

THIS INVESTMENT AGREEMENT
EFFECTIVE THE 17TH DAY OF NOVEMBER 2022, ("Effective Date")

BETWEEN:

ALBERTA INNOVATES

A Provincial research and innovation corporation
established pursuant to Section 6.1(3) of the *Alberta*
Research and Innovation Act

- and -

I HAVE A TOWEL INC.

A Corporation incorporated under the laws of
the Province of Alberta
("Applicant")

BACKGROUND

1. The Applicant has submitted an application ("Application") for funding for its project titled "GoVertical Product Demonstration Partnership with fourth largest independent music company in the world, Concord Music" ("Project");
2. Alberta Innovates has reviewed the Application and approved funding for the Project in the form of the Investment;
3. The Investment has been approved pursuant to an Alberta Innovates program managed by the Entrepreneurial Investments group and called Product Demonstration Program ("Program"). More information about the Program, its goals, structure, and any Program Eligibility Requirements, is set out in the relevant Program Guide.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 - LOCATION OF DEFINITIONS

For ease of reference, a list of defined terms is located at the end of this Investment Agreement in Article 24.

ARTICLE 2 - PROJECT DESCRIPTION, DATES AND TERM

2.1 Project Description

Schedule A: Project Description ("Schedule A") describes the Project that the Applicant will be undertaking and that the Investment will be funding. It may include one or more Appendix documents.

2.2 Milestones, Reporting & Payment

Schedule B: Milestones, Reporting & Payment Schedule ("Schedule B") consists of the detailed Project commitments including any agreed Milestone descriptions, Milestone Start Dates, Milestone End Dates, Report Due Dates, and Expected Payment Dates. Notwithstanding the preceding sentence, if the Project is being conducted pursuant to one of the Associates Programs, then Schedule B is called the Associate Work Plan and Budget Tables.

For clarity, the dates in Schedule B must accord with the rules set out in Schedule B, including:

(a) the first Milestone Start Date must be within the same fiscal year as the Effective Date or in a subsequent fiscal year. The fiscal year shall be April 1 – March 31. Any date in Schedule B that contravenes this rule and thus falls in a previous fiscal year shall be adjusted to be April 1 of the same fiscal year as the Effective Date;

(b) no Report Due Date may be earlier than the Effective Date. Any date in Schedule B that contravenes this rule shall be adjusted to be one Business Day after the Effective Date; and

(c) no Report Due Date may be between March 16th and March 31st of any year. Any date in Schedule B that contravenes this rule shall be adjusted to be March 15 of the relevant year. This modification is required to enable Alberta Innovates to meet its fiscal year-end deadlines for issuing payments.

2.3 Project Start Date

The Applicant shall commence the Project on the first Milestone Start Date specified in Schedule B ("Project Start Date"). Any costs incurred by the Applicant prior to the Project Start Date shall not be considered Project Costs and therefore are not reimbursable.

2.4 Project Completion Date

The Applicant shall complete the Project by the last Milestone End Date specified in Schedule B. ("Project Completion Date").

If the Applicant terminates or stops work on its part of the Project for any reason prior to the Project Completion Date, it shall provide Notice to Alberta Innovates immediately.

2.5 Project Period

The Project Period ("Project Period") is the time during which the Applicant will be conducting the Project. Unless this Investment Agreement is terminated earlier under Article 7 Termination, the Project Period commences on the Project Start Date and ends on the Project Completion Date.

2.6 Term

The Term ("Term") is the duration of this Investment Agreement. Unless this Investment Agreement is terminated earlier under Article 7 Termination, the Term shall start on the Effective Date and end on the latest of:

- (a) the date Alberta Innovates pays the final portion of the Investment;
- (b) the Project Completion Date; or
- (c) the date Alberta Innovates communicates its receipt and acceptance of the Final Report to the Applicant.

ARTICLE 3 - APPLICANT DUTIES

3.1 Applicant Commitment

The Applicant shall:

- (a) diligently conduct the Project as described in the portions of the Application that were approved by Alberta Innovates, Schedule A, and the Workbook (if there is a Workbook for the Project on the Portal);
- (b) comply with all requirements set out in this Investment Agreement, including: completing any Milestones and submitting any Reports as set out in Schedule B; and submitting the Surveys and the Required Reporting Metrics, if any; by the relevant dates. The Applicant acknowledges that:
 - i. failure to complete the Reports, Surveys and Required Reporting Metrics on time may result in the Applicant being ineligible for future funding from Alberta Innovates; and
 - ii. Alberta Innovates will not consider any requests for reimbursement or expenses adjustments, whether in the form of a Report or otherwise, that the Applicant submits after the Report Due Date for the Milestone during which the expenses were incurred;
- (c) comply with the requirements in the Program Guide, as it may change from time to time;
- (d) only apply the Investment towards Eligible Expenses during the Project Period. Eligible Expenses are defined in the attached Schedule C: Eligible and Ineligible Expenses ("Schedule C");
- (e) if there are any Program Eligibility Requirements, continue to satisfy such Program Eligibility Requirements throughout the Project Period. If the Applicant's circumstances change during the Project Period such that the Applicant no longer satisfies the Program Eligibility Requirements, then the Applicant shall promptly provide Notice to Alberta Innovates of the change;
- (f) if there are any individual Applicant employees or contractors identified in the Application or in Schedule A or Schedule B as providing services for the Project: (i) ensure its dealings with such individuals are not prohibited by any Applicable Laws including any Anti-Bribery, Anti-Corruption and Sanctions Laws or Export Control Laws; (ii) assign such individuals to the Project, or otherwise enable such individuals to perform their respective roles in the Project, and (iii) promptly provide Notice to Alberta Innovates if such individuals terminate or change their relationship with the Applicant such that they are no longer performing their agreed roles on the Project;

(g) if the Applicant is a Post-secondary Institution, comply with its applicable internal policies Including any applicable policies on research ethics;

(h) if and to the extent that any such taxes are payable, it will properly account for, collect, and remit to the appropriate taxing authorities all taxes incurred in undertaking the Project, Including any GST. For clarity, there is no GST payable on payment or receipt of the Investment itself; and

(i) if the total Project Costs decrease, promptly provide Notice to Alberta Innovates. Alberta Innovates may Elect to adjust its Investment pro-rata in accordance with such decrease.

3.2 Applicant Commitment to Comply with Laws

The Applicant represents and warrants that, with respect to the Project and its performance under this Investment Agreement:

(a) it is aware of and will comply with all Applicable Laws, Including all applicable Anti-Bribery, Anti-Corruption and Sanctions Laws and Export Control Laws;

(b) it will not use any of the Investment, or any deliverables, products or outcomes arising from the Project including Intellectual Property, for the benefit or advantage (directly or indirectly) of any Person with whom dealings are prohibited by any applicable Anti-Bribery, Anti-Corruption and Sanctions Laws or Export Control Laws; and

(c) it is not presently aware of any request from any Person to utilize the Investment or the anticipated outcome of the Project Including Intellectual Property in a manner prohibited by any applicable Anti-Bribery, Anti-Corruption and Sanctions Laws or Export Control Laws, and it shall immediately advise Alberta Innovates should such request materialize, both during and after the Term of this Investment Agreement.

3.3 Stacking Limit

If the Program Guide, Schedule A or Schedule B contains any government funding stacking limitation or restriction applicable to the Project ("Stacking Limit"), then the Applicant shall comply with such Stacking Limit. If there is such a Stacking Limit, then:

(a) for the purposes of monitoring the Stacking Limit, the Applicant shall disclose to Alberta Innovates all funding assistance received from any government body for the Project ("Government Funding") both before the Effective Date and throughout the Term; and

(b) if the total amount of Government Funding received by the Applicant, Including the Investment, is in excess of the Stacking Limit at any time during the Term, Alberta Innovates may Elect to unilaterally reduce the Investment such that the Stacking Limit is not exceeded, or to reclaim any portions of the Investment paid in excess of the Stacking Limit. Alberta Innovates will provide prompt Notice to the Applicant of any such reduction or reclamation.

3.4 Applicant Contribution

If any Applicant Contribution amount is specified in Schedule B ("Applicant Contribution"), the Applicant shall contribute such Applicant Contribution solely towards the Project Costs. Any in-kind contributions (such as goods and services) towards the Applicant Contribution will only be recognized as eligible when they are not part of the Applicant's ordinary course of business costs, are directly attributable to the Project, documented, and easily auditable, and are either set out in Schedule B or otherwise approved by Alberta Innovates in writing.

3.5 Funding Partners

If the Applicant has sought, been approved for, or obtained, funding or grants for the Project from any third-party funding agencies, then such funding and agencies shall, to the extent known prior to submitting the Application, be described in the Application, and to the extent known prior to the Effective Date, be described in this Investment Agreement and in the Workbook (if there is a Workbook for the Project on the Portal).

Funding agencies that have entered written commitments with the Applicant to fund, or have actually funded, the Project shall be deemed to be Funding Partners under this Investment Agreement. The Applicant shall promptly provide Notice to Alberta Innovates of any changes in funding or any new funding it receives from such Funding Partners, including any default under or termination of such funding arrangements.

In addition, if Alberta Innovates anticipates receiving, or has obtained, funding for some or all of the Investment from a third-party funding agency, then Alberta Innovates shall provide Notice to the Applicant identifying such third party, or shall identify such third party in the Program Guide, Schedule A or Schedule B. Funding agencies that have entered written commitments with Alberta Innovates to fund, or have actually funded, Alberta Innovates with amounts that will form any part of the Investment shall be deemed to be Funding Partners. For clarity, the addition of a Funding Partner does not change the rights and obligations set out in this Investment Agreement.

3.6 Use of Sub-Contractors

If the Applicant requires the use of a Sub-Contractor in order to adequately complete the Project, a collaboration letter, contract or agreement between the Applicant and the Sub-Contractor must be in place prior to the Applicant proceeding with any Milestone which requires assistance from the Sub-Contractor. Applicant shall: (a) identify the Sub-Contractor to Alberta Innovates; (b) provide a copy of such Sub-Contractor agreement to Alberta Innovates upon request, and on a strictly confidential basis; and (c) ensure that dealings with the Sub-Contractor are not prohibited under any Applicable Laws including any Anti-Bribery, Anti-Corruption and Sanctions Laws or Export Control Laws. Alberta Innovates may request the Applicant to provide evidence that it has paid the Sub-Contractor for such services.

If the Applicant is using a Sub-Contractor: (aa) nothing in this Investment Agreement creates any employment, contract, agency relationship, or other direct or indirect, relationship of any kind between Alberta Innovates and such Sub-Contractor; and (bb) the Applicant shall be solely responsible for all work, acts, claims, defaults and liabilities relating to the Sub-Contractor.

