



SUSTAINABLE DEVELOPMENT TECHNOLOGY CANADA

TECHNOLOGIES DU DEVELOPPEMENT DURABLE CANADA

SDTC SEED FUND - TERMS AND CONDITIONS

This is a summary of the terms and conditions for accessing seed funding from SDTC.

1. The SDTC Seed Funding will be up to a maximum of C\$100,000.
2. If SDTC agrees to provide funding, such funding will be provided pursuant to a definitive agreement (the "Funding Agreement", or the "Agreement") entered into between the Recipient and SDTC. The Recipient must demonstrate that all required conditions have been met to the satisfaction of SDTC before the Agreement will be entered into.
3. The Recipient is Canadian owned and domiciled and has been nominated by an accredited Canadian accelerator.
4. The Recipient's project consists of pre-commercial innovative technology with clear environmental benefits.
5. The Recipient does not have prior funding from SDTC nor has they been rejected for seed funding by SDTC in the past 18 months.
6. The Recipient should have received in the bank at least 200% of the requested amount from private sources in the form of equity (not debt) without recourse within the past 9 months.
7. Total Public Funding cannot be more than 75% of the project funding.
8. No finder's fee shall be payable by the Recipient, or the Recipient's founders or investors in respect to the success of this proposal.
9. Each of the Founder(s) shall devote 100% of his/her professional time to the Recipient. Any other activities will require the approval of Recipient's independent Board members.
10. Any past activities with SDTC by any of the Recipient Founders, board members or major investors should have been disclosed to SDTC as part of this application package.
11. SDTC's funding will be used to fund the Recipients' operations. Under no circumstances is SDTC's funding to be used for payment or repayment of any investor or any payments outside the ordinary course. Any such payments will constitute a breach of the Agreement and will subject Recipient to immediate repayment of funded amounts to SDTC.
12. SDTC funding will not be used for any expenses deemed 'ineligible' as per SDTC guidelines.
13. SDTC's funding is repayable by the Recipient only upon:
 - (a) an event of default under the Funding Agreement;
 - (b) the sale of the Recipient or a material portion of Recipient's assets during the Funding Period (3 years after receipt of funds) to an entity with a headquarters outside Canada;
 - (c) a breach of the funding requirements;
 - (d) any allegation of fraud or a material mis-statement of facts in the Funding Proposal;
 - (e) an overpayment made by SDTC to the Recipient.
14. During the term of the Funding Agreement, the Recipient will provide an annual progress report and include SDTC on all communications with shareholders.

15. Recipient shall share annual financial statements with SDTC and founders will make reasonable efforts to attend SDTC conferences as possible during the funding period.
16. Subject to the terms of the Funding Agreement, SDTC will not have any rights to any intellectual property developed by Recipient. The Funding Agreement will provide that, upon certain situations of default by Recipient, the Recipient will convey directly to the Government of Canada a perpetual, royalty-free, sub-licensable license to exercise Recipient's intellectual property rights. Recipient will disclose to SDTC any arrangements and agreements with respect to the ownership of intellectual property developed during the Funding Period.
17. The Recipient may not transfer the Intellectual Property to a non-resident of Canada during the Term of the funding period without first repaying to SDTC an amount equal to the Contribution plus an amount equal to ten percent (10%) of the Contribution. Further, if a transfer to a non-resident of Canada occurs and SDTC is not provided at least 21 days' prior notice, the Government of Canada will be granted a non-exclusive, royalty-free license to use, commercialize, modify and sublicense the Intellectual Property and background intellectual property.

Signature:

Name of Company:

Company Representative:

Address: