
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the month of: **October 2013**

Commission File Number: **001-35776**

ACASTI PHARMA INC.
(Translation of Registrant's name into English)

545 PROMENADE DU CENTROPOLIS, SUITE 100
LAVAL QUEBEC H7T 0A3
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- .

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACASTI PHARMA INC.

/s/ Xavier Harland

Name: Xavier Harland

Title: Chief Financial Officer

Date: October 29, 2013

EXHIBIT INDEX

99.1 Prepayment Agreement, dated December 4, 2012, between Neptune Technologies & Bioresources Inc. and Acasti Pharma Inc,

THIS PREPAYMENT AGREEMENT is made on December 4, 2012

BETWEEN:

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC., a corporation governed by the laws of Quebec,
("Neptune")

- and -

ACASTI PHARMA INC., a corporation governed by the laws of Quebec,
("Acasti").

RECITALS:

- A. Neptune and Acasti (each, a "**Party**", and together, the "**Parties**") entered into a technology license agreement on August 7, 2008 (the "**License Effective Date**"), which was amended on February 20, 2009 and January 28, 2011 (as amended, the "**License Agreement**"), pursuant to which Neptune granted to Acasti a license to use Licensed Intellectual Property (as such term is defined in Section 1 of the License Agreement) in consideration for the payment of Royalties (as such term is defined in Section 5.2 of the License Agreement) by Acasti.
- B. Effective August 7, 2011, Acasti is not required to pay any Royalties on Over-the-Counter Products (as such term is defined in the License Agreement), as Acasti abandoned its right to develop Over-the-Counter Products pursuant to the License Agreement.
- C. Pursuant to Section 5.8 of the License Agreement, at any time after **[REDACTED: Timeline]** following the License Effective Date, Acasti may, at its option, pay **[REDACTED: Term]** future Royalties which will become payable under Section 5.2 of the License Agreement, in cash or through the issuance of Class "A" Shares in the share capital of Acasti (the "**Acasti Shares**").
- D. Acasti wishes to exercise its option to pay in advance all of the future Royalties payable under Section 5.2 of the License Agreement through the issuance of Acasti Shares issuable upon the exercise of a warrant, the whole in accordance with the terms and conditions of the License Agreement and this prepayment agreement (the "**Agreement**").
- E. Capitalized terms used but not defined herein have the meanings ascribed to them in the License Agreement.

THEREFORE, the Parties agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent** – Whenever a provision of this Agreement requires an approval or consent and the approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with, the laws of the Province of Quebec and the federal laws of Canada applicable in the Province of Quebec.
- (c) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (d) **Including** – Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.
- (e) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing gender include all genders.
- (f) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction, or without affecting its application to other Parties or circumstances.
- (g) **Time** – Time is of the essence in the performance of the Parties’ respective obligations.

ARTICLE 2
PREPAYMENT OF ROYALTIES

2.1 Prepayment

The Parties hereby agree that:

- (a) Acasti shall issue to Neptune a warrant entitling Neptune to acquire 6,750,000 Acasti Shares at a price of \$2.30 per Acasti Share attached as Schedule C to this Agreement (the “**Warrant**”), subject to the terms and conditions of this Agreement;
- (b) an amount of \$15,525,000 is payable at the time and in the manner provided in Section 2.7 below by Acasti to Neptune as payment of all of the Royalties which are payable as at the date of this Agreement (the “**Effective Date**”) under Section 5.2 of the License Agreement and will become payable thereafter under Section 5.2 of the License Agreement (the “**Prepayment Amount**”);
- (c) the aggregate fair market value of the Acasti Shares issuable upon the exercise of the Warrant is approximately \$15,525,000 and represents the payment in advance of all of the Royalties which are payable as at the Effective Date and will become payable thereafter under Section 5.2 of the License Agreement, the whole in accordance with Schedule A to this Agreement;
- (d) the Fair Market Value (as defined in the License Agreement) of each Acasti Share to be issued pursuant to this Section 2.1 upon the exercise of the Warrant, as calculated in accordance with Section 5.8(c) of the License Agreement, is \$2.30;
- (e) the number of Acasti Shares to be issued on the Effective Date pursuant to Section 2.1 of this Agreement is correctly calculated in accordance with the formula set forth in Section 5.8 of the License Agreement.

2.2 Taxes

Acasti and Neptune acknowledge and agree that the prepayment payable under this Agreement is exclusive of any retail sales tax, value-added tax, goods and services tax or harmonized sales tax that is required to be collected by Neptune from Acasti (collectively, “**Sales Taxes**”) and that, upon approvals provided in Section 2.6 below and on the Meeting Date (as defined below), Acasti will pay to Neptune, in addition to the prepayment, any applicable Sales Tax calculated on the prepayment in accordance with the applicable legislation.

2.3 No Dilution Exceeding [REDACTED: Percentage]

Acasti acknowledges that the issuance of the Acasti Shares as set forth in this Agreement does not contravene Subsection 5.8(e) of the License Agreement in that it does not cause a dilution of its issued and outstanding Acasti Shares of [REDACTED: Percentage].

2.4 Minimum Requirements

Acasti and Neptune acknowledge that following the issuance of the Acasti Shares pursuant to Section 2.1, the conditions set out in Section 5.3(a)(b) and Section 5.3 (a)(c) of the License Agreement shall be deemed to have been met by Acasti within the delays contemplated by the License Agreement.

2.5 Reimbursement by Neptune

In the event that, during the Initial Term of the License Agreement (as such term is defined in the License Agreement), Acasti terminates the License Agreement in accordance with Section 11.2 of the License Agreement, Neptune shall reimburse to Acasti, in cash, that portion of the prepayment paid by Acasti to Neptune pursuant to Section 2.1 of this Agreement, the whole in accordance with Schedule B to this Agreement.

2.6 Approvals

- (a) The issuance of the Acasti Shares upon the exercise of the Warrant shall be subject to the receipt of applicable regulatory approvals, including the approval of the TSX Venture Exchange.
- (b) The issuance of the Acasti Shares shall be subject to the approval of the disinterested shareholders of Acasti (excluding Neptune and non-arm's length parties to Neptune) at the next annual meeting of shareholders of Acasti. Acasti covenants to use its reasonable best efforts to seek such shareholder approval at such meeting and cause its board of directors to recommend to shareholders that they provide such approval.

2.7 Payment of Prepayment Amount and Conversion of Warrant

If on the date of the end of the next annual meeting of shareholders of Acasti (the "**Meeting Date**") the approvals required by Section 2.6(a) and 2.6(b) are obtained, then effective on the Meeting Date (or such other date as may be agreed to between the Parties):

- (a) the Prepayment Amount shall become automatically due and payable;
- (b) the Warrant shall be automatically exercised and converted in full and the payment of the exercise price shall be satisfied by the deemed payment by Acasti to Neptune of the Prepayment Amount; and
- (c) effective immediately upon the exercise in full of the Warrant in accordance with paragraph (b) above, the Prepayment Amount shall be deemed to have been made and satisfied in full and, subject to the payment of any applicable taxes to be made by Acasti in accordance with Section 2.4, Acasti shall no longer from and after the Effective Date be required to pay any Royalties to Neptune under the License Agreement for the use of the Licensed Intellectual Property.

2.8 Termination if Approvals Not Obtained

In the event that the approvals required by Section 2.6(a) and 2.6(b) are not obtained at the latest on the Meeting Date, (i) this Agreement and the Warrant shall automatically terminate and be void and of no effect, and (ii) Acasti will be required to pay any and all Royalties owing to Neptune on or after the Effective Date, as if this Agreement had not been entered into.

ARTICLE 3 GENERAL

3.1 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a “**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

(a) in the case of a Notice to Neptune at:

Neptune Technologies & Bioressources Inc.
545, Promenade du Centropolis, Suite 100
Laval, Quebec, Canada
H7T 0B3
Fax: 450.687.2262
Attention: President

(b) in the case of a Notice to Acasti at:

Acasti Pharma Inc.
545, Promenade du Centropolis, Suite 100
Laval, Quebec, Canada
H7T 0B3
Fax: 450.687.2262
Attention: President

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a day other than Saturday, Sunday, or any other day on which commercial banks located in Montreal are no required to be open for business (a “**Business Day**”) prior to 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if the day is not a Business Day, then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Parties in accordance with the provisions of this Section.

3.2 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the Party to be bound.

3.3 Assignment

No Party may assign this Agreement or any of the benefits, rights or obligations under this Agreement without the prior written consent of the other Party.

3.4 Enurement

This Agreement enures to the benefit of and is binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

3.5 Further Assurances

The Parties shall, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

3.6 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and the counterparts may be executed and delivered by electronic means, with all counterparts together constituting one agreement.

3.7 Language

The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations have been and shall be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

[Signature page follows]

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

ACASTI PHARMA INC.

/s/ Pierre Lemieux

Name: Pierre Lemieux

Title: Chief Operating Officer

**NEPTUNE TECHNOLOGIES &
BIORESSOURCES INC.**

/s/ André Godin

Name: André Godin

Title: Chief Financial Officer

Prepayment Agreement re: Technology License Agreement – Neptune/Acasti

SCHEDULE A – PAYMENT OF ROYALTIES

[Redacted: Payment Schedule]

SCHEDULE B – REIMBURSEMENT

[Redacted: Reimbursement Schedule]

SCHEDULE C - WARRANT

[Redacted: Warrant]

TECHNOLOGY LICENSE AGREEMENT

This **TECHNOLOGY LICENSE AGREEMENT** (the “**Agreement**”) was entered into this 7th day of August, 2008 (the “**Effective Date**”) by and between Neptune Technologies & Bioresources Inc. (“**Licensor**”) and Acasti Pharma Inc. (the “**Company**”) (Licensor and the Company are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**”). Agreement was modified on February 20, 2009 and March 7, 2013.

WHEREAS Licensor is the owner or licensee of Licensed Intellectual Property (as hereinafter defined); and

WHEREAS the Company desires to obtain from Licensor, and Licensor desires to grant to the Company, a license to use such Licensed Intellectual Property in certain Licensed Fields and within a specified Territory under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises, the mutual covenants, agreements and respective representations and warranties contained herein, and other good and valuable consideration, the receipt and sufficiency for which are hereby acknowledged, the Parties hereto agree as follows:

1. DEFINITIONS

“**Agreement**” has the meaning set forth in the preamble.

