



**BUSINESS INCUBATION AND ACCELERATION SERVICE AGREEMENT**

**THIS AGREEMENT** is made as of the \_\_\_ day of \_\_\_\_\_ 2019 (the "**Effective Date**")

**BETWEEN:**

**LAUNCHHUB INC.,**

a corporation existing under the laws of the Province of Ontario

(“**LaunchHub**”)

- and -

\_\_\_\_\_,  
a corporation existing under the laws of \_\_\_\_\_

(the “**Company**”)

**WHEREAS** LaunchHub, either directly or indirectly through partners, offers a wide range of premium incubation and acceleration services to startups, including business planning and strategy advice, tax and accounting services, legal services, investor pitch coordination and assistance with government grant applications;

**AND WHEREAS** The Company desires to use some of LaunchHub’s services to further grow and develop its business;

**NOW THEREFORE**, in consideration of the mutual benefit, promises and covenants contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties covenant and agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this agreement, the following terms and expressions shall have the following meanings:

- (a) “**Agreement**” means this agreement and all attached schedules and all instruments supplemental to or in amendment or confirmation of this Agreement;
- (b) “**Business Services**” means the services enumerated in Schedule “A” of this Agreement;

- (c) **“Confidential Information”** means information or material, in whatever form (including information disclosed or that comes to the attention of any Person orally, in writing or by observation) regarding The Company and/or its clients, including, without limitation all legal, privileged, corporate, business and financial information, plans, strategies, tactics, policies, resolutions, Intellectual Property, property and assets, information concerning employees, contractors, agents, representatives, customers (including the names, contact information, customer lists, product preferences, and sales history of customers) or suppliers, marketing information, including sales, investment and product plans, strategies, methods, prospects and market research data, cost and pricing information, performance data, debt arrangements, equity structure, investors and holdings and information relating to shareholders, operational and scientific information and technical information, including technical drawings and designs;
- (d) **“Effective Date”** means the date first set forth above;
- (e) **“Investor”** means a person or entity introduced by LaunchHub who invests capital in the Company in monetary form and expects financial returns. The definition of “Investor” shall exclude:
  - (i) a person or entity who provide in-kind contributions in exchange for equity such as labour, human resources, patents or other forms of non-monetary consideration to the Company;
  - (ii) a person or entity who funds the Company on kickstarter.com, indiegogo.com or any other crowdfunding platform;
  - (iii) a person or entity who lends to, or advances monies, properties, patents or anything of value to the Company; and
  - (iv) a founder of the Company or family relative;
- (f) **“Person”** is to be broadly interpreted and includes any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;
- (g) **“Professional Services”** means the services enumerated in Schedule “B” of this Agreement;
- (h) **“Service Provider”** means the third party providers of Professional Services enumerated in Schedule “B” of this Agreement;
- (i) **“Term”** has the meaning given to such term in Section 5.1; and
- (j) **“Transaction”** means an investment in the Company that occurred as a result of the Business Services provided by LaunchHub.

## 1.2 Use of Certain Terms

The terms “this Agreement”, “hereby”, “hereof”, “hereunder”, “herein”, “hereto” and similar expressions refer to this Agreement and not to any particular article, section, paragraph, subparagraph or other portion of this Agreement.

### **1.3 Gender and Number**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the masculine gender includes the feminine and neuter genders and vice versa and the singular includes the plural and vice versa.

### **1.4 Headings**

The headings of all the articles and sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **1.5 Currency**

All amounts and sums referred to in this Agreement are expressed in terms of Canadian dollars and all amounts and sums payable hereunder shall be paid in lawful money of Canada.

### **1.6 Consent**

Whenever a provision of this Agreement requires an approval or consent by a party and notification of such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its consent or approval.

### **1.7 Calculation of Time**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day which ends the period and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

## **ARTICLE 2 APPOINTMENT AND SERVICES**

### **2.1 Engagement for Business Services**

The Company hereby engages LaunchHub, on an as-needed and non-exclusive basis to perform the Business Services, and LaunchHub hereby accepts such engagement. LaunchHub shall provide the Business Services in return for the Company's agreement to pay LaunchHub the fees set out in Schedule "A" of this Agreement. The manner in which the Services shall be performed shall be up to the discretion of LaunchHub, provided that LaunchHub shall work in close contact with the Company in order to maintain a high degree of service and client satisfaction.

