

## License Agreement

This License Agreement (this "**Agreement**"), effective as of [DATE] (the "**Effective Date**"), is by and between Modular Battery Technologies, Inc., ("ModBatt") a Delaware corporation, ("**Licensor**") and [LICENSEE], a [STATE OF ORGANIZATION] [TYPE OF LEGAL ENTITY] ("**Licensee**") (collectively, the "**Parties**," or each, individually, a "**Party**").

WHEREAS, Licensee wishes to obtain, and Licensor is willing to grant to Licensee, a license under the Licensed Proprietary Rights on the terms and conditions set out in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used but not defined elsewhere in this Agreement have the following meanings:

"**Affiliate**" of a Party means any entity that, is more than 50% owned by such Party, owns more than 50% of such Party, or is more than 50% owned by a third party that owns more than 50% of such Party.

"**Licensed Patents**" means the patents and patent applications listed in Schedule I together with all patents that issue therefrom, in each case to the extent owned by Licensor.

"**Licensed Product**" means any product (a) the manufacture, use, offer for sale, sale, or importation of which by Licensee would, in the absence of a license granted under, or ownership of, the relevant Licensed Patent, infringe a Valid Claim listed in Schedule II.

"**Licensed Energy Product**" means any Licensed Product that is designed and used primarily for storage, delivery, and transfer of electrical energy. Examples include but are not limited to battery modules, battery packs, charging stations, and the like.

"**Licensed Utility Product**" means any Licensed Product that is designed and sold primarily for any purpose OTHER THAN storage, delivery, and transfer of electrical energy. Examples include but are not limited to ground vehicles, aircraft, marine vessels, autonomous vehicles, robots, material handling equipment, drones, and the like.

"**Licensed Proprietary Rights**" means the Licensed Patent(s) and Licensor's proprietary rights under applicable trade secret law.

"**Gross Sales**" means the gross amount invoiced by Licensee for the sale of Licensed Products. Transfers of Licensed Products to an Affiliate for internal use (but not resale) by the Affiliate will be treated as sales by Licensee at Licensee's list price. The Gross Sales calculation for sales or transfers by Licensee to its Affiliates for resale will be based on the amounts invoiced by such Affiliate on the resale of such Licensed Products.

"**Territory**" means the United States of America and its territories and possessions.

"**Valid Claim**" means a claim of an unexpired Licensed Patent that has not been admitted or otherwise caused by Licensor to be invalid or unenforceable through reissue, disclaimer, or otherwise, or held invalid or unenforceable by an unappealed or unappealable judgment of a governmental authority of competent jurisdiction.

2. License.

(a) Grant. Licensor hereby grants to Licensee during the Term a non-exclusive, non-sublicensable, and non-transferable (except in accordance with 511) license, under the Licensed Proprietary Rights to make, use, offer to sell, sell, and import Licensed Products in connection therewith, in each case are granted to Licensee by implication, estoppel, or otherwise, other than as expressly granted by Licensor under this Section 2.

3. Payments.

(a) Royalty. Licensee shall pay to Licensor a royalty of 3% of Gross Sales of Licensed Energy Products shown in Schedule II during the Term, and a royalty of 1% of Gross Sales of Licensed Utility Products shown in Schedule II during the Term, except as exempted under Section 3(b).

(b) Exemptions.

(i) Gross Sales of all Licensed Products that are certified by ModBatt, or a certification authority designated by ModBatt, as compliant with ModBatt Extendable Battery Framework (EBF) specification are exempted from royalty payments. For Licensed Products that are certified as compliant subsequent to first being offered for sale by Licensee, the exemption is in effect on and subsequent to the date of certification, and is not retroactive.

(c) Payment Terms. Licensee shall pay the royalty due under Section 3(a) within 60 days after the end of the calendar quarter in which such payments become due. Licensee shall make all payments due hereunder (i) in US dollars by check/wire transfer of immediately available funds to a bank account Licensor designates in writing; and (ii) without deduction of exchange, collection, or other charges or withholding or other government-imposed fees or taxes. If Licensor does not receive any payment on or before such payment's due date, Licensee shall pay to Licensor interest on the overdue payment from the due date to the date Licensor receives such payment at a rate of 2% per month, or if lower, the maximum amount permitted under applicable law.

(d) Royalty Reports. On or before the due date for all payments to Licensor, Licensee shall submit to Licensor a written report setting forth its royalty calculation for the applicable calendar quarter in sufficient detail to permit confirmation of the accuracy of the royalty payment made, including: (i) the gross sales of Licensed Products; (ii) the type and amount of all exemptions, deductions and offsets allocated with respect to such sales of Licensed Products; (iii) the calculation of Net Sales; and (iv) the applicable royalty rate.

(e) Records and Audit.

(i) Licensee shall keep, in accordance with generally accepted accounting principles, records in sufficient detail to verify the completeness and accuracy of any royalty report submitted under Section 3(c) the calculation of payments due to Licensor hereunder. Licensee shall maintain such records for at least 5 years after expiration or termination of this Agreement.

(ii) Licensor may at any time within 1 year after receiving any royalty report from Licensee, nominate an independent certified public accountant ("**Auditor**") to verify such royalty report and payments made to Licensor hereunder. Licensee shall give the Auditor access to Licensee's records kept in accordance with Section 3(d)(i) upon reasonable notice to Licensee and during Licensee's normal business hours. All information and materials made available to the Auditor in connection with such audit will be deemed to be Licensee's Confidential Information. Licensor shall provide to Licensee a copy of the Auditor's audit report within 30 days of Licensor's receipt of the report. If the report shows that payments made by Licensee are deficient, Licensee shall pay Licensor the deficient amount plus interest on the deficient amount, calculated in accordance with Section 3(b), within 30 days after Licensee's receipt of the audit report.

4. Patent Matters.

(a) Prosecution and Maintenance. Licensor has the sole right, in its discretion, to file, prosecute, and maintain the Licensed Patents. Licensor shall inform Licensee of any changes in the status of any Licensed Patents.

5. Compliance with Laws. Licensee shall comply with all applicable laws and regulations in the Territory in exercising its rights and performing its obligations under this Agreement. Without limiting the foregoing, Licensee shall comply with: (a) the patent marking provisions of 35 U.S.C. § 287(a); (b) any requirements for recording all or part of this Agreement with a national or supranational governmental authority to the extent necessary for either Party to fully enjoy the rights, privileges, and benefits of this Agreement; and (c) all applicable laws and regulations concerning the export of any Licensed Product and any associated technical data, materials, or information, including any requirements for obtaining an export license or other governmental approval.

6. Confidentiality. Each Party acknowledges that in connection with this Agreement it will gain access to certain non-public, confidential, or proprietary information of the other Party ("**Confidential Information**"). Without limiting the foregoing, Licensor's Confidential Information includes all trade secrets and any confidential information included in or related to the Licensed Patents, including unpublished patent applications and invention disclosures. Confidential Information does not include information that at the time of disclosure is: (a) in the public domain; (b) known to the Party receiving it; (c) rightfully obtained by the receiving Party on a non-confidential basis from a third party; or (d) independently developed by the receiving Party. Each Party shall maintain the other Party's Confidential Information in strict confidence and not disclose it to any other person or entity, except to its employees who have a need to know such Confidential Information for such Party to exercise its rights or perform its obligations hereunder and are bound by written nondisclosure agreements. Notwithstanding the foregoing, each Party may disclose Confidential Information to the limited extent required to comply with an order of a court or other governmental body, or as otherwise necessary to comply with applicable law, provided that the Party making the disclosure pursuant to the order shall first have given written notice to the other Party and made a reasonable effort to obtain a protective order. With respect to any Confidential Information that constitutes a trade secret as determined under applicable law, such obligations of non-disclosure will survive the termination or expiration of this Agreement for as long as such Confidential Information remains subject to trade secret protection under applicable law.

7. Representations.

(a) Mutual Representations. Each Party represents and warrants to the other Party that, as of the Effective Date: (i) it is duly organized, validly existing, and in good standing under the laws of the state or jurisdiction of its organization; (ii) it has the full right, power, and authority to enter into and perform its obligations under this Agreement; (iii) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary [corporate/organizational] action of such Party; and (iv) when executed and delivered by such Party, this Agreement will constitute the legal, valid, and binding obligation of that Party, enforceable against that Party in accordance with its terms.

(b) Licensor Representations. Licensor represents and warrants that: (i) Licensor is the owner of the entire right, title, and interest in and to the Licensed Proprietary Rights; (ii) Licensor has the right to grant the licenses hereunder.

(c) Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 9, LICENSOR DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, CONCERNING THE LICENSED PROPRIETARY RIGHTS INCLUDING THE VALIDITY, ENFORCEABILITY, OR SCOPE OF ANY LICENSED PATENT OR THE ACCURACY, COMPLETENESS, OR USEFULNESS FOR ANY PURPOSE OTHER INFORMATION OR MATERIALS MADE AVAILABLE BY LICENSOR UNDER THIS AGREEMENT. LICENSOR SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF

MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND WARRANTIES ARISING FROM A COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE, OR TRADE PRACTICE.

