

INVESTMENT AGREEMENT

(Alberta Entrepreneurship Incubator Program)
(Entrepreneur Seed Voucher) and
Entrepreneur Growth Vouchers)

Agreement No: [Record Number]

THIS INVESTMENT AGREEMENT, DATED THE ## DAY OF MONTH, 20##, BETWEEN:

ALBERTA INNOVATES

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

- and -

<APPLICANT NAME>

An individual legally permitted to work in the Province of Alberta

(the “Applicant”)

- and -

<SERVICE PROVIDER NAME>

An entity providing services to the Applicant as set out herein

(the “Service Provider”)

BACKGROUND

1. The Applicant is an Entrepreneur that has submitted an application under the Entrepreneur [Seed or Growth] Voucher to develop and commercialize a novel technology or business solution to address a gap or market need in Alberta, and who has the support of a Business Development Advisor in an Alberta Incubator supported by Alberta Innovates;
2. Such novel solution forms the basis of the Project as detailed in this Investment Agreement;
3. The Applicant has retained the Service Provider to assist with completing certain portions of the Project, as set out herein, and requires funding from Alberta Innovates to carry out the Project; and
4. Alberta Innovates has reviewed the Application and, on such basis, has approved funding for the Project.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 DEFINITIONS AND INTERPRETATION**1.1 Terms and Conditions**

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The Investment is governed by the Terms and Conditions which form a part of this Investment Agreement. A copy of the Terms and Conditions are attached as Schedule **A**.

1.2 Definitions

For ease of reference, a list of defined terms is included in Schedule **B**.

ARTICLE 2 PROJECT START AND COMPLETION DATES

2.1 Project

The Applicant agrees to undertake the Project as described in its Application to Alberta Innovates, in the manner and at the times set out in the Reporting, and Payment Schedule, a copy of which is attached as Schedule **C**.

2.2 Project Start Date

It is agreed between the Parties that the Project Start Date is **<START DATE, YEAR>**.

2.3 Project Completion Date

It is agreed between the Parties that the Project Completion Date is **<END DATE, YEAR>**. If the Project is not completed by such date then, subject to an amendment agreed to between the Parties, Alberta Innovates may elect to terminate this Investment Agreement. In such event, Alberta Innovates will notify the Applicant and the Service Provider of its decision to terminate as soon as reasonably practical and shall advise the Applicant and the Service Provider of the effective date of termination. Alberta Innovates will have no liability or obligation to reimburse the Applicant or the Service Provider for any Project Costs incurred after the effective date of termination, and may require the Applicant and/or the Service Provider to return any portions of the Investment which were spent on Ineligible Expenses.

2.4 Effective Date of this Investment Agreement

The effective date of this Investment Agreement shall be the Project Start Date.

ARTICLE 3 INVESTMENT BY ALBERTA INNOVATES, CONTRIBUTIONS OF THE APPLICANT

3.1 Investment by Alberta Innovates

Subject to the Terms and Conditions of this Investment Agreement, Alberta Innovates agrees to contribute to the Applicant's Project by providing a cash contribution (the "Investment") to the Service Provider not exceeding \$ **AMOUNT** Canadian dollars, in accordance with the payment schedule as set out in Schedule **C**.

3.2 Eligible and Ineligible Expenses

The Investment shall only be applied towards Eligible Expenses pursuant to the terms of this Investment Agreement. Guidance concerning what constitutes an "Eligible Expense" versus an "Ineligible Expense" is provided under the definitions of those terms in Schedule **B**. It is a condition of the Investment that Alberta Innovates has the right to require the Applicant and/or the Service Provider to repay to Alberta Innovates

any portions of the Investment which such Party used to cover Ineligible Expenses, and such amount shall constitute a debt owing and repayable by the Applicant to Alberta Innovates.

ARTICLE 4 REPORTING AND PAYMENT TIMELINES

4.1 Terms and Conditions

The Investment is subject to the Terms and Conditions. Alberta Innovates will pay and deliver the Investment to the Service Provider at the times identified in Schedule C and for the final payment, upon Alberta Innovates' written approval of the completed Final Report. Alberta Innovates may refuse to approve a Final Report, or request changes to such report, as determined in its sole discretion upon written notice to the Applicant and the Service Provider advising of the reason for refusing approval and/or requesting a change.

