

**CHS DIGITAL VAR
AGREEMENT**

This CHS Digital Value-Added Reseller Agreement no. _____ made in duplicate as of the _____ day of _____, 200____ .

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of the Department of Fisheries and Oceans, and acting through the Canadian Hydrographic Service, 615 Booth Street, Ottawa, Ontario K1A 0E6 (“the Crown”)

AND:

_____, a

corporation incorporated under the laws of the province/state of _____

with head offices located at _____
(insert street address, city, postal code)

and their respective successors
("Licensee")

WHEREAS the Crown produces nautical charts and other nautical publications for Canadian territorial waters, referred to herein as CHS Digital Data and Products, and whereas the Crown is the owner, or licensee, of the intellectual property rights in and to the CHS Digital Data and Products;

AND WHEREAS the Licensee is interested in reproducing CHS Digital Data and Products in whole or in part, for the purposes of developing digital products or integrating them into the Licensee's existing digital products, all referred to herein as "VAR Products and VAR Product Updates", and distributing VAR Products and VAR Product Updates to End Users, as the term is defined herein, in accordance with the terms and conditions contained herein;

AND WHEREAS the Crown wishes to grant to the Licensee certain rights to reproduce CHS Digital Data and Products, to develop VAR Products and VAR Product Updates from them, or to integrate them into the Licensee's existing VAR Products or VAR Product Updates, and distribute VAR Products and VAR Product Updates to End Users, in accordance with the terms and conditions contained herein;

AND WHEREAS the parties hereto are desirous of entering into a licence agreement on the basis herein set forth;

NOW THEREFORE, the parties agree as follows:

1.0 DEFINITIONS

“Agreement” means this CHS Digital Value-Added Reseller Agreement, its recitals and all schedules annexed to this Agreement as the same may be amended from time to time in accordance with the provisions hereof.

"CHS Digital Data and Products" means the digital data and products produced by or for CHS, set out in Schedule “A” attached hereto, as amended from time to time in the Crown's sole discretion. CHS Digital Data and Products may contain Crown Data, and includes related documentation provided by CHS to the Licensee pursuant to the terms and conditions of this Agreement.

"CHS Digital Data and Products Update" means updates to CHS Digital Data and Products which may consist of a new chart, a new edition of a chart, or an electronic file, in CHS's sole discretion, as set out in Schedule "A" attached hereto, as amended from time to time in the Crown's sole discretion.

“Crown’s Licensed Intellectual Property” means those rights conferred upon the Crown by third parties over the use of Data contained in the CHS Digital Data and Products, the Intellectual Property Rights of which do not vest with the Crown.

“Data” means any expressed data, fixed in a form giving rise to Intellectual Property Rights;

“End User(s)” means any individual, corporation or organization to whom the Licensee distributes and grants a sublicense for use of the Licensee’s VAR Products and/or VAR Product Updates.

"Estimated Price" means the price in Canadian funds estimated by the Licensee for any wholesale or retail sale by the Licensee of VAR Products and VAR Product Updates, regardless of content ratio, as set out in the signed Request Form in Schedule "E" below.

"Intellectual Property Rights" means any and all intellectual property rights recognized by the law, including but not limited to intellectual property rights protected through legislation.

“Party” means either one of the signatories and includes their respective servants, agents, and employees.

“Royalties” means the amount to be paid to the Crown by the Licensee for each sale of VAR Products and VAR Product Updates, which is calculated in accordance with Schedule “B” hereto.

"VAR End User Licence Agreement" ("VAR EULA") means the VAR's End User Licence Agreement, a copy of which is to be attached to this Agreement as Schedule "E" hereto.

"VAR Products and VAR Product Updates" means any material, product, system, sub-system, device, component, material or software developed or manufactured, or caused to be developed or manufactured, by the Licensee in the exercise of its rights hereunder. Such VAR Products and VAR Product Updates may be developed or manufactured by constructing, deriving, developing, adapting, incorporating or by any other means using the CHS Digital Data and Products in whole or any part thereof.

"Value-Added Reseller" ("VAR") means the Licensee. The VAR has the right to use the CHS Digital Data and Products to develop new products. The VAR has no right to grant sublicences to anyone else to use the CHS Digital Data and Products to develop new products.

2.0 GRANT OF LICENCE

2.1 Subject to the terms and conditions of this Agreement, the Crown hereby grants to the Licensee a non-exclusive, non-transferable, non-assignable right and licence to exercise all of the Crown's Intellectual Property Rights and the Crown's Licensed Intellectual Property Rights, in the CHS Digital Data and Products, for the purposes of:

(a) reproducing, translating, modifying and using in any way the CHS Digital Data and Products in order to make, or cause to be made, VAR Products and VAR Product Updates, or integrate it into existing VAR Products and VAR Product Updates; and

(b) reproducing and licensing to End Users such of the CHS Digital Data and Products as is incorporated in the VAR Products and/or VAR Product Updates, provided such licences shall be evidenced in writing, shall be on the same terms and conditions as contained herein and shall specifically include the provisions contained in clauses 3.1, 3.2, 3.3, 3.4, 12.0 and 13.0 hereof.

