2. LICENSE GRANT.

2.1 License Grant to A.

Subject to the terms and conditions of this Agreement, Licensor M hereby grants to Licensee A an exclusive (even as to M and its Affiliates), royalty-bearing license, with the right to grant sublicenses through multiple tiers (subject to Section 2.2), under the M Know-How and M Patent Rights, to Develop, manufacture, use, sell, offer for sale, import, export and otherwise Commercialize Licensed Products in the Territory subject to and in accordance with the terms and conditions of this Agreement. The foregoing license
includes the right to have any of the foregoing performed pursuant to Section 2.2.

2.2 **Sublicense and Subcontracting Rights.**

Licensee A shall require A's Sublicensees to agree in writing to be bound by all of the applicable terms and conditions of this Agreement. A's grant of any sublicense shall not relieve A from any of A's obligations under this Agreement, and A shall remain jointly and severally liable for any uncured breach of a sublicense by a Sublicensee of A to the extent that such uncured breach would constitute a breach of this Agreement. A shall have the right to retain a Third Party contractor to perform any activity in connection with A's exercise of any of its rights granted under Section 2.1, where such activity is to be performed at the direction and control and for the sole benefit of A or its Affiliates. A shall ensure that any and all activities performed by the Third Party contractor comply in all respects with the terms and conditions of this Agreement, and shall remain primarily liable for all such activities of the Third Party contractor. Such retention of the Third Party contractor is not a sublicense within the meaning of this Section 2.2 but is considered an activity of A under the license granted in Section 2.1.
2.3 **Certain Restrictions.**

(a) Except as otherwise expressly provided in Section 2.4, Licensor M agrees that it shall not, and will cause its Affiliates to not, offer to sell, license or otherwise provide any rights, including for example distribution rights, to Licensed Products, or under M Patent Rights or M Know How, to any Third Party if M or its relevant Affiliates, knows, or has a reason to believe (i) that such Licensed Product would be sold or transferred into the Territory; or (ii) that M Patent Rights or M Know How would be used, directly or indirectly, to manufacture, develop or commercialize a Licensed Product, or any product that would be reasonably expected to compete with a Licensed Product, or any product that would infringe at least one Valid Claim of a M Patent Right, which product, in each case, would be sold or transferred into the Territory. M agrees that it will include a provision in any contracts with its Sublicensees obligating such party to refrain from actions described in this Section 2.3(a).

(b) Licensee A agrees that it shall not, and will cause its Affiliates to not, (i) offer to sell or otherwise provide Licensed Products to any Third Party if A or its relevant Affiliates, knows, or has reason to believe that the Licensed Product offered for sale, sold or provided to
such Third Party would be, directly or indirectly, sold or transferred into North Korea or into South Korea; and (ii) use or practice under any intellectual property right licensed to it under this Agreement except as expressly permitted by this Agreement. A agrees that it will include a provision in any contracts with its Sublicensees obligating such party to refrain from such actions described in Section 2.3(b)(i) and (ii).

2.4 **Reservation of Rights.**

(a) Notwithstanding Section 2.1 and Section 2.3, Licensor M shall retain the right to (i) Manufacture Licensed Products and supply such Licensed Products to A pursuant to the terms of the Supply Agreement, (ii) develop, manufacture, use, sell, offer for sale, import, export and otherwise commercialize the M Products anywhere in the world, (iii) subject to Section 2.5, develop, manufacture, use, sell, offer for sale, import, export and otherwise commercialize MT10 (but not any formulation thereof other than the lyophilized formulation of M’s proprietary 150kDa botulinum toxin type A product without human serum albumin) anywhere in the world either itself or through a Third Party, and (iv) develop, manufacture and use, sell, offer for sale, import, export and otherwise commercialize, under the M Know-How and M Patent Rights, any M Product that complies with cGMP (a “cGMP
M Product”) anywhere in the world either by itself or through a Third Party; provided that,
notwithstanding anything to the contrary, if M develops any cGMP M Product, M shall not,
and shall not license, authorize or otherwise permit any Third Party to, at any time during
the Term, (A) file for Regulatory Approval of a cGMP M Product in any country in the
Territory as a “biosimilar” or a “follow-on biologic” or a “subsequent entry biologic” or
other comparable term under applicable regulatory regimes in such country, or (B) market,
promote, sell, offer for sale, import, export or otherwise commercialize a cGMP M Product
anywhere in the United States or anywhere in Canada or in any Member country of the
European Union.