4.2 Reporting, and Payment Timelines

The Reporting, and Payment Timelines are set out in Schedule C.

4.3 Reporting Obligations During the Project

The Applicant and Service Provider acknowledge that Alberta Innovates is a provincial Crown Corporation owned by the Government of Alberta with one of its primary mandates being to support the development and commercialization of new and innovative technologies for the benefit of Alberta and Albertans. For that reason, Alberta Innovates is required to report to the Government of Alberta on the use of grant funding to ensure the mission and mandate of Alberta Innovates are achieved.

Accordingly, upon the completion of the Project, the Applicant and Service Provider will deliver to Alberta Innovates the Final Report in the required form within fourteen (14) days of the Project Completion Date. Alberta Innovates will provide a template for the Final Report. The template will clearly set out what information is considered 'confidential' and what information may be disclosed in the public domain. The Final Report is intended to provide a high-level summary of the Project. It allows Alberta Innovates to compare the results achieved to key performance indicators, and to gauge whether the Project was successful. It may also be used by Alberta Innovates to report on its use of grant funds. Accordingly, Alberta Innovates may distribute the Final Report on a strictly confidential basis to the Government of Alberta immediately upon receipt.

4.4 Annual Surveys

The Applicant further agrees to complete an annual survey in a format to be provided by Alberta Innovates, both during the term of the Project and for five (5) years thereafter. The information contained within these surveys may be disclosed to third parties or published in the public domain without further notice to the Applicant, provided that prior to such disclosure Alberta Innovates will aggregate such information by removing any identifying particulars of the Applicant. All such information is deemed to be non-confidential for all of Alberta Innovates' purposes and the Applicant agrees to provide such information when requested by Alberta Innovates for five (5) years after the Project Completion Date. Failure to complete the annual surveys may result in the Applicant being ineligible for future funding from Alberta Innovates.

ARTICLE 5 CHANGES TO THE PROJECT5.1 Changes and Review Procedure

Alberta Innovates expects the Applicant and Service Provider to set reasonable Project start and completion dates, anticipating times during the term of the Project when setbacks or unavoidable delays may occur. Should an unforeseen circumstance arise whereby it is not possible to meet the Project Completion Date, the Applicant and Service Provider may request an amendment to the Investment Agreement by contacting Alberta Innovates' representative set out in ARTICLE 6 below no later than two (2) weeks prior to the Project Completion date. Changes may include, but are not limited to the following: (i) an increase or decrease in the Eligible Expenses; (ii) a proposed change in the scope of the Project; (iii) a delay in the completion of the Project; (iv) a Change in Control of the Applicant or the Service Provider; or (v) any other changes as determined by Alberta Innovates. Upon review of the request, Alberta Innovates may, at its sole and unfettered discretion, approve, decline or request further information concerning the change. Should an amendment be approved by Alberta Innovates, all other Terms and Conditions of the Investment Agreement shall remain in full force and effect. If the requested change is declined, the Applicant and Service Provider may either elect to proceed with the Project as previously approved by Alberta Innovates or terminate the Investment Agreement, in which case no further payments from the Investment will be provided.

5.2 Cumulative Changes in Excess of Six (6) Months

For clarity, any changes over the term of the Project that result in more than a six (6) month extension from the original Project Completion Date will not be approved by Alberta Innovates. Should such changes delay the Project Completion Date for more than six (6) months from the initial Project Completion Date, all funding from Alberta Innovates shall cease on the day after the one-year anniversary of the original Project Completion Date, unless otherwise approved by Alberta Innovates in writing.

ARTICLE 6 NOTICES6.1 Generally

Any notice or other communication regarding the matters contemplated by this Investment Agreement shall be delivered to the individuals listed below and must be in writing and delivered by courier, registered mail or email, as follows:

IF TO ALBERTA INNOVATES:

Name: Isabel Salcedo, Program Associate
Address: 250 Karl Clark Rd. NW, Edmonton, AB T6N 1E4
Phone: (780) 450-5221
Email: Isabel.salcedo@albertainnovates.ca

IF TO THE APPLICANT:

Please complete the following:

Name: _____

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Address: _____

Phone: _____

Email: _____

IF TO THE SERVICE PROVIDER

Name: _____

Phone: _____

Email: _____

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 and otherwise on the next Business Day.