“**Additional Term**” has the meaning set forth in Section 11.1.

“**Business Day**” means a day other than Saturday, Sunday, or any other day on which commercial banks located in Montreal are not required to be open for business.

“**Cardiovascular Field**” means the class of diseases that involve the heart, blood vessels or blood. For clarity, cardiovascular disease refers to any disease that affects the cardiovascular system (as used in MeSH), including atherosclerosis, arrhythmia, dyslipidemia, insulino-resistance, endothelial abnormalities, coagulopathies, and hypertension.

“**Company**” has the meaning set forth in the Preamble.

“**Company Independent Development**” means any intellectual property created, acquired or developed by the Company that is not a Company Related Enhancement.

“**Company Related Enhancement**” means any derivative works from, and other improvements and enhancements to, the Licensed Intellectual Property and any other intellectual property created, acquired or developed by the Company that is directly or indirectly derived from on the Licensed Intellectual Property.

“**Confidential Information**” has the meaning set forth in Section 10.

“**Contract Year**” shall mean each twelve-month period following the Effective Date.

“**Cosmeceutical**” means Nutraceuticals with cosmetic claims.

“**Cost**” means, with respect to a Party, all reasonably documented costs, fees and expenses that such Party incurs in performing the applicable obligation(s) under this Agreement, as such Party determines in good faith and on a reasonable basis, including, without limitation, for (a) all out-of-pocket expenses and consultant and vendor costs, (b) personnel wages, salaries and other compensation and benefits for such Party’s employees, and (c) other personnel-related expenses, and associated general and administrative expenses, and (d) direct equipment, software and services costs. With respect to any expenses that are incurred for the benefit of the other Party or other entities in addition to the Party, Cost will include only a fair allocation of such multi-party expenses.

“**Effective Date**” has the meaning set forth in the Preamble.

“**Enhancement Notice**” shall have the meaning set forth in Section 3.5(a).

“**Gross Margin**” means the revenues for each Licensed Product made, used, transferred or sold by, or on behalf of, the Company or a sublicensee of the Company in an arm’s length transaction, less the cost of goods sold, which is defined as direct costs attributable to the purchase of the Licensed Products by the Company, including without limitation the cost of materials, direct labor costs, indirect expenses such as distribution costs and sales force costs.

“**Initial Term**” has the meaning set forth in Section 11.1.

“**Licensed Field**” means the development, distribution and sale of Over-the-Counter Products, Prescription Medical Food Products and Prescription Drug Products for use in the human Cardiovascular Field and containing a concentration of phospholipids extracted from Krill: (a) between [REDACTED: Concentration], and/or (b) between [REDACTED: Concentration] but in such case only in combination with at least one more bioactive ingredient in a formulation preapproved by the Licensor, which approval shall be granted by the Licensor if such formulation provides a significant molecular change in the bioactive component without modifying the product to be provided by the Licensor, and only if such Over-the-Counter Product, Prescription Medical Food Product or Prescription Drug Product does not compete with a product developed by the Licensor at the time of the request for such approval.

“**License Grant**” has the meaning set forth in Section 2.1(a).

“**Licensed Intellectual Property**” means, subject to the terms and conditions of this Agreement, (a) the Licensed Patents and (b) all know-how, trade secrets, systems, copyrighted materials, software (in object code form and, at Licensor’s sole discretion, in source code form), technology, Confidential Information of Licensor not included in the foregoing, and other intellectual property, other than Trademarks, owned or controlled by, or licensed to Licensor (with the right to grant sublicenses in the Licensed Field) as of the Effective Date and necessary for exploitation of the Licensed Patents, in each case to the extent related to the Licensed Field.

“**Licensed Patents**” means (i) those patents and patent applications relating to the Licensed Field owned by Licensor, or to which Licensor has license rights (with the right to grant sublicenses) as of the Effective Date, and as set forth in Schedule A (which may be updated from time to time), and includes any divisional, continuation and / or continuation-in-part of such patents and patent applications in the Licensed Field; and (ii) any patent issued thereon and any and all reissues, re-examinations, substitutions, extensions of and / or foreign counterparts to such patents and patent applications in the Licensed Field.

“Licensed Products” means any and all products Used, directly or indirectly, by the Company and within the scope of one or more claims of the Licensed Patents and within the Licensed Field.

“Net Sales” means the revenues for each Licensed Product made, used, transferred or sold by, or on behalf of, the Company or a sublicensee of the Company in an arm’s length transaction, less the sum of the following actual and customary deductions (net of rebates or allowances of such deductions received): cash, trade, or quantity discounts; sales or use taxes imposed upon particular sales; import/export and customs duties freight or other transportation charges; amounts repaid or credited by reason of rejections and return of goods.

“Nutraceutical Products” means any Dietary Supplement or Functional Food that has proven health and medical benefits. “Dietary Supplement” means a product isolated or purified from foods that is generally sold in medicinal forms not usually associated with food; a dietary supplement is demonstrated to have a physiological benefit to maintain healthy physiological systems. “Functional Food” is similar in appearance to, or may be, conventional food, is consumed as part of a usual diet, and is demonstrated to have physiological benefits to maintain healthy physiological systems beyond basic nutritional functions.

“Nutrigenomic Products” means Nutraceuticals designed to interact with specific genes to reduce the risk of common chronic diseases by altering the expression of genes and the structure of an individual’s genome.

“Over-the-Counter Products” means products intended to be used in the prevention, cure and treatment of a disease, with a monograph safety standard, requiring no scientific review and which can be sold without a prescription from a medical doctor or in formulation with another OTC product where the safety monograph applies to at least one of the ingredients in the formulation.

“Permitted Company Licensee” means any permitted sublicensee of the Company pursuant to the terms and conditions of this Agreement.

“Person” means any natural person, corporation, partnership, limited liability company, trust or any other legal entity.

“Prescription Drug Products” means products intended for the prevention, cure or treatment of a disease, to which attach specific claims, and which has received approval from each country’s respective authorities to be marketed as a prescription drug, and which must be prescribed by a medical doctor.

“Prescription Medical Food Products” means products intended to meet unique complete nutritional requirements of a disease, which fall within the GRAS category (“Generally Recognized As Safe”) as defined by the respective regulatory authorities of each country in the Territory and which must be prescribed by a medical doctor and/or doctors accredited to prescribe.

“Related Company” means a company that directly, or indirectly through one or more intermediaries, owns, or is owned by, or is under common ownership with, the Company. For this purpose, the term “own” or “ownership” means the ownership of twenty-five percent (25%) or more of the voting shares of such corporation or of twenty-five percent (25%) of the ownership interests in such other business entity.

“**Royalties**” has the meaning set forth in Section 5.2.

“**Term**” means the Initial Term and the Additional Term.

“**Territory**” means worldwide.

“**Third Party**” means any person other than the Licensor, the Company or the Related Company.

“**Use**” means to develop, use, sell, offer for sale, import, export, have imported, have exported, distribute, create derivative works from, improve, enhance, and modify; for the purpose of this Agreement, “Use” specifically excludes manufacturing.

2. LICENSE GRANT

2.1 License to the Company.

- (a) *License Grant.* Licensor hereby grants to the Company, and the Company hereby accepts, subject to the terms and conditions of this Agreement, an exclusive, non-transferable license for the Term and in the Territory to Use the Licensed Intellectual Property solely within the Licensed Field and, where it relates to the development and commercialization of Licensed Products, in accordance with the terms set out in Schedule B to this Agreement. (the “**License Grant**”). For purposes of clarity, the Parties agree that the Licensor: (i) retains all Licensed Intellectual Property rights, , in relation with all fields other than the Licensed Field, including without limitation Nutraceutical Products, Cosmeceutical products and Nutrigenomic products, (ii) subject to Section 12, retains all rights to manufacture or have manufactured any Licensed Product using the Licensed Intellectual Property worldwide including within the Licensed Field and (iii) the Licensor cannot directly or indirectly and/or via a third party commercialize products containing an ingredient with phospholipid concentrates between **[REDACTED: Concentration]** except only within a formulation with at least one or more bioactive ingredient and as long as this formulation provides a significant molecular change in the bioactive components modifying the structure of the Licensor’s products as developed by the Licensor on the Effective Date. In addition, the Parties agree that such License Grant includes the right for the Company to proceed to IND-enabling studies, preclinical and clinical studies and to make any and all regulatory filings required in relation to the Licensed Products.
- (b) *Copies.* The Company shall be permitted to make such reasonable numbers of copies of the Licensed Intellectual Property as are reasonably necessary to effectuate the License Grant; provided however, that (i) the Company shall treat all such copies as Confidential Information of Licensor to be disclosed only as permitted in Section 10, and (ii) all such copies shall be subject to all terms and conditions of this Agreement.
- (c) *Derivative Works.*
 - (i) The Company may create Company Related Enhancements from the Licensed Intellectual Property, subject to the terms of the License Grant.
 - (ii) Except as may be imposed by other provisions of this Agreement, such as confidentiality and non-compete provisions, no restrictions are imposed on the Company’s rights to create Independent Developments.