## **2.2 Prior Discussions Regarding Potential Investments**

Within ten (10) business days after the date of this Agreement, the Company will notify LaunchHub of any prior discussions with investors not introduced by LaunchHub concerning a possible investment in the Company (excluding existing shareholders and debt holders). Upon request by LaunchHub, the Company shall provide the details of this possible Transaction, including, without limitation, the name(s) of the Investor(s), the terms of the Transaction(s) and any other information available to the Company. For greater certainty, no fee shall be payable to LaunchHub if the Company received an investment within three (3) years of the date of this Agreement involving these investors.

## **2.3 LaunchHub Not Trading or Advising on Securities**

The parties hereby acknowledge that LaunchHub is not a licensed securities dealer or broker, and that LaunchHub will not be buying, selling or trading the Company's securities, or offering counsel or advice with respect to any of such activities.

## **2.4 Engagement for Professional Services**

The Company hereby engages LaunchHub on an as-needed and non-exclusive basis to perform the Professional Services, and LaunchHub hereby accepts such engagement. This engagement shall be subject to the following terms and conditions:

- (a) In the event that the Company needs any of the Professional Services, it will make best efforts to use LaunchHub and its Service Providers;
- (b) If LaunchHub is able and willing to provide such Professional Service, either directly or indirectly through its Service Providers, the Company shall engage LaunchHub at the rates specified in Schedule "B" of this Agreement;
- (c) The manner in which the Services shall be performed and invoiced shall be up to the discretion of LaunchHub and the Service Providers, provided that LaunchHub and the Service Providers shall work in close contact with the Company in order to maintain a high degree of service and client satisfaction;
- (d) If LaunchHub and the Service Providers are unable or unwilling to provide the Professional Services, the Company shall have the option of using another service provider of its choice.

## **2.5 Independent Contractors**

LaunchHub and the Companies are independent and shall have no right or authority to contract for or to incur any legal obligation on behalf of the Company. Neither party shall take any action which could reasonably lead a third party to assume that it has the authority to bind the other party or make commitments on such party's behalf.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

#### **3.1 Warranties**

LaunchHub represents and warrants that, as of the Effective Date and continuously throughout the Term:

- (a) LaunchHub's performance of the Services will not violate any agreement or obligation between LaunchHub and a third party;
- (b) the provision of the Services will be in compliance with all applicable laws and regulations, including the Rules of Professional Conduct of the Law Society of Ontario and the Chartered Professional Accountants of Ontario's Code of Professional Conduct;
- (c) the execution, delivery and performance of this Agreement and the performance of the Services has not caused, and will not cause, any breach, default or violation under any other employment, nondisclosure, confidentiality, consulting or other agreement to which LaunchHub is a party or by which LaunchHub may be bound and LaunchHub will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any other Person.

### **ARTICLE 4 CONFIDENTIALITY**

#### **4.1 Confidential Information**

LaunchHub acknowledges that during the Term it will have access to Confidential Information of the Company and its clients, and will be entrusted with Confidential Information relating to the Company and its clients, the particulars of which, if disclosed contrary to the provisions of this Agreement would be detrimental to the Company and/or its clients. LaunchHub, therefore, agrees that the Confidential Information is the exclusive property of the Company (and its respective clients, as applicable), and that while engaged by the Company and at all times thereafter, LaunchHub will not, without the prior written consent of the Company:

- (a) reveal, disclose or make known any Confidential Information to any Person;  
or
- (b) use the Confidential Information for any purpose, other than for the purpose of performing the Services.

LaunchHub further agrees that it will not, at any time, (a) improperly use or disclose any confidential or proprietary information or trade secrets of any other Person to the or (b) bring onto the premises of the Company any unpublished or non-public document or confidential or proprietary information belonging to any such other Person unless consented to in writing by such other Person and the Company.

## **4.2 Ownership and Return of Confidential Information.**

LaunchHub agrees that all Confidential Information of the Company (and its clients) in its possession or under its control, now or at any time during the Term of this Agreement or thereafter, is and shall be the property of the Company (and its clients, as applicable), and that all such Confidential Information shall be forthwith delivered to the Company upon the earlier to occur of (i) whenever requested by the Company and (ii) upon termination of this Agreement. No express or implied right is granted to LaunchHub or any other Person with respect to such Confidential Information. Upon termination of this Agreement, or when requested, LaunchHub shall delete and shall not retain any copies of any Confidential Information electronically, unless and only the extent required by the Rules of Professional Conduct of the Law Society of Upper Canada or the Chartered Professional Accountants of Ontario's Code of Professional Conduct.

