

CHECKLIST: LICENSE AGREEMENT

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| <p>1. Parties</p> | <ul style="list-style-type: none"> • Who are the parties to this agreement? (individual, company or trust) • Contact details |
| <p>2. Product</p> | <ul style="list-style-type: none"> • Is the license for use, manufacture, supply or distribution of the product? (see Manufacturing and Distribution Agreement checklists) • What products or brands are covered under the license? • Will more products or brands be added on in the future? • Is there any specific criteria for future products or brands to be added? • Is the license for : <ul style="list-style-type: none"> - Unlimited use; - A specific use. • Is the Licensee allowed to alter the product? • How is the quality of reproduction to be measured? • Who approves the reproduction/materials to be used? • Are the brands registered trademarks? |
| <p>3. Exclusive or Non Exclusive</p> | <ul style="list-style-type: none"> • Is the right granted under the license exclusive or non-exclusive? |
| <p>4. Term</p> | <ul style="list-style-type: none"> • What is the term of the license? <ul style="list-style-type: none"> - Fixed period; - Indefinite; - Subject to specific criteria for example meeting predetermined targets. |
| <p>5. Territory</p> | <ul style="list-style-type: none"> • What area does the license cover: <ul style="list-style-type: none"> - No restrictions; - Only in specific markets/locations. |
| <p>6. Intellectual Property Rights</p> | <ul style="list-style-type: none"> • What intellectual property rights exist in the product? • What acknowledgements in relation to intellectual property rights are required? • Will warranties be given that intellectual property rights in the product do not infringe third party rights? • Who is responsible if IP rights are infringed by a third |

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| | party? |
| 7. Prototyping | <ul style="list-style-type: none"> • If prototypes are to be produced prior to commercial manufacture: <ul style="list-style-type: none"> - When will it be produced? - Who will test it? - Who pays the costs of the prototype? • Is there a limit on the number of revisions? • Is an “audit” right available? • Has a non-disclosure agreement been executed with the manufacturer? |
| 8. Fee / Payment Terms | <ul style="list-style-type: none"> • How will the license be calculated based: <ul style="list-style-type: none"> - Fixed fee; - Some other manner. • How will payments be made? • Is interest to be paid on outstanding accounts? • Is an “audit” right available? • How and when can the license fee be reviewed? • Will there be royalty payments to anyone? |
| 9. Competing Products | <ul style="list-style-type: none"> • Would competing products be an issue? |
| 10. Option for Renewal | <ul style="list-style-type: none"> • Do the parties want an option for renewal? • What criteria must be present before an option can be exercised? |
| 11. Indemnity | <ul style="list-style-type: none"> • What indemnities are to be provided by the parties? |
| 12. Disputes | <ul style="list-style-type: none"> • How will disputes be resolved: <ul style="list-style-type: none"> - In relation to payment? - A breach of the distribution agreement? • Mediation and arbitration first resort? Who pays the costs or parties share equally? • What jurisdiction can the disputes be heard in? |
| 13. Termination | <ul style="list-style-type: none"> • How will the distribution agreement end? • Can a party terminate without giving a reason? • What happens if there is breach by either party? Will the parties be given an opportunity to remedy a breach? • What happens if the agreement is terminated: |

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| | <ul style="list-style-type: none"> - Will the distributor be allowed to sell-off stock and for what period? - What happens to the confidential information? • Will there be any restraint provisions? |
| 14. Assignment | <ul style="list-style-type: none"> • Can the licensee assign its rights under the license agreement? |

Disclaimer. This checklist contains general information only. It is not an exhaustive checklist and is proposed as a guide only. It is not intended to be given as advice and should not be relied upon as such. Surry Partners Lawyers recommends that parties to a License Agreement obtain specific advice from an experienced lawyer.