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- (d) *Sublicenses.* Subject to Section 14.1 and Section 14.2, the Company shall have the right to sublicense the Licensed Intellectual Property but only with the prior written consent of Licensor, such consent to be at Licensor's sole discretion, but which shall not be rejected without justified cause, provided that:
- (i) the sublicense to such Permitted Company Licensee is pursuant to a written, valid and enforceable agreement containing terms and restrictions (other than fees and without sub-licensing rights) at least substantially the same as those contained herein, including, without limitation, the following:
 - (I) License grant limitations and sublicensee obligations relating thereto at least as restrictive as the License Grant and sublicense obligations set forth herein;
 - (II) Licensor ownership of Licensed Intellectual Property, and Licensor license rights to Company Related Enhancements and to Company Independent Development by such sublicensee at least as broad as those contained herein; and
 - (III) Obligations on the Permitted Company Licensee at least as broad, and rights at least as favorable to Licensor, as those contained herein regarding protection of Licensed Intellectual Property, audit rights, remedies and liability limitations, representations, warranties, confidentiality, termination, governing law and other miscellaneous provisions.
 - (ii) notwithstanding Section 2.1(d)(i) above:
 - (I) No sublicensing of any Permitted Company Licensee will include any representations or warranties, express or implied, made on behalf of Licensor;
 - (II) Except for damages related to the manufacturing of the Licensed Products by Licensor, Licensor will not be liable for any damages, whether direct, indirect, incidental, consequential, special, punitive or other liability, arising under any such sublicenses, and the Company will at its cost defend and hold the Licensor harmless in relation thereto; and
 - (III) Any such sublicense agreement will expressly provide that Licensor is a third party beneficiary of that sublicense agreement;

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- (iii) no sublicense will be permitted if it has, or is reasonably likely to have, any material adverse legal, financial or tax effect on Licensor; and
 - (iv) the Company shall be liable for any action or inaction on the part of any sublicensee of the Company.
- (e) *Scope of License.* Except for such rights expressly granted to the Company herein, no license, right, title or interest in or to the Licensed Intellectual Property is granted to the Company or any other entity, either expressly or by implication, estoppel or otherwise.
- 2.2 *Licensed Third Party Technology.* Except as otherwise set forth in Section 5.4, for all third party intellectual property licensed or sublicensed by Licensor for use with or within the Licensed Intellectual Property in connection with the Company's business, the Company shall bear the Cost of such license or sublicense, based on the following principles: (a) where the third party licensor negotiates with the Licensor a reasonable fee for the Company, the Company shall pay 100% of such fee; (b) where the third party licensor fee is based on a usage or other trackable methodology directly related to the licensed third party intellectual property, the Company shall pay its applicable proportion as certified by Licensor in a notice to the Company; and (c) where the third party licensor has set a general fee, Licensor shall determine a reasonable pro rata allocation of such fee to the Company and other beneficiaries of the license grant.
- 2.3 *Technology Transfer.* To the extent reasonably necessary for the Company to exercise its rights and perform its obligations under this Agreement, promptly after the Effective Date, Licensor shall provide to the Company one (1) copy of each physical embodiment of the Licensed Intellectual Property controlled by Licensor on the Effective Date (and, from time to time thereafter during the Term, promptly after Licensor obtains control of any additional Licensed Intellectual Property).

3. **OWNERSHIP OF INTELLECTUAL PROPERTY; RIGHTS TO ENHANCEMENTS**

- 3.1 *Ownership of Licensed Intellectual Property.* The Company acknowledges that Licensor and its licensors own and shall own all right, title and interest, throughout the world, in and to the Licensed Intellectual Property. The Company shall not take any action that is inconsistent with Licensor's and its licensors' ownership of the Licensed Intellectual Property. The Company agrees that nothing in this Agreement and no use of the Licensed Intellectual Property by the Company pursuant to this Agreement, shall vest in the Company or be construed to vest in the Company, any right, title or interest in or to the Licensed Intellectual Property other than the express right to Use the Licensed Intellectual Property solely in accordance with the terms and conditions of this Agreement.
- 3.2 *Ownership of Company Related Enhancements.* The Company shall own all right, title, and interest in and to all Company Related Enhancements.

3.3 *Company Related Enhancement Rights and Obligations.*

- (a) The Company shall promptly disclose all Company Related Enhancements to Licensor. Subject to Section 14.1 and Section 14.2, the Company hereby grants to Licensor, an exclusive, irrevocable, royalty-free, worldwide, perpetual license to make, have made, use, sell, offer for sale, import, export, have import, have exported, distribute, create derivative works from, improve, enhance, modify and/or otherwise exploit the Company Related Enhancements outside the Licensed Field.
- (b) The Company shall not at any time during or after the Term of this Agreement Use, nor knowingly permit any third party to access or Use, for the benefit of the Company or any other entity, any Company Related Enhancements outside of the Licensed Field without the prior written approval of the Licensor.

3.4 *Ownership of Independent Developments.* Licensor agrees and acknowledges that the Company shall own all right, title and interest in and to all Company Independent Developments throughout the world, and that there shall be no restrictions upon the Company's right to create Independent Developments except as specifically provided in this Agreement.

3.5 *Independent Development License to Licensor.*

- (a) Subject to Section 14.1 and Section 14.2, the Company shall promptly disclose all Company Independent Developments to Licensor, such disclosure to be subject to the confidentiality obligations of this Agreement. Such notification shall include a description of the Company Independent Development in reasonably sufficient detail to permit Licensor to evaluate the Company Independent Development ("**Enhancement Notice**"). Upon Licensor's request, the Company shall grant to Licensor a commercially reasonable evaluation license at no Cost in order to evaluate the Company Independent Development.
- (b) Subject to Section 14.1 and Section 14.2, the Company must hereby offer to grant to the Licensor, and Licensor may at its sole discretion accept, effective upon Licensor's acceptance with respect to each Company Independent Development, a nonexclusive, perpetual, royalty-bearing, irrevocable, worldwide license to: (a) use, sell, offer for sale, import, export, have imported, have exported, distribute, and (b) in collaboration with the Company or with the Company's pre-approval, to create derivative works from, improve, enhance, modify and/or otherwise exploit, the Company Independent Developments in Licensor's business in any territory and in any field of use except the Licensed Field, subject to the Parties entering into a reasonable license agreement therefore, to be negotiated by the Parties in good faith. The license fee for such license grant shall be negotiated at a price which shall not exceed fair market value.
- (c) Without limitation to Section 3.5(b), in the event the Company determines to generally commercialize or license the Company Independent Development, Licensor shall have the right of first negotiation to obtain exclusive rights to the Company Independent Development (other than such rights Licensor obtained pursuant to the foregoing Section 3.5(b)) as follows:
 - (i) Licensor will have thirty (30) days from the date of Licensor's receipt of notice from the Company of the Company's desire to commercialize or license the Company Independent Development to notify the Company that it has elected to negotiate for the rights to the Company Independent Developments. Such notice by the Company shall include detailed information regarding the Company's commercialization or license plans.

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- (ii) If Licensor so elects to negotiate with the Company for rights to the Company Independent Developments, the Parties will have a period of sixty (60) days in which to negotiate exclusively in good faith (“**Independent Development Exclusive Negotiation Period**”). The Company shall not offer to, nor consider any offer from, any third party to license or otherwise acquire any right, title or interest in or to any such Company Independent Development, nor use such Company Independent Development itself outside of the Territory, during the Independent Development Exclusive Negotiation Period.
 - (iii) If the parties are unable to reach an agreement during the Independent Development Exclusive Negotiation Period, the Company may negotiate an agreement with third parties, provided that the Company will not offer nor agree to any terms more favorable than the terms offered to Licensor for a period of 180 days after the termination of the Independent Development Exclusive Negotiation Period (“**Independent Development Free Negotiation Period**”).
 - (iv) If the Company desires to offer better terms than those offered to Licensor, the Company will first submit such offer to Licensor for a new Independent Development Exclusive Negotiation Period and, if applicable, a new Independent Development Free Negotiation Period.

3.6 *Vested Ownership Rights.*

- (a) Subject to Section 14.1 and Section 14.2, to the extent any right, title or interest in or to any Company Related Enhancement or Company Independent Development or other intellectual property or data vests in the Company, by operation of law or otherwise, in a manner contrary to the agreed upon ownership as set forth in this Agreement, the Company shall, and hereby does, irrevocably assign to Licensor any and all such right, title and interest in such Company Related Enhancement or Company Independent Development, intellectual property or data to Licensor.
- (b) Subject to Section 14.1 and Section 14.2, the Company shall take, or shall cause to be taken, all such actions as shall be necessary, including procuring assignments from individuals, to vest ownership of any Company Related Enhancement or Company Independent Development or other intellectual property or data for all purposes in the applicable party contemplated by clause (a) above.

3.7 *Trademark Rights.* Nothing in this Agreement shall be deemed to give the Company any right, title or interest in or to any of Licensor’s Trademarks.

4. **PROTECTION OF LICENSED INTELLECTUAL PROPERTY**

- 4.1 *Maintenance of Intellectual Property Rights.* The maintenance of the Licensed Patents shall be managed by the Licensor, in its sole discretion and at its cost. Should the Licensor choose not to continue to maintain any of the patents or patent applications which form part of the Licensed Patents, the Licensor shall provide the Company with reasonably advanced notice of at least six (6) months if possible in writing of its decision and the Company may, in its sole discretion and at its cost, choose to continue the maintenance of such patent or patent application.
- 4.2 Protection of Intellectual Property Rights.
- (a) Licensor and the Company shall cooperate to diligently police the Licensed Intellectual Property in the Territory, and in connection with any lawsuits involving Licensed Intellectual Property. Additionally, the Company shall promptly notify Licensor and provide to Licensor relevant background facts upon becoming aware or suspicious of any infringement, misappropriation, imitation, illegal use or misuse of the Licensed Intellectual Property in the Territory.
 - (b) Licensor shall have the primary right, but not the obligation, to bring, at its own expense, and control, any suits, actions or other proceedings against any unauthorized use, infringement, misappropriation, dilution or other violation of the Licensed Intellectual Property in the Territory. The Company agrees to cooperate with Licensor, at Licensor's expense for the Company's out-of-pocket Costs and such other Costs as the Parties may agree in writing, in any litigation or other enforcement action that Licensor may undertake to enforce or protect the Licensed Intellectual Property. Upon Licensor's request and expense, the Company shall execute, file and deliver all documents and proof necessary for such purpose, including, without limitation, being named as a party to such litigation as required by law. The Company shall have the right to participate and be represented in any such action, suit or other proceeding by its own counsel at its own expense. The Company shall have no claim of any kind against Licensor based on or arising out of the Licensor's handling of or decisions concerning any such action, suit, proceeding, settlement, or compromise, and the Company hereby irrevocably releases Licensor from any such claim.
 - (c) Should the Licensor decide, at its sole discretion, not to take any litigation or other enforcement action to enforce or protect the Licensed Intellectual Property in a given situation of infringement as further described in Section 4.2(b), it shall provide a written notice to this effect to the Company which shall then have the right but not the obligation to undertake litigation or other enforcement action at its cost. The Company may not settle or consent to an adverse judgment in any action, claim or proceeding without obtaining the prior written consent from the Licensor if such settlement or consent judgment would either impose a financial obligation upon the Licensor, or limit the scope of or invalidate any of the Licensed Intellectual Property.
- 4.3 *No Assurance of Protection.* The Company agrees and acknowledges that (a) except as set forth on Schedule A, the Licensed Patents and other Licensed Intellectual Property

currently are not patented or registered in the Territory, (b) except as set forth in Section 7, Licensor makes no representation or warranty regarding intellectual property protection for the Licensed Intellectual Property in the Territory and (c) all terms and conditions of this Agreement, including, without limitation, financial terms, are made on the Parties' understanding and acknowledgment that protection for any or all Licensed Intellectual Property may not be obtainable in all or in part of the Territory.

