

FORM LICENSE AGREEMENT

LICENSE AGREEMENT

This License Agreement (this “Agreement”) is made and entered into effective as of [●] (the “**Effective Date**”) by and between Illumina, Inc. (“Illumina”) and [*Licensee Name*] (“Licensee”). Illumina and Licensee are sometimes referred to herein individually as a “Party” and collectively as the “Parties”. The Parties hereby agree as follows:

Article 1 Definitions

- 1.1. “Affiliate” means, as to any Person, any other person that, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. For this purpose, “*control*” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.
- 1.2. “Co-Owner” means, with respect to the relevant Joint Patent, the Third Party co-owner of such Joint Patent.
- 1.3. “Field” means use of a Sequencing System for determining the bases of a Long-read Sequence directly from a Single Molecule. For clarity, the Field excludes use of a Sequencing System to (i) observe or otherwise capture a signal collectively produced from two or more copies of a Single Molecule, or (ii) determine the bases of two or more computationally or otherwise assembled Short-read Sequences.
- 1.4. “In-License Agreement” means any license or other agreement entered into by Illumina or any of its Affiliates prior to [_____] ¹ pursuant to which Illumina or one of its Affiliates obtained an exclusive license (or sublicense) to one or more of the In-Licensed Patents.
- 1.5. “In-License Licensor” means the licensor of In-Licensed Patents under an In-License Agreement.
- 1.6. “In-Licensed Patents” means those Patents set forth on Schedule C.
- 1.7. “Joint Patent Agreement” means, with respect to a Joint Patent, any agreement entered into by Illumina or any of its Affiliates and the Co-Owner of such Joint Patent prior to [_____] ² relating to such Joint Patent.

¹ Note to Draft: Insert date of the antitrust commitment.

² Note to Draft: Insert date of the antitrust commitment.

- 1.8. “Joint Patents” means those Patents set forth on Schedule B.³
- 1.9. “Licensed Patents” means (i) those Patents set forth on Schedule A,⁴ and (ii) all patent applications filed by Illumina or any of its Affiliates within 2 years of [____]⁵ which claim any invention within the Field that had been conceived and reduced to practice before [insert date of the antitrust commitment], and (iii) all Patents issuing from the Patents in clauses (i) and (ii).
- 1.10. “Long-read Sequence” means a nucleic acid sequence containing five thousand or more contiguous bases.
- 1.11. “Patent” means all national, regional and international statutory invention registrations, patents and patent applications of any kind, including provisional and nonprovisional patent applications, utility models, petty patents, reissue patents, continuation and divisional patent applications, substitutions, reexaminations and design patents and certificates of invention and any similar rights, including so-called pipeline protection, patent term extension and supplemental protection certificates, and the equivalents of any of the foregoing in any jurisdiction.
- 1.12. “Person” means an individual, corporation, partnership, joint venture, association, trust, unincorporated organization, limited liability company or other entity.
- 1.13. “Sequencing System” means, collectively, an instrument to the extent performing actual nucleic acid sequencing, together with reagents and other consumables used for performing such sequencing on such instrument. For clarity, a Sequencing System does not include ancillary components or instruments (such as robotic liquid handlers) that do not perform actual sequencing.
- 1.14. “Short-read Sequence” means a nucleic acid sequence containing less than five thousand contiguous bases.
- 1.15. “Single Molecule” means an individual nucleic acid molecule (either single- or double-stranded), including, for example and without limitation, a single genomic DNA fragment, a single DNA amplicon or a single cDNA molecule.
- 1.16. “Territory” means the entire world.
- 1.17. “Third Party” means any Person other than Illumina and Licensee and their respective Affiliates.

³ Schedule B will include all Patents jointly owned by PacBio (or their Affiliates) and a third party, at closing.

⁴ Note to Draft: Schedule A will include all Patents owned by Illumina or PacBio or their Affiliates, at closing, except the Co-Owned Patents. Licensee may select all, or any subset, of the Patents set forth on Schedule A for inclusion within the scope of this Agreement.

⁵ Note to Draft: Insert date of antitrust commitment.