3.7 Surveys

The Applicant shall complete surveys in a timely manner, on a Template to be provided from time to time by Alberta Innovates or by a trusted Alberta Innovates vendor assisting with the survey process, both during the

Term and for up to five (5) years thereafter ("Survey"). In addition, if Schedule A specifies additional survey requirements, the Applicant shall also comply with such requirements.

3.8 Interest and Investment

This Section does not apply if the Applicant is a Post-secondary Institution, a Regional Innovation Network, a municipality, or part of the Government of Canada or the Government of Alberta Including any ministry, department, agency, or Crown corporation.

For all other Applicants, if any portion of the Investment is paid to the Applicant before it is to be spent on Eligible Expenses, the Applicant shall hold or invest such funds in accordance with the Trustee Act (Alberta) requirements for Trustee investments, notwithstanding that the Applicant would not be a trustee. That is, the Applicant shall avoid undue risk, having regard to the Parties' intention that the Investment be used to fund the Project.

For clarity, there is no obligation for the Applicant to hold the funds in trust or in a separate bank account, or for it to account to Alberta Innovates for any interest or returns. The Applicant shall make reasonable efforts to apply any interest and other returns earned on such funds towards Project Costs.

3.9 Advisory Committee

If the Project is being conducted pursuant to one of the Clean Resources Programs, then to better monitor the Project between Milestones and facilitate providing timely feedback, Alberta Innovates may require the Applicant to establish an advisory committee for the Project. The advisory committee shall consist of one or more representatives appointed by each of the Parties and shall meet as often as Alberta Innovates deems appropriate. The advisory committee is intended as an informal forum for discussion, dialogue, and sharing of information between Milestones, and will not direct or steer the Project. The Applicant is solely responsible for managing the technical, financial, governance, risk, compliance, and all other aspects of the Project.

3.10 Changes to Principal Investigators

If the Applicant is a Post-secondary Institution and if the Application identified a Principal Investigator, the Applicant shall promptly provide Notice to Alberta Innovates if the relationship between the Applicant and the Principal Investigator is changing or terminating for any reason such that the Principal Investigator will no longer be leading the Project.

If the Applicant's internal policies and arrangements with the Principal Investigator would allow it to appoint a different Principal Investigator, then the Applicant may seek Alberta Innovates' approval for such appointment in accordance with the Changes and Review Procedure in Article 6.

If the Applicant is aware that the Principal Investigator is entering a substantively similar relationship with another Post-secondary Institution, and provided that the *Freedom of Information and Protection of Privacy Act* (Alberta) would permit such disclosure, the Applicant shall promptly provide Notice to Alberta Innovates of such new relationship. If so requested by Alberta Innovates in its sole discretion, the Applicant shall thereafter take reasonable steps to facilitate the assignment of this Investment Agreement to such new Post-secondary Institution such that the Principal Investigator may continue to pursue the Project.

ARTICLE 4 - INVESTMENT BY ALBERTA INNOVATES**4.1 Investment by Alberta Innovates**

Provided that the conditions set out in Section 4.2 have been met, Alberta Innovates agrees to provide the Applicant with a contribution to the Project not exceeding the total Alberta Innovates Contribution Amount set out in Schedule B ("Investment").

The Investment shall be paid:

- (a) in accordance with the dates and details set out in Schedule B; and
- (b) provided that the Applicant's bank account is in Canada and the Applicant has provided its electronic direct deposit instructions, to the Applicant by way of electronic direct deposit to the Applicant's bank account. If the Applicant has failed to provide its electronic direct deposit instructions, or its bank account is not in Canada, then the Investment shall be paid by cheque payable to the Applicant to the address for contract matters indicated on the Applicant's signature page.

4.2 Conditions of Investment

Alberta Innovates' obligation to pay the Investment, or any portion or installment thereof, is conditional on:

- (a) Alberta Innovates receiving its anticipated funding from the Government of Alberta;
- (b) if Alberta Innovates anticipates receiving any funding from Funding Partners who have agreed to provide funding to Alberta Innovates and which funding Alberta Innovates intends to apply towards the Investment, Alberta Innovates receiving such anticipated funding;
- (c) if the Program Guide or this Investment Agreement requires the Applicant to obtain any funding from Funding Partners, the Applicant either receiving the anticipated funding from the Funding Partner, or executing a binding funding agreement with the Funding Partner for the anticipated funding and that agreement remaining in place for the anticipated duration;
- (d) the Applicant at all times being in compliance with this Investment Agreement;
- (e) the Project progressing as set out in Schedule B;
- (f) if any Reports are required by Schedule B, the Applicant submitting such Reports, and such Reports being approved by Alberta Innovates in its sole discretion;
- (g) if there are any Surveys or Required Reporting Metrics, the Applicant complying with the Surveys and Required Reporting Metrics duties that have been communicated to it by Alberta Innovates and are due prior to the relevant Expected Payment Date, and such Required Reporting Metrics being approved by Alberta Innovates in its sole discretion;

(h) the Project being completed by the Project Completion Date; and

(i) if any Applicant Contribution is required, the Applicant paying such Applicant Contribution towards the Project Costs.

4.3 Payment Frequency

Even if Schedule B contains overlapping Milestones, unless Schedule B also specifies Report Due Dates or Expected Payment Dates within the same calendar month, Alberta Innovates will not review more than one Report or issue more than one payment, as the case may be, per calendar month.

4.4 Source of Investment

If the Applicant is part of the Government of Canada, Including any federal ministry, department, agency or Crown corporation, Alberta Innovates confirms and warrants that:

(a) its cash contribution to the Applicant under this Agreement does not include money Alberta Innovates has received or will receive directly or indirectly as transfer payments from the Applicant or any other department or agency in the Government of Canada; and

(b) its in-kind contribution to the Applicant under this Agreement (if any) does not comprise goods or services which are purchased or otherwise obtained using funds Alberta Innovates has received or will receive directly or indirectly as transfer payments from the Applicant or any other department or agency in the Government of Canada.

4.5 Currency

The Investment is expressed and shall be paid in Canadian dollars, and in accordance with the payment schedule set out in Schedule B.

If exceptional circumstances exist such that Alberta Innovates has in its sole discretion specifically agreed in writing to remit payments in a foreign currency, the Investment shall be converted to the agreed foreign currency at the exchange rate in effect at Alberta Innovates' bank on the day that Alberta Innovates remits payment.

4.6 Applicant Debts

Alberta Innovates reserves the right to withhold payment of any portion of the Investment if the Applicant incurs a debt to Alberta Innovates or its affiliates InnoTech Alberta Inc. or C-FER Technologies (1999) Inc. This Section Includes debts related to any agreements, projects or relationships between Alberta Innovates or its affiliates and the Applicant.

4.7 Required Reporting Metrics

Alberta Innovates will make reasonable efforts to:

(a) communicate any Required Reporting Metrics to the Applicant as early as reasonably possible

by posting them on the Alberta Innovates website or Portal or emailing them to the Applicant. In some cases the Required Reporting Metrics may be included in Schedule A, or in the Program Guide or the Workbook (if any), as they may be amended from time to time; and

(b) provide reasonable advance notice and time to the Applicant to complete any Required Reporting Metrics before the relevant Expected Payment Date.

Notwithstanding the above, the Parties acknowledge that from time to time the Government of Alberta or the Funding Partner (if any) may require Alberta Innovates to meet new metrics requirements which could include retrospective data and/or short metrics timelines and that if that happens, Alberta Innovates will be obliged to impose corresponding new Required Reporting Metrics requirements and/or short timelines on the Applicant.

ARTICLE 5 - REPORTS

5.1 Templates

The Applicant shall use Templates provided by Alberta Innovates to comply with its Required Reporting Metrics, Reports obligations, and with the Survey requirements.

Because the Reports may contain technical or proprietary information about the Project or the Applicant, the Templates will specify when a section will be considered non-confidential. The content of sections that are marked as non-confidential can be disclosed in the public domain. All other sections will be considered confidential, and thus can only be disclosed to the Government of Alberta and to Funding Partners, if any, in confidence, but to no other party.

5.2 Right to Reject or Request Amendments to Reports and Presentations

Alberta Innovates may Elect to reject, or to request revisions to, any Required Reporting Metrics or to any of the Reports, upon Notice to the Applicant advising of the reason for refusing approval and/or requesting revisions. For clarity, if Schedule B specifies any payment as due following Alberta Innovates' receipt of a Report, that means a Report that is accepted and approved by Alberta Innovates.

5.3 Obligation to Provide Summary Report after Early Termination

In the event this Investment Agreement is terminated before the Project Completion Date pursuant to Article 7, the Applicant will not be obligated to deliver the Final Report, but shall provide to Alberta Innovates a summary report summarizing the outcomes of the Project up to the effective date of such termination ("Summary Report"). Such Summary Report shall be delivered not later than ninety (90) days from the date of termination, and shall be on the Template provided by Alberta Innovates.

5.4 Reports do not Constitute Taxable Supply

Alberta Innovates requires the Applicant to submit Reports to ensure accountability and to validate that the Investment was spent as agreed upon. Accordingly, and because Alberta Innovates' Investment is made for a public purpose and in the public interest, such Reports do not constitute a taxable supply or "consideration" in return for a transfer payment for the purposes of the *Excise Tax Act* (Canada).

ARTICLE 6 - CHANGES AND REVIEW PROCEDURE

Alberta Innovates expects the Applicant to fulfill the Project as described in the portions of the Application that were approved by Alberta Innovates and in this Investment Agreement, and to set reasonable Milestone Start Dates and Milestone End Dates, anticipating times during the Project Period when setbacks or unavoidable delays may occur. Should an unforeseen exceptional circumstance arise whereby it is not possible to meet the deliverables or deadlines set out in any Milestone, or whereby the Applicant may desire Alberta Innovates to approve a material change to the Project, the Applicant may request a change or amendment to this Investment Agreement by contacting Alberta Innovates' representative for project matters set out in Article 12 Notices no later than two (2) weeks prior to the next Milestone End Date. Depending on the nature and extent of the requested Project change, Alberta Innovates may require the Applicant to complete and provide a formal scope change request on an Alberta Innovates Template before Alberta Innovates will consider the request.

