results obtained with the ESI Materials will acknowledge ESI and WiCell as the original source of the ESI Materials and, in the event that the ESI Materials were received from an authorized third party, the conditions in which such ESI Materials were maintained prior to their transfer.

9. Any ESI Materials delivered pursuant to this MOU are understood to be experimental in nature and may have hazardous properties. WiCell, whether on its behalf or on the behalf of ESI, makes no representations and extends no warranties of any kind, either expressed or implied under the MOU or the SLA or otherwise howsoever. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY THAT THE USE OF THE ESI MATERIALS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY RIGHTS. Institution assumes all liability for any claim for damages which may arise from the use, storage, handling or disposal of the ESI Materials by Institution or Institution Researchers, except to the extent caused by the gross negligence or willful misconduct of WiCell. For the avoidance of doubt, ESI shall have no liability under this MOU or the terms of the Simple Letter Agreement

10. The provisions of this MOU and the obligations hereunder shall continue as long as the ESI Materials continue to be used by any Institution Researcher. Nothing contained herein shall be construed to be a waiver by WiCell or WARF of any rights under the WARF Patent Rights.

11. This MOU shall be governed by and construed in all respects in accordance with the laws of the State of Wisconsin, without reference to its conflicts of laws principles. If the enforcement of any provisions of this MOU are or shall come into conflict with the laws or regulations of any jurisdiction or any governmental entity having jurisdiction over the parties or this MOU, those provisions shall be deemed automatically deleted, if such deletion is allowed by relevant law, and the remaining terms and conditions of this MOU shall remain in full force and effect. If such a deletion is not so allowed or if such a deletion leaves terms thereby made clearly illogical or inappropriate in effect, the parties agree to substitute new terms as similar in effect to the present terms of this MOU as may be allowed under the applicable laws and regulations.

12. Except for paragraph 6 of the MOU, this MOU is not intended to be for the benefit of and shall not be enforceable by any third party. The parties who may acquire rights to use the technology of the Institution Patent Rights may enforce the benefit of paragraph 6 of this MOU as against Institution. Apart from this exception, nothing in this MOU, express or implied, is intended to or shall confer on any third party any rights (including third-party beneficiary rights), remedies, obligations or liabilities under or by reason of this MOU. This MOU shall not provide third parties with any remedy, claim, reimbursement, cause of action or other right in excess of those existing without reference to the terms of this MOU. No third party shall have any right, independent of any right that exists irrespective of this MOU, to bring any suit at law or equity for any matter governed by or subject to the provisions of this MOU.

13. This MOU constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, except as provided for elsewhere in this Paragraph 13, made prior to or at the signing hereof, shall vary or modify the written terms of this MOU. Neither party shall claim any amendment, modification, or release from any provisions of this MOU by mutual agreement, acknowledgment, or otherwise, unless such

mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this MOU.

14. The persons signing on behalf of WiCell and Institution hereby warrant and represent that they have authority to execute this MOU on behalf of the party for whom they have signed.

IN WITNESS WHEREOF, WiCell and Institution agree to the foregoing and have caused this MOU to be executed by their duly authorized representatives.

WiCell Research Institute

Institution

By: _____
Robert J. Drape, CEO

By: _____

Date: _____

Date: _____

Name: _____

Title: _____

Order Reference No. _____

WiCell Agreement No. _____

Exhibit A

Simple Letter Agreement - ESI Materials

Institution: _____

Institution Researcher: _____

Provider: _____
(WiCell or other authorized provider)

ESI Cell Line(s) _____
(Multiple cell lines can be listed)

Research Program Title: _____

This Simple Letter Agreement (“SLA”) dated and effective _____ (*WiCell to fill in date*), is between the above Institution Researcher and the WiCell Research Institute, Inc. (“**WiCell®**”), a Wisconsin nonprofit corporation having an address at 614 Walnut Street, Madison, Wisconsin 53726 USA.

It is WiCell’s understanding that Institution Researcher desires to obtain samples of the ESI Cell Line listed above (hereinafter referred to, along with any progeny and any modified version thereof, other than differentiated cells no longer capable of functioning as a stem cell, as the “**ESI Materials**”) for use in research described above to be conducted in Institution Researcher’s laboratory. In accordance with the terms and conditions of the Memorandum of Understanding between WiCell and Institution dated _____ (the “**MOU**”), which is incorporated herein by reference, Institution Researcher hereby agrees and acknowledges the following:

1. Institution Researcher hereby agrees that he or she has read and acknowledges the terms and conditions of the MOU, and agrees to be bound by its terms and conditions without exception. Specifically, Institution Researcher acknowledges and agrees that the research conducted by him or her will not include using the ESI Materials for therapeutic or commercial purposes, including the performance of services (including diagnostic services) for consideration or the production or manufacture of products for sale or distribution.
2. The ESI Materials are the property of ESI and are being made available to Institution Researcher as a service of WiCell and ESI. ESI is not a party to this SLA and ESI shall have no liability to Institution, Institution Researcher or any other party under the MOU or this SLA. Ownership of all ESI Materials is not affected by this SLA and shall remain solely with ESI, regardless of whether such ESI Materials are received from WiCell or an authorized third party. Any ESI Materials provided hereunder shall be returned to WiCell or destroyed, at WiCell’s direction, upon a breach by Institution Researcher of any terms of this SLA or the MOU or when the Institution Researcher ceases use of the ESI Materials.
3. Institution Researcher agrees to communicate to WiCell all publications and/or research results made public by Institution Researcher, which are based on research using the ESI Materials. In addition, any reports, publications, or other disclosures of results obtained with the ESI Materials will acknowledge WiCell and ESI as the original source of the ESI Materials and, in the event that the ESI Materials were received from an authorized third party, the conditions in which such ESI Materials were maintained prior to their transfer.
4. Any ESI Materials delivered pursuant to this SLA are understood to be experimental in nature and may have hazardous properties. WiCell, whether on its behalf or on behalf of ESI, makes no representations and extends no warranties of any kind, either expressed or implied under the MOU or this SLA or otherwise howsoever. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY THAT THE USE OF THE ESI MATERIALS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY RIGHTS. Institution and Institution Researcher assume all liability for any claim for

damages which may arise from the use, storage, handling or disposal of the ESI Materials by Institution or Institution Researcher, except to the extent caused by the gross negligence or willful misconduct of WiCell. For the avoidance of doubt, ESI shall have no liability under the MOU or the terms of this SLA.

Institution and Institution Researcher must sign both copies of this SLA and return both signed copies to WiCell at the address below, along with any fees if applicable, before the ESI Materials may be provided to Institution Researcher.

Institution Researcher

By: _____

Name: _____

Date: _____

Lab Address: _____

Email Address _____

Phone Number: _____

WiCell Research Institute

By: _____

Robert J. Drape, CEO

Date: _____

RETURN ADDRESS

US Mail:

Research Institute
Contract Manager
P.O. Box 7365
Madison, WI 53707-7365

International or Express Mail:

WiCell Research Institute
Contract Manager
614 Walnut St.
Madison, WI 53726 USA