Article 2
Rights to Licensed Patents &
In-Licensed Patent Rights

- 2.1 Grant of License. Illumina hereby grants to Licensee a perpetual, irrevocable, non-exclusive, royalty-free license, with the right to sublicense, under the Licensed Patents (i) to make, use, sell, offer for sale and import products in the Field in the Territory, and (ii) to practice any process or method covered by a claim of the Licensed Patents in the Field in the Territory.
- 2.2 Access to Co-Owned Patents. As of the Effective Date, Illumina has notified each Co-Owner that, notwithstanding its or its Affiliates rights in the Joint Patents, it consents to such Co-Owner granting any Person a non-exclusive license under the Joint Patents (i) to make, use, sell, offer for sale and import products in the Field in the Territory, and (ii) to practice any process or method covered by a claim of such Joint Patents in the Field in the Territory. In the event that Licensee desires to obtain a non-exclusive license under any Joint Patent in the Field, Illumina (a) shall not contest any efforts by Licensee to obtain such non-exclusive license, and (b) if requested by the applicable Co-Owner, shall amend any Joint Patent Agreement to confirm the Co-owner's right to grant such license; provided however, that Illumina shall not have any obligation to make any payment, or grant any right, to the applicable Co-Owner in connection with (x) such consent, or (y) any exercise by the Licensee of its rights under such license or otherwise in connection with the practice or other exploitation of the Joint Patents by the Licensee, its Affiliates or their respective sublicensees.
- 2.3 Access to In-Licensed Patents. As of the Effective Date, Illumina has notified each In-License Licensor that, notwithstanding the exclusive grants to Illumina or its Affiliates under the applicable In-License Agreement, Illumina and its Affiliate relinquishes its or their exclusive rights under the relevant Licensed Patents in the Field, and consents to the In-License Licensor granting any Person a non-exclusive license under the Licensed Patents (i) to make, use, sell, offer for sale and import products in the Field in the Territory, and (ii) to practice any process or method covered by a claim of such In-Licensed Patents in the Field in the Territory. In the event that Licensee desires to obtain a non-exclusive license under any In-Licensed Patent in the Field, Illumina (a) shall not contest any efforts by Licensee to obtain such non-exclusive license, and (b) if requested by the applicable In-License Licensor, shall amend the In-License Agreement for such In-Licensed Patent to convert Illumina's rights to such In-Licensed Patent from exclusive in the Field to non-exclusive in the Field; provided however, that Illumina shall not have any obligation to make any payment, or grant any right, to the applicable In-License Licensor in connection with (x) such conversion, or (y) any exercise by the Licensee of its rights under such license or otherwise in connection with the practice or other exploitation of the Joint Patents by the Licensee, its Affiliates or their respective sublicensees.

Article 3

Intellectual Property

- 3.1 Ownership of Licensed Patents. Subject to Section 2.1, as between the Parties, Illumina shall own and retain all right, title and interest in and to the Licensed Patents.
- 3.2 Prosecution and Maintenance of Licensed Patents. As between the Parties, Illumina shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain the Licensed Patents in the Territory, including the right, in its sole discretion, to discontinue the prosecution of, and abandon, Licensed Patents.
- 3.3 No Enforcement Right for Licensee. Licensee shall have no right to enforce the Licensed Patents.
- 3.4 Patent Marking. With respect to the products and services covered by the licenses granted under Section 2.1 and either marketed or sold by Licensee, Licensee shall mark such products and services with appropriate patent numbers or indicia in those countries in which such markings have notice value as against infringers of patents.
- 3.5 DISCLAIMER OF WARRANTIES. ILLUMINA MAKES NO REPRESENTATION AND GRANTS NO WARRANTY, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE. ILLUMINA SPECIFICALLY DISCLAIMS ALL WARRANTIES, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.
- 3.6 ADDITIONAL WAIVER. LICENSEE AGREES THAT: (i) THE LICENSED PATENTS ARE LICENSED “AS IS,” “WITH ALL FAULTS,” AND “WITH ALL DEFECTS,” AND LICENSEE EXPRESSLY WAIVES ALL RIGHTS TO MAKE ANY CLAIM WHATSOEVER AGAINST ILLUMINA FOR MISREPRESENTATION OR FOR BREACH OF PROMISE, GUARANTEE OR WARRANTY OF ANY KIND RELATING TO THE LICENSED PATENTS; AND (ii) LICENSEE IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER THE LICENSED PATENTS HAVE APPLICABILITY OR UTILITY IN LICENSEE’S CONTEMPLATED EXPLOITATION AND LICENSEE ASSUMES ALL RISK AND LIABILITY IN CONNECTION WITH SUCH DETERMINATION.

Article 4

Indemnity & Damages

- 4.1 Indemnification by Licensee. Licensee shall indemnify Illumina, its Affiliates, and its and their respective directors, officers, employees and agents and defend and hold each of them harmless, from and against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys’ fees and expenses) in connection with any and all suits, investigations, claims or demands of Third Parties arising from or occurring as a

result of (i) the breach by Licensee of this Agreement, and/or (ii) the practice or other exploitation of the Licensed Patents, Joint Patents or In-Licensed Patents.

