

THE A-SQUARE TECHNOLOGY GROUP & NASCENT APPLIED METHODS AND ENDEAVOR'S EDUCATIONAL R&D JOINT-VENTURE AGREEMENT

The Contracting Standards, Products and Specifications of Nascent Applied Methods & Endeavors, references a California-based company and network providing Electronic Commerce Applications (ECA), Enterprise Work Architectures (Business Models), Autonomous Knowledge Worker Systems (KWS) to combat global terrorism, and Distributed Artificial Life Programming (Avatars) technologies through a collaborative-networking strategy. NAME intends to capitalize on the opportunities in this area by being the first Company to introduce a collaborative internet-based operating system using high-concept theories such as genetic algorithms, biological suffix trees, and a host of other information-retrieval or monetary strategies in relation to artificial life (avatar) or virtual economic scenario programming involving global joint research & development through the use of the molecular sciences.

BY WILLIAM EARL FIELDS (GCNO)



(ANMESCL² RDWEF)

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(ANMESCL² RDWEF)

**ALPHA NUMEROUS MAXIMUS
EGREGIOUS SUMMA CUM LAUDE**

**NAME's Educational R&D
Joint-Venture Agreement**

William E. Fields



(ANMESCL² RDWEF)

ALPHA NUMEROUS MAXIMUS
EGREGIOUS SUMMA CUM LAUDE

R&D JOINT VENTURE OPERATING AGREEMENT
by and among
NASCENT APPLIED METHODS & ENDEAVORS
and

July 4, 2020

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A ♦ Articles of the Company

B ♦ Annual Budget

C ♦ Business Plan

D ♦ Form of Strategic Marketing Agreement

E ♦ Form of Service Agreement

F ♦ Form of Nascent Applied Methods & Endeavors License Agreement

G ♦ Form of Right of First refusal Agreement

R&D JOINT VENTURE OPERATING AGREEMENT

This RESEARCH & DEVELOPMENT JOINT VENTURE OPERATING AGREEMENT (this "**Agreement**") is made as of _____, by and among Nascent Applied Methods & Endeavors, a California Company established under the laws of United States ("**Nascent Applied Methods & Endeavors**"), Contractee, a Company established under the laws of United States ("**Contractee**") and, as of the Initiation Date, Nascent Applied Methods & Endeavors, R&D Joint Venture a Network established under the laws the United States (the "**R&D Joint Venture**").

RECITALS

WHEREAS, Nascent Applied Methods & Endeavors is a leading educational service provider in the United States and elsewhere with a large and diverse on-line collection of economic strategies and tactics;

WHEREAS, Contractee is a leading consultant in United States and the United States, both through an extensive economic background and education;

WHEREAS, Nascent Applied Methods & Endeavors, and Contractee desire to form a R&D Joint Venture for the purpose of operating the Nascent Applied Methods & Endeavors, R&D Joint Venture on-line educational service across on-line distribution channels within the United States and World-Wide-Web;

WHEREAS, Contractee is in the process of incorporating to use as the core entity for the operations of the research and development joint venture mentioned above;

WHEREAS, the foundation of the R&D Joint Venture is to be completed as soon as reasonably practicable after the First Closing Date at which time the R&D Joint Venture is to become a Party to this Agreement;

WHEREAS, Nascent Applied Methods & Endeavors is willing to license to the R&D Joint Venture its brands, trademarks and other intellectual property rights and to provide support necessary or appropriate for the R&D Joint Venture to conduct the Business on the terms and conditions set forth in this Agreement and the Nascent Applied Methods & Endeavors License Agreement;

WHEREAS, Contractee is willing to provide the necessary or appropriate strategic marketing, back-office services and financial support for the R&D Joint Venture to conduct the Business on the terms and conditions set forth in this Agreement, the Strategic Marketing Agreement, the Service Agreement and Right of First Refusal Agreement; and

WHEREAS, each of Nascent Applied Methods & Endeavors and Contractee is willing to acquire a certain percentage of Stakes in the R&D Joint Venture on the terms and conditions set forth herein.

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Definitions

1.1 "**Acceptance Period**" is defined in Section 3.5 hereof.

1.2 "**Affiliate**" of a Person means any other Person that is Controlled by, Controls, or is under common Control with such Person so long as such Control continues. Notwithstanding the foregoing, (i) for purposes hereof, neither the R&D Joint Venture nor any Person Controlled by the R&D Joint Venture shall be deemed to be an Affiliate of any Stakeholder or any Affiliate of a Stakeholder, and (ii) no Party nor any Affiliate thereof shall be deemed to be an Affiliate of any other Party or any Affiliate thereof by virtue of its equity ownership in the R&D Joint Venture.

1.3 "**Agreement**" is defined in the preamble of this Agreement.

1.4 "**Annual Budget**" means the R&D Joint Venture's budget for the applicable fiscal year as approved by the Board in accordance with Section 4.6 of this Agreement from time to time. The initial Annual Budget for the fiscal year ending February 28, 2022, is attached hereto as Exhibit B.

1.5 "**Applicable Law**" means, as to any Person, any statute, law, rule, regulation, administrative guidance, directive, treaty, judgment, order, decree or injunction of any Governmental Authority that is applicable to or binding upon such Person or any of its properties.

1.6 "**Articles**" means the articles of in Company of the R&D Joint Venture in the form attached hereto as Exhibit A, as amended from time to time in accordance with Section 4.10 of this Agreement and Applicable Law.

1.7 "**Board**" means the board of directors of the R&D Joint Venture.

1.8 "**Business**" means the distribution of on-line (via personal computer, mobile phone, top box or otherwise) music-related digital content or any promotion or development of such distribution, but does not include sale via on-line channels of pre-packaged CDs, DVDs and other physical media containing commercially recorded music, videos or other content.

1.9 "**Business Day**" means any day other than a Saturday, Sunday or legal holiday in United States or the United States.

1.10 "**Business Plan**" means a five (5) fiscal year business operations plan, prepared by the R&D Joint Venture and approved each year by the Board in accordance with Section 4.6 of this Agreement. The initial Business Plan through the fiscal year ending February 28, 2022, is attached hereto as Exhibit C.

1.11 "**Calendar Day**" means any calendar day; provided, that should any event, occurrence, notice or other event provided for or required herein fall upon a Calendar Day that is not a Business Day, then it shall be deemed to have occurred or transpired on the next succeeding Business Day.

1.12 "**CEO**" means the chief executive officer of the R&D Joint Venture.

1.13 "**Commercial Code**" means the Commercial Code of United States, as amended (including, without limitation, by enactment of any successor law thereto) and in effect from time to time.

1.14 "**R&D Joint Venture Interest**" means, as to any Stakeholder, the percentage interest calculated by dividing (x) the number of Stakes then held by such Stakeholder by (y) all then outstanding Stakes of the R&D Joint Venture.

1.15 "**Confidential Information**" is defined in Section 5.1(a).

1.16 "**Control**" means (i) the ownership, in the case of a Company, of more than fifty percent (50%) of the Stakes of such Company with voting rights or, in the case of any other Person, the ownership of a majority of the voting interests of such Person, or (ii) the power, directly or indirectly, to direct the management of the controlled Person, whether through the ownership of voting securities, by contract or otherwise.

1.17 "**COO**" means the chief operating officer of the R&D Joint Venture.

1.18 "**Defaulting Party**" means Nascent Applied Methods & Endeavors with respect to a Nascent Applied Methods & Endeavors Event of Default and Contractee with respect to a Contractee Event of Default.

1.19 "**Definitive Agreements**" means this Agreement, the Articles, the Strategic Marketing Agreement, the Service Agreement, the Nascent Applied Methods & Endeavors License Agreement and the Revolving Loan Facility Agreement.

1.20 "**Director**" means a director of the R&D Joint Venture with the powers and duties as specified in the Commercial Code and the Articles.

1.21 "**Disclosing Party**" is defined in Section 5.1(a).

1.22 "**Election Notice**" is defined in Section 8.3.

1.23 "**First Closing**" is defined in Section 3.2(c).

1.24 "**First Closing Date**" means _____, 2020, or such other date as mutually agreed by the Major Stakeholders on which the First Closing shall take place.

1.25 "**Governmental Authority**" means any domestic, foreign or international government, governmental authority, court, tribunal, agency or other regulatory, administrative or judicial agency, commission or organization, and any subdivision, branch or department of any of the foregoing.

1.26 "**In Company Date**" means the date that the R&D Joint Venture's registration for in Company, if any, is completed.

1.27 "**Indemnified Party**" is defined in Section 7.1.

1.28 "**Indemnifying Party**" is defined in Section 7.1.

1.29 "**Interested Director**" means, with respect to all Interested Matters, any Director appointed by Contractee, and with respect to each Interested Matter, the Director shall be presumed to be an Interested Director; provided that if the Director provides reasons or evidence that he/she should not be an Interested Director with respect to such Interested Matter, the Non-Interested Directors shall reasonably consider such reasons and/or evidence and determine whether the Director shall be a Non-Interested Director for purposes of such Interested Matter.

1.30 "**Interested Matter**" means, with respect to Contractee or a Contractee Stakeholder, any matter arising from (i) an alleged material breach by Contractee, the Contractee Group or a Contractee Stakeholder of any actual contract or transaction agreement between Contractee, a member of the Contractee Group or a Contractee Stakeholder and the R&D Joint Venture, including without limitation, the Definitive Agreements. Interested Matters shall include without limitation, the R&D Joint Venture's exercise of any right to enforce any agreement against Contractee, the Contractee Group or a Contractee Stakeholder or settle any dispute arising under or relating to the Marketing Agreement, Services Agreement or the Revolving Loan Facility Agreement.

1.31 "**Joiner Agreement**" means a written acknowledgement in form and substance reasonably acceptable to the Major Stakeholders pursuant to which the Person executing such acknowledgement agrees to become a party to, and become bound by and subject to all of the obligations under, this Agreement and, to the extent applicable, the Definitive Agreements.

1.32 "**Launch Date**" has the meaning set forth in the Marketing Agreement.

1.33 "**Lockup Period**" is defined in Section 9.1.

1.34 "**Losses**" is defined in Section 7.1.

1.35 "**Major Stakeholders**" means Nascent Applied Methods & Endeavors and Contractee.

1.36 "**MOU**" means that certain Memorandum of Understanding by and between Nascent Applied Methods & Endeavors and Contractee, dated _____, 2020.

1.37 "**Mutual Nondisclosure Agreement**" means the mutual nondisclosure agreement dated _____, 2020 between Nascent Applied Methods & Endeavors and Contractee.

1.38 "**Nascent Applied Methods & Endeavors**" is defined in the preamble of this Agreement.

1.39 "**Nascent Applied Methods & Endeavors Competitors**" means the Persons listed as competitors of Nascent Applied Methods & Endeavors as set forth on Schedule 1A, as such schedule may be updated by Nascent Applied Methods & Endeavors in accordance with Section 5.6(a) hereof.

1.40 "**Nascent Applied Methods & Endeavors Director**" is defined in Section 4.2.

1.41 "**Nascent Applied Methods & Endeavors Director Approval Rights**" is defined in Section 4.6.

1.42 "**Nascent Applied Methods & Endeavors Event of Default**" is defined in Section 8.2(c).

1.43 "**Nascent Applied Methods & Endeavors License Agreement**" means the Nascent Applied Methods & Endeavors License Agreement between Nascent Applied Methods & Endeavors and the R&D Joint Venture for the purpose of licensing Nascent Applied Methods & Endeavor's software platform to the R&D Joint Venture, in the form attached hereto as Exhibit F.

