

[Date]

Subject: Standstill Agreement

Dear Dr. _____:

You have indicated you are interested in investigating whether the inventions disclosed and assigned to WARF pursuant to WARF Ref. No. _____, titled “_____,” and described and claimed in U.S. Patent Application No. _____ (the “Inventions”) can be the basis for a start-up company.

By signing this Standstill Agreement (“Agreement”), both you and WARF agree to various obligations. You agree to evaluate the Inventions as a platform for commercialization of products. You also agree to begin to develop your business model, structure and plan for establishing a start-up company to bring products embodying the Inventions to market. You agree to provide WARF on or before _____ a completed WARF Company Start-up Application Form (“Application,” attached as Appendix A) and a business plan for WARF’s review containing the particulars of the business model you propose. You agree that all activities and strategies relating to your evaluation of the Inventions are entirely at your own discretion and that you will rely solely upon your own expertise or the expertise of others, at no cost to WARF, regarding the suitability of the Inventions for any purpose.

WARF agrees to grant you a standstill period ending on _____ (the “Standstill Termination Date”). If WARF receives your completed Application and an acceptable business plan on or before the Standstill Termination Date, WARF may, at its discretion, choose to present such information to its Start-up Committee for consideration of your Application. If WARF’s Start-up Committee approves your Application, WARF will grant you an additional three (3) month period (the “Negotiation Period”), beginning on the Standstill Termination Date, to negotiate a license agreement with WARF under WARF’s interest in the Inventions. During the Negotiation Period, WARF may seek additional approvals from the Start-up Equity Committee of WARF’s Board of Trustees. For example, execution of any exclusive license agreement with your start-up company is contingent upon WARF’s licensing staff obtaining additional approvals, which may include the start-up equity committee of WARF’s Board of Trustees, if necessary.

No implied or express commercial license is granted under this Agreement other than immunity from suit by WARF solely to permit you to evaluate during the term of this Agreement the Inventions until the Standstill Termination Date for the purposes described herein. WARF agrees it will not grant any commercial entity a license under the Inventions in the Field of Use (other than licenses to non-profit

research institutions and governmental agencies to use the inventions for academic research purposes or other not-for-profit or scholarly purposes) until after the Standstill Termination Date and, if the parties enter into negotiations, the Negotiation Period. WARF's foregoing agreement to not grant any commercial entity a license under the Inventions in the Field of Use for the duration of the standstill period, and the Negotiation Period if applicable, is made in consideration of your efforts to seriously consider commercialization of the Inventions and the potential that such commercialization will be realized.

This Agreement shall terminate upon the earliest of: (1) the Standstill Termination Date, if your Application and business plan are not received by WARF before the Standstill Termination Date; (2) the date WARF rejects your Application; or (3) at the end of the Negotiation Period. In the event WARF rejects your Application, subject to any confidentiality obligations and to the extent it is able, WARF will provide to you constructive feedback as to why the Application was rejected. WARF encourages Company to consider and address such feedback in a revised plan and is willing to consider a revised plan that addresses the stated concerns. It is WARF's intent hereunder to work with you to bring your Application in a form that will be deemed acceptable.

This Agreement embodies the entire agreement between you and WARF and merges all prior agreements with respect to the matters addressed herein. Please indicate your agreement to the terms herein by countersigning this Agreement and returning both to me. This Agreement will become effective upon the execution of the two originals by WARF; one of the fully-executed originals will be returned to you.

Sincerely,

_____, _____
Licensing Associate

Terms Accepted:

WISCONSIN ALUMNI RESEARCH FOUNDATION

By: _____ Date: _____, _____
Appropriate representative, Title

COMPANY

By: _____ Date: _____, _____

Name: _____

APPENDIX A – WARF Company Start-up Application Form

Company Concept Insert a brief company overview including anticipated products/services and regulatory approval path, if appropriate. Highlight the management team’s experience with similar products or services.

Target Market and Customers Describe the specific market for the company’s products or services. Identify potential customers and describe any feedback from them about such products or services.

Competitors Describe the competitive products or services, the size and market share owned by the competitors, and the advantages the company will have over the competition. (For example, are the company’s products or services better, cheaper, and faster than the competition?)

Founders/ Management	<u>Name</u>	<u>Title</u> (e.g. "Founder")	<u>Ownership %</u>	<u>Monetary Investment</u>
			%	
			%	
			%	
			<i>Subtotal</i>	%
	Option Pool		%	N/A
			Total	100%

Include comments on stock vesting and buyback provisions, if appropriate

Technologies to be Licensed in the Field of Use

- Exclusive (or Non-Exclusive) license for WARF Ref. P_____ "INSERT TITLE HERE" ; Inventors: _____

Indicate each WARF reference separately, whether an exclusive or non-exclusive license is desired, and the proposed field of use. If licenses to additional technologies are needed from other organizations, please explain.

Development Timeline

Insert critical development milestones and their corresponding dates

Financial Projections		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
	Units Sold					
	Product A					
	Product B					
	Revenue					
	Product A					
	Product B					
	Grants/Other					
	Total	_____				
	Cost of Goods Sold					
	Product A					
	Product B					
	Other					
	Total	_____				
	Gross Profit					
	Operating Expenses					
	Research & Development					
	Sales & Marketing					
	General & Administrative					
	Total	_____				
	EBIT					

Capital Resources	<u>Current Cash on Hand</u>	<u>Date</u>	<u>Premoney Valuation</u>	<u>Capital Raise</u>
	Series A			
	Series B			
	Series C			
	Series D			
	Total	_____		

Exit Strategy

Provide expected time to exit, details about the exit strategy, and expected valuation.