(b) Notwithstanding Section 2.1 and Section 2.3, Licensor M shall retain the right to use,
sell, offer for sale, import, export and otherwise Commercialize MT10 in Japan, but only in
Japan and in no other country in the Territory; provided that (i) M and A shall be co-
exclusive with respect to such activities with respect to MT10 in Japan, (ii) M may not sell,
offer for sale or otherwise Commercialize either MT10 in Japan through any importer or
distributor on a “named patient basis” or otherwise, and (iii) M shall have no right to grant
sublicense rights to any Third Party with respect to MT10 in Japan but shall have the right
to grant sublicense rights to an Affiliate of M in Japan; provided that, with respect to any
such Affiliate, (A) M has a one hundred percent (100%) controlling interest over any decision regarding the sale or other distribution of products by such Affiliate and (B) no competitor of A has any control or equity interest in such Affiliate, in both (A) and (B), as of the effective date of such sublicense and remains so throughout the term of the sublicense. For purposes of clarification, in the event that M grants a sublicense to an Affiliate of M pursuant to (iii) above and, at any time after the effective date of the sublicense, either (1) M does not have a one hundred percent (100%) controlling interest over any decision regarding the sale or other distribution of products by such Affiliate or (2) a competitor of A acquires any control or equity interest in such Affiliate whether by, for example, investment, acquisition or merger, M agrees that such sublicense shall terminate. In connection with such M retained right, A agrees that it shall not sell, offer for sale or otherwise Commercialize either MT10 in Japan through any importer or distributor on a “named patient basis” or otherwise.

2.5 **Right of First Refusal.**

If Licensor M wishes to seek Regulatory Approval for and Commercialize MT10 with any Third Party, including without limitation by way of license, partnership, joint venture,
collaboration, distribution or other similar relationship, Licensee A shall have a right of first refusal to obtain an exclusive (even as to M and its Affiliates) right and license to MT10 in the Territory. M shall present to A, prior to any discussion with any Third Party, a complete data package summarizing all available data with respect to the MT10 program and a good faith proposal of terms and conditions for A to obtain an exclusive right and license to MT10, and the Parties shall comply with the procedure set forth in this Section 2.5. The Parties shall proceed promptly to negotiate the terms of a definitive agreement, and shall use commercially reasonable efforts to do so within one hundred and twenty (120) days after initiating such negotiations. In the event that A and M have not agreed upon the material terms and conditions pursuant to which A would receive such a right and license to MT10 within such one hundred and twenty (120) day period after the initiation of discussions (the “ROFR Period”), M shall be free to discuss terms and conditions for the grant of rights and license with respect to MT10 with any Third Party; provided that the terms and conditions offered to the Third Party are not more favourable to such Third Party than those that have been offered to A. If M has not entered into a definitive written agreement with a Third Party with respect to MT10 within nine (9) months after the later of (i) the date of the expiration of the ROFR Period and (ii) the date of the termination of the negotiations between M and A regarding the terms and conditions of a license to
MT10, then M shall not offer to any Third Party any rights to MT10 unless and until M has first offered A a further right of first refusal to obtain such a license, which further right of first refusal shall operate in accordance with the terms of this Section 2.5.

2.6 **No Implied Rights or Licenses.**

Licensor M grants no additional rights or licenses in or to any Patent or other intellectual property right, whether by implication, estoppel or otherwise, except to the extent expressly provided for under this Agreement.