Examples of Project change requests that require approval from Alberta Innovates include the following:

- (a) an increase or decrease in the Investment associated with a particular Milestone, or the Project as a whole;
- (b) a material change in the scope of the Project;
- (c) a change in a Milestone Start Date or Milestone End Date (irrespective of any impact on the Project Completion Date);
- (d) acceptance of a Change of Control of the Applicant (unless the Applicant is a Post-secondary Institution, the Alberta Centre for Advanced MNP Products (ACAMP), a municipality, or part of the Government of Canada or Government of Alberta including any ministry, department, agency, or Crown corporation, in which case no amendment is required regarding a Change of Control);
- (e) if the Project is being conducted pursuant to one of the Associates Programs or Voucher Programs, the appointment of a different Associate or Service Provider, respectively;
- (f) if the Project has a Principal Investigator, and if the Applicant's internal policies and arrangements with the Principal Investigator would allow it to appoint a different Principal Investigator, the appointment of a different Principal Investigator;
- (g) a change in funding from a Funding Partner; or
- (h) any other material changes as determined by Alberta Innovates.

Upon review of the change request, Alberta Innovates may Elect to approve, decline, or request further information concerning the requested change. Depending on the nature and extent of an approved Project change, Alberta Innovates may require the Parties to execute a formal amendment to this Investment Agreement to document the Project change. If Alberta Innovates determines that a formal amendment is not required, it may simply issue Notice to all Parties that: (i) the requested Project change, a new Schedule A or Schedule B, or a new Associate, Service Provider or Principal Investigator has been approved; or (ii) if there

is a Workbook for the Project on the Portal, that the Workbook has been amended; as the case may be. Should a change be approved by Alberta Innovates, the remainder of this Investment Agreement shall remain in full force and effect unamended.

ARTICLE 7 - TERMINATION

7.1 Termination for Changes to Government of Alberta Funding

Notwithstanding any other term of this Investment Agreement, Alberta Innovates may Elect to terminate this Investment Agreement effective immediately upon providing Notice to the Applicant if at any time the Government of Alberta suspends, revokes, reduces or terminates funding to Alberta Innovates. Depending on the Program, Government of Alberta funding may Include funding from the Ministry of Jobs, Economy and Innovation, the Ministry of Advanced Education, or any other ministry, agency or department.

7.2 Termination for Changes to Funding Partner Funding to Alberta Innovates

If this Investment Agreement or the Program Guide specify that any Funding Partner funding is to be received by Alberta Innovates from the Funding Partner to apply towards the Investment but:

- (a) Alberta Innovates does not receive the anticipated funding from the Funding Partner; or
- (b) at any time Alberta Innovates' funding agreement with the Funding Partner is suspended, cancelled, terminated, lapsed, or amended in a manner adverse to Alberta Innovates;

then Alberta Innovates shall provide prompt Notice of such circumstances to the Applicant, and may Elect to terminate this Investment Agreement effective immediately upon providing Notice to the Applicant.

7.3 Termination for Changes to Funding Partner Funding to the Applicant

If this Investment Agreement, the Application, or the Program Guide specify that any Funding Partner funding is to be received by the Applicant from the Funding Partner but:

- (a) the Applicant does not execute a binding funding agreement with the Funding Partner;
- (b) the Applicant does not receive the entire anticipated funding from the Funding Partner; or
- (c) at any time the Applicant's grant or funding agreement with the Funding Partner is suspended, cancelled, terminated, lapsed, or amended in a manner adverse to the Applicant Including a reduction of the anticipated funding;

then the Applicant shall provide prompt Notice of such circumstances to Alberta Innovates, and Alberta Innovates may Elect to terminate this Investment Agreement effective immediately upon providing Notice to the Applicant.

7.4 Termination Without Cause

Notwithstanding any other terms of this Investment Agreement, Alberta Innovates may terminate this Investment Agreement at any time without cause by providing thirty (30) days' Notice to the Applicant, and

Alberta Innovates' obligation to make any further payments of the Investment shall cease upon delivery of such Notice.

7.5 Termination for Default

Alberta Innovates may Elect to terminate this Investment Agreement for any Default effective immediately upon providing Notice to the Applicant.

7.6 Termination for Change of Control

This Section does not apply if the Applicant is a Post-secondary Institution, the Alberta Centre for Advanced MNP Products (ACAMP), a municipality, or part of the Government of Canada or Government of Alberta including any ministry, department, agency, or Crown corporation.

For all other Applicants, if the Applicant undergoes a Change of Control, Alberta Innovates may Elect to terminate this Investment Agreement effective immediately upon providing Notice to the Applicant. For clarity, Alberta Innovates may Elect not to terminate this Investment Agreement in the case of a Change of Control if the Applicant continues to satisfy the Program Eligibility Requirements and continues to bear all of its duties and obligations under the Investment Agreement.

7.7 Termination for Departure of Associate, Service Provider or Principal Investigator

If the Project is being conducted pursuant to one of the Associates Programs or Voucher Programs, or if the Applicant is a Post-Secondary Institution and the Application identified a Principal Investigator, and:

- (a) the Applicant's relationship with the relevant Associate, Service Provider or Principal Investigator, as the case may be, changes or terminates for any reason, such that such Person will no longer be engaged as agreed on the Project; and
- (b) either the Applicant did not seek approval for the appointment of a new Associate, Service Provider, or Principal Investigator, as the case may be, under the Changes and Review Procedure in Article 6, or the Applicant did seek such approval but Alberta Innovates did not grant such approval;

then Alberta Innovates may Elect to terminate this Investment Agreement effective immediately upon providing Notice to the Applicant.

7.8 Termination for Loss of Program Eligibility Status

If the Applicant's circumstances change during the Term such that the Applicant no longer satisfies all the Program Eligibility Requirements (if any), then Alberta Innovates may Elect to terminate this Investment Agreement effective upon providing twenty-four (24) hours Notice to the Applicant.

7.9 Termination after Rejected Change Request

If Alberta Innovates rejects any request by the Applicant for a change under the Changes and Review Procedure in Article 6, the Applicant may either elect to proceed with the Project as previously approved by

Alberta Innovates or terminate this Investment Agreement effective immediately upon providing Notice to Alberta Innovates.

7.10 Termination after Force Majeure

Notwithstanding anything else in this Investment Agreement, after an event of Force Majeure affecting either or both Alberta Innovates or the Applicant:

(a) either Party may Elect to terminate this Investment Agreement if the duration of a Force Majeure event is anticipated to be, or subsequently transpires to be, over one hundred and twenty (120) days; and

(b) Alberta Innovates may Elect to terminate this Investment Agreement if it determines in its sole discretion that termination would be in the best interests of Alberta Innovates, its mandate to the Province of Alberta, or its management of the Program.

Such termination is effective immediately upon one Party providing Notice thereof to the other Party.

7.11 Termination if Required by Canadian Government Funding Partner

If the Canadian Institutes for Health Research (CIHR), the Social Sciences and Humanities Research Council of Canada (SSHRC), or the Natural Science and Engineering Research Council of Canada (NSERC) (each a "Canada Funding Partner") is a Funding Partner, and if such Canada Funding Partner requires the Applicant to terminate the participation in the Project of one of the other Funding Partners (if any) or of Alberta Innovates for reasons of national security, criminal sanctions, or compliance with Canadian federal laws, then the Applicant must provide prompt Notice of such termination and a copy of the communication from the Canada Funding Partner necessitating such termination to Alberta Innovates and such other Funding Partner.

ARTICLE 8 - REIMBURSEMENT AFTER EARLY TERMINATION

8.1 Limited Reimbursement after Early Termination

If Alberta Innovates terminates this Investment Agreement early pursuant to Article 7 for reasons other than the Applicant's Default, then provided that the Applicant used reasonable efforts during the Project Period to ensure that any financial commitments made by the Applicant could be terminated immediately upon receipt of notice of termination to ensure the liabilities created pursuant to this Investment Agreement are reduced to a minimum, the Applicant shall be entitled to be reimbursed for:

(a) Eligible Expenses legally incurred prior to the date of termination. For clarity, Alberta Innovates will have no liability or obligation to reimburse the Applicant for any Eligible Expenses incurred after the effective date of termination; and

(b) all reasonable direct costs incurred in winding down the Project, which costs will include actual non-cancellable, legal commitments made by the Applicant, as proven by the Applicant and approved by Alberta Innovates.

Notwithstanding anything else, under no circumstances will Alberta Innovates' total remittances and reimbursements exceed the amount of the Investment.

ARTICLE 9 - APPLICANT REPAYMENT

9.1 Repayment Obligation After Applicant Wrongdoing

If there has been some form of wrongdoing by the Applicant, Alberta Innovates may Elect to require the Applicant to repay (and when Alberta Innovates does so require, the Applicant shall repay) any or all portions of the Investment paid to the Applicant. Examples of such wrongdoing could include:

- (a) the Applicant incurs a Default, including spending any portion of the Investment on Ineligible Expenses;
- (b) the Applicant terminates or stops work on the Project prior to the earlier to occur of the Project being completed or the Project Completion Date; or
- (c) Applicant's egregious behaviour (as determined by Alberta Innovates in its sole discretion).

The Parties acknowledge that Alberta Innovates may first discover a Default giving rise to a repayment obligation during an Audit during the Retention Period.

For clarity, provided that none of the preceding grounds for requiring repayment have occurred, Alberta Innovates will not require the Applicant to repay portions of the Investment where a Milestone could not be completed, or one of the desired outcomes of the Project was not achieved, despite the best efforts of the Applicant. Alberta Innovates acknowledges that unforeseen technical issues and other delays may occur which are outside the Applicant's reasonable control, and for that reason the Applicant is offered the opportunity to request an amendment to this Investment Agreement, per the procedure set out in the Changes and Review Procedure in Article 6.

9.2 Repayment Obligation After Exceeding Stacking Limit

If the Applicant is subject to the Stacking Limit in Section 3.3, and if the Applicant exceeds such Stacking Limit at any time during the Term, Alberta Innovates may Elect to require the Applicant to repay any portions of the Investment paid in excess of the Stacking Limit.

9.3 Return by Applicant of Uncommitted Investment after Termination

Following termination for any reason, including termination with no wrongdoing or fault by the Applicant, and including the anticipated termination at the end of the Term, within forty-five (45) days of such termination the Applicant shall return to Alberta Innovates any portions of the Investment that have not been spent on or irrevocably committed towards Project Costs.

9.4 Interest and Repayment Terms

In any instance in which Alberta Innovates requires the Applicant to repay funds, such funds together with interest shall constitute a debt owed by the Applicant to Alberta Innovates on a dollar-for-dollar basis. Interest

on the repayable funds shall accumulate from and after the date Alberta Innovates demands repayment at a rate per month equal to one (1%) percent (or 12.6825% per annum) with interest on overdue interest at the same rate.

The Applicant shall repay all such debt plus accrued interest to Alberta Innovates within forty-five (45) days of the date Alberta Innovates demands repayment.

