Dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_20[●]

1. [*Full legal name of the RPO*]

and

(2) [*Full legal name of the Company*]

**MODEL NON-BINDING term sheet for licence agreement**

**NON-BINDING TERM SHEET FOR LICENCE AGREEMENT**

**This Non-Binding Term Sheet** dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20[●] is between:

1. [●] (the “**RPO**”), [an academic institution [incorporated *or* established] under [statute *or* charter in Ireland],] whose [principal address *or* registered office] is at [●]; and
2. [●] (the “**Company**”), [a company incorporated in [•] under registration number [•],] whose [principal place of business *or* registered office] is at [•] .

The RPO and the Company together shall be referred to as the “**Parties**”, and individually shall be referred to as a “**Party**”.

1. **Purpose**

The Parties intend to discuss the possibility of entering into a licence agreement (the “**Licence Agreement**”). The purpose of this Term Sheet is to summarise the main commercial terms of the proposed Licence Agreement. The Parties intend to negotiate and execute the Licence Agreement within [•] days of signature of this Term Sheet (the “**Period**”).

1. **Provisions envisaged for the Licence Agreement**

The Parties intend that the Licence Agreement will contain terms based on the following principles:

|  |  |
| --- | --- |
| Licence grant: | The RPO will grant the Company [an exclusive] *OR* [a non-exclusive] licence to use the IP to develop, manufacture, use, and sell or otherwise supply Licensed Products (to be defined in the Licence Agreement) only in the Field and in the Territory.  |
| IP: | [*Insert description of the IP to be licensed to the Company*]. |
| Field: | [*Insert description of the Field*]. |
| Territory: | [*Insert description of the Territory*]. |
| Sub-licensing: | The Company will have no right to grant sub-licences of its rights under the IP, except with the prior written consent of the RPO. |
| Payments: | The Company will pay to the RPO: [*insert description of the various payments to be made, which may include e.g. initial payments, milestone payments, royalties on Net Sales and Net Receipts, etc. For example:* * An initial payment of €[**●**] within 30 days of signing the Licence Agreement;
* A royalty of [**●**]% of Net Sales Value (to be defined in the Licence Agreement); and
* A royalty of [**●**]% of Net Receipts (to be defined in the Licence Agreement).]
 |
| Other payment terms:  | [*Insert here a description of any other main payment terms, e.g. minimum royalties, reimbursement of patent costs, etc.*] |
| Commercialisation: | The Company will use Diligent and Reasonable Efforts (to be defined in the Licence Agreement) to develop and commercially exploit Licensed Products. In addition, the Company will submit annual statements to the RPO outlining (amongst other things) the activities taken and planned to bring Licensed Products to market.  |
| Other: | [*Insert here any other main commercial terms for the proposed Licence Agreement*]. |

1. **Areas still to be discussed**

The Parties envisage that the Licence Agreement may also include other terms, which may include, without limitation, [•].

1. **Confidentiality**

*EITHER:* [Each of the Parties acknowledges that during the negotiation of the Licence Agreement it may receive Confidential Information from the other Party. “**Confidential Information**” shall mean any information which, if in writing, is marked as confidential or which, if not in writing, is otherwise characterised as confidential at the time of disclosure. Each of the Parties agrees that it will:

* 1. use the Confidential Information only for the purpose of negotiating the Licence Agreement and not for any other purpose; and
	2. keep the Confidential Information confidential and not directly or indirectly disclose it or make it available to any third party.

This obligation shall not apply to information which is or subsequently becomes publicly known through no act or omission of the Party that receives it.]

*OR:* [It is agreed that the confidentiality of the Parties’ confidential information that may be disclosed by one Party to the other during the negotiation of the Licence Agreement will be maintained in accordance with the Confidentiality Agreement signed by the Parties on [*insert date*].]

1. **Exclusivity**

[During the Period, neither of the Parties may enter into any agreement, negotiations or discussions about [*mention here the subject of the proposed Licence Agreement*] with any third party.]

1. **Law and status of this Term Sheet**

[Except for the provisions of Clauses 4, 5, 6 and 7 which the Parties intend to be binding obligations, this] *OR* [This] Term Sheet is not intended to create, evidence or imply any legal relationship or contract between the Parties. Each Party acknowledges and agrees that (a) either Party may withdraw from the negotiation of the Licence Agreement at any time without liability, and (b) the negotiations are being conducted on a non-exclusive basis, unless and to the extent otherwise stated in this Term Sheet. To the extent that any legal issue arises in connection with this Term Sheet, it will be governed and construed in accordance with the laws of the Republic of Ireland.

1. **Costs**

Each Party shall bear its own legal and other costs in connection with the negotiation and preparation of this Term Sheet and any subsequent agreement.

**The Parties record their understanding of the above by signing below:**

|  |  |
| --- | --- |
| For and on behalf of | For and on behalf of |
| [*Full legal name of the RPO*] | [*Full legal name of the Company*] |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Signed | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Signed |
|  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name |
|  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Title | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Title |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date |