

Confidential

Term Sheet

Collaboration between XYZ (Pvt) Ltd, City Name and National University of Sciences and Technology (NUST), Islamabad for commercializing ABCD

These proposed terms of transaction (this “Term Sheet”) set forth preliminary terms and conditions of a proposed agreement between (a) XYZ (Pvt) Ltd (Licensee) and (b) NUST (Licensor), that would grant Licensee, rights to manufacture, market and sell indigenously developed XYZ. Licensor and Licensee will negotiate in good faith, as soon as reasonably practicable, a definitive contract (the “Licensing Agreement”) that may incorporate the terms and conditions set forth herein with a view toward execution of the Licensing Agreement. This Term Sheet represents only a broad outline of certain terms of the parties’ understanding and neither covers all items that will not be included in the Licensing Agreement nor obligates the parties to reach and execute a Licensing Agreement.

1. *Intellectual Property Rights*
 - With NUST
2. *Prosecution and Maintenance of Intellectual Property Licensing Options and Financials*
 - Responsibility of NUST
 - XYZ has the exclusive/Non-exclusive rights to manufacture, market and sell ABCD anywhere in the world above for a period of till the expiry of current IP and subsequently under pipelined IP, from the date of the licensing agreement. NUST also assures that the XYZ shall be given the first right of refusal at the time of re-licensing of pipelined patent(s).
 - XYZ will pay NUST, license fee of Rs _____.
 - An annual royalty of _____ % will be paid to NUST.
 - The license fee Rs _____ will become payable within 2 weeks after Licensing Agreement has been signed while upto Rs _____ (based on mutual budgeting exercise between PI and industrial partner) will be paid during the course of development of commercial level product. The royalties will become payable after the conclusion of first calendar year of commercial production, and regularly thereafter on 6 monthly basis.
3. *Responsibilities of NUST*
 - NUST will provide design, manufacturing, and performance specifications
 - Proof of concept (poc) with complete references of the available knowledge/used in developing the poc.

Confidential

-
- NUST will share technical knowledge, know-how, and expertise
 - NUST will share information and assist in selecting manufacturing machinery and equipment, raw material, and assessing suitability of third party manufacturers.
 - NUST will assist to verify design, manufacturing, and performance specifications during trial and commercial level production
 - Continued technical assistance, sharing of knowledge, and consulting for successful manufacturing of ABCD.
4. *Responsibilities of XYZ*
- Manufacturing of the products on trial and commercial scale
 - XYZ will use its own brand name for commercializing the products
 - Procurement of machinery and equipment
 - Import of raw materials
 - Procurement of orders according to the selected option
 - Design and publication of publicity material (brochures, leaflets, handouts, and DVDs etc.) as and when required
 - Identification, negotiation and onward sharing of the technical knowledge for the manufacturing of developed poc/product with mutual consent of both the parties.
5. *Confidentiality*
- Both Licensee and Licensor will not share any information (whether technical, commercial or otherwise) pertaining to any aspect of the technology or the technology transfer process with a third party without mutual consent
6. *Termination*
- This Term Sheet will terminate upon the earliest to occur of the following: (a) the execution and delivery of the Licensing Agreement, (b) the date that the parties mutually agree in writing to terminate this Term Sheet, (c) the date on which Licensee notifies Licensor in writing that it no longer wants to pursue a Licensing Agreement. On the Termination Date, this Term Sheet will be deemed null and void and of no further force or effect, and all obligations and liabilities of the parties under the Term Sheet will expire

For and on behalf of XYZ

Name: _____

Title: _____

Date: _____

For and on behalf of NUST

Name: _____

Title: _____

Date: _____

Confidential