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

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

ALBERTA INNOVATES

Nancy Davidson
Manager, Grants Management Services

Carla Otto,
Director, Regional Innovation

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CONSENT AND ACKNOWLEDGEMENT TO BE BOUND TO THE INVESTMENT AGREEMENT BY THE APPLICANT:

The undersigned agrees to and accepts the Terms and Conditions of the Investment, the approved Application and this Investment Agreement.

Prior to signing this Investment Agreement, the Applicant acknowledges he/she has carefully read and understands the Guide, the approved Application, and this Investment Agreement.

[APPLICANT]

Applicant Signature

Witness Signature

(Printed) Name of Applicant

(Printed) Name of Witness

Date

Date

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CONSENT AND ACKNOWLEDGEMENT TO BE BOUND TO THE INVESTMENT AGREEMENT BY THE SERVICE PROVIDER:

The undersigned agrees to and accepts the Terms and Conditions of the Investment and this Investment Agreement.

Prior to signing this Investment Agreement, the Service Provider acknowledges he/she has carefully read and understands the Guide and this Investment Agreement.

[SERVICE PROVIDER]

Per: (printed name): _____

Position: _____

I have authority to bind the company.

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SCHEDULE A – TERMS AND CONDITIONS

THE FOLLOWING LEGAL TERMS AND CONDITIONS ARE INCORPORATED INTO AND FORM PART OF THE INVESTMENT AGREEMENT. PLEASE REVIEW THESE TERMS CAREFULLY.

1. Conditions of Payment

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

- (a) the Applicant and the Service Provider at all times being in compliance with the Investment Agreement;
- (b) the Project progressing as set out in Article 4;
- (c) the Project being completed by the Project Completion Date;
- (d) timely completion of all Reports as required.

2. Alberta Innovates' Right to Terminate Funding

Notwithstanding any other term of this Investment Agreement, Alberta Innovates may terminate its obligations under this Investment Agreement immediately or at any time during the term in the event the Government of Alberta at any time suspends, revokes, reduces or terminates funding to Alberta Innovates. In such event this Investment Agreement shall terminate immediately subject to the obligation of the Applicant and Service Provider to provide a summary Report as set out below. Alberta Innovates will notify the Applicant and Service Provider of such suspension as soon as is reasonably practicable.

Notwithstanding any other terms of this Investment Agreement, Alberta Innovates may terminate this Investment Agreement at any time without cause on thirty (30) days' written notice to the Applicant and Service Provider, and Alberta Innovates' obligation to make any further payments of the Investment shall cease upon delivery of such notice.

Alberta Innovates additionally has the right to unilaterally terminate the Investment for any Project that incurs a Default or a Change of Control. However, Alberta Innovates will not terminate the Investment in the case of a Change of Control where:

- (a) the Party continues to satisfy the minimum requirements to be eligible for the Program; and
- (b) Alberta Innovates, the Party, and the new entity execute an assignment and novation agreement whereby the original Party agrees to assign its rights to the new entity, and the new entity assumes all obligations under the Investment Agreement and Alberta Innovates consent to such assignment and assumption.

Should Alberta Innovates elect to terminate this Investment Agreement, for any reason, the Applicant and Service

Provider will not be obligated to deliver the Final Report but will provide to Alberta Innovates a Progress Report summarizing the outcomes of the Project up to the effective date of such termination, such report to be delivered not later than ninety (90) days from the date of termination.

3. Termination of the Project for Delay

If the Applicant or the Service Provider suspends or delays the Project for any reason whatsoever for a period in excess of six (6) months, or for periods which in the aggregate exceed six (6) months during the term of the Project, then Alberta Innovates may terminate this Investment Agreement immediately upon notice to the Applicant and Service Provider, in which case Alberta Innovates will have no further payment obligation. If any one of the Applicant or the Service Provider terminates their part of the Project for any reason prior to the Project Completion Date, Alberta Innovates must be notified immediately. Nothing will excuse the Applicant and Service Provider from providing a Progress Report summarizing the outcomes of the Project up to such date of termination.