ARTICLE 10 - RECORDS RETENTION, AUDIT AND INSPECTION

10.1 Record Retention

The Applicant shall maintain or cause to be maintained full, accurate and complete records of the activities conducted in furtherance of, and the results achieved through the conduct of the Project, including accurate and complete records and books of account relating to the receipt and expenditure of the Investment ("Records").

The Applicant shall retain the Records for five (5) years following the end of the Term, unless its internal record keeping policies could prevent it from complying with such period, in which case the Applicant shall retain the Records for six (6) years from the date such Records were created ("the Retention Period").

10.2 Audit and Inspection Rights

Alberta Innovates shall be entitled at any time and from time to time during the Term and the Retention Period, upon reasonable prior Notice to the Applicant, to have its authorized agents attend at the Applicant's premises or at the location where the Project is being carried out, to:

- (a) audit or examine the Records ("Audit"); and/or
- (b) inspect the premises and assets pertaining to the Project ("Inspection");

to assess whether the Applicant has been and is complying with this Investment Agreement. The costs of any Audit or Inspection shall be paid by Alberta Innovates unless such Audit or Inspection reveals a Default or a failure by the Applicant to maintain proper Records or comply with this Investment Agreement, in which case the costs shall be paid by the Applicant.

The Applicant shall provide Alberta Innovates' authorized agents with all such assistance as may be reasonably required during such Audit or Inspection, including making and providing Alberta Innovates with copies of any Records as requested by Alberta Innovates. For clarity, such right of Audit and Inspection shall be limited to the purpose of ascertaining whether this Investment Agreement has been complied with, and Alberta Innovates will not have any general right to obtain custody or copies of the records of the Applicant except as contemplated by this Section.

ARTICLE 11 - CONFIDENTIALITY, DISCLOSURE AND PUBLICATION

11.1 Disclosure to the Government of Alberta

Alberta Innovates is a Provincial (Crown) Corporation owned by the Government of Alberta. Alberta

Innovates' primary mandate includes supporting research and innovation for the benefit of Alberta and Albertans, including the development and commercialization of new and innovative technologies, and cultivating a world-class research and innovation system. In doing so, Alberta Innovates invests public dollars to support the projects it funds. For that reason, Alberta Innovates is required to report to the Government of Alberta on the use of grant funding, to ensure Alberta Innovates' mission and mandate are being achieved. Accordingly, notwithstanding anything else, Alberta Innovates is entitled to disclose any information about the Applicant and the Project to the Government of Alberta, including confidential information, this Investment Agreement, the Application, all Reports, Required Reporting Metrics (if any), and any Survey responses. Any disclosure of confidential information to the Government of Alberta shall be made on a confidential basis.

11.2 Disclosure to Funding Partners

Notwithstanding anything else, Alberta Innovates is entitled to disclose any information about the Applicant and the Project to the Funding Partners (if any), including confidential information, this Investment Agreement, the Application, all Reports, Required Reporting Metrics (if any), and any Survey responses. At the time of disclosure, Alberta Innovates shall ask such Funding Partners to treat any such confidential information on a confidential basis.

11.3 Disclosure to Alberta Innovates' Data Analysis Contractors

Alberta Innovates is entitled to disclose any information about the Applicant and the Project to trusted third party service providers who are on contract to provide data analysis services to Alberta Innovates ("Data Analysis Contractors"), including confidential information, and including this Investment Agreement, the Application, all Reports, Required Reporting Metrics (if any), and any Survey responses. Alberta Innovates makes reasonable efforts to only share anonymized information including demographic information and performance metrics information, and seldom shares entire Applications or Reports. Such disclosure of confidential information to the Data Analysis Contractors shall be made on a confidential basis, and the recipients are bound by confidentiality obligations to Alberta Innovates.

11.4 Public Disclosure of Non-Confidential Information

As a public body, Alberta Innovates is required to report on and promote the success of innovation initiatives within the Province of Alberta. In addition to the disclosures to the Government of Alberta and Funding Partners described above, Alberta Innovates has certain public disclosure duties. Alberta Innovates may publish and/or disseminate the following information in the public domain:

(a) the Applicant's name, the Program name, the Project title, the non-confidential project summary from the Application, the Project Period dates, the fact that Alberta Innovates is providing funding, and the amount of the Investment. All such information is deemed to be non-confidential for all of Alberta Innovates' purposes;

(b) other non-confidential portions of the Application other than the items listed in 11.4(a), and the non-confidential portions of the Reports. Notwithstanding this right, Alberta Innovates shall not publish the non-confidential portions of the Final Report for six (6) months following the Project Completion Date. If this period is not sufficient for the Applicant to protect its Intellectual Property, or to publish its results in an academic journal or trade industry publication, the Applicant may request a further six (6) month extension. Alberta Innovates will not unreasonably withhold or delay its

consent to such a request; and

(c) the information contained within the completed Required Reporting Metrics and Surveys, provided that prior to such disclosure Alberta Innovates aggregates and anonymizes such information by removing any identifying particulars of the Applicant. All such aggregated and anonymized information is deemed to be non-confidential for all of Alberta Innovates' purposes.

11.5 Publications and Public Messaging

All of the Applicant's publications, presentations and public messages concerning the Investment, the Program or the Project:

(a) shall acknowledge the contribution of Alberta Innovates, the Ministry of Jobs, Economy and Innovation, and the Government of Alberta. Use of the full legal name 'Alberta Innovates' is required, rather than 'AI' or a similar acronym. Examples of acceptable statements of acknowledgement of Alberta Innovates could include:

- i. "With the support of Alberta Innovates";
- ii. "We would like to acknowledge Alberta Innovates for the support they provided us for our research/business innovation.";
- iii. "Our work is supported by Alberta Innovates, an organization that expands the horizon of possibilities to solve today's challenges and create a healthier and more prosperous future for Alberta and the world."; or
- iv. "We would like to acknowledge Alberta Innovates for the support they provided for our research/business innovation. Their investment helped us to bring our ideas and innovations to market faster.";

(b) shall, if there are any Funding Partners that have entered their own funding agreement with the Applicant with respect to the Project, follow the acknowledgment requirements, if any, for such Funding Partner in such agreement;

(c) shall, if there are any Funding Partners that: (i) have provided funding to Alberta Innovates that comprises some or all of the Investment; (ii) do not have their own funding agreement in place with the Applicant with respect to the Project, and (iii) desire acknowledgement; acknowledge the contribution of such Funding Partners in the format that may be required by such Funding Partners. Alberta Innovates shall identify all such Funding Partners to the Applicant, and if such Funding Partners desire acknowledgement, shall provide such Funding Partners' required acknowledgement format to the Applicant; and

(d) shall not suggest or state that Alberta Innovates, the Ministry of Jobs, Economy and Innovation, or the Government of Alberta is a partner with the Applicant or endorses a Project, a party involved in the Project, or any goods or services sold by the Applicant or its partners in the Project. Alberta Innovates' financial support or investment in a Project in no way constitutes an endorsement of the

Project or the Applicant. Such suggestion or statement is strictly prohibited and may result in termination of this Investment Agreement by Alberta Innovates for Default.

Before issuing such publication, presentation or public message, the Applicant may obtain further assistance from the Alberta Innovates communications toolkit located at <https://albertainnovates.ca/impact/communications-toolkit/>, and may contact the Alberta Innovates' communications team for assistance at: Communications@albertainnovates.ca.

11.6 Academic Publications

If the Applicant wishes to disseminate its Intellectual Property generated in the course of the Project for the purpose of scholarship, nothing in this Investment Agreement impedes such dissemination, provided the contributions of Alberta Innovates, the Ministry of Jobs, Economy and Innovation, the Government of Alberta, and the Funding Partners (if any) are acknowledged in such academic publication. Such publications may include, but are not limited to, abstracts, or presentations to a journal, editor, meeting, seminar or other third party.

11.7 Freedom of Information and Protection of Privacy Act (Alberta)

Alberta Innovates is a public body governed by the *Freedom of Information and Protection of Privacy Act* (Alberta) ("FOIP"). This means Alberta Innovates may be asked to disclose the information or records created or received under this Investment Agreement, or other information delivered to Alberta Innovates in relation to the Project, when an access request is made by anyone in the general public. In addition, if the Applicant is assisting Alberta Innovates with the administration of an Alberta Innovates program and as a result of providing such assistance has possession of any information that is the subject of a FOIP access request, then in order to comply with such access request, Alberta Innovates may require the Applicant to provide such information to Alberta Innovates within five (5) days of providing Notice to the Applicant of such requirement.

In the event an access request is received by Alberta Innovates, exceptions to disclosure within FOIP may apply, including exceptions for third party business information where such information was received in confidence and disclosure is likely to cause harm. If an exception to disclosure applies, certain information may be withheld from disclosure.

The Applicant is encouraged to familiarize itself with FOIP. Information regarding FOIP can be found at <http://www.servicealberta.ca/foip/>.

ARTICLE 12 - NOTICES

12.1 Notices Generally

Any notice or other communication regarding the Project and the matters contemplated by this Investment Agreement shall be delivered to the addresses listed below and on the Applicant's execution page, and must be in writing and delivered by courier, registered mail, or email ("Notice"). A Notice is deemed to be delivered and received on the date of delivery if delivered prior to 4:30 p.m. (MST time) on a Business Day at the recipient's notice address, and otherwise on the next Business Day. A copy of any Notice that is delivered physically must also be promptly delivered by email.

The individual(s) named in the notice addresses on the signature page are deemed to be the Applicant Representative on a go-forward basis, and if different from the Applicant Representative named in the Application, replace such individual as the Applicant Representative and may be included in Applicant's file on the Portal.

A Party may change its address for service from time to time by Notice given to the other Party in accordance with the foregoing provisions.

IF TO ALBERTA INNOVATES:

For Project Matters:

Name: Lindsay Spadavecchia, Technology Development Advisor
Address: 250 Karl Clark Road, Edmonton, Alberta T6N 1E4
Phone: 403-715-0466
Email: Lindsay.Spadavecchia@albertainnovates.ca

For Agreement Matters:

Name: Jasbinder Sihra, Program Associate
Address: 250 Karl Clark Road, Edmonton, Alberta T6N 1E4
Phone: 780-450-5428
Email: jasbinder.sihra@albertainnovates.ca

IF TO THE APPLICANT:

To the address(es) located on the Applicant's signature page.

ARTICLE 13 - FORCE MAJEURE

13.1 Relief from Obligations

If an event of Force Majeure occurs with respect to either Party, then provided the affected Party:

- (a) promptly notifies the other Party about the Force Majeure, the obligations that will be prevented in whole or in part, and the anticipated duration of the event;
- (b) thereafter makes all commercially reasonable efforts to mitigate the effects of that Force Majeure so that it can resume performance; and
- (c) provides regular updates on the progress of its mitigation to the other Party;

both Parties will be relieved of their obligation to perform under this Investment Agreement (and such lack of performance will not constitute a Default) to the extent of, and for the duration of, the Force Majeure.

13.2 Payment Obligations Not Relieved

Notwithstanding the generality of Section 13.1, all payment, repayment and reimbursement obligations shall continue notwithstanding the Force Majeure unless:

(a) the Force Majeure prevents the Parties from satisfying any precursors to the relevant payments, including reviewing or approving any relevant Report, in which case the relevant payment duties are relieved pursuant to Section 13.1; or

(b) the Force Majeure is a cyberattack or other event of Force Majeure that prevents the affected Party from accessing its financial records and systems to effect such payments, repayments or reimbursements;

in either of which cases such payment, repayment, and reimbursement obligations are suspended until such time that the affected Party can mitigate the effects or make alternate payment arrangements.

13.3 Labour Disputes and Cyberattacks

Nothing in this Article imposes any duty on a Party to:

(a) settle or mitigate the effects of a labour dispute; or

(b) settle a cyberattack by paying or performing any form of ransom;

and both Parties agree the resolution of any labour dispute or cyberattack remains in the sole discretion of the affected Party.

ARTICLE 14 - LIABILITY AND INDEMNITY

14.1 Waiver and Release

Alberta Innovates shall not be liable in any way whatsoever to the Applicant or any of the Applicant Entities for any losses, damages or claims suffered or arising in any way whatsoever in the course of the Project and based on any theory of liability (including negligence), including indirect, incidental, consequential, or special damages or any loss of profits, loss of business opportunity, loss of revenue, or any other loss or injury including any personal injury or death of any Person, whether arising before or after submitting an Application or entering into this Investment Agreement with Alberta Innovates ("Claims"). The Applicant releases Alberta Innovates and its directors, officers, employees, contractors, agents, personal legal representatives and heirs from all such Claims, and waives any rights it might have to pursue such Claims against Alberta Innovates or its directors, officers, employees, contractors, agents, personal legal representatives or heirs.

14.2 Indemnity

The Applicant agrees to indemnify, defend and hold harmless Alberta Innovates and its directors, officers, employees, contractors, agents, personal legal representatives and heirs against and from any and all third party claims, demands, actions and costs whatsoever (including legal costs on a solicitor and his own client full-indemnity basis) that may arise directly or indirectly out of any act, omission, negligence, tortious act, or

wilful misconduct, of the Applicant or any of the Applicant Entities in relation to the Project or to their obligations under this Investment Agreement.

Further and without limiting the generality of the foregoing, in the event that any taxing authority, for whatever reason, seeks payment of any taxes from Alberta Innovates in respect of this Investment Agreement, then to the extent that any such taxes directly or indirectly result from the Applicant's receipt of the Investment, the Applicant agrees to indemnify Alberta Innovates for any such taxes, including any fines, interest, or penalties related thereto, and the Applicant further agrees that Alberta Innovates may set off an amount equal to any such taxes (including applicable fines, interest and penalties) from any portions of the Investment owing to the Applicant.

ARTICLE 15 - SURVIVAL

All Articles and Sections that by their nature would survive the termination or expiry of this Investment Agreement shall so survive, including those dealing with:

- (a) Liability and Indemnity;
- (b) Governing Law and Attornment;
- (c) Compliance with Applicable Laws;
- (d) Provision of any Reports, Required Reporting Metrics, Surveys, payments, or repayments after termination;
- (e) Confidentiality and disclosure;
- (f) Record keeping, audit and inspection rights; and
- (g) Dispute resolution.

ARTICLE 16 - ASSIGNMENT

Alberta Innovates may assign its rights and obligations under this Investment Agreement to an 'affiliate' (as that term is defined in section 2(1) of the *Business Corporations Act* (Alberta)), to a successor Person, or to any reasonable third party, on Notice to the Applicant.

The Applicant shall not assign its rights or obligations under this Investment Agreement without the prior written consent of Alberta Innovates, which consent may be withheld in Alberta Innovates' sole discretion. If such consent is granted, then Alberta Innovates, the Applicant, and the assignee shall execute an assignment and novation agreement whereby the Applicant agrees to assign its rights and obligations to the assignee, the assignee agrees to assume such rights and obligations, and Alberta Innovates consents to such assignment and assumption.

ARTICLE 17 - INTELLECTUAL PROPERTY

Alberta Innovates makes no claim to any Intellectual Property generated as a result of its Investment in the Project. The Applicant acknowledges the importance to Alberta Innovates that any Intellectual Property that

may be generated through the Project be used to the benefit of Alberta and Albertans. Accordingly, Alberta Innovates requests that to the extent reasonably practicable, the Applicant make reasonable efforts to use any Intellectual Property that may be generated through the Project at least in part for the benefit of Alberta and Albertans. Ownership of any Intellectual Property developed through the Project will follow the practices of the Applicant and any applicable agreement(s) to which the Applicant is a party, and a copy of such agreement must be provided to Alberta Innovates as proof of compliance with this requirement upon request, and on a strictly confidential basis.

ARTICLE 18 - REPRESENTATIONS AND WARRANTIES

18.1 Alberta Innovates' Representations and Warranties

Alberta Innovates represents and warrants that:

- (a) it is a Provincial research and innovation corporation established pursuant to the laws of Alberta and is in good standing under the laws of such jurisdiction;
- (b) it has all necessary power and authority to enter into, execute, deliver, and perform its obligations under this Investment Agreement and all necessary action has been taken by it to approve this Investment Agreement and the transactions contemplated herein; and
- (c) the entering into and performance of this Investment Agreement does not violate or breach any other agreement to which Alberta Innovates is a party, or any of its constating documents.

18.2 Applicant's Representations and Warranties

The Applicant represents and warrants that, both at the time of signing this Investment Agreement and throughout the Term:

- (a) it is properly established and in good standing under the laws of its jurisdiction of establishment;
- (b) dealings with it are not prohibited under any Applicable Laws Including any applicable Anti-Bribery, Anti-Corruption and Sanctions Laws or Export Control Laws;
- (c) all information contained in the Application, together with any other documentation provided to Alberta Innovates in relation to the Project is accurate and complete, and will remain so in all material respects during the Term;
- (d) it has made full, true and plain disclosure of all facts relevant to the Project and its commitments under this Investment Agreement and will comply with same throughout the term, Including specifically any ongoing disclosure and reporting obligations;
- (e) it has all necessary power and authority to enter into, execute, deliver and perform its obligations under this Investment Agreement and all necessary action has been taken by it to approve this Investment Agreement and the transactions contemplated herein;
- (f) the entering into and performance of this Investment Agreement does not violate or breach any

other agreement to which it is a party or any of its constating documents, and

(g) it met all Program Eligibility Requirements at the time of entering this Investment Agreement and will retain such status throughout the Term.

ARTICLE 19 - INSURANCE

The Applicant shall, at its own expense and without in any way limiting its liabilities herein, insure its operations under a contract of general liability insurance, in accordance with the *Insurance Act* (Alberta), in an amount of not less than \$2,000,000 inclusive per occurrence, insuring against bodily or personal injury and property damage, including the loss of use thereof. Such insurance must be in place before the signing of this Investment Agreement and shall be maintained during the Term. The Applicant acknowledges that no protection is available from Alberta Innovates for any third-party claims pursuant to the Project. The Applicant shall provide a certificate of insurance when requested by Alberta Innovates, and shall provide thirty (30) days' advance Notice of cancellation of such insurance to Alberta Innovates. Where permitted by its constating documents and bylaws, the Applicant may elect to self-insure its obligations under this Section.

ARTICLE 20 - DISPUTE RESOLUTION

In the event of any dispute regarding the interpretation or performance of any provision of this Investment Agreement, the Parties agree to refer the matter to joint discussion by senior officials of the Applicant and Alberta Innovates. If such senior officials cannot resolve a dispute, the Parties may agree to participate in mediation with a mutually acceptable mediator. Mediation will proceed on the following basis:

- (a) if the Parties cannot agree on a mediator, they will ask the President or Executive Director of the Alberta Arbitration and Mediation Society to assist in the selection process;
- (b) the Parties will share the cost of the mediator equally and bear their own costs incurred with respect to the mediation, including any legal costs;
- (c) no evidence of anything said or of any admission or communication made in the course of the mediation shall be admissible in any further legal proceedings, except with the consent of all Parties; and
- (d) any resolution reached will be based on the full participation of, and an agreement between, the Parties.

For clarity, nothing in this Investment Agreement shall abrogate either Party's rights to seek judicial or equitable relief or to enforce the terms of this Investment Agreement in a court of law.

ARTICLE 21 - GOVERNING LAW AND ATTORNMENT

This Investment Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein, notwithstanding any conflict of laws rules that would apply the laws of another jurisdiction, and the Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts in the Province of Alberta for all disputes arising under this Investment Agreement.

ARTICLE 22 - GENERAL TERMS AND CONDITIONS

22.1 Waiver and Delay

A waiver of any provision of this Investment Agreement must be in writing and signed by the Party providing the waiver and is legally binding only in the specific instance and for the specific purpose for which it was given. The failure or delay of any Party to exercise any right under this Investment Agreement does not constitute a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Investment Agreement will constitute a waiver of any other provision (whether or not similar).

22.2 Time is of the Essence

Time is of the essence in the performance of this Investment Agreement.

22.3 Severance

If any provision of this Investment Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Investment Agreement and without affecting its application to the other Parties or circumstances.

22.4 No Third Party Rights

This Investment Agreement does not and is not intended to confer any rights or remedies upon any Person other than the Parties. No third party is entitled to rely on the provisions of this Investment Agreement or on any Program or Project document in any action, suit, proceeding, hearing or other forum.

22.5 Entire Agreement and Interpretation

This Investment Agreement, including all schedules hereto, constitutes the entire agreement between the Parties as it relates to the obligations of Alberta Innovates with respect to the Project and Investment. This Investment Agreement supersedes all other understandings, agreements and representations between the Parties regarding the Program, Project and Investment, except that the Parties agree Alberta Innovates relied on the Application in making its decision to enter this Investment Agreement. There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise from Alberta Innovates that the Applicant is relying on in entering into this Investment Agreement or in completing the Project.

22.6 Construction and Interpretation

The Parties acknowledge and agree that:

- (a) each Party has read and understands this Investment Agreement;
- (b) each Party has had the opportunity to review same with their legal counsel;

(c) any rule whereby an ambiguity is to be resolved against the drafting Party does not apply in the interpretation of this Investment Agreement; and

(d) the terms and provisions of this Investment Agreement will be construed fairly as to all Parties hereto and not in favour of or against any Party, regardless of which Party was generally responsible for the preparation of this Investment Agreement.

22.7 Further Steps

Each Party agrees to take such further steps, execute, acknowledge and deliver such further instructions, and to do all such other acts, as may be necessary or appropriate in order to carry out this Investment Agreement.

22.8 Business Day

If any act is required by the terms of this Investment Agreement to be performed on a day which is not a Business Day, the act will be valid if performed on the next succeeding Business Day.

22.9 Electronic and Counterpart Execution and Delivery

This Investment Agreement may be executed electronically and in any number of counterparts. Delivery of an electronically or manually executed counterpart signature page shall be as effective as delivery of the entire electronically or manually executed counterpart Investment Agreement. In addition, the executed Investment Agreement or stand-alone signature page may be delivered in counterpart via facsimile or electronically in portable document format. Each such counterpart, when so executed and delivered, shall be deemed an original and all such counterparts, when taken together, shall constitute one and the same instrument.

22.10 Amendment

In addition to any amendments related to Project changes that are dealt with under Article 6, other terms of this Investment Agreement may be modified or amended by mutual written agreement of the Parties.

22.11 Interpretive Aids

All references to the singular include the plural and vice versa and references to one gender include all genders and gender-neutral parties, where applicable. Derivations of terms or expressions defined herein shall have a corresponding meaning to the defined term or expression. The headings, article and section references appearing in this Investment Agreement are for convenience and ease of reference only and in no way define, limit or describe the scope or intent of this Investment Agreement or any part thereof. All of the provisions of this Investment Agreement shall be construed to be covenants and agreements as though the words specifically expressing covenants or agreements were used in each separate provision hereof. All recitals and schedules to this Investment Agreement are expressly incorporated herein. Any references to a statute include all applicable regulations, all amendments to that statute or applicable regulations, and any statute or applicable regulations that supplements or replaces such statutes or applicable regulations, as the case may be. All monetary references are in lawful currency of Canada.

22.12 No Partnership, Joint Venture or Agency

Nothing in this Investment Agreement shall be deemed to create a partnership, joint venture, association, agency, trust, fiduciary, or employer-employee relationship and no Party shall be authorized to hold itself out or to act as the agent or employee of any other Party for any purpose whatsoever. Notwithstanding the use of the terms "Investment Agreement" and "Investment", nothing in this Investment Agreement shall be deemed to give either Party any form of ownership interest in the other Party, or to constitute an offer to sell or otherwise impact any securities of any type.

ARTICLE 23 - SCHEDULES

23.1 List of Schedules

The following Schedules are attached to and form part of this Investment Agreement. If there is any contradiction or inconsistency between the content of any Schedule and the body of this Investment Agreement, the body of this Investment Agreement shall prevail:

- (a) Schedule A - Project Description
- (b) Schedule B - Milestones, Reporting & Payment Schedule
- (c) Schedule C – Eligible and Ineligible Expenses

ARTICLE 24 - DEFINITIONS AND INTERPRETATION

In addition to terms that are defined elsewhere in this Investment Agreement, for purposes of this Investment Agreement, the Parties agree on the following definitions:

(a) "Anti-Bribery, Anti-Corruption and Sanctions Laws" means all of the anti-bribery, anti-corruption, anti-money laundering, and sanctions laws that apply to the Applicant or to the Project at any time during the Term, as they may be revised, superseded or replaced from time to time, Including the:

- i. *Corruption of Foreign Public Officials Act*;
- ii. *Special Economic Measures Act*;
- iii. *Criminal Code of Canada* sections relating to bribery, corruption, financing of terrorism, the property of terrorist groups, and money laundering, and Including the Regulations Establishing a List of Entities;
- iv. *United Nations Act* Including its sanctions and anti-terrorism regulations;
- v. *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*;
- vi. *Freezing Assets of Corrupt Foreign Officials Act*; and
- vii. the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*.

For clarity, all references to statutes Include any regulations, orders, directives and designations thereunder;

(b) "Applicable Laws" means all of the international, federal, provincial, municipal and regional laws that apply to the Applicant or to the Project at any time during the Term, as they may be revised, superseded or replaced from time to time, including any and all: legislation; treaties; statutes; regulations; codes; licenses; permits; governmental, regulatory and administrative agency orders, directives and designations; and common law judgments and orders; and including all applicable Anti-Bribery, Anti-Corruption and Sanctions Laws and Export Control Laws. For clarity, if the Applicant is not a Canadian entity or is not domiciled in Canada, and is thereby subject to the laws of a foreign jurisdiction, the Applicable Laws for such Applicant include all of the laws in effect in such foreign jurisdiction that apply to the Applicant or to the Project at any time during the Term;

(c) "Applicant Representative" means the individual(s) who is authorized to act on behalf of the Applicant, either by being named in the Application, or by being named in the Notice Section of this Investment Agreement;

(d) "Applicant Entities" means the Applicant's directors, officers, employees, contractors, agents, personal legal representatives and heirs. For clarity, if the Applicant has any Sub-Contractors, Associates, Service Providers, or Principal Investigators, Applicant Entities includes such Persons;

(e) "Associate" means, if the Project is being conducted pursuant to one of the Associates Programs, the individual who:

- i. possesses the necessary qualifications to perform the designated services for the Project;
- ii. has been approved by Alberta Innovates;
- iii. has entered a written employment contract with the Applicant to provide services for the Project, a copy of which contract the Applicant has provided to Alberta Innovates;
- iv. is not Related to the Applicant; and
- v. is working Full Time on the Project during the Project Period (unless specifically identified as a Level 3 Part Time employee);

(f) "Associates Programs" means the Alberta Innovates programs that provide funding to SMEs to hire an Associate to provide specified services to accomplish a Project, which programs may change from time to time, including the r&D Associates Program, the Industry Commercialization Associates Program, and the Product ScaleUp Program;

(g) "Business Day" means any day other than a Saturday, Sunday, or statutory holiday in the Province of Alberta;

(h) "Change of Control" means any change in Control of a Person, directly or indirectly, by any means whatsoever (whether by merger, plan of arrangement, sale of shares or other equity interest through a single transaction or a series of related transactions). Alberta Innovates, Post-secondary Institutions, Regional Innovation Networks, the Alberta Centre for Advanced MNP Products (ACAMP), municipalities and all parts of the Government of Canada and the Government of Alberta including ministries, agencies and Crown

corporations are specifically exempted from this definition;

(i) "Clean Resources Programs" means the Alberta Innovates programs that are designed to expedite the research, development, commercialization and implementation of clean technologies for energy production, transportation, storage or related technologies, as such programs may change from time to time.

(j) "Control" in relation to any Person (except for Alberta Innovates, Post-secondary Institutions, the Alberta Centre for Advanced MNP Products (ACAMP), municipalities, and all parts of the Government of Canada and the Government of Alberta Including ministries, departments, agencies and Crown corporations, all of which are specifically exempted from this definition) means one or more of the following:

i. a body corporate is controlled by a Person if: (A) securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the Person; and (B) the votes attached to those securities are sufficient to elect a majority of the directors of the body corporate;

ii. an association, partnership, or other organization is controlled by a Person if: (A) more than 50% of the ownership interests, however designated, into which the association, partnership or other organization is divided are beneficially owned by the Person; and (B) the Person is able to direct the business and affairs of the association, partnership, or other organization; and

iii. a Person that controls another Person is deemed to control any Person that is controlled or deemed to be controlled by the other Person;

(k) "Default" means with respect to the Applicant, any of the following:

i. the bankruptcy or insolvency of the Applicant, Including becoming the subject matter of any proceeding relating to its bankruptcy, insolvency, receivership, liquidation, dissolution, winding up or entering into a plan of arrangement or similar agreement with its creditors. Notwithstanding anything else, this concept of insolvency constituting an event of Default does not apply if the Applicant is a Post-secondary Institution, a municipality, or any part of the Government of Canada or the Government of Alberta Including any ministry, department, agency, or Crown corporation;

ii. any failure to perform, or breach of, any provision of this Investment Agreement by the Applicant, Including any provision that survives the termination of this Investment Agreement. Notwithstanding the foregoing, such failure or breach will not constitute a Default if:

1. Alberta Innovates Elects to allow the Applicant a cure period to cure such failure or breach and provides Notice of such cure period to the Applicant;

2. the Applicant successfully cures within the cure period; and

3. the Applicant provides prompt Notice of such cure to Alberta Innovates.

If the Applicant fails to cure the failure or breach within such cure period, then upon the expiry of such cure period, such failure or breach is deemed to be a Default. For clarity, Alberta Innovates

has no obligation to grant a cure period, and if it does not Elect to grant a cure period, the Applicant's failure to perform or breach constitutes a Default; or

iii. failure by the Applicant to proceed with the Project or carry out the Project; or the Applicant materially altering the Project without obtaining Alberta Innovates' prior written permission. Whether a Project has been materially altered will be determined by Alberta Innovates in its sole discretion;

(l) "Effective Date" is the date upon which Alberta Innovates executes this Investment Agreement as indicated at the start of this Investment Agreement;

(m) "Elect" means elect in its sole and unfettered discretion;

(n) "Eligible Expense" means any of the eligible expenses set out in Schedule C;

(o) "Expected Payment Date" means any date set out in Schedule B by which Alberta Innovates must remit the specified portion of the Investment to the Applicant. For avoidance of doubt, Schedule B may set out more than one Expected Payment Date;

(p) "Export Control Laws" means, if the Project involves the Applicant: importing or exporting goods; examining, possessing, transferring or otherwise dealing with any Controlled Goods; or working in research areas that could involve potential risks to Canada's national security; all of the export and import control laws and all of the laws governing Controlled Goods or national security that are applicable to the Applicant or the Project, as they may be revised, superseded or replaced from time to time, Including:

i. the *Export and Import Permits Act* (EIPA) Including the Export Control List (ECL), the Import Control List, the Area Control List, the Brokering Control List, and the Automatic Firearms Country Control List;

ii. the *Nuclear Safety and Control Act* (NSCA) Including the Nuclear Non-proliferation Import and Export Control Regulations (NNIECR); and

iii. the *Defence Production Act*, Including the Controlled Goods List.