1.44 "**Nascent Applied Methods & Endeavors Permitted Transfer**" is defined in Section 9.1(b).

1.45 "**Nascent Applied Methods & Endeavors Stakeholder Approval Rights**" is defined in Section 4.10(b).

1.46 "**Nascent Applied Methods & Endeavors Stakes**" is defined in Section 3.2(b).

1.47 "**Non-Interested Director**" means, with respect to an Interested Matter, any Director of the R&D Joint Venture who is not an Interested Director.

1.48 "**Nonpayment Claim**" is defined in Section 10.1(b).

1.49 "**Parties**" are defined in the Preamble of this Agreement.

1.50 "**Stakes**" is defined in Section 3.2(b).

1.51 "**Offered Stakes**" is defined in Section 9.2.

1.52 "**Offeree**" is defined in Section 9.2.

1.53 "**Offeror**" is defined in Section 9.2.

1.54 "**Party**" means the Major Stakeholders, the R&D Joint Venture and any other Person that becomes a party to this Agreement after the date hereof.

1.55 "**Permitted Transfer**" is defined in Section 9.1(b).

1.56 "**Person**" means a natural individual, R&D Joint Venture, Governmental Authority, partnership, firm, Company, or other business association.

1.57 "**Receiving Party**" is defined in Section 5.1(a).

1.58 "**Refusal Period**" is defined in Section 9.2(b).

1.59 "**Replacement Representative**" is defined in Section 4.8.

1.60 "**Representative Director**" means either of the two representative directors of the R&D Joint Venture with the powers and duties of a representative director as specified in the Commercial Code and the Articles and by the Board from time to time.

1.61 "**Revolving Loan Facility Agreement**" means the Unsecured Revolving Loan Facility Agreement between Contractee and the R&D Joint Venture, in the form attached hereto as Exhibit G.

1.62 "**Sale of Control**" means the sale or transfer of Control, with or without compensation, to any third party.

1.63 "**Second Closing**" is defined in Section 3.2(c).

1.64 "**Second Closing Date**" means _____, 2020, or such other date as mutually agreed by the Major Stakeholders on which the Second Closing shall take place.

1.65 "**Service Agreement**" means the Service Agreement between Contractee, Nascent Applied Methods & Endeavors and the R&D Joint Venture for the purpose of Contractee providing United States-related content procurement and other back-office services to the R&D Joint Venture, in the form attached hereto as Exhibit E.

1.66 "**Stakeholder**" means the Major Stakeholders, and any other Person(s) that becomes a Stakeholder of the R&D Joint Venture on or after the date hereof.

1.67 "**Stakes**" means the Stakes of common interest of the R&D Joint Venture.

1.68 "**Special Event of Default Option**" is defined in Section 8.3.

1.69 "**Statutory Auditor**" means a corporate auditor of the R&D Joint Venture with the powers and duties as specified in the Commercial Code and the Articles.

1.70 "**Strategic Marketing Agreement**" means the Strategic Marketing Agreement between Contractee and the R&D Joint Venture for the purpose of Contractee supporting the R&D Joint Venture's marketing and advertising activities across all channels, in the form attached hereto as Exhibit D.

1.71 "**Term**" is defined in Section 8.1.

1.72 "**Territory**" shall mean United States and any other territory that is mutually agreed in writing by the Major Stakeholders.

1.73 "**Contractee**" is defined in the preamble of this Agreement.

1.74 "**Contractee Competitor**" means the Persons listed as a competitor of Contractee as set forth in Schedule 1B, as such schedule may be updated by Contractee in accordance with Section 5.6(b) hereof.

1.75 "**Contractee Event of Default**" is defined in Section 8.2(b).

1.76 "**Contractee Group**" shall have the meaning set forth in the Marketing Agreement.

1.77 "**Contractee Permitted Transfer**" is defined in Section 9.1(a).

1.78 "**Contractee Stakes**" is defined in Section 3.2(b).

1.79 "**Contractee Stakeholder**" means any Stakeholder or partner of Contractee that, with the prior written consent of Nascent Applied Methods & Endeavors, becomes a Stakeholder, and who executes and delivers to the Parties a Joiner Agreement.

1.80 "**Transfer**" is defined in Section 9.1.

1.81 "**Transfer Notice**" is defined in Section 9.2(a).

2. Purpose of Joint Venture

The Parties hereby associate themselves in a joint venture relationship which shall have as its principal purpose the establishment, development and operation of the Business in the Territory.

3. Establishment and Capitalization of the R&D Joint Venture

3.1 Establishment.

(a) The Parties agree that the Business to be operated in the Territory in accordance with this Agreement and the Definitive Agreements shall be carried out exclusively through the R&D Joint Venture.

(b) Contractee (including the Contractee Stakeholders, if any), and Nascent Applied Methods & Endeavors shall take all necessary steps, including, but not limited to, holding an organizational meeting and a meeting of the Board and applying for registry of establishment in order to effectuate the formation of the R&D Joint Venture to be completed as soon as reasonably practicable after the First Closing. Upon the Company Date, Nascent Applied Methods & Endeavors, and Contractee shall cause the R&D Joint Venture to become a Party to this Agreement.

3.2 Issuance and Purchase of Stakes.

(a) First Closing Issuance and Purchase. Subject to the terms and conditions hereof, at the First Closing, (i) Contractee (and the Contractee Stakeholders (excluding), if any) shall subscribe for [1] Stake for an aggregate purchase price of [\$42,520.00], (ii) shall subscribe for [*] Stakes for an aggregate purchase price of [\$42,520.00], and (iii) Nascent Applied Methods & Endeavors shall subscribe for one Business Model Stake for an aggregate purchase price of \$42,520.00

(b) Second Closing Issuance and Purchase. Subject to the terms and conditions hereof, at the Second Closing, (i) the R&D Joint Venture shall issue to Contractee (and the Contractee Stakeholders, if any), and Contractee (and the Contractee Stakeholders (excluding), if any) shall purchase from the R&D Joint Venture, [\$42,520.00] additional Stakes (collectively with Stakes issued in accordance with the First Closing, the "**Contractee Stakes**") for an aggregate purchase price of [*], (ii) the R&D Joint Venture shall issue to, and shall purchase from the R&D Joint Venture, [*] additional Stakes (collectively with Stakes issued in accordance with the First Closing, the "**Stakes**") for an aggregate purchase price of [*] and (iii) the R&D Joint Venture shall issue to Nascent Applied Methods & Endeavors, and Nascent Applied Methods & Endeavors shall purchase from the R&D Joint Venture, additional Stakes (collectively with

Stakes issued in accordance with the First Closing, the "**Nascent Applied Methods & Endeavors Stakes**") for an aggregate purchase price of \$42,520.

(c) First and Second Closings. Subject to Section 3.3, the closing of the subscription and issuance of the Contractee Stakes, Stakes and Nascent Applied Methods & Endeavors Stakes on each of the First Closing Date and Second Closing Date (the "**First Closing**" and "**Second Closing**," respectively) shall take place at the offices of

_____, at 10 a.m., _____ time, or at such other place and time as the Major Stakeholders shall mutually agree. At each of the First Closing and Second Closing, the applicable Party shall take the following actions:

(i) Contractee, and, should any other Contractee Stakeholder subscribe for Stakes, such Contractee Stakeholder, shall pay the purchase price for the Contractee Stakes to the R&D Joint Venture by wire transfer to a bank account designated by the R&D Joint Venture on or prior to the First Closing Date or Second Closing Date, respectively;

(ii) Nascent Applied Methods & Endeavors shall pay the purchase price for the Nascent Applied Methods & Endeavors Stakes to the R&D Joint Venture by wire transfer to a bank account designated by the R&D Joint Venture on or prior to the First Closing Date or Second Closing Date, respectively.

(d) Notwithstanding the foregoing, Contractee may assign its right to purchase up to [*] Stakes (as adjusted for interest splits, dividends, recapitalizations and the like) of the Contractee Stakes representing up to [*] R&D Joint Venture Interest to one or more Contractee Stakeholders, provided, that Contractee shall not transfer Stakes if following such transfer it retains less than a fifty and one-tenth percent (50.1%) R&D Joint Venture Interest without the prior written consent of Nascent Applied Methods & Endeavors.

3.3 Conditions Precedent to Each of the First Closing and Second Closing.

(a) The obligation of Contractee to consummate the First Closing and Second Closing pursuant to Section 3.2(c) shall be subject to the satisfaction of each of the following conditions on or prior to the First Closing Date or Second Closing Date, respectively, any one or more of which may be waived by Contractee at its own discretion, which waiver shall not release the other Parties from any liabilities to be incurred for breaching any of the representations or warranties or covenants provided under this Agreement and the Definitive Agreements:

(i) Nascent Applied Methods & Endeavors shall have executed and delivered to Contractee this Agreement and the Definitive Agreements to which it is a party, it being agreed and understood that the failure of any Party to execute and deliver any Definitive Agreements to which it is a party shall be a breach of this Agreement;

(ii) With respect to the Second Closing, the R&D Joint Venture shall have executed and delivered to Contractee this Agreement and any Definitive Agreements (other than the Revolving Loan Facility Agreement) to which it is a party;

(iii) All of the representations and warranties given under this Agreement and the Definitive Agreements by Nascent Applied Methods & Endeavors are true and correct in all material respects as of the First Closing Date or Second Closing Date, respectively;

(iv) All of the covenants and obligations of Nascent Applied Methods & Endeavors and the R&D Joint Venture to be performed prior to or as of the First Closing Date or Second Closing Date, respectively, under this Agreement and the Definitive Agreements shall have been duly performed in all material respects, and immediately following the Closing, no default or Event of Default shall have occurred or be continuing; and

(v) There are no actions, suits or proceedings pending or threatened against any Party which question such Party's right to enter into or perform this Agreement or the Definitive Agreements to which it is a party, which question the validity of this Agreement or any of the other Definitive Agreements, or which challenge the ability of the R&D Joint Venture to operate the Business in the Territory.

(b) The obligation of Nascent Applied Methods & Endeavors to consummate the First Closing and Second Closing pursuant to Section 3.2(c) shall be subject to the satisfaction of each of the following conditions on or prior to the First Closing Date or Second Closing Date, respectively, any one or more of which may be waived by Nascent Applied Methods & Endeavors at its own discretion, which waiver shall not release the other Parties from any liabilities to be incurred for breaching any of the representations or warranties or covenants provided under this Agreement and the Definitive Agreements:

(i) Contractee and, if applicable, the Contractee Stakeholders, shall have executed and delivered to Nascent Applied Methods & Endeavors this Agreement and the Definitive Agreements (other than the Revolving Loan Facility Agreement) to which it is a party, it being agreed and understood that the failure of any Party to execute and deliver any Definitive Agreements (other than the Revolving Loan Facility Agreement) to which it is a party shall be a breach of this Agreement;

(ii) With respect to the Second Closing, the R&D Joint Venture shall have executed and delivered to Nascent Applied Methods & Endeavors this Agreement and any Definitive Agreements (other than the Revolving Loan Facility Agreement) to which it is a party;

(iii) All of the representations and warranties given under this Agreement and the Definitive Agreements by Contractee and, if applicable, the Contractee Stakeholders, are true and correct in all material respects as of the First Closing Date or Second Closing Date, respectively;

(iv) All of the covenants and obligations of each of Contractee and the R&D Joint Venture to be performed prior to or as of the First Closing Date or Second Closing Date, respectively, under this Agreement and the Definitive Agreements shall have been duly performed in all material respects, and immediately following the Closing, no default or Event of Default shall have occurred or be continuing; and

(v) There are no actions, suits or proceedings pending or threatened against any Party which question such Party's right to enter into or perform this Agreement or the Definitive Agreements to which it is a party, or which question the validity of this Agreement or any of the other Definitive Agreements or challenge the ability of the R&D Joint Venture to operate the Business in the Territory.

3.4 Employee Interest Grants. The Parties agree that immediately after the completion of the Second Closing, Stakes representing up to five percent (5%) of the outstanding Stakes of the R&D Joint Venture will be set aside for future grants to the R&D Joint Venture's employees on terms to be determined by the Board (including subject to the Nascent Applied Methods & Endeavors Stakeholder Approval Rights). Any Stakes granted, issued or allocated to an employee shall be newly issued and, accordingly, shall dilute the Stakeholders' respective R&D Joint Venture Interests on a pro rata basis; provided, that, for the avoidance of doubt, so long as Nascent Applied Methods & Endeavors has not Transferred any of its Stakes, Nascent Applied Methods & Endeavor's R&D Joint Venture Interest will amount to ten percent (10%) gross of all then standing or outstanding Stakes if all such interest grants are made. For the avoidance of any doubt, it is hereby acknowledged and agreed among the Parties that the R&D Joint Venture may reserve interest for new issuances in connection with the making of an employee interest grant under this Section 3.4.

3.5 Preemptive Rights. Each Party (excluding the R&D Joint Venture) shall have a preemptive right to purchase up to a pro rata portion (equal to such Party's then current R&D Joint Venture Interest) of any new issuances of equity securities of the R&D Joint Venture or securities convertible into equity securities of the R&D Joint Venture (other than (i) issuances to employees as part of any employee interest grant established by the Board and approved in accordance with the Nascent Applied Methods & Endeavors Stakeholder Approval Rights contained in Section 4.10(b) hereof, or (ii) issuances upon any interest split, Stake dividend, reclassification or similar issuances of Stakes as duly approved by the Board and by Nascent Applied Methods & Endeavors in accordance with Section 4.10(b) hereof) at the same price per Stake, upon the same terms and offering the same benefits to such Stakeholder. The R&D Joint Venture agrees to notify each Stakeholder in writing of any proposed new issuance to which such preemptive rights apply, setting forth the terms of such offering. Each Party shall notify the Major Stakeholders and the R&D Joint Venture in writing, within fifteen (15) Calendar Days after receipt of such notice (the "**Acceptance Period**"), of its decision to participate in such new issuance, indicating in such written notice the amount of such new issuance (up to such Party's pro rata portion) that such Party elects to purchase. Failure to so respond during the Acceptance Period shall constitute an irrevocable election not to participate.

3.6 Stake Ownership. Except upon the prior written consent of Nascent Applied Methods & Endeavors, notwithstanding any new issuance of equity securities, Contractee shall retain at least forty-nine percent (49%) of the outstanding Stakes (on an as converted basis) of the R&D Joint Venture provided that this provision shall not apply to any Contractee Permitted Transfer referred to in Section 9.1(a)(ii).

3.7 Additional Financing. In the event that, at any time during the Term, the Board determines that the R&D Joint Venture requires additional funding beyond the initial capital contributions provided in accordance with the First Closing and Second Closing, the R&D Joint Venture shall draw down such required amounts from the Revolving Loan Facility Agreement, provided that, subject to the terms of the Revolving Loan Facility Agreement, the R&D Joint Venture may obtain debt financing in lieu thereof from a third party on terms and conditions which are the same or better for the R&D Joint Venture than offered under the Revolving Loan Facility Agreement. In the event that additional financing is required after the Revolving Loan Facility Agreement has either been completely drawn down by the R&D Joint Venture or has expired in accordance with the terms thereof, the R&D Joint Venture shall, subject to the terms of the Revolving Loan Facility Agreement, use

reasonable commercial efforts to arrange to borrow additional needed funds for its operations. In the event that the R&D Joint Venture is unable to arrange such necessary financing, Contractee shall arrange the necessary financing by way of loan, guarantee, capital contribution by Contractee or the Contractee Stakeholders, solicitation of capital contribution of a third party investor or such other method as Contractee reasonably deems appropriate, subject at all times to the Nascent Applied Methods & Endeavors Stakeholder Approval Rights contained in Section 4.10(b), which rights as they apply to this Section 3.7 shall not be unreasonably exercised by Nascent Applied Methods & Endeavors; provided, that in fulfilling the financing obligations of Contractee under this Section 3.7 and exercising any such voting rights of Nascent Applied Methods & Endeavors in respect thereof, each of Nascent Applied Methods & Endeavors and Contractee shall take into account the best interests of the R&D Joint Venture and the continued operation of the Business and the interests of the Stakeholders taken as a whole and not its own self-interest.

4. Operation and Management of the R&D Joint Venture

4.1 Operation of the R&D Joint Venture. Each Stakeholder agrees to take all actions necessary to ensure that the R&D Joint Venture shall be operated in accordance with the terms of this Agreement including, without limitation, to cause all Stakes held by it to be voted and to cause any Directors nominated by it to vote to effect the terms hereof; provided that nothing herein shall obligate any Stakeholder or cause a Director to violate or act in contravention of any duty it or he or she may have under the Commercial Code or any other Applicable Law.

4.2 Board of Directors. The R&D Joint Venture will be managed by the Board in accordance with the terms of this Agreement, the Articles and Applicable Law. The Board shall consist of [*] Directors, [*] of whom shall be, [*], nominated by Contractee, [*] of whom shall be, [*], nominated by Nascent Applied Methods & Endeavors (each a "**Nascent Applied Methods & Endeavors Director**") and [*] of whom shall be, [*]. As soon as practicable following the First Closing, the Stakeholders shall cause to be held an organizational meeting to elect the Directors nominated in accordance with this Section 4.2 and each of the Stakeholders shall affirmatively vote all its Stakes to elect the Major Stakeholders' nominees and 's nominee at such meeting.

4.3 Removal; Reappointment of Directors. Any Director may be removed for cause in accordance with Applicable Law. In addition, a Major Stakeholder or (unless it is a Defaulting Party) may, at any time and in its sole discretion, propose the removal, with or without cause, of any Director nominated by it. Such Major Stakeholder or shall indemnify the R&D Joint Venture for any damage resulting from claims by or on behalf of such removed Director relating to such removal. In the case of a vacancy in the office of a Director for any reason (including removal), the vacancy shall be filled by a person nominated by the Stakeholder that nominated the removed Director unless such Major Stakeholder is a Defaulting Party, in which case the vacancy shall be filled by the other Major Stakeholder. Upon notice by a Major Stakeholder or desiring to remove the Director it has nominated or appoint a replacement therefore pursuant to this Section 4.3, the Board shall promptly call an extraordinary Stakeholders' meeting and each Party shall affirmatively vote all its Stakes to remove such Director or appoint a replacement, as the case may be.

4.4 Board Meetings. Except as otherwise provided under the Commercial Code or the Articles, any Director shall have the authority to convene Board meetings, including the authority to specify the time and place of such meetings. Directors and Statutory Auditors may attend Board meetings by teleconference or video-conference in accordance with Applicable Law, in person or by any other means of attendance permitted by Applicable Law. Written notice of all Board meetings shall be given not less than fourteen (14) Calendar Days in advance of each meeting (which fourteen (14) Calendar Day period may be shortened by written waiver of all Directors and Statutory Auditors or actual attendance by Directors and Statutory Auditors, without objection, at a Board meeting). Board meetings will be convened within three (3) months after the prior meeting, other than in the case where a Director finds additional meetings necessary. The R&D Joint Venture shall distribute materials necessary for Board meetings in both English and United States. Board meetings shall be conducted in English or United States, provided, that if meetings are conducted in United States, the R&D Joint Venture will provide at its sole cost and expense an interpreter for the Nascent Applied Methods & Endeavors Directors in attendance. Minutes of such meetings shall be prepared by the R&D Joint Venture in English and United States and distributed to each Director and Statutory Auditor following each meeting. The R&D Joint Venture shall bear all reasonable travel expenses incurred by Directors in connection with attendance at any Board meeting.

4.5 Board Quorum; Resolutions. Except as required by Section 4.6(b), a quorum shall be deemed to exist for purposes of Board actions so long as at least four (4) Directors are present. In the event that a quorum cannot be assembled for a meeting duly called, such meeting shall be immediately adjourned and rescheduled to convene within fourteen (14) Calendar Days and written notice of the rescheduled meeting shall be given. Except as set forth in Section 4.6, any action, determination or resolution of the Board shall require the affirmative vote of a majority of Directors present at a meeting at which a valid quorum pursuant to this Section 4.5 is present.

4.6 Nascent Applied Methods & Endeavors Director Approval Rights. Prior to the earlier of (i) notice of the exercise by Contractee of the Special Event of Default Option or (ii) the amendment of the Articles pursuant to Section 4.11 hereof:

(a) The affirmative vote of a majority of the Board, including the affirmative vote of at least one Nascent Applied Methods & Endeavors Director (who is not a Representative Director), present at a meeting at which a valid quorum pursuant to Section 4.5 and Section 4.6(b) is present shall be required for any of the following actions, determinations or resolutions (the "**Nascent Applied Methods & Endeavors Director Approval Rights**"):

(b) The attendance of at least one (1) Nascent Applied Methods & Endeavors Director shall be required for a quorum to exist with respect to any Board meeting and with respect to any rescheduled Board meeting for matters requiring Nascent Applied Methods & Endeavors Director Approval pursuant to Section 4.6(a) above.

4.7 Officers.

(a) Contractee shall have the single right vote to appoint the network CEO, provided that such person shall be reasonably acceptable to Nascent Applied Methods & Endeavors in its entirety. Nascent Applied Methods & Endeavors shall have the right to appoint the COO, provided that such person shall be reasonably acceptable to Contractees. [*]. For the avoidance of

doubt, nothing herein shall prevent communication between employees, officers and Directors of the R&D Joint Venture in the ordinary course of business.

(b) Any CEO or COO may be removed for cause in accordance with Applicable Law. In addition, a Major Stakeholder (unless it is a Defaulting Party) may, at any time and in its sole discretion, propose the removal, with or without cause, of the CEO or COO appointed by it. Such Major Stakeholder shall indemnify the R&D Joint Venture for any damage resulting from claims by or on behalf of such removed CEO or COO relating to such removal. In the case of a vacancy in the office of a CEO or COO for any reason (including removal), the vacancy shall be filled by a person appointed by the Stakeholder that appointed the vacated CEO or COO position unless such Major Stakeholder is a Defaulting Party, in which case the vacancy shall be filled by the other Major Stakeholder. To the extent necessary under United States law, a Major Stakeholder desiring to remove the CEO or COO it has appointed may cause a Director it has appointed to call a meeting of the Board, and shall cause the Directors appointed by each of them to affirmatively vote as Directors to cause the removal of such CEO or COO or to appoint a replacement therefore, as the case may be, provided that nothing herein shall obligate any Stakeholder or cause a Director to violate or act in contravention of any duty it or he or she may have under the Commercial Code or any other Applicable law.

4.8 Representative Directors. The R&D Joint Venture will have two Representative Directors. Prior to notice of the exercise by Nascent Applied Methods & Endeavors of the Special Event of Default Option, Contractee shall have the right, but not the obligation, to appoint a Representative Director, provided that this will constitute a Contractee-nominated Director under Section 4.2 above. Prior to notice of the exercise by Contractee of the Special Event of Default Option, Nascent Applied Methods & Endeavors shall have the right, but not the obligation to a Representative Director provided that this will constitute a Nascent Applied Methods & Endeavors Director under Section 4.2 above. Following any notice of the exercise of the Special Event of Default Option, the Major Stakeholder who is not the Defaulting Party shall have the right to appoint both Representative Directors. In the event that Nascent Applied Methods & Endeavors does not exercise its right to appoint a Representative Director, such Representative Director shall be appointed by the Board (the "**Replacement Representative**"), it being agreed and understood that so long as Contractee has not given notice of the exercise of the Special Event of Default Option Nascent Applied Methods & Endeavors shall retain the right to appoint a Representative Director at any time. Immediately after appointment, the Major Stakeholders shall cause a Board meeting to be held in order to elect such Representative Director(s). The Major Stakeholders shall cause the Directors appointed by each of them to affirmatively vote as Directors so as to cause the election of the Representative Director(s) selected in accordance with this Section 4.8, provided that nothing herein shall obligate a Stakeholder or cause a Director to violate or act in contravention of any duty it or he/she may have under the Commercial Code or any other Applicable Law.

4.9 Statutory Auditor. The R&D Joint Venture shall initially have one (1) Statutory Auditor who shall be appointed by mutual agreement of the Major Stakeholders. Once the R&D Joint Venture shall be classified as a *dai-gaisha* and required under Applicable Law to have at least three (3) Statutory Auditors, the number of Statutory Auditors shall be so increased. All Statutory Auditors shall be appointed by mutual agreement of the Major Stakeholders. A Statutory Auditor may be removed for cause in accordance with Applicable Law. Notwithstanding anything else set forth in this Section 4.9, following the exercise of the Special Event of Default Option, the Major Stakeholder who is not the Defaulting Party shall be entitled to appoint the Statutory Auditor(s).

4.10 Stakeholders' Meetings.

(a) General. The R&D Joint Venture shall have at least one Stakeholders' meeting each calendar year which shall be held pursuant to the Commercial Code and the Articles at a time and place as is determined by the Board in accordance with the Commercial Code and the Articles. Stakeholders shall receive notice of each Stakeholders' meeting at least thirty (30) Calendar Days before the scheduled date of such meeting. Stakeholders' meetings shall be conducted in both English and United States, provided, that if the meetings are conducted in United States, the R&D Joint Venture will provide at its sole cost and expense an interpreter for the representative of Nascent Applied Methods & Endeavors then in attendance. Minutes of such meetings shall be prepared by the R&D Joint Venture in English and United States. Except as required by Section 4.10(b), the presence at any Stakeholders' meeting of more than fifty percent (50%) of the total number of issued and outstanding Stakes shall constitute a quorum for the transaction of business. In the event that a quorum cannot be assembled for a meeting duly called such meeting shall be immediately adjourned and rescheduled to convene within fourteen (14) Calendar Days, and written notice of the rescheduled meeting shall be given. Except as required by Section 4.10(b), at such rescheduled meeting, the Stakeholders then present shall constitute a quorum. Except as required under Applicable Law and Section 4.10(b), all actions that require the approval of the Stakeholders shall require approval by a majority of the Stakes present at meeting at which a valid quorum pursuant to this Section 4.10 is present.

(b) Nascent Applied Methods & Endeavors Stakeholder Approval Rights. As long as Nascent Applied Methods & Endeavors is the owner of at least [*] of the outstanding Stakes of the R&D Joint Venture and prior to the earlier of (i) notice of the exercise by Contractee of the Special Event of Default Option or (ii) amendment of the Articles pursuant to Section 4.11 hereof:

(i) The affirmative vote of the Nascent Applied Methods & Endeavors Stakes present at a meeting at which a valid quorum pursuant to Section 4.10(a) and this Section 4.10(b) is present shall be required to approve any of the following actions (the "**Nascent Applied Methods & Endeavors Stakeholder Approval Rights**"):

(ii) The attendance of Nascent Applied Methods & Endeavors shall be required for a quorum to exist with respect to any Stakeholders' meeting and with respect to any rescheduled Stakeholders' meeting for matters requiring Nascent Applied Methods & Endeavors Stakeholder Approval pursuant to this Section 4.10(b).

4.11 Initial Public Offering. At such time as is required under Applicable Law or reasonably required under interest exchange rules and market practice prior to an initial public offering of the R&D Joint Venture the Parties shall cause the Articles to be amended such that the Nascent Applied Methods & Endeavors Director Approval Rights and the Nascent Applied Methods & Endeavors Stakeholder Approval Rights will be repealed from the Articles and Sections 3.5, 3.6, 4.6 and 4.10(b) shall be of no further force and effect and the Parties shall make such other amendments to the Articles and this Agreement as may be required under Applicable Law and interest exchange rules for the completion of the initial public offering. From the date of such amendments until the closing of a firmly underwritten public offering, the Major Stakeholders shall not take any action that would have been prohibited by Sections 3.5, 3.6, 4.6 and 4.10(b) hereof except as necessary to effect the initial public offering. If the closing of the initial public offering does not occur within such reasonable period, the Parties shall cause the Articles to be amended to restore

the provisions that were repealed from the Articles in anticipation of the initial public offering and Sections 3.5, 3.6, 4.6 and 4.10(b) shall become effective again.

4.12 Business Plan and Annual Budget. The Parties have agreed to an Annual Budget for the first year of operations attached hereto as Exhibit B and an initial Business Plan attached hereto as Exhibit C. Thereafter, the R&D Joint Venture shall prepare and the Board shall approve, subject to the Nascent Applied Methods & Endeavors Director Approval Rights, a new Business Plan (relating to the next five (5) fiscal years) and new Annual Budget (relating to the next fiscal year) no later than sixty (60) Calendar Days prior to the commencement of the next fiscal year. Prior to making any material modifications to the Business Plan or Annual Budget and prior to adopting any new Business Plan or new Annual Budget, such modifications, new Business Plan or Annual Budget shall be reviewed by the Board. Except for the Nascent Applied Methods & Endeavors Director Approval Rights, no other Stakeholder or other approval shall be required to adopt any such modifications, new Business Plan or Annual Budget.

4.13 Financial Statements and Accounting Records. The following financial information shall be submitted by the R&D Joint Venture to each of the Major Stakeholders: (i) within ten (10) Calendar Days after the end of each month, monthly sales figures for such month; (ii) within thirty (30) Calendar Days after the end of each month, an unaudited balance sheet, income statement, statement of cash flows and statement of Stakeholders' equity for such month prepared by management; (iii) within forty-five (45) Calendar Days after the end of each fiscal quarter, an unaudited balance sheet, income statement, statement of cash flows and statement of Stakeholders' equity for such quarter prepared by management; and (iv) within ninety (90) Calendar Days after the end of each fiscal year, an audited balance sheet, income statement, statement of cash flows and statement of Stakeholders' equity for such fiscal year. Each of the annual balance sheet and income statements shall be audited and certified by an internationally recognized "Big Four" accounting firm retained by the R&D Joint Venture. All such audited balance sheet and income statements shall be prepared in accordance with United States generally accepted accounting principles ("United States GAAP") with conforming changes to U.S. GAAP. All of the foregoing financial statements shall be prepared in both English and United States and shall also be delivered to each Director and all of the costs of such preparation shall be borne by the R&D Joint Venture.

4.14 Right of Inspection. Each Major Stakeholder and its accountants and advisors shall, during the regular office hours of the R&D Joint Venture, upon reasonable notice to the R&D Joint Venture and in a manner that does not interfere with the R&D Joint Venture's normal operation of its Business, have (a) access to the books and records of the R&D Joint Venture, and (b) the right to make copies from such books and records at its own expense. Any information obtained by a Major Stakeholder through exercise of rights granted under this Section 4.14 shall, to the extent constituting Confidential Information hereunder, be subject to the confidentiality provisions set forth in Section 5.1. The rights set forth in this Section 4.14 shall be in addition to any rights provided by the Commercial Code.

4.15 Accounting. The fiscal year of the R&D Joint Venture shall commence on March 1 of each year and shall end on the last day of February of the next succeeding year.

4.16 Conflict. In the case of any conflict or discrepancy between the terms of the Articles and of this Agreement, the terms of this Agreement shall at all times control, and

the Parties shall each perform such acts, execute and deliver such instruments and documents, and do all such other things as may be reasonably necessary to accomplish the foregoing, including using reasonable efforts to modify the Articles, if necessary.

4.17 Interested Matters. Notwithstanding anything herein to the contrary, a Nascent Applied Methods & Endeavors Director may provide a written notice of an alleged material breach constituting an Interested Matter to Contractee, and if Contractee is not the alleged breaching party, the alleged breaching party. If following the receipt of such notice, the breaching party has not cured such breach in accordance with the provisions of the applicable contract or agreement, the chief executive officers of each of the Major Stakeholders shall meet and confer within thirty (30) days of the end of the applicable cure period in good faith to resolve any disputes. In the event that any disputes relating to such Interested Matter are still not resolved, then the Board shall meet to determine the next course of action in accordance with the following: (i) no Interested Director shall be permitted to vote on any Interested Matter, (ii) a majority of the Non-Interested Directors shall constitute a quorum with respect to any Interested Matter, and (iii) the Board shall act by the affirmative vote of a majority of the Non-Interested Directors with respect to any Interested Matter. In the event that the Board determines to enforce the alleged breach against Contractee, the Contractee Group or a Contractee Stakeholder and the arbitrator or judge finds that no breach has occurred, Nascent Applied Methods & Endeavors will reimburse the R&D Joint Venture and Contractee, the Contractee Group or a Contractee Stakeholder, as applicable, for the costs and expenses incurred in the defense of such action (including reasonable attorneys fees).

5. Additional Covenants

5.1 Confidentiality.

(a) The Parties recognize that, in connection with the performance of this Agreement, each Party (in such capacity, the "**Disclosing Party**") may disclose "Confidential Information" to the other Party (the "**Receiving Party**"). For purposes of this Agreement, "**Confidential Information**" means any proprietary information (whether owned by the Disclosing Party or a third party to whom the Disclosing Party owes a non-disclosure obligation, which obligation is disclosed to the Receiving Party when such information is disclosed) regarding the Disclosing Party's business, trade secrets, confidential knowledge, data or any other proprietary information of the Disclosing Party. Confidential Information includes, but is not limited to, information regarding plans for research, development, new products, marketing and selling, business plans, budgets and financial statements, licenses, prices and costs, pricing policies, suppliers and customers and information regarding the skill and compensation of other employees of the Disclosing Party. Confidential Information shall *not* include information which: (A) was known to the Receiving Party at the time of the disclosure by the Disclosing Party; (B) has become publicly known through no wrongful act of the Receiving Party; (C) has rightfully been received by the Receiving Party from a third party not subject to a confidentiality obligation; or (D) has been independently developed by the Receiving Party without reference to the Confidential Information of the Disclosing Party. The Receiving Party agrees (x) not to use any such Confidential Information for any purpose other than in the performance, development or operation of the Business, the performance of its obligations under this Agreement and the Definitive Agreements, and (y) not to disclose any such Confidential Information, except (1) to its employees who are reasonably required to have the Confidential Information in the performance, development or operation of the Business under this Agreement or the Definitive Agreements, (2)

to its third party agents, representatives, lawyers, and other advisors that have a need to know such Confidential Information, provided that such parties are advised of such confidentiality obligations, (3) to lenders and to potential purchasers of the Stakes, provided that any such lender or potential purchaser executes a confidentiality agreement reasonably acceptable to the R&D Joint Venture and the Major Stakeholders (if such Major Stakeholder is the Disclosing Party of any Confidential Information covered by such confidentiality agreement), and (4) pursuant to, and as required by a Governmental Authority. The Receiving Party agrees to take all reasonable measures to protect the secrecy and confidentiality of, and avoid disclosure or unauthorized use of, the Disclosing Party's Confidential Information. In the event the Receiving Party is required to disclose Confidential Information pursuant to applicable law or by any Governmental Authority, such Party will use diligent reasonable efforts to limit disclosure and to obtain confidential treatment or a protective order, will use its best efforts to give the other Parties sufficient advance notice and the opportunity to review and comment on the contents of such disclosure as it relates to the other Party, the R&D Joint Venture and its Business to the greatest extent possible and will allow the Disclosing Party to participate in the proceeding.

(b) Each Party acknowledges and agrees that (i) its obligations under this Section 5.1 are necessary and reasonable to protect the other Parties and their businesses, (ii) any violation of these provisions could cause irreparable injury to a Disclosing Party for which money damages would be inadequate, and (iii) as a result, the Disclosing Party shall be entitled to obtain preliminary injunctive relief against the threatened breach of the provisions of this Section 5.1 without the necessity of proving actual damages. The Parties agree that the remedies set forth in this Section 5.1 are in addition to and in no way preclude any other remedies or actions that may be available at law or under this Agreement and the Definitive Agreements.

(c) Each Party agrees that the terms and conditions of this Agreement and the Definitive Agreements and the information used or created by the R&D Joint Venture in the development and operation of the Business shall be treated as Confidential Information and that no reference thereto shall be made without the prior written consent of the other Parties (which consent shall not be unreasonably withheld) except (a) as required by Applicable Law provided the Receiving Party complies with the requirements of the last sentence of Section 5.1(a) above, (b) to its accountants, lawyers and other professional advisors, (c) in connection with the enforcement of this Agreement or the Definitive Agreements, (d) in connection with a merger, acquisition or proposed merger or acquisition involving such Party where such merger or acquisition partner shall be bound to the confidentiality terms herein, or (e) pursuant to joint press releases prepared in accordance with Section 5.2.

(d) Confidential Information shall remain the property of the Disclosing Party and at any time during the period of this Agreement, upon request of the Disclosing Party, each Receiving Party shall promptly return or destroy, at the Disclosing Party's option, all Confidential Information which it received from such Disclosing Party along with all copies which it made.

(e) Subject to Section 5.1(f), the Parties' obligations under this Section 5.1 shall remain in full force and effect for the duration of the Term and for a period of two (2) years thereafter.

(f) Notwithstanding the foregoing and except as otherwise provided in the Nascent Applied Methods & Endeavors License Agreement, in the event that a non-Defaulting Party exercises its Special Event of Default Option, such Party shall be able to use the Confidential Information of the R&D Joint Venture following the date of exercise through the date of the

termination of this Agreement. Upon any termination of this Agreement, the Major Stakeholders will be able to use the Confidential Information of the R&D Joint Venture.

5.2 Publicity. Each Party shall coordinate all publicity relating to the formation, launch and operation of the Business under this Agreement, the Definitive Agreements or the transactions contemplated thereby. During the Term and for a period of two (2) years thereafter, no Party shall issue any press release, publicity statement or other public notice relating to this Agreement, the Definitive Agreements or the transactions contemplated hereby or thereby without the prior consent of the other Parties unless required under Applicable Laws and then only after the disclosing Party has used its best efforts to give the other Parties sufficient advance notice and the opportunity to review and comment on the contents of such disclosure as it relates to the other Party, the R&D Joint Venture and its Business to the greatest extent possible.

5.3 Non-Solicitation. During the Term and for one (1) year following the end of the Term: (i) no Party nor any Affiliate thereof shall, directly or indirectly, solicit for employment or hire any director, officer or other employee of the other Major Stakeholders; and (ii) no Stakeholder nor any Affiliate thereof shall, directly or indirectly, solicit for employment or hire any Director (except a Director nominated by such Stakeholder), officer or other employee of the R&D Joint Venture; provided, however, that the foregoing shall not prohibit (i) general advertising or employee search activities targeted to a broad pool of potential applicants for a position or (ii) contact engaged in after such an employee of any Major Stakeholder or of the R&D Joint Venture and of their respective Affiliates initiates contact with a Party without prior solicitation in contravention of this Agreement; provided that this Section 5.3 shall only apply to an Affiliate of (other than Contractee and its direct and indirect subsidiaries) if (i) such Affiliate (x) derives 51% or more of its revenues from, or (y) has a primary strategic focus in, a business that competes with or is substantially the same as the Business and (ii) owns a majority equity interest and has appointed a majority of the directors of the board of such Affiliate. Notwithstanding the foregoing, this Section 5.3 shall cease to apply to a Major Stakeholder that has elected to exercise its Special Event of Default Option pursuant to Section 8.3.

5.4 Non-Compete. The R&D Joint Venture shall be the sole and exclusive [*]. Accordingly, during the Term (and, [*], for a period of one (1) year [*]), neither Major Stakeholder nor any Affiliate of either nor any Stakeholder that signs a Joiner Agreement shall, directly or indirectly, engage in any business in the Territory that [*]. Notwithstanding the foregoing, this Section 5.4 shall cease to apply to a Major Stakeholder that has elected to exercise its Special Event of Default Option pursuant to Section 8.3.

5.5 Discussion of Business; Business Plan.

(a) The Business Plan. Please see Exhibit C of this document*

(b) In the event of the R&D Joint Venture. The Major Stakeholders shall meet to reconsider the efficacy of the joint venture and review and adjust the Business Plan. Following such meeting, the Parties will operate the R&D Joint Venture based on any changes thereto agreed by the Parties.

5.6 Annual Updates to Competitor Schedules.

(a) Nascent Applied Methods & Endeavors Competitor Schedule. During the first fourteen (14) Calendar Days of each Fiscal Year, Nascent Applied Methods & Endeavors shall have the right, exercisable by providing written notice to Contractee during such period, to update the list of Nascent Applied Methods & Endeavors Competitors set forth on Schedule 1A, provided, that (i) any new Persons added to such list must in good faith be viewed as an actual competitor of Nascent Applied Methods & Endeavors, and (ii) the aggregate number of Persons set forth on such list shall not exceed [*] Persons.

(b) Contractee Competitor Schedule. During the first fourteen (14) Calendar Days of each Fiscal Year, Contractee shall have the right, exercisable by providing written notice to Nascent Applied Methods & Endeavors during such period, to update the list of Contractee Competitors set forth on Schedule 1B, provided, that (i) any new Persons added to such list must in good faith be viewed as an actual competitor of Contractee, and (ii) the aggregate number of Persons set forth on such list shall not exceed [*] Persons.

6. **Representations and Warranties of the Parties**

6.1 Representations and Warranties of Nascent Applied Methods & Endeavors. Nascent Applied Methods & Endeavors hereby represents and warrants to the other Parties that, as of the date hereof and as of each of the First Closing Date and Second Closing Date, the following statements are true and correct:

(a) Organization. Nascent Applied Methods & Endeavors is a limited liability R&D Joint Venture duly organized and validly existing under the laws of Delaware, and has the corporate power and authority to enter into and perform this Agreement and the Definitive Agreements to which it is a party.

(b) Authorization. All action on the part of Nascent Applied Methods & Endeavors necessary for the authorization, execution and delivery of this Agreement and the Definitive Agreements to which it is a party and for the performance of all of its obligations hereunder and thereunder has been taken, and this Agreement and the Definitive Agreements to which it is a party when, fully executed and delivered, shall constitute a valid, legally binding and enforceable obligation of Nascent Applied Methods & Endeavors.

(c) Government and Other Consents. No consent, authorization, license, permit, registration or approval of, or exemption or other action by, any Governmental Authority, or any other Person, is required of Nascent Applied Methods & Endeavors in connection with Nascent Applied Methods & Endeavor's execution, delivery and performance of this Agreement or the Definitive Agreements to which it is a party, or if any such consent is required, Nascent Applied Methods & Endeavors has satisfied the applicable requirements.

(d) Effect of Agreement. Nascent Applied Methods & Endeavor's execution, delivery and performance of this Agreement and the Definitive Agreements to which it is a party will not (i) violate the constitutive documents of Nascent Applied Methods & Endeavors or any provision of Applicable Law, (ii) violate any judgment, order, writ, injunction or decree of any court applicable to Nascent Applied Methods & Endeavors, (iii) have any effect on the compliance of Nascent Applied Methods & Endeavors with any applicable licenses, permits or authorizations

which would materially and adversely affect Nascent Applied Methods & Endeavors or its ability to perform under this Agreement or the Definitive Agreements to which it is a party, or (iv) result in the breach of, give rise to a right of termination, cancellation or acceleration of any obligation with respect to (presently or with the passage of time), or otherwise be in conflict with any term of, or affect the validity or enforceability of, any agreement or other commitment to which Nascent Applied Methods & Endeavors is a party and which would materially and adversely affect Nascent Applied Methods & Endeavors or its ability to perform under this Agreement or the Definitive Agreements to which it is a party.

(e) Litigation. There are no actions, suits or proceedings pending or, to Nascent Applied Methods & Endeavor's knowledge, threatened, against Nascent Applied Methods & Endeavors which question Nascent Applied Methods & Endeavor's right to enter into or perform this Agreement or the Definitive Agreements to which it is a party, or which question the validity of this Agreement or any of the Definitive Agreements.

6.2 Representations and Warranties of Contractee. Contractee hereby represents and warrants to the other Parties that, as of the date hereof and as of each of the First Closing Date and Second Closing Date, the following statements are true and correct:

(a) Organization. Contractee is a Company duly organized and validly existing under the laws of United States. Contractee has the corporate power and authority to enter into and perform this Agreement and the Definitive Agreements to which it is a party.

(b) Authorization. All corporate action on the part of Contractee necessary for the authorization, execution and delivery of this Agreement and the Definitive Agreements to which it is a party and for the performance of all of its obligations hereunder and thereunder has been taken, and this Agreement and the Definitive Agreements to which it is a party, when fully executed and delivered, shall each constitute a valid, legally binding and enforceable obligation of Contractee.

(c) Government and Other Consents. No consent, authorization, license, permit, registration or approval of, or exemption or other action by, any Governmental Authority, or any other Person, is required of Contractee in connection with Contractee's execution, delivery and performance of this Agreement or the Definitive Agreements to which it is a party, or if any such consent is required, Contractee has satisfied the applicable requirements.

(d) Effect of Agreement. Contractee's execution, delivery and performance of this Agreement and the Definitive Agreements to which it is a party will not (i) violate the constitutive documents of Contractee or any provision of Applicable Law, (ii) violate any judgment, order, writ, injunction or decree of any court applicable to Contractee, (iii) have any effect on the compliance of Contractee with any applicable licenses, permits or authorizations which would materially and adversely affect Contractee or its ability to perform under this Agreement or the Definitive Agreements to which it is a party, or (iv) result in the breach of, give rise to a right of termination, cancellation or acceleration of any obligation with respect to (presently or with the passage of time), or otherwise be in conflict with any term of, or affect the validity or enforceability of, any agreement or other commitment to which Contractee is a party and which would materially and adversely affect Contractee or its ability to perform under this Agreement or the Definitive Agreements to which it is a party.

(e) Litigation. There are no actions, suits or proceedings pending or, to Contractee's knowledge, threatened, against Contractee which question Contractee's right to enter into or

perform this Agreement or the Definitive Agreements to which it is a party, or which question the validity of this Agreement or any of the Definitive Agreements.

6.3 Representations and Warranties of the R&D Joint Venture . Hereby represents and warrants to the other Parties that, as of the date hereof and as of each of the First Closing Date and Second Closing Date, the following statements are true and correct:

(a) Organization. Nascent Applied Methods & Endeavors is a Company duly organized and validly existing under the laws of United States. Has the corporate power and authority to enter into and perform this Agreement and the Definitive Agreements to which it is a party (if any).

(b) Authorization. All corporate action on the part of necessary for the authorization, execution and delivery of this Agreement and for the performance of all of its obligations hereunder has been taken, and this Agreement shall constitute a valid, legally binding and enforceable obligation of .

(c) Government and Other Consents. No consent, authorization, license, permit, registration or approval of, or exemption or other action by, any Governmental Authority, or any other Person, is required of in connection with the execution, delivery and performance of this Agreement, or if any such consent is required, has satisfied the applicable requirements.

(d) Effect of Agreement. The execution, delivery and performance of this Agreement will not (i) violate the constitutive documents of or any provision of Applicable Law, (ii) violate any judgment, order, writ, injunction or decree of any court applicable to , (iii) have any effect on the compliance of with any applicable licenses, permits or authorizations which would materially and adversely affect or its ability to perform under this Agreement, or (iv) result in the breach of, give rise to a right of termination, cancellation or acceleration of any obligation with respect to (presently or with the passage of time), or otherwise be in conflict with any term of, or affect the validity or enforceability of, any agreement or other commitment to which is a party and which would materially and adversely affect or its ability to perform under this Agreement.

(e) Litigation. There are no actions, suits or proceedings pending or, to 's knowledge, threatened, against which question 's right to enter into or perform this Agreement, or which question the validity of this Agreement.

7. Indemnification

7.1 Indemnification. Each Party (the "**Indemnifying Party**") shall indemnify the other Parties, their Affiliates and each of their respective officers, directors, employees, Stakeholders, advisors, consultants, agents and representatives (each, an "**Indemnified Party**") against and hold them harmless from any loss, liability, claim, damage or expenses (including reasonable legal fees and expenses) ("**Losses**") suffered or incurred by any such Indemnified Party, whether in connection with a suit or action instituted by a third party or otherwise, to the extent arising from or in connection with (i) any breach of any representation or warranty of the Indemnifying Party contained in this Agreement or the Definitive Agreements, or (ii) any breach of any covenant of the Indemnifying Party contained in this Agreement or the Definitive Agreements. Additionally, each Major Stakeholder who causes the removal of a Director under Section 4.3 shall indemnify the R&D Joint Venture for any Losses resulting from claims by or on behalf of such removed

Director relating to such removal. The remedies set forth in this Section 7 shall be in addition to any other rights provided by this Agreement, the Definitive Agreements or under Applicable Law.

7.2 Indemnification Procedure. Each Indemnified Party shall give notice to the Indemnifying Party promptly after such Indemnified Party has received written notice of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld). The Indemnified Party may participate in such defense at such party's expense; provided, however, that the Indemnifying Party shall bear the expense of such defense of the Indemnified Party if representation of both parties by the same counsel would be inappropriate due to actual or potential conflicts of interest. The failure of any Indemnified Party to give notice within a reasonable period of time as provided herein shall relieve the Indemnifying Party of its obligations under Section 7.1 but only to the extent that such failure to give notice shall materially adversely prejudice the Indemnifying Party in the defense of any such claim or any such litigation. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the written consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

8. Term and Termination

8.1 Term. This Agreement shall be effective as of the date hereof, and shall continue in effect until terminated pursuant to Section 8.2 (the "**Term**").

8.2 Termination.

(a) **Mutual Termination.** This Agreement may be terminated as follows:

(i) Effective immediately upon the mutual written agreement of the Major Stakeholders;

(ii) By either of the Major Stakeholders effective immediately upon written notice to the other Parties in the event of (x) the appointment of a trustee, receiver or other custodian for all or substantially all of the property of the other Major Stakeholder or for any lesser portion of such property; the filing of a voluntary or involuntary petition in bankruptcy, civil rehabilitation, corporate reorganization or similar proceeding with respect to the other Major Stakeholder which is not dismissed or withdrawn within sixty (60) Calendar Days thereafter; an assignment by the other Major Stakeholder for the benefit of its creditors; in each case if the result is materially and adversely to affect the ability of such other Major Stakeholder to fulfill its affirmative or negative obligations hereunder or under any of the Definitive Agreements to which it is a party; or (y) the dissolution or liquidation of the other Major Stakeholder as a result of an insolvency or bankruptcy;

(iii) By either of the Major Stakeholders effective immediately upon written notice to the other Parties in the event that the R&D Joint Venture fails to achieve [*] by the thirtieth (30th) month following the Launch Date [*];

(iv) By Contractee upon written notice to the other Parties in the event that Nascent Applied Methods & Endeavors is merged, consolidated or otherwise combined with or into, or otherwise Controlled by a Contractee Competitor;

(v) By Nascent Applied Methods & Endeavors upon written notice to the other Parties in the event that Contractee, is merged, consolidated or otherwise combined with or into, or otherwise Controlled by a Nascent Applied Methods & Endeavors Competitor;

(vi) By either of the Major Stakeholders effective immediately upon written notice to the other Parties in the event that the R&D Joint Venture has breached its payment obligations under any of the Definitive Agreements and such breach is not cured within the applicable cure period (or if no applicable cure period, within 30 days after written notice thereof from the Party to whom such payment obligation is owed) as a result of inability to pay and such inability continues through the end of the cure period; provided that no Major Stakeholder may terminate pursuant to this provision if it is a Defaulting Party under this Agreement and provided further that Contractee may not terminate pursuant to this provision if it is in breach of its obligations under Section 3.7 of this Agreement; or

(vii) By either Major Stakeholder in the event of a termination of the License Agreement due to a [*].

(b) Nascent Applied Methods & Endeavors Termination. In addition to Section 8.2(a) above, Nascent Applied Methods & Endeavors shall have the right at its option to terminate this Agreement effective upon the occurrence of any of the following (each, a "**Contractee Event of Default**"):

(i) An Event of Default (as such term is defined in each respective Definitive Agreement) under any Definitive Agreement that is not cured within the applicable cure period (or if no applicable cure period, within 30 days after written notice thereof from Nascent Applied Methods & Endeavors) provided therein and such Event of Default gives rise to a termination right by the non-defaulting party under the applicable Definitive Agreement and if in the case of the License Agreement, Contractee or the R&D Joint Venture is the defaulting party (except for non-payment defaults described in Section 8.2(a)(6)) and if in the case of the Marketing Agreement, Services Agreement or Loan Agreement, Contractee is the defaulting party;

(ii) Except if consented to by Nascent Applied Methods & Endeavors in writing, a transfer of Stakes by Contractee or a Contractee Stakeholder to an entity listed in Schedule 1A, as modified from time to time;

(iii) A breach by Contractee, or a Contractee Stakeholder of the non-compete provisions of Section 5.4;

(iv) A failure by the Contractee Directors to approve a Nascent Applied Methods & Endeavors Permitted Transfer pursuant to Section 9.1.

(v) A failure by Contractee, (or, if applicable, any other Contractee Stakeholder) to purchase the Contractee Stakes or Stakes, as applicable in accordance with Section 3, provided, that Contractee, (or, if applicable, a Contractee Stakeholder) shall have thirty (30)

Calendar Days to cure such failure after written notice thereof from Nascent Applied Methods & Endeavors before it shall constitute a Contractee Event of Default;

(vi) A failure by Contractee to enter into the Revolving Loan Facility Agreement within ten (10) Calendar Days following the Second Closing; provided that such failure is not due to delay in receipt of funds contributed by Nascent Applied Methods & Endeavors to the R&D Joint Venture at the Second Closing.

(vii) A failure by Contractee to provide loans to the R&D Joint Venture pursuant to the Revolving Loan Facility Agreement or to comply with its obligation to secure additional financing for the R&D Joint Venture pursuant to Section 3.6, provided that in all such cases Contractee shall have thirty (30) Calendar Days after written notice thereof from Nascent Applied Methods & Endeavors to cure any such failure before it shall constitute a Contractee Event of Default;

(viii) Except after a Nascent Applied Methods & Endeavors Event of Default, the R&D Joint Venture undertaking any transaction or other action which is the subject of any Nascent Applied Methods & Endeavors Director Approval Rights in accordance with Section 4.6 or Nascent Applied Methods & Endeavors Stakeholder Approval Rights in accordance with Section 4.10 without having obtained such approvals, provided that the R&D Joint Venture shall have thirty (30) Calendar Days to cure such failure (either by unwinding or terminating any such action or transaction or otherwise) after written notice of such default from Nascent Applied Methods & Endeavors if such failure is curable; provided further that the R&D Joint Venture undertaking any transaction or other action which is the subject of the Nascent Applied Methods & Endeavors Director Approval Rights set forth in Section 4.6(a)(ii) or Section 4.6(a)(iv) without the authorization or consent of Contractee, a Contractee Director, a Contractee appointed Representative Director or the CEO shall not constitute a Nascent Applied Methods & Endeavors Event of Default.;

(ix) Any of the representations and warranties made by Contractee, or a Contractee Stakeholder under this Agreement is untrue in any material respect as of the date made, and such misrepresentation has a material adverse effect on the Business of Nascent Applied Methods & Endeavors or the R&D Joint Venture;

(x) A failure by Contractee, or a Contractee Stakeholder, if any, to observe and perform the covenants contained in Sections 5.1 and 5.3 this Agreement, and such failure has a material adverse effect on the Business of the R&D Joint Venture or on Nascent Applied Methods & Endeavors, provided that Contractee, or the Contractee Stakeholder, if any, shall have thirty (30) Calendar Days after written notice thereof from Nascent Applied Methods & Endeavors to cure any such failure before it shall constitute a Contractee Event of Default if such failure is curable.

(c) Contractee Termination. In addition to Section 8.2(a) above, Contractee shall have the right at its option to terminate this Agreement upon the occurrence of any of the following (each, a "**Nascent Applied Methods & Endeavors Event of Default**"):

(i) An Event of Default (as such term is defined in the License Agreement) under the License Agreement that is not cured within the applicable cure period (or if no applicable cure period, within 30 days after written notice thereof from Contractee) provided therein and such Event of Default gives rise to a termination right by Contractee or

the R&D Joint Venture under the License Agreement and Nascent Applied Methods & Endeavors is the defaulting party;

(ii) Except if consented to by Contractee in writing, a transfer of Stakes by Nascent Applied Methods & Endeavors to an entity listed in Schedule 1B, as modified from time to time;

(iii) A breach by Nascent Applied Methods & Endeavors of the non-compete provisions of Section 5.4;

(iv) A failure by the Nascent Applied Methods & Endeavors Director to approve a Contractee Permitted Transfer pursuant to Section 9.1.

(v) A failure by Nascent Applied Methods & Endeavors to purchase the Nascent Applied Methods & Endeavors Stakes in accordance with Section 3, provided, that Nascent Applied Methods & Endeavors shall have thirty (30) Calendar Days to cure such failure before it shall constitute a Nascent Applied Methods & Endeavors Event of Default;

(vi) Any of the representations and warranties made by Nascent Applied Methods & Endeavors under this Agreement is untrue in any material respect as of the date made, and such misrepresentation has a material adverse effect on the Business of Contractee or the R&D Joint Venture;

(vii) A failure by Nascent Applied Methods & Endeavors to observe and perform the covenants contained in Sections 5.1 and 5.3 of this Agreement, and such failure has a material adverse effect on the Business of the R&D Joint Venture or on Contractee, provided that Nascent Applied Methods & Endeavors shall have thirty (30) Calendar Days after written notice thereof from Contractee to cure any such failure before it shall constitute a Nascent Applied Methods & Endeavors Event of Default if such failure is curable.

8.3 Special Event of Default Option. Nascent Applied Methods & Endeavors, upon a Contractee Event of Default, and Contractee, upon a Nascent Applied Methods & Endeavors Event of Default, shall have, in lieu of its right to terminate this Agreement pursuant to Section 8.2(b)(i) ♦ (x), and Section 8.2(c)(i) ♦ (vii), respectively, an option (the "**Special Event of Default Option**"), exercisable upon written notice to the other Parties (the "**Election Notice**"), to have each of the following occur:

(a) Effective upon the date of the Election Notice, the Major Stakeholder exercising the Special Event of Default Option pursuant to this Section 8.3 shall no longer be bound by the non-solicitation provisions of Section 5.3 and non-compete provisions of Section 5.4 and if Contractee is the exercising Major Stakeholder, the Stake ownership provisions of Section 3.6. hereof;

(b) Effective upon the date of the Election Notice, the terms of Section 8.5 hereof shall become effective against the Defaulting Party and all Director and Representative Director nomination rights and all Stakeholder voting rights of the Defaulting Party shall accrue to the Major Stakeholder exercising the Special Event of Default Option pursuant to this Section 8.3 in accordance with the terms of Section 8.5 hereof; and

(c) With respect solely to the Defaulting Party, the non-solicitation provisions of Section 5.3 and the non-compete provisions of Section 5.4 hereof shall survive for one (1) year following the termination of this Agreement pursuant to the paragraph immediately below. The operation of the R&D Joint Venture shall continue for one (1) year following the date of the Election Notice in the event of the exercise by a Major Stakeholder of the Special Event of Default Option, and, unless extended by the mutual written agreement of the Major Stakeholders, this Agreement shall automatically terminate with no further action required by the Parties on the expiration of such one (1) year period. Additionally, from the date of the Election Notice until termination of this Agreement pursuant to this Section 8.3, the Defaulting Party shall provide all reasonable assistance to the other Major Stakeholder and the R&D Joint Venture as needed in order to operate the Business during such period and, for the avoidance of doubt, during such period, the Defaulting Party shall be obligated to fully perform under each Definitive Agreement to which it is a party and may not terminate any Definitive Agreement to which it is a party except if the R&D Joint Venture breaches and does not cure its payment obligations thereunder within the applicable cure period. At any time following the date of the Election Notice, the Major Stakeholder that exercised the Special Event of Default Option may terminate this Agreement or any of the Definitive Agreements to which it is a party and may cause the R&D Joint Venture to terminate any Definitive Agreement to which it is not a party.

The Parties agree that the Special Event of Default Option shall in no way preclude or limit any other remedies or actions that may be available to a non-Defaulting Party at law, equity, under this Agreement, the Definitive Agreements or otherwise.

8.4 Effect of Termination.

(a) Any termination (including a termination following the exercise of a Special Event of Default Option) of this Agreement shall automatically result in the termination of each of the Definitive Agreements except as specifically provided therein. No such termination shall in any way prejudice the rights of the non-defaulting or non-breaching Party to make claims for damages resulting from any default or breach giving rise to such termination or any other default or breach under such Definitive Agreements or the early termination thereof.

(b) The rights and obligations of the Parties under Sections 7.1, 7.2, 8.3, 8.4, 9.3 and 10 and the relevant definitions shall survive any termination of this Agreement. Additionally, any provision hereof that by its terms survive termination of this Agreement shall so survive.

(c) Upon the termination of this Agreement, each Party, at its own cost and expense, shall promptly return to the Disclosing Party any and all documents and materials constituting or containing Confidential Information of the Disclosing Party which are in its possession or control, or at its option, shall destroy such documents and materials and certify such destruction in writing to the Disclosing Party.

(d) Termination of this Agreement or any Definitive Agreement for any reason shall not release any Party from any liability or obligation which has already accrued as of the effective date of such termination or which thereafter may accrue in respect of any act or omission prior to such termination, and shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect, any rights, remedies or claims, whether for damages, injunctive relief, specific performance or otherwise that any Party may have under this Agreement, the Definitive Agreements or otherwise, or which may arise out of or in connection with such termination.

(e) The Parties agree that the remedies set forth in this Section 8.4 are in addition to and in no way preclude or limit any other remedies or actions that may be available under this Agreement, the Definitive Agreements or otherwise.

(f) Notwithstanding the termination of this Agreement, each Stakeholder shall provide from the date of termination of this Agreement until the R&D Joint Venture is liquidated or dissolved in accordance with Applicable Law, all reasonable assistance of such Stakeholder in effecting an orderly liquidation or dissolution of the R&D Joint Venture. Notwithstanding the foregoing, and without limiting any other obligations such Stakeholder has under this Agreement or any of the Definitive Agreements, no Stakeholder shall be required under this Section 8.4(f) to take any action that materially adversely affects the economic interest of such Stakeholder. Unless otherwise agreed to in writing by the Major Stakeholders, this Section 8.4(f) shall not extend for more than one (1) year after termination of this Agreement.

8.5 Post-default Voting.

(a) In the case of either a Nascent Applied Methods & Endeavors Event of Default or a Contractee Event of Default where a Major Stakeholder who is not a Defaulting Party chooses to exercise its Special Event of Default Option under Section 8.3, effective upon the date of the Election Notice, then, notwithstanding any other provisions hereof to the contrary:

(i) The Major Stakeholder who is not the Defaulting Party shall have the right to nominate all of the Directors of the R&D Joint Venture and to appoint all of the Representative Directors, Statutory Auditors and officers of the R&D Joint Venture;

(ii) The Major Stakeholder who is not the Defaulting Party shall have the right, at any time and in its sole discretion, to propose the removal, with or without cause, of any Director, whether or not such Director was nominated by it; provided, that the Defaulting Party shall indemnify the R&D Joint Venture for any damage resulting from claims by or on behalf of such removed Director relating to such removal;

(iii) The Defaulting Party shall be required to vote all of its Stakes in accordance with the directions of the other Major Stakeholder who is not the Defaulting Party; and

(iv) The Major Stakeholder who is not the Defaulting Party shall indemnify the Defaulting Party for any liability, claim or damage that such Defaulting Party incurs in its capacity as a Stakeholder to any third party as a result of a breach of fiduciary duties by the indemnifying Major Stakeholder or its nominated Directors related to the continued operation of the Business after delivery of the notice provided under Section 8.3 except to the extent such liability, claim or damage to a third party is the result of any Nascent Applied Methods & Endeavors Event of Default or Contractee Event of Default or any breach under any Definitive Agreement whether before or after termination of indemnification under this section 8.5(a)(iv), such indemnification to terminate at the earlier of (x) one year after the date of the Election Notice or (y) upon the termination, wind-up and dissolution of the R&D Joint Venture.

9. Transfer of Stakes

9.1 General Restriction. Except as otherwise specifically provided in this Section 9 or as agreed to in writing by the Major Stakeholders, each Party agrees for a period ending

upon the earlier of (a) four (4) years from the date of in Company of the R&D Joint Venture, or (b) the closing of a firmly underwritten public offering of the R&D Joint Venture's Stakes (the "**Lockup Period**") to hold and not, directly or indirectly, to sell, transfer, pledge, encumber, assign or otherwise dispose of (a "**Transfer**") any of such Stakeholder's Stakes or any right or interest therein. Without limiting in any way this Section 9, including, without limitation, any of the transfer restrictions, limitations and conditions stated herein, it shall be a condition to any Transfer of Stakes by a Stakeholder that the transferee thereof execute and deliver to the Parties a Joiner Agreement. All Transfers, other than pursuant to a Permitted Transfer, shall be solely for cash consideration.

(a) Notwithstanding the foregoing, Contractee will be free to Transfer its Stakes (a "**Contractee Permitted Transfer**") to:

(i) A Contractee Stakeholder, provided, that Contractee shall not, following any such Transfer, retain less than fifty and one-tenth percent (50.1%) of the outstanding Stakes of the R&D Joint Venture without Nascent Applied Methods & Endeavor's prior written consent, and such Contractee Stakeholder executes and delivers to the Parties a Joiner Agreement;

(ii) Any purchaser of Contractee's entire business, whether structured as a interest purchase or sale of all or substantially all of the assets of Contractee, provided, that such purchaser (A) has a net worth (after taking into account the effect of such purchase transaction, including any contemplated financing thereof) which is no less than Contractee's net worth as of the date hereof, (B) has (including by virtue of the retention of Contractee's personnel) sufficient expertise and ability to fulfill its obligations under this Agreement and the Definitive Agreements in a professional and competent manner, (C) executes and delivers to the Parties a Joiner Agreement, and (D) is not a Nascent Applied Methods & Endeavors Competitor; or

(iii) Any direct or indirect wholly owned subsidiary of Contractee provided that Contractee remains liable for any actions or omissions of such subsidiary and performs its obligations hereunder.

(b) Notwithstanding the foregoing, Nascent Applied Methods & Endeavors will be free to Transfer its Stakes (a "**Nascent Applied Methods & Endeavors Permitted Transfer**," together with a Contractee Permitted Transfer, a "**Permitted Transfer**") to (i) any purchaser of Nascent Applied Methods & Endeavor's or its corporate parent's entire business, whether structured as a interest purchase or sale of all or substantially all of the assets of such Persons, provided, that such purchaser (A) has a net worth (after taking into account the effect of such purchase transaction, including any contemplated financing thereof) which is no less than Nascent Applied Methods & Endeavor's net worth as of the date hereof, (B) has (including by virtue of the retention of Nascent Applied Methods & Endeavor's personnel) sufficient expertise and ability to fulfill its obligations under this Agreement and the Definitive Agreements in a professional and competent manner, (C) executes and delivers to the Parties a Joiner Agreement, and (D) is not a Contractee Competitor or (ii) any direct or indirect wholly owned subsidiary of Nascent Applied Methods & Endeavors, Inc. provided that Nascent Applied Methods & Endeavors remains liable for any actions or omissions of such subsidiary and performs its obligations hereunder.

9.2 Rights of Refusal. Subject to Section 9.1, with respect to any proposed Transfer (other than a Permitted Transfer) by a Stakeholder (the "**Offeror**") of its Stakes (the

"Offered Stakes") to a third party to which the other Parties have consented, whether during the Lock-up Period or after the expiration thereof, each of the Major Stakeholders (each, an "Offeree") shall have a right of first refusal to purchase the Offered Stakes on terms and conditions no less favorable than those offered to said third party. If either of the Major Stakeholders is the Offeror, the other Major Stakeholder shall be the sole Offeree. If the Offeror is a Stakeholder other than the Major Stakeholders, each of the Major Stakeholders as Offerees shall have the right to purchase its pro rata portion (based on the R&D Joint Venture Interest of such Major Stakeholder compared to the sum of the R&D Joint Venture Interest of both Major Stakeholders) of the Offered Stakes, provided that if a Major Stakeholder has declined to purchase its full pro rata portion of the Offered Stakes, the other Major Stakeholder shall have the right to purchase such declined Offered Stakes.

(a) Offeror shall first offer to sell all, but not less than all, of the Offered Stakes to the Offeree(s) by delivering a written notice stating (i) Offeror's bona fide intention to Transfer the Offered Stakes, (ii) the name and address of the proposed transferee, (iii) the number of Stakes proposed to be Transferred, (iv) the purchase price for which the Offered Stakes will be Transferred, and (v) all other pertinent terms and conditions of such proposed bona fide Transfer (the "**Transfer Notice**").

(b) The Offeree(s) shall decide to accept or reject the offer within ten (10) Calendar Days from the date the Transfer Notice is delivered to the Offeree(s) (the "**Refusal Period**"). Acceptance shall be made by written notice to the Offeror by the Offeree(s). The failure of the Offeree(s) to submit a notice within the Refusal Period shall constitute an election on the part of the Offeree(s) not to purchase the Offered Stakes. The sale of the Offered Stakes to the Offeree(s) shall be completed on the later of the date scheduled for the closing with the third party or within fourteen (14) Calendar Days after the Offeror receives the notice of acceptance from the Offeree(s) and all the relevant governmental approval or notification procedures, if required, are completed.

(c) In the event that the Offered Stakes designated in the Transfer Notice have not been accepted in accordance with Section 9.2(b), the Offeror may, at any time within one hundred and twenty (120) Calendar Days after the expiration of the Refusal Period, Transfer the Offered Stakes to the third party indicated in the Transfer Notice; provided such Transfer (i) is completed within sixty (60) Calendar Days after the expiration of the Refusal Period, (ii) is made on terms and conditions no less favorable to Offeror than as designated in the Transfer Notice, and (iii) the requirements of Section 9.1 are satisfied. If such Offered Stakes are not so Transferred, Offeror must give notice in accordance with this Section 9.2 prior to any other or subsequent Transfer of the Offered Stakes.

9.3 Effect. Upon a Stakeholder no longer holding any Stakes this agreement will terminate with respect to such Stakeholder and (i) the rights and obligations of such Stakeholder under Sections 5.1 and 5.2 shall continue for a period of two years after such time, Sections 5.3 and 5.4 shall continue for a period of one year after such time, and Sections 7.1, 7.2, 8.3, 8.4, 9.3, and 10 and the relevant definitions shall remain in full force and effect with respect to such Stakeholder, and (ii) such Stakeholder, at its own cost and expense, shall promptly return to the Disclosing Party any and all documents and materials constituting or containing Confidential Information of the Disclosing Party which are in its possession or control, or at its option, shall destroy such documents and materials and certify such destruction in writing to the Disclosing Party.

9.4 Initial Public Offering. Notwithstanding anything contained in this Agreement, Contractee shall not be prohibited or restricted in any way from conducting an initial public offering of its securities which, for these purposes, includes any secondary sale of its securities by any of the Contractee Stakeholders, and no such offering shall constitute a default or transfer hereunder.

10. General Provisions

10.1 Governing Law; Dispute Resolution.

(a) The validity, construction and enforceability of this Agreement shall be governed by and construed in accordance with the laws of United States.

(b) In the event there arises a dispute among the Parties as to the performance or interpretation of any of the provisions of this Agreement, or as to matters related to but not covered by this Agreement, the parties shall first attempt to find a mutually agreeable solution by consultation in good faith. If the matter has not been resolved within thirty (30) Calendar Days of their first meeting to resolve a dispute, then any such dispute shall be determined finally by final and binding arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC). If a claim so submitted to arbitration is for non-payment of amounts due to Contractee under the Revolving Loan Facility Agreement, the parties agree that the tribunal may rule upon any claim or counterclaim, or any portion thereof (a "**Nonpayment Claim**"), without holding an evidentiary hearing, if, after affording both parties an opportunity to present written submissions and documentary evidence, the tribunal concludes that there is no material issue of fact and that the Nonpayment Claim can be determined as a matter of law. The place of arbitration shall be Los Angeles, California, U.S.A., if initiated and brought by a Party other than Nascent Applied Methods & Endeavors the language of the arbitration shall be English. Each of Nascent Applied Methods & Endeavors and Contractee shall appoint one (1) arbitrator and the two nominated arbitrators shall in turn choose a third arbitrator. If the arbitrators chosen by Nascent Applied Methods & Endeavors and Contractee cannot agree on the choice of the third arbitrator within thirty (30) Calendar Days of the notice of arbitration, then such arbitrator shall be appointed by the ICC acting in accordance with the rules adopted by the ICC for this purpose. At minimum, the arbitral tribunal shall be experienced in cross-border transactions.

(i) Judgment upon the award of the arbitral tribunal may be entered in any court having jurisdiction thereof. The Parties acknowledge that this Agreement and any award rendered pursuant to it shall be governed by the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Award.

(ii) Pending the submission to arbitrators and thereafter until the arbitral tribunal renders the award, the Parties shall, except in the event of termination, continue to perform all their obligations under this Agreement and the Definitive Agreements to which it is a party without prejudice to a final adjustment in accordance with the award.

10.2 Injunctive Relief. By agreeing to arbitrate disputes arising between the Parties pursuant to Section 10.1(b), the Parties acknowledge and agree that they do not intend to deprive any court with jurisdiction of its ability to issue a preliminary injunction, attachment or other form of provisional remedy in aid of the arbitration, and a request for such provisional remedies by a party to a court shall not be deemed a waiver of this agreement to arbitrate. The Parties also acknowledge and agree that in addition to the authority conferred

upon the tribunal by the rules specified above, the tribunal shall also have the authority to grant provisional remedies, including injunctive relief.

10.3 Notices and Other Communications. Any and all notices, requests, demands and other communications required or otherwise contemplated to be made under this Agreement shall be in writing and in English and shall be provided by one or more of the following means and shall be deemed to have been duly given (a) if delivered personally, when received, (b) if transmitted by facsimile, on the date of transmission with receipt of a transmittal confirmation, or (c) if by international air courier service, on the fourth (4th) Calendar Day following the date of deposit with such air courier service, or such earlier delivery date as may be confirmed in writing to the sender by such air courier service. All such notices, requests, demands and other communications shall be addressed as follows:

If to the R&D

Joint Venture: Nascent Applied Methods & Endeavors
3107 S. Grand Ave. #314
Los Angeles, California 90007, U.S.A.
Attention: General Contractor of Network Operations

If to Nascent
Applied
Methods &
Endeavors:

Nascent Applied Methods & Endeavors
3107 S. Grand Ave. #314
Los Angeles, California 90007, U.S.A.
Attention: General Contractor of Network Operations

If to
Contractee:

Contractee of Records United States, etc.

Attention: Owner/Operator

or to such other address or facsimile number as a Party may have specified to the other Parties in writing delivered in accordance with this Section 10.3.

10.4 Language. This Agreement is in the English language only which language shall be controlling in all respects, and all versions hereof in any other language shall be for accommodation only and shall not be binding upon the Parties. All communications and notices to be made or given pursuant to this Agreement shall be in the English language.

10.5 Severability. If any provision in this Agreement shall be found or be held to be invalid or unenforceable then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would

save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any Party. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the Parties' intent in entering into this Agreement.

10.6 References; Subject Headings. Unless otherwise indicated, references to Sections, Exhibits and Schedules herein are to Sections of, and Exhibits and Schedules to, this Agreement. The subject headings of the Sections of this Agreement are included for the purpose of convenience of reference only and shall not affect the construction or interpretation of any of its provisions.

10.7 Further Assurances. Except as specifically set forth in this Agreement and the Definitive Agreements, the Parties shall each perform such acts, execute and deliver such instruments and documents, and do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.

10.8 Expenses. Except as specifically set forth in this Agreement and the Definitive Agreement, each of the Parties will bear its own costs and expenses, including, without limitation, fees and expenses of legal counsel, accountants, brokers, consultants and other representatives used or hired in connection with the negotiation and preparation of this Agreement and the Definitive Agreements and consummation of the transactions contemplated hereby; provided, however, that the R&D Joint Venture will reimburse Contractee for all reasonable costs and expenses incurred by Contractee with respect to the in Company of the R&D Joint Venture.

10.9 No Waiver. No waiver of any term or condition of this Agreement shall be valid or binding on a Party unless the same shall have been set forth in a written document, specifically referring to this Agreement and duly signed by the waiving Party. The failure of a Party to enforce at any time any of the provisions of this Agreement, or the failure to require at any time performance by the other Party of any of the provisions of this Agreement, shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the ability of a Party to enforce each and every such provision thereafter.

10.10 Entire Agreement; Amendments. The terms and conditions contained in this Agreement (including the Exhibits and Schedules hereto) and the Definitive Agreements constitute the entire agreement among the Parties and supersede all previous agreements and understandings, whether oral or written, among the Parties with respect to the subject matter hereof, including, without limitation, the MOU and the Mutual Nondisclosure Agreement. No agreement or understanding amending this Agreement shall be binding upon any Party unless set forth in a written document which expressly refers to this Agreement and which is signed and delivered by duly authorized representatives of each Party.

10.11 Assignment. None of the Parties shall have the right to assign any of its rights or obligations under this Agreement except in connection with a Permitted Transfer. This Agreement shall inure to the benefit of, and shall be binding upon, the Parties and their respective permitted successors and assigns.

10.12 No Agency. The Parties are independent contractors. Nothing contained herein or done in pursuance of this Agreement shall constitute any Party the agent of the other Party for any purpose or in any sense whatsoever.

10.13 No Beneficiaries. Nothing herein, express or implied, is intended to or shall be construed to confer upon or give to any Person, other than the Parties and their Affiliates who hold Stakes, any interests, rights, remedies or other benefits with respect to or in connection with any agreement or provision contained herein or contemplated hereby.

10.14 Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart shall constitute an original instrument, but all such separate counterparts shall constitute only one and the same instrument.

10.15 Incidental and Consequential Damages. None of the Parties, nor its Affiliates, will be liable to the other Parties under any contract, negligence, strict liability or other theory for any indirect, incidental or consequential damages (including without limitation lost profits) with respect to a breach of this Agreement or any Definitive Agreement.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date first written above.

Nascent Applied Methods & Endeavors

By: /S/ WM. EARL FIELDS

Wm. Earl Fields
General Contractor of Network
Operations and Director

Contractee Records United States

By: /S/ CONTRACTEE

Contractee
Director

Consented and agreed to the foregoing Joint Venture Operating Agreement as of the In Company Date (except for Section 9 hereof and other restrictions on Stake transfers by the Major Stakeholders).

Dated: _____, 2020

Nascent Applied Methods & Endeavors United States

By: WILLIAM E. FIELDS

Name: William E. Fields

Title: General Contractor of Network Operations/Director

FINAL DRAFT

SCHEDULE 1A

Nascent Applied Methods & Endeavor's Competitors

Schedule 1A - 1

SCHEDULE 1B

Contractee Competitors

Schedule 1B - 1

EXHIBIT A

Articles of Incorporation

Exhibit A - 1

EXHIBIT B

[Annual Budget](#)

Exhibit B - 1

EXHIBIT C

[Business Plan](#)

Exhibit C - 1

EXHIBIT D

[Form of Strategic Marketing Agreement](#)

Exhibit D - 1

EXHIBIT E

[Form of Service Agreements](#)

Exhibit E - 1

EXHIBIT F

Form of Nascent Applied Methods & Endeavor's License Agreement

Exhibit F - 1

EXHIBIT G

Form of Right of First Refusal Agreement

Exhibit G - 1

FINAL DRAFT