8. Indemnification.

(a) Licensee Indemnification. Licensee shall indemnify, defend, and hold harmless Licensor and its officers, directors, employees, and agents against all losses, damages, liabilities, costs (including reasonable attorneys' fees) resulting from any third-party claim, suit, action, or other proceeding arising out of: (i) Licensee's of any Licensed Proprietary Rights; or (ii) the manufacture, use, or sale of any Licensed Product by or on behalf of Licensee, including any product liability claim, except to the extent caused by Licensor's gross negligence or willful misconduct.

(b) Indemnification Procedure. Licensor shall promptly notify Licensee in writing of any claim, suit, action, or other proceeding for which it is entitled to indemnification under Section 8(a) ("**Indemnified Claim**"). Licensee shall control the investigation and defense of the Indemnified Claim and shall employ counsel reasonably acceptable to Licensor to handle and defend the Indemnified Claim, at Licensee's expense. Licensor shall provide all assistance reasonably requested by Licensee, at Licensee's expense. Licensee shall not settle any Indemnified Claim in a manner that adversely affects the rights of Licensor without Licensor's prior written consent. Licensor may participate in and observe the proceedings at its own cost and expense with counsel of its choice.

9. Limitation of Liability. EXCEPT FOR LIABILITY FOR BREACH OF CONFIDENTIALITY, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER OR IN CONNECTION WITH THIS AGREEMENT FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. Term and Termination.

(a) Term. This Agreement is effective as of the Effective Date and, unless terminated earlier in accordance with Section 10(b), will continue in effect on a Licensed Product-by-Licensed Product basis for a term of [[NUMBER] months/years etc.].

(b) Termination.

(i) By Licensee. Licensee may terminate this Agreement at any time, with or without cause, by providing at least 90 days' prior written notice to Licensor.

(ii) By Licensor. Licensor may terminate this Agreement on written notice to Licensee: (A) if Licensee materially breaches this Agreement and fails to cure such breach within 90 days after receiving written notice thereof or (B) Licensee institutes or actively participates as an adverse party in, or otherwise provides material support to, any action, suit, or other proceeding in the Territory to invalidate or limit the scope of any Licensed Patent claim or obtain a ruling that any Licensed Patent claim is unenforceable or not patentable.

(c) Effect of Expiration or Termination.

(i) Upon the expiration of this Agreement with respect to a Licensed Product, the licenses granted to Licensee under this Agreement with respect to such Licensed Product will be terminated.

(ii) Upon any termination of this Agreement:

(A) Licensee shall immediately cease exercising all rights granted under the Licensed Proprietary Rights.

(B) Each Party shall promptly return to the other Party, or delete or destroy, all relevant records and materials in such Party's possession or control containing the other Party's Confidential Information.

(iii) Expiration or termination of this Agreement will not relieve the Parties of any obligations accruing before the effective date of expiration or termination.

(iv) The rights and obligations of the Parties set forth in this Section 10(c) and Section 3(d) (Records and Audit), Section 6 (Confidentiality), Section 8 (Indemnification), Section 9 (limitation of Liability), and Section 12 (Miscellaneous), and any right, obligation, or required performance of the Parties under this Agreement which, by its express terms or nature and context is intended to survive expiration or termination of this Agreement, will survive any such expiration or termination.

11. Assignment. Licensee shall not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Agreement, in each case whether voluntarily, involuntarily, by operation of law, or otherwise, without Licensor's prior written consent. No delegation or other transfer will relieve Licensee of any of its obligations or performance under this Agreement. Any purported assignment, delegation, or transfer in violation of this Section 11 is void. This Agreement is binding upon and inures to the benefit of the Parties and their respective permitted successors and assigns.

12. Miscellaneous.

(a) Further Assurances. Each Party shall, upon the reasonable request of the other Party, execute such documents and take such further actions as may be necessary to give full effect to the terms of this Agreement.

(b) Independent Contractors. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement creates any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party has authority to contract for or bind the other Party in any manner whatsoever.

(c) No Public Statements. Neither Party may issue or release any announcement, statement, press release, or other publicity or marketing materials relating to this Agreement or, unless expressly permitted under this Agreement, otherwise use the other Party's trademarks, service marks, trade names, logos, domain names, or other indicia of source, association, or sponsorship, in each case, without the other Party's prior written consent.

(d) Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder must be in writing and sent to the respective Party at the addresses indicated below (or at such other address for a Party as may be specified in a notice given in accordance with this Section):

If to Licensor:

[LICENSOR ADDRESS]

[Email: [EMAIL ADDRESS]]

Attention: [TITLE OF OFFICER TO RECEIVE NOTICES]

If to Licensee:

[LICENSEE ADDRESS]

[Email: [EMAIL ADDRESS]]

Attention: [TITLE OF OFFICER TO RECEIVE  
NOTICES]

Notices sent in accordance with this Section will be deemed effective: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email (in each case, with confirmation of transmission), if sent during normal business hours of the recipient, and on the next day if sent after normal business hours of the recipient; or (d) on the day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

(e) Interpretation. For purposes of this Agreement: the words "include," "includes," and "including" will be deemed to be followed by the words "without limitation"; the word "or" is not exclusive; and the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: to Sections and Schedules refer to the Sections of and Schedules attached to this Agreement; to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof; and to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted.

(f) Entire Agreement. This Agreement, together with all Schedules and any other documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(g) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or will confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

(h) Amendment; Waiver. No amendment to this Agreement will be effective unless it is in writing and signed by both Parties. No waiver by any Party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the waiving Party. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(i) Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(j) Governing Law; Submission to Jurisdiction. This Agreement is governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule that would require or permit the application of the laws of any other jurisdiction. Any legal suit, action, or proceeding arising out of or related to this Agreement or the licenses granted hereunder may be instituted in the federal courts of the United States or the courts of the State of Oregon in each case located in the city of Portland and County of Multnomah, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

(k) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

[LICENSOR]

By\_\_\_\_\_

Name:

Title:

[LICENSEE]

By\_\_\_\_\_

Name:

Title:



**SCHEDULE I****LICENSED PATENTS**

| title  | filed      | issue date | US patent nbr |
|--|------------|------------|---------------|
| HIGH VOLTAGE BATTERY MODULE WITH<br>SERIES CONNECTED CELLS AND INTERNAL<br>RELAYS                        | 11/2/2020  | 7/5/2022   | 11,380,942    |
| BATTERY MODULE WITH SERIES CONNECTED<br>CELLS, INTERNAL RELAYS AND INTERNAL<br>BATTERY MANAGMENT SYSTEM  | 1/4/2021   | 10/11/2022 | 11,469,470    |
| APPARATUS AND METHODS FOR REMOVABLE<br>BATTERY MODULE WITH INTERNAL RELAY<br>AND INTERNAL CONTROLLER     | 2/10/2021  | 12/14/2022 | 11,563,241    |
| BATTERY MODULE WITH SERIES CONNECTED<br>CELLS, INTERNAL RELAYS AND INTERNAL<br>BATTERY MANAGEMENT SYSTEM | 2/22/2021  | 2/7/2023   | 11,575,270    |
| APPARATUS AND METHODS FOR REMOVABLE<br>BATTERY MODULE WITH INTERNAL RELAY<br>AND INTERNAL CONTROLLER     | 3/31/2021  | 7/11/2023  | 11,699,817    |
| ELECTRICAL POWER SYSTEM WITH<br>REMOVABLE BATTERY MODULES  | 11/17/2021 | 3/19/2024  | 11,936,008    |
| HIGH VOLTAGE BATTERY MODULE WITH<br>SERIES CONNECTED CELLS AND INTERNAL<br>RELAYS                        | 5/31/2022  | 1/16/2024  | 11,876,250    |
| ELECTRICAL POWER SYSTEM WITH<br>REMOVABLE BATTERY MODULES  | 12/21/2022 | 7/23/2024  | 12,046,722    |
| LOW COST BATTERY CELL MONITORING<br>CIRCUIT  | 1/3/2023   |            |               |

|  |            |            |            |
|--|------------|------------|------------|
| ELECTRICAL POWER SYSTEM WITH<br>REMOVABLE BATTERY MODULES          | 6/6/2023   | 11/12/2024 | 12,142,737 |
| LOW COST BATTERY CELL MONITORING<br>CIRCUIT                        | 12/14/2023 | 11/5/2024  | 12,136,739 |
| HIGH VOLTAGE BATTERY MODULE WITH 1-<br>PHASE AND 3-PHASE AC OUTPUT | 11/1/2024  |            |            |
| APPARATUS AND METHODS FOR<br>MANAGEMENT OF CONTROLLED OBJECTS      | 5/11/2021  | 10/18/2022 | 11,477,027 |
| APPARATUS AND METHODS FOR<br>MANAGEMENT OF CONTROLLED OBJECTS      | 3/31/2022  |            |            |

## **SCHEDULE II**

### **LICENSED PRODUCTS**

ModBatt 400V Battery Module

ModBatt 40KW Modular Battery Pack

ModBatt Battery Cell Monitoring and Conditioning Circuit

ModBatt Battery Module Management System

ModBatt Modular Battery Pack Management System