The term "Controlled Goods" in this definition means the items that are controlled goods as identified in the Schedule to the *Defence Production Act* and governed by the Controlled Goods Regulations. For clarity, references to statutes Include any regulations, orders, directives and designations thereunder;

(q) "Final Report" means the final report summarizing the outcomes of the Project that is required by Alberta Innovates from the Applicant. The Final Report must be submitted using the Template provided by Alberta Innovates or in such other format as approved by Alberta Innovates. Depending on the Program, the Final Report requirements may Include the requirement for the Applicant to provide: an accounting for all Project revenues Including the Investment and the Applicant Contributions (if any), and all expenses Including Eligible Expenses; a concise summary of what the Project has achieved; and a comparison of the outcomes and performance of the Project addressing the specific outcomes in relation to Alberta Innovates' objectives and desired outcomes, and the expected outcomes as stated in the Application and this Investment Agreement. For avoidance of doubt, if any Funding Partner requires the Applicant to submit a final report about the Project to it using its template or reporting system, then Alberta Innovates may Elect whether or not

to accept such report as a Final Report;

(r) "Force Majeure" means, with respect to a Party, an unforeseen event or circumstance including acts of God, war, terrorism, crime, cyberattacks, extreme weather events, natural disasters, labour disputes, pandemics, epidemics, widespread infrastructure failures such as regional power or internet outages, or governmental action, that:

- i. is beyond such Party's reasonable control;
- ii. could not have been avoided through the exercise of ordinary diligence; and
- iii. prevents in whole or in part such Party's performance of its obligations under this Investment Agreement.

For clarity, changes in market conditions, or a Party's financial distress, do not constitute Force Majeure;

(s) "Full Time" means a condition existing when, for a calendar month, a Person employed by a SME or by another Person averages at least thirty (30) hours of service per week, or one-hundred-thirty (130) hours of service per month;

(t) "Funding Partner" means a third party that:

- i. has reached its own separate agreement with the Applicant to provide funding for the Project;
- ii. has provided funding to Alberta Innovates that comprises some or all of the Investment;
- iii. is named as a Program or Project funding partner in the Program Guide; or
- iv. if the Project is being conducted pursuant to the International Technology Partnership Program, is the Global Funding Partner funding the Global Applicant;

and because of such funding or partnership shares Alberta Innovates' interest in the progress and outcome of the Project;

(u) "Global Applicant" means, if the Project is being conducted pursuant to the International Technology Partnership Program, the Person located in the relevant global location that submitted the Application in collaboration with the Applicant and may be receiving funding from the Global Funding Partner;

(v) "Global Funding Partner" means, if the Project is being conducted pursuant to the International Technology Partnership Program, the Person located in the relevant global location that is providing funding to the Global Applicant;

(w) "Includes" means includes without limitation;

(x) "Ineligible Expense" means any of the ineligible expenses set out in Schedule C;

(y) "Intellectual Property" means tangible or intangible property in which Intellectual Property Rights subsist and/or that is subject to Intellectual Property Rights including ideas, formulae, algorithms, concepts,

techniques, processes, procedures, approaches, methodologies, plans, systems, research, information, documentation, data, data compilations, specifications, requirements, designs, diagrams, inventions, technology, computer programs (Including all related code), tools, products, knowledge, know-how and trade secrets;

(z) "Intellectual Property Rights" means:

- i. any and all proprietary rights anywhere in the world provided under: patent law; copyright law; trademark law; design patent or industrial design law; semiconductor chip or mask work law; trade secret law; or any other statutory provision or common law principle that provides a right in either intellectual property or the expression or use of intellectual property; and
- ii. any and all applications, registrations, licenses, sub-licenses, franchises, agreements or any other evidence of a right in any of the foregoing;

(aa) "International Technology Partnership Program" means the Alberta Innovates programs that are designed to give Alberta SMEs the opportunity to enter into a joint project to develop and commercialize innovative technology with a SME partner from another country, as the programs may change from time to time. Approved projects must address a defined market need while generating economic and social benefits in both jurisdictions and globally;

(bb) "Investment" means the total amount of funding granted by Alberta Innovates to the Applicant for the Project as governed by this Investment Agreement, not exceeding the total Alberta Innovates Contribution Amount set out in Schedule B;

(cc) "Investment Agreement" means this Investment Agreement between Alberta Innovates and the Applicant, including all schedules and appendices hereto;

(dd) "Mid-Year Presentation" means, if Schedule B requires a mid-year presentation, the interim slide presentation required by Alberta Innovates from the Applicant. Each Mid-Year Presentation must be submitted using the Alberta Innovates Template for the Program. The Applicant shall coordinate presentation dates with Alberta Innovates and the Funding Partner, if any. For clarity, the Mid-Year Presentation may also be referred to as the Mid-Project Presentation;

(ee) "Milestone" means a major segment of the Project activities set out in Schedule B for the purpose of monitoring and measuring the progress of the Project, concluding in every case, with a critical "go/no go" decision and "Milestones" means all major segments of the Project activities which comprise the entire Project;

(ff) "Milestone End Date" means a date set out in Schedule B by which the Applicant will have completed the activities related to a Milestone;

(gg) "Milestone Start Date" means a date set out in Schedule B upon which the Applicant will commence the activities related to a Milestone;

(hh) "Notice" means written notice delivered to the address as specified in the Notice Article;

(ii) "Parties" means the Applicant and Alberta Innovates, and "Party" means any one (1) of them;

(jj) "Person" means any individual, body corporate, partnership, sole proprietorship, joint venture, trust, unincorporated association, unincorporated organization, government body, and any other entity or organization of any nature whatsoever. Unless the context otherwise requires, any reference to a Person includes its heirs, administrators, executors and other legal representatives, successors and permitted assigns;

(kk) "Portal" means the electronic grants management system controlled by Alberta Innovates from which the Applicant may obtain copies of documents, information about the Project and Program, and some of the Templates, and into which the Applicant shall submit the completed applications, Templates, agreements and amendments required by this Investment Agreement at <https://albertainnovates.smartsimple.ca>;

(ll) "Post-secondary Institution" or "PSI" means an educational institution that: (i) was established under, and continues to be regulated by, the Post-Secondary Learning Act (Alberta) and is on the Government of Alberta's list of designated publicly funded post-secondary institutions at <https://www.alberta.ca/types-publicly-funded-post-secondary-institutions.aspx>; or (ii) was established under equivalent legislation and on an equivalent list in another province or territory of Canada, or in another country;

(mm) "Principal Investigator" means, if the Applicant is a Post-secondary Institution and if the Application identified a principal investigator or designated an individual as a chair, the individual who is identified in the Application as the principal investigator or the chair for the Project. For avoidance of doubt, more than one principal investigator may be identified for the Project, but only one chair may be identified;

(nn) "Program Eligibility Requirements" means the eligibility criteria set out by the Program or in the Program Guide that must be met in order for the Applicant or the Project to be eligible to participate in the Program and receive the Investment;

(oo) "Program Guide" means the document bearing the same name as the Program that contains additional information about the Program, including Program Eligibility Requirements, if any. The Program Guide may be located on the Portal or on the Alberta Innovates website, or may be emailed to the Applicant by Alberta Innovates;

(pp) "Progress Report" means, if Schedule B requires such reports, the periodic reports summarizing the progress of the Project that are required by Alberta Innovates from the Applicant. Each Progress Report must be submitted using the Template provided by Alberta Innovates, or in such other format as approved by Alberta Innovates. Depending on the Program, the Progress Report requirements may include the requirement for the Applicant to: (i) provide an accounting for all Project revenues including the Investment and Applicant Contributions (if any), and all expenses including Eligible Expenses; (ii) provide a concise summary of what the Project has achieved; and (iii) include an update on the status of performance of the Project addressing the specific outcomes in relation to Alberta Innovates' objectives and desired outcomes, and the expected outcomes as stated in the Application and this Investment Agreement. For avoidance of doubt, if any Funding Partner requires the Applicant to submit periodic reports about the Project to it using its templates or reporting system, then Alberta Innovates may elect whether or not to accept such report as a Progress Report;

(qq) "Project Completion Date" means the last Milestone End Date specified in Schedule B;

(rr) "Project Costs" means all Eligible Expenses incurred on the Project during the Project Period;

(ss) "Project Period" means the duration of the Project as defined in Section 2.5;

(tt) "Project Start Date" means the first Milestone Start Date specified in Schedule B;

(uu) "Proposal" means the same thing as Application and is included in all uses of the term Application;

(vv) "Related" with respect to the Applicant, means a Person that: (i) Controls the Applicant, is Controlled by the Applicant, or is under common Control with the Applicant; (ii) is not at arms-length from the Applicant; (iii) is an individual and is related to any of the Applicant's shareholders, directors, officers or key personnel; or (iv) is a SME and any of its shareholders, directors, officers or key personnel are not arms-length from the Applicant or, if the Applicant is also a SME, are related to any of the Applicant's shareholders, directors, officers or key personnel;

(ww) "Reports" means any Progress Reports, Mid-Year Presentations, and Final Reports that may be required by Schedule B, and the Summary Report that is required should this Investment Agreement be terminated early;

(xx) "Report Due Dates" are the dates set out in Schedule B by which the Progress Reports, Mid-Year Presentations and Final Report, if any, must be delivered by the Applicant to Alberta Innovates;

(yy) "Regional Innovation Network" or "RIN" means, when the Program is the Alberta Innovates Regional Innovation Network Program, the regional innovation networks located in various Alberta regions that are entrepreneur-centric, community-based networks with the goal of providing programs and services to accelerate growth of technology and knowledge-based businesses in their respective regions;

(zz) "Required Reporting Metrics" means the additional data, if any, that Applicant is obliged to report to Alberta Innovates from time to time during the Term and for up to five (5) years following the Term:

- i. as required by the metrics, reporting and survey Templates (if any) that Alberta Innovates may post, update and amend on the Portal, the Alberta Innovates website, or send by email to the Applicant; and
- ii. as requested by Alberta Innovates during interviews that may be scheduled with the Applicant.

Depending on Alberta Innovates' goals as set out in its Business Plan, on the Program requirements, and on metrics requests that Alberta Innovates may receive from the Government of Alberta or from Funding Partners (if any) from time to time, the Required Reporting Metrics may Include: service delivery metrics; economic impact metrics; environmental impact metrics; health impact metrics; social impact metrics; and/or other key performance indicators;

(aaa) "Service Provider" means, if the Project is being conducted pursuant to one of the Voucher Programs, the entity that:

- i. possesses the necessary qualifications to perform the designated services for the Project;

- ii. has been approved by Alberta Innovates;
- iii. has provided a current written quote to the Applicant for, or has entered a written contract with the Applicant to provide, services for the Project, a copy of which quote or contract has been provided by the Applicant to Alberta Innovates;
- iv. is not Related to the Applicant; and
- v. is providing services on the Project during the Project Period.