- 4.4 *Defense Against Infringement Claims.* Licensor and the Company shall cooperate to diligently defend the Company, and, if applicable, Licensor, against any third party infringement claims, demands or actions relating to the Licensed Intellectual Property in the Territory ("**Third Party Infringement Claims**").
- (a) Licensor shall have the primary right, but not the obligation, to defend any Third Party Infringement Claims insofar as they relate to Licensed Intellectual Property, at its expense for all out-of-pocket Costs and such other Costs as the Parties may agree in writing. The Company agrees to cooperate with Licensor, at the Company's expense for Costs, with respect to the foregoing. The Company shall have the right to participate and be represented in any such Third Party Infringement Claim by its own counsel at its own expense. The Company shall have no claim of any kind against Licensor based on or arising from Licensor's handling of or decisions concerning any such Third Party Infringement Claim, or any settlement or compromise thereof, and the Company hereby irrevocably releases Licensor from any such claim.
 - (b) If Licensor does not exercise the option in Section 4.4(a), or if the Third Party Infringement Claim does not challenge Licensor's rights in the Licensed Intellectual Property, the Company may defend or otherwise resolve such Third Party Infringement Claim. Notwithstanding the foregoing, Licensor may intervene in the defense of such Infringement Claim at any time at its own expense.
 - (c) Licensor shall, at its sole discretion, approve any settlement that involves or affects the Licensed Intellectual Property. Except as otherwise set forth in this Section 4.4, each Party shall bear its own Costs incurred by it in complying with this provision, including, without limitation, those incurred in defending, bringing or controlling any such suits, actions or other proceedings.
- 4.5 *Defense Against Other Claims.* Licensor and the Company shall cooperate to defend the Company against any third party claims, demands or actions, other than claims subject to Section 4.4. The Company shall have the obligation to defend and control, or otherwise resolve, any such claims, demands or actions, provided that such claims, demands or actions are solely related to the Licensed Intellectual Property in the Licensed Field or are specifically related to the Company's business or activities, at its own expense for Costs. Licensor agrees, at the Company's expense for all out-of-pocket Costs and such other Costs as the Parties may agree in writing, to cooperate with the Company with respect to the foregoing to the extent related to the subject matter of this Agreement. Licensor shall have the right to participate and be represented in any such action, suit or proceeding by its own counsel at its own expense.
- 4.6 *Exceptions.* Notwithstanding the other provisions contained in this Section 4, the Licensor shall be solely responsible for the defense, control and resolution, at its own expense, of the claims, demands and actions set forth in Schedule 7.1 to this Agreement.

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- 4.7 *Total Obligations.* The Company agrees and acknowledges that this Section 4, in light of the allocation of risk between the Parties as reflected in the terms and conditions of this Agreement, set forth the Licensor's sole and exclusive liability, with respect to any infringement or other violation of any third party rights, including, without limitation, in respect of third party intellectual property. Licensor's obligations to defend and/or pay for any defense Costs as provided in this Section 4 shall not apply to the extent a claim has arisen because of any modification or enhancement to the Licensed Intellectual Property by or on behalf of the Company, or the Company's failure to use a commercially reasonable work-around or substitute provided by Licensor for the intellectual property at issue. The Costs for such work-around or substitute will be allocated in the same manner as Costs for other Licensed Intellectual Property are allocated.

5. ROYALTIES

- 5.1 *Initial Consideration.* On the Effective Date, the Company shall grant the Licensor the following consideration (the "**Initial Consideration**"): (i) twenty-five million (25,000,000) Class C shares with a liquidation value of twenty cents (\$0.20) per share; (ii) five million (5,000,000) Class B shares (10 votes per share) with a liquidation value of eighty cents (\$0.80) per share; and (iii) eight million (8,000,000) Category 1 warrants to purchase within two (2) years Class A shares at an exercise price of forty cents (\$0.40) per share.
- 5.2 *Royalties.* In addition to the Initial Consideration, during the Initial Term, the Company shall pay to Licensor, in consideration for the License Grant, a running royalty (the "**Royalties**") equal to:
- (a) the higher of the following amounts: (i) **[REDACTED: Percentage]** of Net Sales, and (ii) **[REDACTED: Percentage]** of the Gross Margin, from Licensed Product sales made by the Company in the Licensed Field or by any Related Company under the License Grant; plus
 - (b) **[REDACTED: Percentage]** of revenues and of any other consideration, compensation or advantage received in exchange for sublicense rights granted by the Company to Third Parties.

If the Company or a Related Company sells Licensed Product in the Licensed Field under the License Grant as a component or a combination of other ingredients (the "**Formulation**"), for the purpose of calculating the Royalties, the applicable Net Sales, Gross Margin or revenues, as the case may be, shall be calculated in proportion to the cost for the Company or for the Related Company of the product under the License Grant relative to the cost of the Formulation.

5.3 *Minimum Requirements.* In order to maintain the rights granted under this Agreement, the Company shall meet all of the following conditions:

- (a) In each Contract Year, notwithstanding any payment made under Section 5.1, the Company undertakes to make minimum payments to the Licensor, which shall include the Royalty payments made during such Contract Year, and which payments shall equal or exceed the following amounts (the “**Minimum Payment Requirements**”):

	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5	Contract Year 6 and following Contract Years
Medical Food Products						
Over-the-Counter Products						
Prescription Products						
Total						

[REDACTED: Above Minimum Royalties Payments]

For purposes of clarity, the Minimum Payment Requirements are based on annual minimum payments for each specific product category; and

- (b) The Company shall have marketed and sold to arm’s length customers Over-the-Counter Products and/or Medical Food Products before the end of **[REDACTED: Year]**; and
- (c) The Company shall have marketed and sold to arm’s length customers Over-the-Counter Products and Medical Food Products before the end of **[REDACTED: Year]**; and

If any of the conditions set out in Section 5.3(a)(b) and Section 5.3(a)(c) are not met by the Company for reasons other than reasons beyond the Company’s control, the Licensor may at its sole option, change this Agreement to a non-exclusive sublicense one hundred eighty (180) days after written notice to the Company should the Company not rectify this default within such one hundred eighty (180) day period.

Notwithstanding the foregoing, the Company may choose to restrict the License Field under this Agreement and to abandon its License Grant in relation to one or more of the following categories: Over-the-Counter Products, Medical Food Products and/or Prescription Products, upon written notice to the Licensor, accompanied with a payment equal to the Minimum Payment Requirements for the abandoned product category until the date of abandonment, less Royalties and other payments made for the abandoned product category in accordance with this Section 5 by the Company to the Licensor **[REDACTED: Year and Percentage]** of the Minimum Payment Requirements for the abandoned product category for the subsequent Contract Year. Should the Company abandon its License Grant in relation with one of the foregoing categories, this

Agreement shall be deemed to have been modified to limit the License Grant accordingly, and the Company shall not be bound to meet any further Minimum Payment Requirements or other conditions mentioned in this Section 5.3 in relation to such abandoned category.

- 5.4 *Third Party Fees*. The Company shall be responsible for all third party license and other fees and all other Company Costs in connection with the License Grant, except for the fees to be assumed by the Licensor as set forth in Section 4.6, any fees payable to the Université de Sherbrooke related to the Beaudoin Patent and any fees related to the action undertaken by Mr. Beaudoin as described in Schedule 7.1 hereto.
- 5.5 *Time and Place of Payment*. All Royalties are payable quarterly within forty-five (45) days after end of each such quarter, and any other fees net forty-five (45) days from invoice for same from Licensor. All payments under this Agreement shall be made in Montreal, Quebec, in Canadian currency, or such other location as Licensor may indicate.
- 5.6 *Taxes and Other Assessments*. All payments under this Agreement shall be made without deduction for taxes, assessments or other charges of any kind that may be imposed on Licensor by any government, or subdivision of such government, other than Licensor's Canadian income taxes, and all such taxes, assessments and charges shall be the sole responsibility of the Company.
- 5.7 *Failure to Pay and Overdue Payments*. Failure to pay the License Fee within sixty (60) days of receipt by the Company of notice from Licensor that the License Fee has not been paid, shall constitute a material breach of this Agreement. Any payments that are not timely paid as provided hereunder shall bear interest at the annual rate of the lower of (a) the highest rate permitted by law and (b) one and one half percent (1.5%) per month.
- 5.8 *Early Repayment of Royalties*.
- (a) **[REDACTED: Timeline]** following the Effective Date if agreed by both Parties, and **[REDACTED: Timeline]** year following the Effective Date, the Company may, at its option, pay **[REDACTED: Term]** Royalties (the "Transaction") which will become payable under Section 5.2 hereof, cash and/or through the issuance of its shares (the "**Company Shares**") subject to the approval of the Stock Exchange Authority regulating the shares where the Company is listed.
 - (b) The calculation of the number of Company class A and/or class B Shares to be issued shall be based on the following formula:
[REDACTED: Formula]
 - (c) The number of shares to be issued by the Company in payment of payable Royalties shall be based on Fair Market Value. For the purpose of this Section 5.8, "**Fair Market Value**" shall be determined as follows:
 - (i) If the Company is traded on a public exchange, the volume weighted average price of its shares for the twenty (20) trading days prior to the issuance of the shares;
 - (ii) If the Company is not traded on a public exchange, the higher of (i) the price of the last financing with an independent third party if such financing has occurred within the previous **[REDACTED: Condition]**, and (ii) the price agreed amongst the Parties.

