

Appendix C (User Notice)
Licensed Differentiated Cells

Definitions:

1. iXC: iXCells Biotechnologies USA, Inc.
2. iPS-AJ: iPS Academia Japan, Inc.
3. Product: Cells differentiated from human iPS cells by iXC and sold or transferred under the license agreement between iPS-AJ and iXC.
4. User: Person or entity who purchased Product(s) from iXC.

User Restrictions:

1. User may use the Product for internal research, including but not limited to screening potential drug compounds for efficacy and safety, and for the provision of such services to third parties. No other right is granted to User, whether expressly, by implication, by estoppel, or otherwise. In particular, the purchase of the Product does not include nor carry any right or license to use, develop, or otherwise exploit the Product commercially. No rights are conveyed to User to use the Product for any other purpose.
2. User agrees to use the Product in compliance with all applicable statutes and regulations, but not for administration or application to humans. Moreover, User agrees not to use the Product in human subjects for therapeutic, diagnostic, or prophylactic purposes, or in animals for veterinary therapeutic, diagnostic, or prophylactic purposes, including but not limited to clinical applications, cell therapy, transplantation, and/or regenerative medicine without an appropriate license.
3. If the User transfers the Product to a third party, the User shall convey the User Restrictions set forth herein to such third party.

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Licensed iPS Cells

Definitions:

1. iXC: iXCells Biotechnologies USA, Inc.
2. iPS-AJ: iPS Academia Japan, Inc.
3. Product: iPS cells provided by iXCells and claimed in the patents and patent applications listed below.
4. User: Person or entity who purchased Product(s) from iXCells.
5. Pluripotent Cells: iPS cells provided by iXCells.
6. Progeny: Cells derived by the User from the Pluripotent Cells that retain the ability to self-replicate, differentiate into cell types from all three germ layers, and remain in an undifferentiated state, whether or not said cells are genetically modified, including cell lines cloned from such cells.
7. Modification: Cells created by the User through the use of Pluripotent Cells or Progeny that (i) do not differentiate into cell types from all three germ layers and (ii) are in a partially or terminally differentiated state.
8. Materials: Pluripotent Cells, Progeny, and Modifications.
9. Commercial Use: Any activity by a User including at least one of the following:
 - (i) use of Pluripotent Cells or Progeny for manufacture of related products distributed and/or sold to a third party, including but not limited to culture media and equipment;
 - (ii) use of Pluripotent Cells, Progeny, or Modifications to provide a service, information, or data to a third party for financial gain;
 - (iii) use of Pluripotent Cells, Progeny, or Modifications for screening small molecular compounds, large molecular compounds, antibodies, proteins, peptides, etc., as potential pharmaceutical compounds. For clarity: target discovery, target validation, and assay development are excluded. Screening by not-for-profit organizations solely for academic, educational, and non-profit purposes is not considered Commercial Use; however, industry-sponsored screening conducted by not-for-profit organizations is considered Commercial Use;
 - (iv) sale, lease, distribution, or transfer of Pluripotent Cells, Progeny, or Modifications to third parties for financial gain; or

(v) sale, lease, distribution, or transfer of Pluripotent Cells or Progeny to for-profit organizations, even if not for financial gain.

Note: "Financial gain" means any financial benefit or gain earned by User where the consideration or revenue of a transaction exceeds its cost of operation.

User Restrictions:

1. The Product and its use are subject to one or more of U.S. Patent Nos. 8048999, 8058065, 8129187, 8278104, 8530238, 8900871, 9404124, and 9499797, and other corresponding patents and patent applications for which iPS-AJ has been granted sublicensable license rights.
2. The purchase of the Product conveys to User a limited, non-exclusive, and non-transferable right (without the right to sell, repackage, or further sublicense) under the patents set forth in Section 1 to use the purchased amount of the Product and its derivatives for internal research (whether User is a not-for-profit or for-profit organization). No other right is granted to User, whether expressly, by implication, by estoppel, or otherwise. In particular, the purchase does not include any right or license to use, develop, or otherwise exploit the Product commercially, and no rights are conveyed to use the Product for any other purpose.
3. User may use Materials for internal research in laboratories located in the specified country and area. Commercial Use of Materials by User requires an appropriate license from iPS-AJ. For clarity: internal research use of Materials by not-for-profit organizations (e.g., academia, government bodies) for academic, educational, or other non-commercial purposes, or transfer of Materials to other not-for-profit organizations for non-commercial purposes, is permitted.
4. User agrees to use Materials in compliance with all applicable statutes and regulations, but not for administration or application to humans. Moreover, User agrees not to use Materials in human subjects for therapeutic, diagnostic, or prophylactic purposes, or in animals for veterinary therapeutic, diagnostic, or prophylactic purposes, including but not limited to clinical applications, cell therapy, transplantation, and/or regenerative medicine without an appropriate license.

5. For information on licensing patent rights for purposes other than those permitted above, please directly contact the License Division, iPS-AJ.

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