For avoidance of doubt, Alberta Innovates may approve the Applicant's retention of more than one Service Provider;

(bbb) "SME" means, if the Program Eligibility Requirements for the Program Include a requirement for the Applicant or another key participant in the Project to be a SME, a small or medium sized enterprise/company with fewer than 500 Full Time employees and less than \$50,000,000 annual gross revenue;

(ccc) "Sub-Contractor" means an entity or individual providing services and/or products to the Applicant that are required to perform the Project;

(ddd) "Templates" means the standard form documents and reporting templates, which may be found on the Portal or on the Alberta Innovates website, or may be emailed to the Applicant by Alberta Innovates from time to time. Alberta Innovates may update or amend the Templates from time to time without notice to the Applicant. Accordingly, the Applicant is encouraged to ensure it is using the most current version of the relevant Template when it is completing a Template;

(eee) "Term" means the Term of this Investment Agreement, as defined in Section 2.6;

(fff) "Voucher Programs" means the Alberta Innovates programs that provide funding to SMEs to retain Service Providers to provide specified services to accomplish a Project, which programs may change from time to time, including the Voucher Program, the Micro-Voucher Program, and the Export Readiness Micro-Voucher Program;

(ggg) "Workbook" means, the workbook that is: (i) agreed between the Applicant and Alberta Innovates; (ii) located on the Portal; (iii) may be amended from time to time pursuant to the Changes and Review Procedure in Article 6; and (iv) may include a work plan, a cost or budget table, a revenue table, a projected disbursements table, Required Reporting Metrics, and/or a Funding Partner contribution table.

[The remainder of this page has been intentionally left blank. Signature pages follow]

Applicant Notice Addresses:**For Project Matters:**Name:
Address:
Phone:
Email:**For Agreement Matters:**Name:
Address:
Phone:
Email:**CONSENT AND ACKNOWLEDGEMENT TO BE BOUND TO THE INVESTMENT AGREEMENT BY THE APPLICANT:**

The undersigned agrees to be bound by this Investment Agreement.

I HAVE A TOWEL INC.

Per: (printed name): _____

Position: _____

I have authority to bind the Applicant.

[THIS SPACE LEFT INTENTIONALLY BLANK]

ALBERTA INNOVATES

Per: Carla Otto
Executive Director, Entrepreneurial Investments

Per: Doug Holt
Associate Vice President, Investments

[THIS SPACE LEFT INTENTIONALLY BLANK]

SCHEDULE A – PROJECT DESCRIPTION

Project Summary:

GoVertical's mission is to leverage technology to develop semantic understanding of the world's content and build products that optimize and synthesize it to capture the most attention. We use state-of-the-art computer vision and ML to analyze content at scale and extend its reach by optimizing it for use on every platform without affecting the integrity of the original content or losing key creative elements. Our technology enables artists to create content once, but deploy it everywhere, rapidly producing video that looks as if it was designed and edited by a human.

Our platform is a leader in the market of programmatic content creation, which is on the verge of massive global expansion as appetites for digital content continues to increase. The success of our Alberta Digital Traction has allowed us to finalize a strategic partnership with Concord Music to carry out this project. They will pilot our technology to further monetize their existing collateral by optimizing it for all common mediums to deliver better-performing content to their audiences. By leveraging our technology, Concord will drastically decrease the number of human resources required to produce compelling content at scale, and dramatically increase their reach by creating entirely new revenue channels that help retain and grow their subscriber base.

To integrate Concord's catalogue with our software platform, we will build an API that will allow Concord to autonomously generate their desired content as needed. From this project we will expand our team of designers and engineers, for demonstration with Concord as well as opening up future potential projects that could leverage similar API designs.

After completion, we will have demonstrated the value of our technology to an industry leader in the entertainment space, which will open up other commercial project opportunities for us, leveraging the API designs for future integrations.

[THIS SPACE LEFT INTENTIONALLY BLANK]

SCHEDULE B - MILESTONE REPORTING AND PAYMENT SCHEDULE (MRP)

Payment Due Upon Agreement \$75,000.00
Execution:

Milestone Number	Milestone Start Date*	Milestone End Date**	Applicant Cash Contribution	Applicant In-Kind Contribution	Total Applicant Contribution	Alberta Innovates Contribution	Total Value of Milestone	Progress / Final Report Due Date***	Expected Payment Date by AI****
1	20/11/2022	01/04/2023	\$52,304.00	\$26,152.00	\$78,456.00	\$0.00	\$78,456.00	15/04/2023	
<u>Description:</u> During this period, our focus will be the onboarding and preparation of Concord's content as well as hiring a designer that will successfully expand our current design team. We will also add an experienced engineer to expand our product delivery team that will be responsible for developing our base layer API. We will also develop the infrastructure for quality assurance and refine our platform as needed based on in-house and collaborative feedback with Concord. Ultimately our plan is to increase the efficiency and quality of our API.									
2	01/04/2023	30/06/2023	\$32,077.00	\$16,039.00	\$48,116.00	\$50,000.00	\$98,116.00	14/07/2023	28/08/2023
<u>Description:</u> In this phase, we will optimize our base layer API for Concord's use. During this process, we will begin to anticipate future customer's needs and identify and resolve edge cases in the program that will affect our expansion into other markets.									
3	01/06/2023	20/11/2023	\$0.00	\$32,809.00	\$32,809.00	\$25,000.00	\$57,809.00	20/12/2023	03/02/2024
<u>Description:</u> By this point, we will be able to deploy our enterprise solution and work in accordance with Concord's team to develop a workflow that is optimal for their needs. We expect Concord to be fully onboarded during this phase and we will provide ongoing support and maintenance. At the same time, we will plan for future customer onboarding across different market niches.									
Totals:			\$84,381.00	\$75,000.00	\$159,381.00	\$150,000.00	\$309,381.00		
Percent from AI:	48.48%	Percent from Applicant:	51.52%						

*The start date of the first Milestone will constitute the Project Start Date, and must be within the same or a future April 1 – March 31 fiscal year as the Effective Date on the Investment Agreement.

**Please order Milestones by Completion Date and ensure there are no date gaps between any Milestone End Date and the next Milestone Start Date. Completion Dates must be at least 30 days apart. Milestones may overlap, but Alberta Innovates will not review more than one report or issue more than one payment per calendar month.

***No Report Due Date may be before the Effective Date. In addition, no Report Due Date may be between March 16th and March 31st of any year. This is required to enable Alberta Innovates to meet its fiscal year-end deadlines for issuing payments.

****Contingent on our review and approval of the related report, which may be delayed if AI requires additional information from the Applicant, or if sections of the report are incomplete.

SCHEDULE C – ELIGIBLE AND INELIGIBLE EXPENSES

The Product Demonstration Program has the following definitions for Eligible Expenses and Ineligible Expenses:

a) "Eligible Expenses" means:

- i. labour costs (gross wages or salaries incurred at reasonable market rates) for those individuals who are specifically identified as performing the service which is directly attributable to the Project and thereby quantifiable or measurable. Accordingly, general overhead is not considered an Eligible Expense;
- ii. costs of materials, made at the lower of cost or fair market value, which can be specifically identified and quantified as having been incurred in the performance of the Project activities, and which are so identified and quantified consistently in the cost accounting practices of the Applicant;
- iii. acquisitions of property including capital improvements to facility premises and capital equipment (but excluding land and buildings), made at the lower of cost or fair market value, that are critical to the performance of the Project will be considered on a case-by-case basis upon submission to Alberta Innovates by the Applicant. The contribution will be pro-rated to the Project Period based on asset's expected economic life, if purchased, at industry standard depreciation rates with any residual undepreciated value attributed to the economic life of the asset remaining after the Project Period being an Ineligible Expense;
- iv. acquisitions of software or information databases, made at the lower of cost or fair market value, that are critical to the performance of the Project will be considered. The cost of such technology will be pro-rated over the Project Period;
- v. if travel is a necessary part of accomplishing the Project and if Alberta Innovates has pre-approved such travel; then costs relating to travel including mileage, airfare (only the lowest economy class/excursion or other promotional type of air fare available at the time of booking is eligible) and accommodation and meals at reasonable rates. For clarity: (i) travel is only eligible when Alberta Innovates has pre-approved such travel as being required for accomplishing the Project; and (ii) no first class or business class flights, or luxury accommodation or meals, will be eligible unless the Applicant can establish exceptional circumstances to justify such expenditures. Exceptional circumstances could include the features of such flights, accommodation or meals being required to accommodate the traveller's physical disability and there being no other reasonable way to accommodate such needs for a lower cost;
- vi. cost of Sub-Contractors at fair market rates where the work of the Sub-Contractor(s) is directly related to the Project;
- vii. additional direct operating costs (incurred at reasonable market rates), not falling within the categories of labour and materials, but which can be specifically identified and quantified as having been incurred, or to be incurred, in the performance of the Project activities and which are so identified and quantified consistently by the Applicant's cost accounting practices;

viii. GST, but only where such GST is levied on costs which are themselves Eligible Expenses and solely to the extent such GST is unrecoverable and the Applicant is not otherwise reimbursed for same; and

ix. any other cost which Alberta Innovates pre-approves in writing as an Eligible Expense.

b) "Ineligible Expense" means any cost that does not qualify as an Eligible Expense. For avoidance of doubt, "Ineligible Expenses" Includes any of the following:

i. any cost incurred prior to the Project Start Date, except where Alberta Innovates has provided written approval to include the cost as an Eligible Expense;

ii. transactions between Related Persons;

iii. allowance for interest on debt;

iv. losses on investments, bad debts and expenses for collection charges;

v. losses on other projects or activities not related to the Project;

vi. fines and penalties;

vii. unreasonable compensation for Project labour;

viii. costs for professional training & development;

ix. Federal and Provincial income taxes, goods and services taxes, excepting only unrecoverable portions of the GST for which the Applicant is not otherwise reimbursed;

x. costs related to land and buildings (for example, acquisitions, leases and/or leasehold improvements);

xi. depreciation and amortization charges;

xii. advertising costs, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;

xiii. costs associated with applying for government grants and programs;

xiv. costs of internships or support for students of knowledge institutions;

xv. basic professional services, fees and disbursements, such as ongoing routine accounting, tax and legal business requirements and financing fees unless directly related to the Project;

xvi. routine testing and maintenance;

xvii. entertainment, hospitality, alcohol and gifts; and

xviii. any other costs deemed ineligible by Alberta Innovates;

[THIS SPACE LEFT INTENTIONALLY BLANK]