- 4.2 Special, Indirect and Other Losses. EXCEPT TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM FOR WHICH LICENSEE PROVIDES INDEMNIFICATION UNDER THIS ARTICLE 4, NEITHER PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL OR PUNITIVE DAMAGES OR FOR LOSS OF PROFITS SUFFERED BY THE OTHER PARTY IN CONNECTION WITH THIS AGREEMENT.

Article 5 Term & Termination

- 5.1 Term; Expiration. This Agreement shall commence on the Effective Date and, unless earlier terminated in accordance herewith, shall continue in force and effect until the date of expiration of the last to expire of the Licensed Patents, Joint Patents and In-Licensed Patents (such period, the “Term”).
- 5.2 Elective Termination by Licensee. Licensee may terminate this Agreement for any reason by giving written notice to Illumina, with such termination to become effective upon delivery of the notice.
- 5.3 Effect of Termination. In the event of a termination of this Agreement for any reason, all rights and licenses granted hereunder by Illumina shall immediately terminate, including those granted under Section 2.1. Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party before such termination or expiration. Article 1, Sections 3.1-3.3, 3.5, 3.6, Article 4, this 5.3, and Article 6 shall survive the termination or expiration of this Agreement for any reason.

Article 6 Miscellaneous

- 6.1 Assignment. Licensee may not assign or otherwise transfer this Agreement, except (i) to any of its Affiliates, and (ii) in connection with the sale of all or substantially all of its business to which this Agreement pertains, provided that in the case of an assignment under either clause (i) or (ii) the assignee assumes in writing all of Licensee’s obligations hereunder. Illumina may assign this Agreement to any of its Affiliates or in connection with the sale of all or substantially all of its business to which this Agreement pertains.
- 6.2 Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to Illumina to: Illumina, Inc.
 []
 Attention: []

if to Licensee, to: []
 []
 Attention: []

or to such other address(es) as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) on the business day after dispatch if sent by nationally-recognized overnight courier; or (b) on the fifth (5th) business day following the date of mailing, if sent by mail.

6.3 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

6.4 Arbitration. Any dispute, whether contractual or otherwise, arising out of or in connection with this contract or these dispute resolution procedures, including without limitation their existence, validity, applicability or termination, shall be referred to and finally resolved by arbitration pursuant to the International Chamber of Commerce Rules of Arbitration, administered by the International Chamber of Commerce. The Parties agree, pursuant to Article 30(2)(b) of the Rules of Arbitration of the International Chamber of Commerce, that the Expedited Procedure Rules shall apply irrespective of the amount in dispute. Given the complexity of the matters in dispute, the number of arbitrators shall be three, notwithstanding any provision of the International Chamber of Commerce Rules of Arbitration. Under no circumstances shall an arbitral tribunal consisting of three arbitrators be replaced by a sole arbitrator. The party-nominated arbitrators, once confirmed, shall be accorded 15 days from the date of their confirmation to attempt to agree on a President of the tribunal, failing which the International Chamber of Commerce shall appoint the President. Unless the Parties otherwise agree, the arbitral tribunal shall consist of persons with experience in sequencing technology. The President of the tribunal shall have experience in arbitration. Any dispute shall be decided solely on the basis of the documents submitted by the Parties with no hearing and no examination of experts or witnesses, unless the Parties request otherwise or the tribunal so decides after consultation with the Parties. The seat (legal place of arbitration) shall be New York. The language to be used in the arbitral proceedings shall be English. The governing

law of this contract shall be the substantive law of New York, and the arbitration law governing these dispute resolution clauses and procedures shall be that of New York. Judgment upon the award may be entered by any court having jurisdiction of the award or having jurisdiction over the relevant Party or its assets.

- 6.5 Headings. The captions to the several Articles, Sections and subsections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Articles and Sections hereof.
- 6.6 Counterparts. This Agreement may be signed in any number of counterparts (including by facsimile or electronic transmission), each of which shall be deemed an original, but all of which shall constitute one and the same instrument. After facsimile or electronic transmission, the Parties agree to execute and exchange documents with original signatures.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

ILLUMINA, INC.

[LICENSEE NAME]

BY: _____

BY: _____

[NAME]

[NAME]

TITLE: [_____]

TITLE: [_____]

**Exhibit A
Licensed Patents**

[To be completed]

**Exhibit B
Joint Patents**

[To be completed]

**Exhibit C
In-Licensed Patents**

[To be completed]