Upon receipt of notice of termination except for reason of Default, the Applicant and the Service Provider shall be entitled to be reimbursed for actual costs legally incurred prior to the date of termination, including all direct costs incurred in winding down the Project, which such reasonable costs will include actual non-cancellable, legal commitments made by the Applicant or the Service Provider, as confirmed and approved by Alberta Innovates. The Applicant and the Service Provider will use reasonable efforts to ensure that any financial commitments made by the Applicant and the Service Provider during this Investment Agreement which can be terminated be terminated immediately upon receipt of notice of termination to ensure the liabilities created pursuant to this Investment Agreement are reduced to a minimum.

4. Repayment of the Investment

Alberta Innovates has the right to require the Applicant or the Service Provider to repay any portions of the Investment paid to the Service Provider where:

- (a) the Applicant or the Service Provider fail to comply with all reporting requirements set out in this Investment Agreement;
- (b) the Applicant or the Service Provider terminate their portion of the Project prior to the Project Completion Date; or
- (c) the Applicant or Service Provider incurs a Default.

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In any of these instances, any amount of the Investment already advanced to the Service Provider on behalf of the Applicant shall constitute a debt owed by the Applicant to Alberta Innovates on a dollar for dollar basis, together with interest, which shall accumulate from and after the date of notice of rescission from Alberta Innovates at the prime rate for commercial loans fixed by the Royal Bank of Canada at that date, plus 3%. Such debt plus accrued interest is due and payable within forty-five (45) days of Alberta Innovates delivering the notice of rescission.

For clarity, Alberta Innovates will not require the Applicant or the Service Provider to repay portions of the Investment where a Project could not be completed, or one of the desired outcomes of the Project was not achieved, despite the best efforts of the Applicant or the Service Provider. Alberta Innovates acknowledges that unforeseen technical issues and other delays may occur which are outside the Applicant or the Service Provider'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 Article 5.1 above – Changes and Review Procedure. Alberta Innovates may however require the Applicant or the Service Provider to repay all or a portion of the Investment in any of the circumstances listed above where there is evidence of misuse of the Investment, a serious breach or Default, or other egregious behaviour on the part of the Applicant or the Service Provider, as determined by Alberta Innovates in its sole discretion.

5. 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. Ownership of any Intellectual Property generated in the course of the Project will be determined by the policies of the Applicant and any agreement(s) it may have with the Service Provider.

6. 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, deliver, and perform its obligations under this Investment Agreement and all necessary action has been taken 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.

7. Representations of the Applicant

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

- (a) 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 of this Investment Agreement;
- (b) the Applicant has made full, true and plain disclosure of all facts relevant to the Project and their commitments under this Investment Agreement and will comply with same throughout the term, including specifically any ongoing disclosure and reporting obligations;
- (c) the Applicant has all necessary power and authority to execute, deliver and perform its obligations under this Investment Agreement and all necessary action has been taken to approve this Investment Agreement and the transactions contemplated hereby;
- (d) the entering into and performance of this Investment Agreement does not violate or breach any other agreement to which the Applicant is a party, and that throughout the Project the Applicant will remain an eligible Applicant under the guidelines set out in the Program Guide;
- (e) the Applicant will complete the Project in accordance with Schedule C; and
- (f) the Applicant will not change the Project in any way from what is set out in Schedule C without the prior written consent of Alberta Innovates, which consent may be withheld for any reason.

8. Representations of the Service Provider

The Service Provider represents and warrants both at the time of signing this Investment Agreement and throughout the term of the Project:

- (a) all information contained in the Schedule C, 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 of this Investment Agreement;
- (b) 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;
- (c) it has all necessary power and authority to execute, deliver and perform its obligations under this Investment

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Agreement and all necessary action has been taken by it to approve this Investment Agreement and the transactions contemplated hereby;

- (d) 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 that throughout the Project it will remain an eligible entity under the guidelines set out in the Program Guide;
- (e) it will complete the Project in accordance with Schedule C;
- (f) it will only use the Investment solely for Eligible Expenses related to the Project;
- (g) it will return any unused portion of the Investment to the Alberta Innovates in the event the Project is terminated for any reason; and
- (h) it will not change the Project in any way from what is set out in Schedule C without the prior written consent of Alberta Innovates, which consent may be withheld for any reason.

9. Records, Reporting and Monitoring

During the term of the Project and for a period of seven (7) years thereafter, the Applicant and Service Provider 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 without limitation full, accurate and complete records and books of account relating to the receipt and expenditure of the Investment. The Applicant and Service Provider acknowledge that certain records required to be maintained under this Investment Agreement may be subject to the protection and access provisions of the *Freedom of Information and Protection of Privacy Act* (Alberta) (FOIP). Alberta Innovates may, from time to time, upon reasonable prior notice to the Applicant and the Service Provider, audit or examine the records or books of account to be maintained in accordance with this section. The costs of any such audit, examination or report shall be paid by Alberta Innovates unless such audit, examination or report reveals a breach of this Investment Agreement or a failure by the Applicant or Service Provider to maintain proper records as required by this section, in which case the costs shall be paid by the Applicant or Service Provider, as the case may be.

Alberta Innovates shall be entitled, at reasonable times and upon reasonable prior notice to the Applicant and Service Provider to have their authorized agents attend at the premises of the Applicant or Service Provider or the location where the Project is being carried out for the purposes of examining the files, documents, records and other assets pertaining to the Project, or to assess whether the Applicant and Service Provider are complying with the terms of this Investment Agreement. The Applicant and Service Provider

agree to provide Alberta Innovates' authorized agents with all such assistance as may be reasonably required during such inspection. For clarity, such right of 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 or Service Provider except as contemplated by this section.

10. Forms

The Applicant and Service Provider agree to use Alberta Innovates' standard form documents found on the Alberta Innovates website at www.albertainnovates.ca, and other forms or reporting templates which may be provided by Alberta Innovates from time to time during the course of completing and reporting on the Project. Alberta Innovates may update or amend its standard forms from time to time without notice to the Applicant and Service Provider. Accordingly, the Applicant and Service Provider are encouraged to access the particular form from Alberta Innovates' website at the time it is required in order to ensure the most current version of the form is used.

11. Publications and Public Messaging

All publications, presentations and public messages concerning the Investment or the Project must acknowledge the contribution of Alberta Innovates, the Ministry of Economic Development and Trade, and the Government of Alberta, where applicable, and be provided to Alberta Innovates in draft form for approval. Use of the full legal name 'Alberta Innovates' is required, rather than 'AI' or a similar acronym. Alberta Innovates' financial support or investment in a Project in no way constitutes an endorsement of the Project or the Applicant, and any suggestion or statement that Alberta Innovates endorses or approves of a Project or a party involved in the Project is strictly prohibited and may result in termination of this Investment Agreement by Alberta Innovates.

Such approvals shall not be unreasonably withheld.

12. Non-Confidential Information and Publication of Non-Confidential Information and the Final Report

In accordance with ARTICLE 4 – Reporting and Payment Timelines, the Applicant and the Service Provider acknowledge and agree that, as a public body, Alberta Innovates is required to report on and promote the success of innovation initiatives within the Province of Alberta. Accordingly, Alberta Innovates may publish and/or disseminate in the public domain certain information about the Project contained in the Application, the Final Report, and/or annual surveys, but only where such information is explicitly marked as 'non-confidential'. Alberta Innovates may also use and disclose the Final Report in accordance with the terms of ARTICLE 4.3.

13. Freedom of Information

Alberta Innovates is governed by FOIP. This means Alberta

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Innovates may be asked to disclose the information received under this Application, 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 the event an access request is received by Alberta Innovates, exceptions to disclosure within FOIP may apply. If an exception to disclosure applies, certain information may be withheld from disclosure. The Applicant and the Service Provider are encouraged to familiarize themselves with FOIP. Information regarding FOIP can be found at <http://www.servicealberta.ca/foip/>.

14. Liability and Indemnities

Alberta Innovates shall not be liable in any way whatsoever to the Applicant or the Service Provider, or any of their respective directors, officers, employees, agents, personal legal representatives and/or heirs for any losses, damages or claims, including but not limited to indirect, incidental, consequential, or special damages or any loss of profits, loss of business opportunity, loss of revenue, or any other loss or injury suffered or arising in any way whatsoever in the course of the Project, whether arising before or after submitting an Application or entering into the Investment Agreement with Alberta Innovates.

Each of the Applicant and the Service Provider, severally and in accordance with their allocable share of negligence or fault at law, agree to indemnify and hold harmless Alberta Innovates, its directors, officers, employees and agents 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 or omission of the Applicant or the Service Provider, or any of their respective directors, officers, employees, contractors, agents or legal representatives or the negligence or tortious act or willful misconduct of the Applicant or the Service Provider or any of their respective directors, officers, employees, contractors, agents or legal representatives in relation to their obligations under the Project.

This section will survive termination or expiry of this Investment Agreement.

15. Dispute Resolution

In the case of a dispute between the Applicant and the Service Provider or any other party involved in the Project, it is the responsibility of the disputing parties to reach a resolution. Alberta Innovates will not act as a mediator or adjudicator, nor be involved in any dispute solely between the Applicant and the Service Provider.

In the event of any dispute regarding the interpretation 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, all Parties may unanimously 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 but not limited to 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 an agreement between the Parties.

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

16. No Partnership, Joint Venture or Agency

Nothing in this Investment Agreement shall be deemed to create a partnership, joint venture, association, agency, trust, 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.

17. Governing Law

This Investment Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta for all disputes arising under this Investment Agreement.

18. Interpretive Aids

All references to the singular include the plural and vice versa and references to one gender include both 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 regulation that supplements or replaces such statutes or applicable regulations, as the case may be. All monetary references are in lawful currency of Canada.

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19. Assignment

Alberta Innovates may assign its rights under this Investment Agreement to an 'affiliate' (as that term is defined in section 2(1) of the *Business Corporations Act* (Alberta)) or successor entity on written notice to the Applicant and the Service Provider.

20. General Terms and Conditions

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).

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.

This Investment Agreement does not and is not intended to confer any rights or remedies upon any Person other than the Parties. Any third party is not entitled to rely on the provisions of any project document in any action, suit, proceeding, hearing or other forum.

This Investment Agreement, including all schedules hereto,

together with the Application, constitutes the entire agreement between the Parties as they relate to the obligations of Alberta Innovates under the Program. This Investment Agreement supersedes all other understandings, agreements and representations with Alberta Innovates. There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise from Alberta Innovates that the Parties are relying on in entering into and completing the Project. The Parties hereto acknowledge and agree that:

- (a) each Party has read and understands the terms and provisions of this Investment Agreement, have had the opportunity to review same with their legal counsel, and any rule whereby an ambiguity is to be resolved against the drafting Party does not apply in the interpretation of this Investment Agreement; and
- (b) 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.

Each Party agrees to 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.

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.

This Investment Agreement may be executed in any number of counterparts and delivered 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.

SCHEDULE B – DEFINED TERMS

FOR THE PURPOSES OF THIS AGREEMENT, THE FOLLOWING TERMS ARE DEFINED TO HAVE THE CORRESPONDING MEANING:

- (a) **“Applicant”** means the Entrepreneur identified on the front page of this Investment Agreement who completed and submitted an approved Application;
- (b) **“Application”** means the application submitted by the Applicant;
- (c) **“Business Day”** means any day other than a Saturday, Sunday, or statutory holiday in the Province of Alberta;
- (d) **“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);
- (e) **“Control”** 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.
- (f) **“Default”** means any one (1) or more of the following:
- i the bankruptcy or insolvency of either of the Applicant or Service Provider, (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);
 - ii any breach of an obligation or failure to perform or observe any provision on its part under the Investment Agreement or, made by the Applicant or the Service Provider and any such breach or default continues for a period of five (5) days after receipt of written notice from Alberta Innovates specifying such breach; or
 - iii failure by the Applicant or the Service Provider to proceed with the Project, not carry out the Project, materially alter the Project without obtaining Alberta Innovates prior written permission as contemplated herein, or breach any of its obligations pursuant to this Investment Agreement;
- iv but provided that where Alberta Innovates gives notice of the occurrence of a Default and the Default is cured within five (5) days, notice that the Default is no longer continuing will be given to Alberta Innovates by the Applicant immediately after the Applicant becomes aware that the Default has been cured, and Alberta Innovates will not rescind its Investment on the basis of that Default.
- (g) **“Eligible Expense”** 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 either the Applicant or the Service Provider, as the case may be;
 - 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 time frame 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 Project completion 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 duration of the Project;
 - v 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 Service Provider cost accounting practices;
 - vi any other cost which Alberta Innovates pre-approves in writing as an Eligible Expense.
- (h) **“Entrepreneur”** means a person who organizes and operates a new knowledge-based enterprise in Alberta, offering an innovative technology or business innovation intended to meet a marketplace need, and designed to