## **ARTICLE 5 GENERAL PROVISIONS**

### **5.1 Term**

This Agreement takes effect from the date the authorized signatories of both parties execute and deliver this Agreement, and this Agreement shall remain in effect for a period of one (1) year and will automatically terminate at the end of such term. Notwithstanding such termination, the provisions of Schedule "A" hereof regarding fees for subsequent rounds of investments shall survive and remain in full force and effect for a period of three (3) years following the date of this Agreement.

### **5.2 Assignment**

LaunchHub will not assign or subcontract any of her rights, liabilities or obligations hereunder without the prior written consent of the Company, which may be refused or withheld in its sole discretion. Nothing in this Agreement will limit or restrict the right of the Company to assign this Agreement to any Person.

### **5.3 Notices**

Any notice or other communication will be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, will be given by email or mail and will be deemed to have been given when (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; (ii) in the case of a notice delivered or given by email, on the first business day following the day on which it is sent to the intended recipient and (iii) in the case of notice by mail, on the fifth business day following mailing, provided that there is no postal interruption.

#### **5.4 Severability**

If, in any jurisdiction, any provision of this Agreement or its application to either party or circumstance is restricted, prohibited or unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction, or without affecting its application to other parties or circumstances.

#### **5.5 Non-Disparagement**

Each of the parties agrees to not engage in or authorize any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumours, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the other party or its or her business, which includes any of their respective shareholders, directors, officers, employees, agents, representatives, customers and suppliers.

#### **5.6 Independent Legal Advice**

The Company acknowledges that: (a) it has had sufficient time to review this Agreement thoroughly; (b) it has read and understands the terms of this Agreement and the obligations hereunder and the nature of the consequences of this Agreement; and (c) it has been advised to obtain independent legal advice in connection with the execution and delivery of this Agreement; and (d) it has received a fully executed copy of this Agreement.

#### **5.7 Miscellaneous**

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which, when taken together, will constitute one and the same Agreement. Each of the parties to this Agreement will be entitled to rely on delivery of a facsimile or other electronically delivered copy of this Agreement and acceptance by each party of any such facsimile or electronically delivered copy will be legally effective to create a valid and binding agreement between the parties to this Agreement in accordance with the terms of this Agreement. This Agreement will be for the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, legal and personal representatives, successors and assigns, as applicable. Where a court of competent jurisdiction declares any provision of this Agreement to be invalid or unenforceable, the remaining provisions shall continue in full force and effect and all rights accrued under the enforceable provisions shall survive such declaration. No modifications of this Agreement or waiver of any term or condition hereof will be binding upon any party, unless approved in writing by each of the parties hereto. The waiver by a party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that party's rights

under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature). The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained herein. Time will be of the essence of this Agreement and, following any waiver or indulgence by any party, time will again be of the essence of this Agreement. This Agreement is made pursuant to and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and parties hereby submit to the exclusive jurisdiction of the courts of the Province of Ontario in any matter, suit or proceeding arising hereunder. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and the Agreement shall be interpreted without regard to any presumption or other rule requiring interpretation of the Agreement more strongly against the party causing it to be drafted.

**IN WITNESS WHEREOF** the parties have executed this agreement effective as of the date first written above.

**LAUNCHHUB INC.**

By: \_\_\_\_\_  
Name:  
Title:

**COMPANY NAME:**

By: \_\_\_\_\_  
Name:  
Title:

SIGNED, SEALED & DELIVERED  
In the presence of:

\_\_\_\_\_  
Witness



## SCHEDULE "A"

### LaunchHub Business Services

Category	Service Description	Fee Payable to LaunchHub
Startup Pitches to Investors	Draft and/or review startup pitch documentation.	<p>The Company shall pay the following fees to LaunchHub:</p> <ul style="list-style-type: none"> <li>• 5% of the total value of any investment of CAD \$500,000 or less in the Company by any Investor.</li> <li>• 4% of the total value of any investment of CAD \$500,000 to \$1,000,000 in the Company by any Investor; and</li> <li>• 3% of the total value of any investment of more than \$1,000,000 in the Company by any Investor.</li> </ul>
	Feedback on startup pitch presentation.	
	Organize and host events enabling the startup to deliver their pitches to potential investors.	
	Organize startup roadshows in China, Silicon Valley and/or other locations enabling the startup to deliver their pitches to potential investors.	
	Organize 1-on-1 meetings between the startup and investors.	
	Follow with investors, as needed.	
Project Management	Arrange and attend all the meetings with internal and external project stakeholders to coordinate the work flow.	The term "Investor" is defined in paragraph 1.1 of this Agreement.
	Ensure that the timelines are met.	<p>The above fees shall be based upon the gross amount invested, prior to any deductions, expenses or offsets of any kind, regardless of the legal structure chosen for the Transaction. The compensation shall become payable to LaunchHub or any party directed by LaunchHub upon the Company's receipt of the funds.</p>
	Coordinate the work being done by business service providers, including lawyers, tax and accounting team and other professionals in the LaunchHub partner network.	
	Act as the primary point of contact for the client and the service providers.	
Business Planning and Strategy	Review business plan, as needed.	The Company retains the right to accept or refuse any investment.
	Research market intelligence, as needed.	<p>Should an Investor invest further funds in the Company at a later date (in addition to the initial round of funding), this subsequent round of investment will be subject to a flat fee of 1.5% payable to LaunchHub. This provision for compensation for subsequent funding shall remain in effect for a period of three (3) years from the date this Agreement.</p>
	Provide business coaching and advice.	
	Make introductions with potential business partners.	

**SCHEDULE “B”****LaunchHub Professional Services**

<b>Category</b>	<b>Sub-category</b>	<b>Service Description</b>	<b>Fee Payable to LaunchHub</b>
Business Strategy	Business Plan	Drafting of business plan.	\$250-\$350 per hour, or flat fee (to be negotiated)
Government Relations	Government Funding and Tax Credits	Advice on potential government funding and tax credits (e.g. SR&ED).	\$250/hour for junior consultant and \$400/hour for senior consultant.
		Drafting and/or review application for government funding and tax credit.	
		Drafting and/or review post-grant reports to government funders.	
Legal Services	Business formation and corporate governance	Incorporation	Flat fee of \$1300 for incorporations.
		Partnership Agreement	
		Business Name Registration	\$150-\$250/hour for legal staff and junior lawyer. \$400/hour for senior lawyer.
		Initial Board of Directors Resolution	
		Board agenda and minutes	
		Initial Bylaws	
		Shareholder Agreements	
	Intellectual Property	Trademark registration	
		Copyright registration	
		Copyright clearance advice	
		Patent prosecution	
		Intellectual Property portfolio analysis	
		Intellectual property transfer/licence	
		Non-disclosure agreement	
	Privacy and regulatory compliance	Advertising/Labelling opinion	
		Privacy policy	
		Privacy law and data handling opinion	
		Cybersecurity law opinion	
		CRTC licence application	
		CRTC intervention	

	Technology Agreements	Website/mobile app terms of service	
		Mobile app development agreement	
		Video game development agreement	
		Software licence agreement (SaaS)	
	Labour/Employment law/Human Resources Advice	Employment agreement	
		Independent contractor agreement	
		Human Resources Policies and Handbooks	
	General Commercial Agreements	Sales/distribution agreement	
		Franchise agreement	
		Commercial lease	
	Financing Agreements and Documents	Initial Coin Offering/Crowdfunding opinion	
		Ontario Securities Commission filing	
		Share/Asset Purchase Agreement	
Tax and Accounting Services	Canadian Taxation	Corporate income tax return filing (T2)	\$110-\$250/hour for accounting staff and \$350-\$480/hour for partners.
		GST/HST, payroll taxes filing	
		Personal and trust income tax returns filing (T1 & T3)	
		Integrated tax planning for owner/managers	
		Non-resident tax planning and compliance tax filing (e.g. S.216 NR real estate rental withholding and S.116 NR real estate sales withholding requirements)	
	Financial Statements Compilation, Review & Audit	Financial statements compilation (NTR)	
		Review engagement for lender's needs	
		Audit engagement for shareholder or reg. needs	
		Specified procedures audit engagement	

	Financial Due Diligence and Acquisition Support	Business plan financial projection support	
		Acquisition financial due diligence / special audits	
		Start-up CFO support and expansion	
		Value for money financial analysis and modeling	
	International/Cross Border Taxation	Cross border taxation advice	
		Cross Border tax planning	
Other	Office Space at YSpace	Dedicated or shared office space at Yspace	\$180/month for non-dedicated workspace in open area.
			\$350/month for dedicated and branded workspace in open area.
	Translation services	Conference interpretation	\$200/hour
	Document translations		