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- (d) The Company cannot however proceed to the issuance of such number of Company class A Shares that would cause as a consequence of such issuance a dilution of its issued and outstanding class A shares of **[REDACTED: Percentage]**.
- (e)
- (i) Subject to the Company satisfying all terms outlined in clause 5.8(a-d) and after at least the full amount corresponding **[REDACTED: Amount]** will have been paid then clauses 5.3(b) and 5.3(c) will be replaced by the following:
- 5.3(b) The Company shall have marketed and sold to arm's length customers Over-the-Counter Products and/or Medical Food Products before the end of **[REDACTED: Year]**; and
- 5.3(c) The Company shall have marketed and sold to arm's length customers Over-the-Counter Products and Medical Food Products before the end of **[REDACTED: Year]**.
- (ii) Moreover, when the full amount corresponding to the residual unpaid net present value of the Royalties at time T will have been paid, then clauses 5.2 will also be considered annulled.

6. PAYMENTS, RECORDS, AUDIT RIGHTS

- 6.1 *Payment Reports.* Within forty-five (45) days after the end of each calendar quarter during the Term, the Company shall provide the Licensor, along with the Royalties, with a report stating the Company's Net Sales, Gross Margin, revenues from sublicenses made by the Company to third parties and, if applicable, all information used to establish the pro-rata calculation should the Company sell a Formulation, the whole for that calendar quarter by the Company. Such report shall also indicate the quantity of Licensed Products sold by the Company during such calendar quarter. The Company shall provide the reports due to the Licensor at the address set forth in Section 14.14.
- 6.2 *Company Maintenance of Records.* The Company shall maintain complete and accurate accounting, development and business records in accordance with sound accounting, research and development and business practices to substantiate and verify the Company's financial information used in calculating the Royalties, any use of Licensed Intellectual Property and any development of any software or other intellectual property related to the Licensed Intellectual Property, and will preserve such records for a period of at least five (5) years after completion of the pertinent obligations or other work.

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- 6.3 *Audit.* Licensor or its designee shall have the right, at Licensor's expense, to audit and inspect the books and records of the Company upon five (5) Business Days' written notice to the Company during regular business hours for the purpose of verifying that all Royalties have been paid and confirming that the Company has performed all of its obligations under, and has complied with, the terms and conditions of this Agreement. If the audit identifies any underpayment or overpayment of Royalties by the Company, then, (a) in the case of an underpayment, the Company shall pay to Licensor the amount of such underpayment within thirty (30) Business Days after Licensor delivers to the Company a written report describing such underpayment, or (b) in the case of an overpayment, the Company shall be entitled to a credit against future Royalties in the amount of such overpayment as described in a written report from Licensor. If the audit reveals that the Company underpaid Royalties by more than ten percent (10%) in any calendar quarter, then all fees and expenses of such audit shall be paid by the Company.

7. REPRESENTATIONS AND WARRANTIES

- 7.1 *Licensor Representations and Warranties.* Except as set forth in Schedule 7.1, Licensor represents to the Company that, to the knowledge of Licensor, with respect to the Territory (a) Licensor owns or has the right to license the Licensed Intellectual Property free and clear of any encumbrances; and (b) there are no adverse claims in the Territory relating to the Licensed Intellectual Property.
- 7.2 *Mutual Representations and Warranties.* Each Party represents and warrants to the other Party that (a) it has the full corporate right, power and authority to enter into this Agreement and to perform its obligations hereunder, (b) the execution of this Agreement and the performance of its obligations hereunder does not and will not conflict with or result in a breach (including, without limitation, with the passage of time) of any other agreement to which it is a party or by which any of its assets or properties is bound or affected, and (c) this Agreement has been duly executed and delivered by such Party and constitutes the valid and binding agreement of such Party, enforceable against such Party in accordance with its terms, except to the extent that enforceability is limited by public policy or creditors' rights generally.
- 7.3 *Disclaimer of Representations and Warranties.* TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT AS SET FORTH ABOVE IN THIS SECTION 7, LICENSOR DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, ORAL OR IN WRITING, ARISING UNDER LAWS OF CANADA, THE TERRITORY OR ANY OTHER LAWS, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO VALIDITY, ENFORCEABILITY, NON-INTERRUPTION, ERROR-FREE OPERATION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR THE LIKE WITH RESPECT TO THE LICENSED INTELLECTUAL PROPERTY, WHETHER IN THE TERRITORY OR OTHERWISE.

8. INDEMNIFICATION

- 8.1 *Indemnification by Licensor.* Subject to Section 9, Licensor agrees to defend, indemnify, and hold the Company, and the respective directors, officers, employees and agents of the Company, harmless from and against any and all out-of-pocket costs, damages and losses

(including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from third party claims due to (i) the material breach by Licensor of any of its representations, warranties, covenants and agreements contained in this Agreement, or (ii) Licensor's material unauthorized use or disclosure of any Company Confidential Information, or (iii) any acts or omissions of the Licensor in its business arising from gross negligence or willful misconduct.

- 8.2 *Indemnification by the Company.* Subject to Section 9, the Company agrees to defend, indemnify, and hold Licensor and the respective directors, officers, employees and agents of Licensor, harmless from and against any and all out-of-pocket costs, damages and losses (including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from third party claims due to (i) any material breach by the Company (or by any Permitted Company Licensee) of any of its representations, warranties, covenants and agreements contained in this Agreement, (ii) the Company's (or any Permitted Company Licensee's) unauthorized use or disclosure of any Licensed Intellectual Property or material unauthorized use or disclosure of any Confidential Information or (iii) any acts or omissions of the Company (or any Permitted Company Licensee) in its business arising from gross negligence or willful misconduct.
- 8.3 *Indemnification Obligations.* In no event will the loss of profits, sales, business, data or other indirect, incidental, consequential, special, punitive or similar damages of a third party be considered direct damages of a Party for purposes of the indemnification obligations under this Section 8.

9. **LIMITED REMEDY**

- 9.1 *Intellectual Property.* TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL LICENSOR BE LIABLE TO THE COMPANY, ANY PERMITTED COMPANY LICENSEE OR ANY OTHER ENTITY FOR ANY CLAIM, LOSS OR DAMAGE OF ANY KIND ARISING OUT OF OR IN CONNECTION WITH THE DEFICIENCY OR INADEQUACY OF THE LICENSED INTELLECTUAL PROPERTY FOR ANY PURPOSE WHETHER OR NOT KNOWN OR DISCLOSED TO LICENSOR.
- 9.2 *Exclusion of Consequential Damages.* TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL A PARTY OR ANY PERMITTED COMPANY LICENSEE BE LIABLE TO THE OTHER PARTY OR ANY PERMITTED COMPANY LICENSEE OR ANY OTHER ENTITY FOR ANY LOSS OF PROFITS, SALES, BUSINESS, DATA OR OTHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR SIMILAR DAMAGES IRRESPECTIVE OF WHETHER LICENSOR HAS BEEN INFORMED OF, KNEW OF, OR SHOULD HAVE KNOWN OF THE LIKELIHOOD OF SUCH DAMAGES. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION, AND OTHER TORTS.

10. CONFIDENTIALITY

- 10.1 *Definition.* “**Confidential Information**” means (a) the terms and conditions of this Agreement, (b) any information, in whatever form, designated by a Party (“**Disclosing Party**”) in writing as confidential, proprietary or marked with words of like import when provided to the other Party (“**Receiving Party**”); and (c) information orally conveyed if the Disclosing Party states at the time of the oral conveyance or promptly thereafter that such information is Confidential, and such statement of confidentiality is specifically confirmed in writing within fifteen (15) days of such oral conveyance, or is disclosed under circumstances in which the Receiving Party knew or reasonably should have known was confidential.
- 10.2 *Exclusions.* Confidential Information shall not include information which: (a) at or prior to the time of disclosure was known to the Receiving Party through lawful means or through act of a third party that was not known by the Receiving Party to be unauthorized; (b) at or after the time at which the disclosure by the Disclosing Party becomes generally available to the public through no act or omission on the Receiving Party’s part; (c) is proven in record to be developed by the Receiving Party independent of any Confidential Information it receives from the Disclosing Party or (d) the Receiving Party lawfully receives from a third person free to make such disclosure without breach of any legal obligation.
- 10.3 *Disclosure Due to Legal Obligations.* The Receiving Party may disclose Confidential Information pursuant to any statute, regulation, order, subpoena or document discovery request, including, without limitation, in publicly filed disclosure documents of the Receiving Party under federal or state securities laws if deemed reasonably necessary on advice of legal counsel.
- 10.4 *Requirements.* Licensor and the Company shall use the Confidential Information of the other Party solely to fulfill its obligations and exercise its rights under this Agreement, and, except as otherwise provided herein, all Confidential Information of the Disclosing Party, and any derivative works thereof, shall remain at all times the sole and exclusive property, worldwide, of the Disclosing Party and its licensors. The Receiving Party shall use the same measures used to protect the Disclosing Party’s Confidential Information as it uses to protect its own Confidential Information, but in no event less than commercially reasonable measures. The Receiving Party shall not disclose any of the Disclosing Party’s Confidential Information to any third party without the Disclosing Party’s prior written consent.
- 10.5 *Permitted disclosure.* Notwithstanding the foregoing Section 10.4, the Receiving Party may disclose the Disclosing Party’s Confidential Information to the extent necessary to enter into or perform its obligations under sublicenses granted in accordance with this Agreement to the Receiving Party’s business partners with the Disclosing Party’s prior written consent, such consent not to be unreasonably withheld, provided that any third party shall enter into a customary confidentiality agreement in favor of the Disclosing Party, and in form and substance reasonably satisfactory to the Disclosing Party.
- 10.6 *Return of information.* The Receiving Party shall, at the request of the Disclosing Party, retrieve all Confidential Information from its and permitted disclosees’ officers, employees, agents, advisors and subcontractors and thereafter shall (a) promptly return all Confidential Information held or used by the Receiving Party in whatever form or (b)

at the discretion of the Disclosing Party, promptly destroy all such Confidential Information, and promptly cause an officer of the Receiving Party to certify that the requirements of this Section 10.6 have been fully complied with; provided that, during the Term, the Disclosing Party shall not make such a request with respect to Confidential Information necessary for the Receiving Party to perform its obligations hereunder.

- 10.7 *Injunctions.* In view of the difficulties of placing a monetary value on the Confidential Information, the Disclosing Party may be entitled to a preliminary and final injunction without the necessity of posting any bond or undertaking in connection therewith to prevent any further breach of this Article or further unauthorized use of its Confidential Information. This remedy is separate from and in addition to any other remedy the Disclosing Party may have.