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rapidly develop a scalable business model, taking on greater than normal financial risks in order to do so. Such Entrepreneur may or may not have formed a corporation, partnership or other legal entity;

- (i) **"Entrepreneur Seed Voucher"** means the Entrepreneur Seed Voucher under the Alberta Entrepreneurship Incubator Program;
- (j) **"Entrepreneur Growth Voucher"** means the Entrepreneur Growth Voucher under the Alberta Entrepreneurship Incubator Program;
- (k) **"Final Report"** means the final report summarizing the outcomes of the Project, to be completed by the Applicant in the standard form no later than fourteen (14) days after the Project Completion Date. The Final Report must provide accounting for all Project revenues and expenses, and include a concise summary of what the Project has achieved, and compare the outcomes and performance of the Project with reference to the desired outcomes specified by Alberta Innovates, and the desired Project outcomes as stated in the Application and in this Investment Agreement;
- (l) **"Ineligible Expense"** means any one (1) of the following:
 - i any cost that does not qualify as an Eligible Expense;
 - ii any cost incurred prior to formal approval of an Investment by Alberta Innovates, except where Alberta Innovates has provided written approval to include the cost as an Eligible Expense;
 - iii transactions between related parties;
 - iv provisions for contingencies;
 - v allowance for interest on debt;
 - vi losses on investments, bad debts and expenses for collection charges;
 - vii losses on other projects or activities outside the approved Project;
 - viii fines and penalties;
 - ix unreasonable compensation for Project labour;
 - x costs for professional training & development;
 - xi Federal and Provincial income taxes, goods and services taxes;
 - xii costs related to land and buildings (for example, acquisitions, leases and/or leasehold improvements);
 - xiii depreciation and amortization charges;
 - xiv advertising costs;
 - xv costs associated with applying for government grants and programs;
 - xvi costs of internships or support for students of knowledge institutions;

xvii 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;

xviii routine testing and maintenance;

xix costs relating to travel (including mileage, airfare (lowest economy class / excursion or other promotional type of air fare must be sought at the time of booking) and accommodation), meals, entertainment, hospitality and gifts; and

xx any other costs deemed ineligible by Alberta Innovates;

(m) **"Intellectual Property"** means tangible or intangible property in which Intellectual Property Rights subsist and/or that is subject to Intellectual Property Rights including, without limitation, 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;

(n) **"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;

(o) **"Investment"** means the total amount of funding granted by Alberta Innovates to an Applicant and governed by this Investment Agreement;

(p) **"Investment Agreement"** means this Investment Agreement between Alberta Innovates, the Service Provider and the Applicant, including all schedules hereto;

(q) **"Parties"** means the Applicant, the Service Provider, and Alberta Innovates, and **"Party"** means any one (1) of them;

(r) **"Person"** means any individual, body corporate, partnership, sole proprietorship, joint venture, trust, unincorporated association, unincorporated organization, 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;

(s) **"Program"** means the Alberta Entrepreneurship Incubator Program;

(t) **"Project"** means the scope of work to be performed by the Service Provider, as first described in the Application,

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and as set out in the Reporting, and Payment Schedule attached as Schedule C;

- (u) "**Project Completion Date**" means the date set out in Section 2.3 on which the Applicant and the Service Provider anticipate completing the Project, understood to be the Project Completion Date as indicated in Schedule C;
- (v) "**Project Costs**" means all Eligible Expenses incurred during the course of the Project;
- (w) "**Project Start Date**" means the date set out in Section 2.2 on which the Applicant can start incurring Project Costs, understood to be the Project Start Date as indicated in Schedule C.
- (x) "**Reporting and Payment Schedule**" means the schedule of reports and payments as set out in Schedule C of this Investment Agreement;
- (y) "**Service Provider**" means the entity identified on the front page of this Investment Agreement;
- (z) "**Terms and Conditions**" means the terms and conditions governing this Investment Agreement, as set out in Schedule A.

The preceding definitions are not exhaustive and other defined terms may be used throughout this Investment Agreement.

SCHEDULE C – REPORTING & PAYMENT SCHEDULE

AS ATTACHED