11. TERM AND TERMINATION

- 11.1 *Term.* The “**Initial Term**” of this Agreement shall commence on the Effective Date and shall expire on the date of expiration of the last-to-expire of the Licensed Patents. Upon the expiry of the Initial Term, this Agreement shall be automatically renewed for an additional term of fifteen (15) years (the “**Additional Term**”) except that during such Additional Term: (i) the royalties payable by the Company shall be made in consideration for the Use by the Company of all Licensed Intellectual Property to the Company other than the Licensed Patents, and (ii) the royalties payable by the Company shall be equal fifty percent (50%) of the Royalties payable in accordance with Section 5 of this Agreement. Notwithstanding the foregoing, upon agreement amongst the Parties, the royalties payable during the Additional Term may be paid by the Company through an issuance of shares, and the value of the royalties and of the Company’s shares shall be determined based on an evaluation to be conducted by an independent third party to be appointed by the Parties.
- 11.2 *Termination by Either Party.* This Agreement may be terminated by either Party immediately upon notice to the other Party if such other Party commits a material breach of any of the material provisions of this Agreement, and such breach is not cured within thirty (30) days after written notice of such breach is received from the non-breaching Party, except that the time period shall be fourteen (14) days for breaches in respect of Confidential Information that result or are reasonably likely to result in a material adverse effect on the non-breaching Party;
- 11.3 *Termination by Licensor.* Without limitation to Section 11.2, Licensor may terminate this Agreement prior to expiration of the Term under the following conditions:
- (a) Upon thirty (30) days written notice of such action, unless cured by the Company during such notice period, if the Company uses any of the Licensed Intellectual Property outside of the scope of the License Grant or the Licensed Field; or
 - (b) Upon written notice in the event that the Company ceases doing business, becomes insolvent, is the subject of a voluntary bankruptcy, insolvency or similar proceeding, is the subject of an involuntary bankruptcy, insolvency, or similar proceeding that is not dismissed within sixty (60) days of filing, makes an assignment for the benefit of creditors, becomes unable to pay its debts when due or enters into an agreement with its creditors providing for the extension or composition of debt.

11.4 Effect of Termination.

- (a) Upon the termination of this Agreement for any reason other than: (i) its natural expiration, or (ii) the termination of this Agreement by the Company due to a material breach of this Agreement by Licensor, then all Licensor license rights to all Company Related Enhancements and to Company Independent Developments existing at the time of the termination shall survive unaffected by such expiration or termination.
- (b) *Return of Licensed Intellectual Property Upon Termination.* On or before ten (10) days after the termination of this Agreement, the Company must deliver to Licensor all Licensed Intellectual Property and Licensor Confidential Information, or at Licensor's request, destroy, to the extent requested, all copies of the Licensed Intellectual Property and Licensor Confidential Information created by or on behalf of the Company and cause an officer of the Company to certify that such instructions have been followed in their entirety.

12. **RIGHTS RELATING TO THE MANUFACTURING OF LICENSED PRODUCTS**

12.1 *Licensor's Right to Manufacture.* The Licensor may, at its sole option, manufacture or have manufactured by a third party the Licensed Products for the Company.

12.2 *Price of Manufacturing and Standards.* Should the Licensor choose to manufacture or to have manufactured the Licensed Products:

- (a) The price for the manufacturing of the Licensed Products for the Company shall be as follows: (i) **[REDACTED: Market], [REDACTED: Gross Margin detail]** the price at which the Licensor maintains a Licensor Gross Margin **[REDACTED: Gross Margin detail]**; and (ii) **[REDACTED: Market], [REDACTED: Gross Margin detail]** the price at which the Licensor maintains a Licensor Gross Margin **[REDACTED: Gross Margin detail]**. For the purpose of this Section 12, "**Licensor Gross Margin**" means for each Licensed Product manufactured by, or on behalf of, the Licensor, sales revenues less the cost of goods sold, divided by sales revenues; costs of goods sold include all direct costs attributable to the manufacturing of the Licensed Products by the Licensor, including without limitation the cost of materials and direct labor costs.
- (b) Notwithstanding the above, if the price for the manufacturing of the Licensed Products is not or does not remain competitive when compared to similar manufacturing services in a similar industry, then: (i) the Company shall provide the Licensor with a written notice setting out in detail the facts supporting its position to the effect that the prices are not competitive; and (ii) the Parties shall, within a sixty (60) day period from the date of receipt of the Company's notice, negotiate in good faith the price for the manufacturing of the Licensed Products. Should the Parties fail to agree on a new price within such sixty (60) day period, and upon the Company demonstrating its ability to obtain the identical product at a

better price elsewhere, then: (a) the Licensor's rights to manufacture or to have manufactured the Licensed Products provided in this Agreement shall automatically cease, (b) the Company shall gain the right (using Licensor IP, trade secret, Technology and/or Process, if wished by the Company) to manufacture or to have manufactured the Licensed Products and shall be relieved of its obligation to pay Additional Royalties in relation thereto, and (c) this Agreement shall be deemed to have been automatically amended, without further notice or delay, to add to the definition of "Use" the terms "manufacture or have manufactured", and to subtract from such definition the terms "for the purpose of this Agreement, "Use" specifically excludes manufacturing".

- (c) The Licensor shall manufacture the Licensed Products in accordance with generally accepted industry standards in the Licensed Field, the product specifications and for the quantity provided by the Company, and shall be responsible for all direct damages caused by its negligence or willful misconduct in the manufacturing of the Licensed Products.
- (d) Notwithstanding the above, if the Licensor or the third party manufacturer outsourced by the Licensor fails to comply with the generally accepted industry standards in the Licensed Field and/or the product specifications provided by the Company or does not commit to meet in time the quantity requested by the Company, then: (i) the Company shall provide the Licensor with a written notice setting out in detail the standards and/or specifications which were not met and/or the missing commitment for quantity/timeline as required; and (ii) the Licensor shall have a sixty (60) day period from the date of receipt of the Company's notice, to correct such deficiencies or to demonstrate that these standards and specifications were met and that the quantity requirement will be fulfilled in time. Should the Licensor not demonstrate that the standards and specifications were met and/or that the quantity will be fulfilled in time and/or that it will not correct the deficiencies within such sixty (60) day period: (i) the Licensor's rights to manufacture or to have manufactured the Licensed Products provided in this Agreement shall automatically cease, (ii) the Company shall gain the right (using Licensor IP, trade secret, Technology and/or Process, if wished by the Company) to manufacture or to have manufactured the Licensed Products and shall be relieved of its obligation to pay Additional Royalties in relation thereto, and (iii) this Agreement shall be deemed to have been automatically amended, without further notice or delay, to add to the definition of "Use" the terms "manufacture or have manufactured", and to subtract from such definition the terms "for the purpose of this Agreement, "Use" specifically excludes manufacturing".

12.3 *Manufacturing by or on behalf of Company.* Should the Licensor choose not to manufacture or have manufactured the Licensed Products, the Company may (using Licensor IP, trade secret, Technology and/or Process, if wished by the Company) manufacture or have manufactured the Licensed Products. If the Company does so, then the Parties will amend this License Agreement to provide:

- (a) for the amendment of the definition of "Use" to add the terms "manufacture or have manufactured" and to make other amendments related thereto, and

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- (b) subject to Section 12.2(c), for the amendment of the Royalties payable under this Agreement to add an additional royalty relating to the manufacturing of the Licensed Products, which additional royalty shall be equal to the following: (i) for [REDACTED: Market], to an amount equal to [REDACTED: Gross Margin detail] of the Manufacturer's Gross Margin or [REDACTED: Gross Margin detail]; and (ii) for [REDACTED: Market], to an amount equal to [REDACTED: Gross Margin detail] of the Manufacturer's Gross Margin or [REDACTED: Gross Margin detail]. For the purpose of this Section 12.3, "Manufacturer's Gross Margin" means for each Licensed Product manufactured by, or on behalf of, the Company, sales revenues less the cost of goods sold; costs of goods sold include all direct costs attributable to the manufacturing of the Licensed Products by the Company or by the third party manufacturer, including without limitation the cost of materials and direct labor costs; and
 - (c) to provide an undertaking by the Company to provide or to cause any third party manufacturer to provide all financial information required to establish the Manufacturer's Gross Margin used in calculating the additional Royalty provided in Section 12.3(b) above.
 - (d) to provide all details and documentation to allow the Company and/or manufacturers outsourced by the Company to adequately use the Production knowhow, IP, trade secret, Technology related to the Production Process.

13. NON-COMPETITION

During the Term of this Agreement and for a period of five (5) years thereafter, the Company shall not develop any product containing phospholipids polyunsaturated fatty acids extracted from Krill with any competitor of the Licensor.

14. LICENSOR'S CHANGE IN OWNERSHIP OF THE COMPANY

14.1 Should, at any time during the Term of this Agreement:

- (a) the Licensor own, directly and/or indirectly, itself and/or through one or more intermediaries, an aggregate number of voting shares of the Company which in total, is equal or less than [REDACTED: Percentage] of the number of such issued and outstanding shares, or
- (b) the Licensor own, directly and/or indirectly, itself and/or through one or more intermediaries, an aggregate number of non-voting shares which entitle the holder to the right to receive dividends and to participate in assets of the Company upon its dissolution, which in total, is equal or less than [REDACTED: Percentage] of the number of such issued and outstanding shares, or

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- (c) the Company have effected the payment of at least **[REDACTED: Percentage]** of Royalties in shares, as further provided in Section 5.8,
- then this Agreement shall be automatically amended as follows:
- The first paragraph of **Section 2.1(d)** shall be replaced by the following:

“(d) *Sublicenses*. The Company shall have the right to sublicense the Licensed Intellectual Property but only after having provided a prior written notice to the Licensor, and provided that:”
 - **Section 3.3(a)** shall be replaced by the following:

“(a) The Company shall promptly, but in all cases no more than thirty (30) days following the aforementioned development, inform the Licensor of the development of all Company Related Enhancements and disclose, by written notice to the Licensor, a description of the Company Related Enhancement in reasonably sufficient detail to permit Licensor to evaluate the Company Related Enhancement. In such notice, the Company shall offer to the Licensor an exclusive, irrevocable, royalty-bearing, worldwide, perpetual license to make, have made, use, sell, offer for sale, import, export, have import, have exported, distribute, create derivative works from, improve, enhance, modify and/or otherwise exploit the Company Related Enhancements outside the Licensed Field. The Licensor shall respond within forty-five (45) days to such Company notice to indicate whether it is interested in entering into a license agreement with respect to such Company Related Development. Upon Licensor’s request, the Company shall grant to Licensor a commercially reasonable evaluation license at no Cost in order to evaluate the Company Related Enhancement. Should the Licensor indicate its interest as provided herein, the Parties shall negotiate in good faith the terms of such license agreement.”
 - **Section 3.5** shall be replaced by the following:

“The Company may, at its option, disclose any Company Independent Development to Licensor, such disclosure to be subject to the confidentiality obligations of this Agreement. Such notification shall include a description of the Company Independent Development in reasonably sufficient detail to permit the Licensor to evaluate the Company Independent Development. Upon the Licensor’s request, the Company shall grant to the Licensor a commercially reasonable evaluation license at no Cost in order to evaluate the Company Independent Development. The Parties may at their option, negotiate the terms of a license agreement with respect to each Company Independent Development.”
 - **Section 3.6** shall be replaced by the following:

“(a) Subject to the Licensor having evaluated the Company Related Enhancement as provided in Section 3.3(a), to the extent any right, title or interest in or to any Company Related Enhancement or other intellectual property and/or data related to the Company Related Enhancement, vests in the Company, by operation of law or otherwise, in a manner contrary to the agreed upon ownership as set forth in this

Agreement, the Company shall, and hereby does, irrevocably assign to Licensor any and all such right, title and interest in such Company Related Enhancement, intellectual property and/or data related to the Company Related Enhancement, to Licensor subject to the payment by the Licensor to the Company of Royalties payable in accordance with Section 3.3.(a).

(b) The Company shall take, or shall cause to be taken, all such actions as shall be necessary, including procuring assignments from individuals, to vest ownership of any Company Related Enhancement or other intellectual property or data for all purposes in the applicable party as contemplated by clause (a) above.”

- **Section 4.2 (b)** shall be replaced by the following:

“(b) Licensor shall have the primary right, but not the obligation, to bring, at its own expense, and control, any suits, actions or other proceedings against any unauthorized use, infringement, misappropriation, dilution or other violation of the Licensed Intellectual Property in the Territory. The Company agrees to cooperate with Licensor, at Licensor’s expense for the Company’s out-of-pocket Costs and such other Costs as the Parties may agree in writing, in any litigation or other enforcement action that Licensor may undertake to enforce or protect the Licensed Intellectual Property. Upon Licensor’s request and expense, the Company shall execute, file and deliver all documents and proof necessary for such purpose, including, without limitation, being named as a party to such litigation as required by law. The Company shall have the right to participate and be represented in any such action, suit or other proceeding by its own counsel at its own expense. The Licensor may not settle or consent to an adverse judgment in any action, claim or proceeding without obtaining the prior written consent from the Company if such settlement or consent judgment would either impose a financial obligation upon the Company, and/or limit the scope of and/or invalidate any of the Licensed Intellectual Property.”

- **Section 4.4(a)** shall be replaced by the following:

“(a) Licensor shall have the primary right, but not the obligation, to defend any Third Party Infringement Claims insofar as they relate to Licensed Intellectual Property, at its expense for all out-of-pocket Costs and such other Costs as the Parties may agree in writing. The Company agrees to cooperate with Licensor, at the Company’s expense for Costs, with respect to the foregoing. The Company shall have the right to participate and be represented in any such Third Party Infringement Claim by its own counsel at its own expense. The Licensor may not settle or consent to an adverse judgment in any action, claim or proceeding without obtaining the prior written consent from the Company if such settlement or consent judgment would either impose a financial obligation upon the Company, or limit the scope of or invalidate any of the Licensed Intellectual Property.”

- **Section 4.4(c)** shall be replaced by the following:

“(c) Company shall also approve any settlement that involves or affects the Licensed Intellectual Property. Except as otherwise set forth in this Section 4.4, each Party shall bear its own Costs incurred by it in complying with this provision, including, without limitation, those incurred in defending, bringing or controlling any such suits, actions or other proceedings.”

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- **Section 12.3(b)** shall be replaced by the following:

“(b) for the amendment of the Royalties payable under this Agreement to add an additional royalty relating to the manufacturing of the Licensed Products, which additional royalty shall be equal to the following: (i) for **[REDACTED: Market]**, to an amount equal to **[REDACTED: Gross Margin detail]** of the Manufacturer’s Gross Margin or **[REDACTED: Gross Margin detail]**; and (ii) for **[REDACTED: Market]**, to an amount equal to **[REDACTED: Gross Margin detail]** of the Manufacturer’s Gross Margin or **[REDACTED: Gross Margin detail]**. For the purpose of this Section 12.3, “**Manufacturer’s Gross Margin**” means for each Licensed Product manufactured by, or on behalf of, the Company, sales revenues less the cost of goods sold; costs of goods sold include all direct costs attributable to the manufacturing of the Licensed Products by the Company or by the third party manufacturer, including without limitation the cost of materials and direct labor costs.

14.2 Should, at any time during the Term of this Agreement:

- (a) the Licensor own, directly and/or indirectly, itself and/or through one or more intermediaries, an aggregate number of voting shares of the Company which in total, is equal or less than **[REDACTED: Percentage]** of the number of such issued and outstanding shares, or
- (b) the Licensor own, directly and/or indirectly, itself and/or through one or more intermediaries, an aggregate number of non-voting shares which entitle the holder to the right to receive dividends and to participate in assets of the Company upon its dissolution, which in total, is equal or less than **[REDACTED: Percentage]** of the number of such issued and outstanding shares, or
- (c) the Company have effected the payment of at least **[REDACTED: Percentage]** of Royalties in shares, as further provided in Section 5.8,

then this Agreement shall be automatically amended as follows:

- The first paragraph of **Section 2.1(d)** shall be replaced by the following:

“(d) *Sublicenses*. The Company shall have the right to sublicense the Licensed Intellectual Property but only after having provided a prior written notice to the Licensor, and provided that:”

- **Section 3.3(a)** shall be replaced by the following:

“(a) The Company shall promptly, but in all cases no more than thirty (30) days following the aforementioned development, inform the Licensor of the development of all Company Related Enhancements and disclose, by written notice to the Licensor, a description of the Company Related Enhancement in reasonably sufficient detail to permit Licensor to evaluate the Company Related Enhancement. In such notice, the Company shall offer to the Licensor an exclusive, irrevocable, royalty-bearing, worldwide, perpetual license to make, have made, use, sell, offer for sale, import, export, have import, have exported, distribute, create derivative works

from, improve, enhance, modify and/or otherwise exploit the Company Related Enhancements outside the Licensed Field. The Licensor shall respond within forty-five (45) days to such Company notice to indicate whether it is interested in entering into a license agreement with respect to such Company Related Development. Upon Licensor's request, the Company shall grant to Licensor a commercially reasonable evaluation license at no Cost in order to evaluate the Company Related Enhancement. Should the Licensor indicate its interest as provided herein, the Parties shall negotiate in good faith the terms of such license agreement."

- **Section 3.5** shall be replaced by the following:

"The Company may, at its option, disclose any Company Independent Development to Licensor, such disclosure to be subject to the confidentiality obligations of this Agreement. Such notification shall include a description of the Company Independent Development in reasonably sufficient detail to permit the Licensor to evaluate the Company Independent Development. Upon the Licensor's request, the Company shall grant to the Licensor a commercially reasonable evaluation license at no Cost in order to evaluate the Company Independent Development. The Parties may at their option, negotiate the terms of a license agreement with respect to each Company Independent Development."

- **Section 3.6** shall be replaced by the following:

"(a) Subject to the Licensor having evaluated the Company Related Enhancement as provided in Section 3.3(a), to the extent any right, title or interest in or to any Company Related Enhancement or other intellectual property and/or data related to the Company Related Enhancement, vests in the Company, by operation of law or otherwise, in a manner contrary to the agreed upon ownership as set forth in this Agreement, the Company shall, and hereby does, irrevocably assign to Licensor any and all such right, title and interest in such Company Related Enhancement, intellectual property and/or data related to the Company Related Enhancement, to Licensor subject to the payment by the Licensor to the Company of Royalties payable in accordance with Section 3.3.(a).

(b) The Company shall take, or shall cause to be taken, all such actions as shall be necessary, including procuring assignments from individuals, to vest ownership of any Company Related Enhancement or other intellectual property or data for all purposes in the applicable party as contemplated by clause (a) above."

- **Section 4.2 (b)** shall be replaced by the following:

"(b) Licensor shall have the primary right, but not the obligation, to bring, at its own expense, and control, any suits, actions or other proceedings against any unauthorized use, infringement, misappropriation, dilution or other violation of the Licensed Intellectual Property in the Territory. The Company agrees to cooperate with Licensor, at Licensor's expense for the Company's out-of-pocket Costs and such other Costs as the Parties may agree in writing, in any litigation or other enforcement action that Licensor may undertake to enforce or protect the Licensed Intellectual Property. Upon Licensor's request and expense, the Company shall execute, file and deliver all documents and proof necessary for such purpose, including, without

limitation, being named as a party to such litigation as required by law. The Company shall have the right to participate and be represented in any such action, suit or other proceeding by its own counsel at its own expense. The Licensor may not settle or consent to an adverse judgment in any action, claim or proceeding without obtaining the prior written consent from the Company if such settlement or consent judgment would either impose a financial obligation upon the Company, and/or limit the scope of and/or invalidate any of the Licensed Intellectual Property.”

- **Section 4.4(a)** shall be replaced by the following:

(a) Licensor shall have the primary right, but not the obligation, to defend any Third Party Infringement Claims insofar as they relate to Licensed Intellectual Property, at its expense for all out-of-pocket Costs and such other Costs as the Parties may agree in writing. The Company agrees to cooperate with Licensor, at the Company’s expense for Costs, with respect to the foregoing. The Company shall have the right to participate and be represented in any such Third Party Infringement Claim by its own counsel at its own expense. The Licensor may not settle or consent to an adverse judgment in any action, claim or proceeding without obtaining the prior written consent from the Company if such settlement or consent judgment would either impose a financial obligation upon the Company, or limit the scope of or invalidate any of the Licensed Intellectual Property.

- **Section 4.4(c)** shall be replaced by the following:

“(c) Company shall also approve any settlement that involves or affects the Licensed Intellectual Property. Except as otherwise set forth in this Section 4.4, each Party shall bear its own Costs incurred by it in complying with this provision, including, without limitation, those incurred in defending, bringing or controlling any such suits, actions or other proceedings.”

- **And Section 12.3** shall also be replaced by the following:

Manufacturing by or on behalf of Company. The Company may (using Licensor IP, trade secret, Technology and/or Process, if wished by the Company) manufacture or have manufactured the Licensed Products. If the Company does so, then the Parties will amend this License Agreement to provide:

- (a) for the amendment of the definition of “Use” to add the terms “manufacture or have manufactured” and to make other amendments related thereto, and
- (b) for the amendment of the Royalties payable under this Agreement to add an additional royalty relating to the manufacturing of the Licensed Products, which additional royalty shall be equal to the following: (i) for **[REDACTED: Market]**, to an amount equal to **[REDACTED: Gross Margin detail]** of the Manufacturer’s Gross Margin or **[REDACTED: Gross Margin detail]**; and (ii) for **[REDACTED: Market]**, to an amount equal to **[REDACTED: Gross Margin detail]** of the Manufacturer’s Gross Margin or **[REDACTED: Gross Margin detail]**. For the purpose of this Section 12.3, “**Manufacturer’s Gross Margin**” means for each Licensed Product manufactured by, or on behalf of, the Company, sales revenues less the cost of goods sold; costs of goods sold include all direct costs attributable to the manufacturing of the Licensed Products by the Company or by the third party manufacturer, including without limitation the cost of materials and direct labor costs; and

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- (c) to provide an undertaking by the Company to provide or to cause any third party manufacturer to provide all financial information required to establish the Manufacturer's Gross Margin used in calculating the additional Royalty provided in Section 12.3(b) above.
 - (d) to provide all details and documentation to allow the Company and/or manufacturers outsourced by the Company to adequately use the Production knowhow, IP, trade secret, Technology related to the Production Process.

15. **MISCELLANEOUS**

- 15.1 *Further Assurances.* Each Party shall take such action as the other Party may reasonably request to effect, perfect or confirm such other Party's ownership interests and other rights as set forth in this Agreement, including, without limitation, by promptly (a) executing instruments of assignment, declarations, affirmations or other documents in connection with the applicable provisions of this Agreement, and (b) confirming in writing all waivers and consents under this Agreement, that are requested by a Party from time to time.
- 15.2 *Assignment.* This Agreement may not be assigned, in whole or in part, by the Company without Licensor's express, prior written consent. Any attempted assignment by the Company shall be null and void. Licensor may assign this Agreement in whole or in part upon notice to the Company, provided that Licensor's successor agrees to be bound by the terms and conditions of this Agreement.
- 15.3 *Successors; Assigns.* The provisions of this Agreement shall be binding upon the Parties and their respective permitted successors and assigns.
- 15.4 *Section Headings.* The section headings of this Agreement are for organizational purposes only and shall not be used in interpreting this Agreement. References to a section includes reference to all subsections of that section.
- 15.5 *Severability.* In the event that any provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be construed so as to give closest effect to the intent of the Parties, and the remaining portions of this Agreement shall remain in full force and effect.
- 15.6 *Relationship.* Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, agency, fiduciary or employment relationship between the Parties.
- 15.7 *Waiver.* No waiver of any term or breach hereof shall be effective unless such waiver is in writing and signed by the party against whom such waiver is claimed. No waiver of, or failure to enforce, any term or breach hereof shall be deemed to be a waiver of any other term or breach or subsequent breach.

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- 15.8 *Survival.* Termination of this Agreement for any cause shall not release any Party hereto from any liability which at the time of termination has already accrued to the other parties hereto or which thereafter may accrue in respect of any act or omission prior to such termination, nor shall any such termination hereof affect in any way the survival of and right, duty, or obligation of any parties hereto which is expressly stated elsewhere in this Agreement to survive termination hereof.
- 15.9 *Entire Agreement; Amendments.* This Agreement, including all schedules hereto, which are hereby incorporated by reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous or contemporaneous agreements, proposals, understandings and representations, written or oral, with respect to the terms and conditions hereof. No amendment, change, waiver, or discharge hereof shall be valid unless in writing and signed by the Party against which such amendment, change, waiver or discharge is sought to be enforced.
- 15.10 *Governing Law.* This Agreement shall be governed exclusively by the laws in effect in the province of Quebec, without regard to the conflict of laws principles thereof, except for the construction or enforcement of any Licensed Patents in which case the laws of the jurisdiction under which any such Licensed Patent was issued shall govern such Licensed Patent's construction and enforcement to the extent necessary.
- 15.11 *Arbitration.* All disputes arising out of this Agreement shall be finally settled by final and binding arbitration in Montreal, Canada, before, and under the then current commercial arbitration rules of the Quebec Civil Code, subject to the additional limitations set forth herein. The arbitration shall be conducted by a single arbitrator appointed in accordance with such rules. Discovery (e.g., document production; examination of the other Party's witnesses and depositions) will be permitted in the written form only, except for cross-examination as further provided herein. The Parties agree that the decision of the arbitrator shall be final and binding. The arbitration hearing shall be held no later than two (2) months from the date of the notice from one Party to another Party of its intent to proceed to arbitration. The arbitration shall take no more than two days, and each Party shall have a total of up to four (4) hours to cross-examine the other Party's witnesses on the first day, and each Party shall have a total of up to four (4) hours to present/rebut its case on the second day, with the arbitrator announcing the decision at the end of such presentations/rebuttals. Judgment on any decision made by the arbitrator may be entered and enforced in any court of competent jurisdiction. All fees and charges of the arbitrator shall be shared equally by the Parties unless otherwise specified by the arbitrator; each Party shall be responsible for the payment of all fees and expenses connected with the presentation of its respective case, provided that the arbitrator may in his/her discretion award to the prevailing Party the costs and expenses incurred by the prevailing Party in connection with the arbitration proceeding. The arbitration shall be confidential. The arbitrator shall not include any confidential information of the Parties in his/her arbitration decision or append any document which includes confidential information to his/her arbitration decision.
- 15.12 *Injunctive Relief.* Notwithstanding anything herein to the contrary, either Party may seek from a court of competent jurisdiction interim, provisional or permanent relief in the form of a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief concerning any Dispute. Without limiting the generality of the foregoing, Section 14.15 shall be specifically enforceable by both Parties.

15.13 *Force Majeure*. Neither Party shall be liable for any failure or delay in its performance under this Agreement (other than payment obligations) due to any cause beyond its reasonable control, including, without limitation, any act of war, acts of God, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the Internet (each, a “**Force Majeure Event**”), provided that the affected Party: (a) gives the other Party prompt notice of such cause, and (b) uses its commercially reasonable efforts to correct promptly, such failure or delay in performance. If the performance of any part of this Agreement by either Party is prevented, hindered, delayed or otherwise made impracticable by reason of any flood, riot, fire, judicial or governmental action, labor shortage or dispute, act of God or any other causes beyond the control of either Party, that Party shall be excused from such to the extent, and for so long as, it is prevented, hindered or delayed by such causes.

15.14 *Notice*. Any notice pursuant to this Agreement, if specified to be in writing, shall be in writing and shall be deemed given (a) if by hand delivery, upon receipt thereof, (b) if by facsimile transmission, upon electronic confirmation thereof, if promptly followed by a confirmation copy sent by registered mail, return receipt requested, (c) if by electronic mail, upon receipt of confirmation electronic mail message, if promptly followed by a confirmation copy registered mail, return receipt requested, or (d) if by internationally recognized courier delivery service (such as Federal Express), upon such delivery. All notices shall be addressed as follows (or such other address as either Party may in the future specify in writing to the other):

In the case of Licensor: Neptune Technologies & Bioresources Inc.
225, Promenade du Centropolis, Suite 200
Laval, Quebec, Canada
H7T 0B3
Fax: (450) 687-2262

In the case of the Company: Acasti Pharma Inc.
225, Promenade du Centropolis, Suite 200
Laval, Quebec, Canada
H7T 0B3
Fax: (450) 687-2262

15.15 *Marking Obligations*. The Company shall accurately produce or reproduce all Licensor copyright notices and other proprietary rights logos and legends, on all copies of Licensed Intellectual Property and any related documentation the Company produces or reproduces.

15.16 *Interpretation*. The Company and Licensor agree and acknowledge that this Agreement has been freely negotiated and entered into by each Party and that no court should in any manner construe any ambiguity against the draftsman solely by virtue of its role as draftsman.

15.17 *Counterparts*. This Agreement may be executed in several counterparts, which may be delivered by facsimile transmission (provided that originals are thereafter promptly delivered by registered mail, return receipt requested), all of which taken together shall constitute the entire agreement between the Parties hereto.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement by persons duly authorized as of the date and year first above written.

**NEPTUNE TECHNOLOGIES &
BIORESSOURCES INC.**

By: /s/ André Godin

Name: André Godin

Title: VP, Administration and Finance

ACASTI PHARMA INC.

By: /s/ Henri Harland

Name: Henri Harland

Title: President and CEO

SCHEDULE A

LICENSED PATENTS

[REDACTED: Licensed Patents]

SCHEDULE B

DEVELOPMENT AND COMMERCIALIZATION OF LICENSED PRODUCTS

The Company undertakes to develop Licensed Products in the Field, for application in the following end-user categories:

- Over-The-Counter Products
- Prescription Medical Food Products
- Prescription Drug Products.

The Company shall be responsible, at its own cost, for the development, for the conduct of all clinical research required as well as for the commercialization of the Licensed Products in the Licensed Field.

The Company agrees that the Licensed Products to be commercialized shall always conform to the following specifications:

- The concentration of phospholipids contained in the Licensed Products shall be **[REDACTED: Concentration]**.
- The Company must ensure that the above-concentrations of phospholipids are stable within the Licensed Products for **[REDACTED: Period]**.

SCHEDULE 7.1

CLAIMS RELATING TO THE LICENSED INTELLECTUAL PROPERTY

[REDACTED: Claims]