2.2 The Licensee shall have the right to use the CHS Digital Data and Products for demonstration, marketing and such other purposes directly connected with this Agreement.

2.3 The Licensee shall not modify, amend, add to or in any way alter any CHS Digital Data and Products supplied to it under this Agreement, except as expressly authorised under this Agreement or with CHS' prior written consent.

2.4 The Licensee shall not issue a sublicense to a dealer or value-added reseller.

2.5 It is acknowledged and agreed by the Parties that CHS may, at its discretion and on any terms and conditions that CHS may choose, provide the CHS Digital Data and

Products directly to any Canadian federal or provincial government department and/or agency, to any Canadian university or other educational institution, to any not-for-profit organization, to any hydrographic office, or to any other third party, except that such terms and conditions shall include a condition that the recipient can only use the data for non-commercial purposes, which may include sales by the recipient.

2.6 This licence is valid only for the VAR Products and VAR Product Updates at the Licensee's Estimated Price set out in the Request Form signed and attached as Schedule E to this Agreement.

3.0 INTELLECTUAL PROPERTY

3.1 The Crown's Intellectual Property Rights in and to the CHS Digital Data and Products shall at all times remain the property of the Crown. The Licensee shall not during or at any time after the expiry or termination of this Agreement in any way question or dispute the ownership by the Crown of its Intellectual Property Rights in and to the CHS Digital Data and Products.

3.2 All title and Intellectual Property Rights in and to CHS's crest and logo, domain names, and other marks shall at all times remain the property of the Crown. The Licensee shall not during or at any time after the expiry or termination of this Agreement in any way question or dispute the ownership thereof by the Crown. The Licensee shall not during or after the expiry or termination of this Agreement, without the prior written consent of CHS, use or adopt any trade mark, trade name, trading style, commercial designation or domain name that includes or is similar to or may be mistaken for the whole or any part of any trade mark, official mark or domain name used by CHS.

3.3 Subject to clause 3.1 and 3.2 above, all title and Intellectual Property Rights in and to VAR Products or VAR Product Updates shall vest in the Licensee or in such person as the Licensee shall decide.

3.4 All title and Intellectual Property Rights in and to the Crown's Licensed Intellectual Property are the property of their respective owners and may be protected by copyright, other intellectual property laws, common law or international treaties.

3.5 The Licensee shall promptly notify CHS of any infringement by others of the Crown's Intellectual Property Rights in CHS Digital Data, or CHS's crest or logo, other marks or domain names, when such becomes known to the Licensee and where possible provide a sample of such infringement to CHS, and co-operate with CHS in enforcing the Crown's Intellectual Property Rights in the same.

3.6 CHS shall determine in its sole discretion whether to take action with regard to any infringement of the Crown's Intellectual Property Rights in the CHS Digital Data, or CHS's crest, logos, other marks or domain names. The Licensee shall, at CHS's request, cooperate in every reasonable aspect in the preparation of such action including making

available to the CHS records, information, evidence and testimony by the employees of the Licensee relevant to the infringement.

3.7 The Licensee shall take no action to compel the Crown to take any action with regard to such infringement, or to claim damages from the Crown for failure to do so.

3.8 It is a condition of this Licence that the Licensee may not offer for sale or sell any data or products which infringe the Crown's Intellectual Property Rights in the CHS Digital Data and Products, or CHS's crest, logos, other marks or domain names; and CHS shall have the right to terminate this Agreement without notice or payment of any compensation, if CHS in its sole discretion determines that the Licensee is offering for sale or selling any infringing data or products.

4.0 ROYALTIES

4.1 In consideration of the rights and licences granted under this Agreement, the Licensee shall pay the Crown the royalties based on revenue earned for VAR Products and VAR Product Updates sold by the Licensee, as prescribed in Schedule "B" attached hereto, in the manner set out in said Schedule.

5.0 PROVISION OF CHS DIGITAL DATA

5.1 CHS will provide the Licensee with the CHS Digital Data and Products. CHS will post a list of CHS Digital Data and Products on the CHS website at www.charts.gc.ca.

5.2 CHS shall have the sole discretion to determine whether a particular product is considered a CHS Digital Data and Products Update or a new CHS Digital Product. Any new Product as determined by CHS will be added to Schedule "A" and posted on the CHS website at www.charts.gc.ca. CHS assumes no obligation for the provision of new Products, or liability for the failure to provide new Products, or notices in relation thereto, to the Licensee.

5.3 CHS will provide the Licensee with CHS Digital Data and Products Updates during the term of this Agreement. Information on how to obtain Updates will be posted on the CHS website at www.charts.gc.ca. CHS assumes no liability for failure to provide Updates, or notices of Updates, to the Licensee.

5.4 The Licensee will only distribute the most recent edition of the VAR Product to End Users, and will provide End Users with the most recent version of VAR Product Updates as soon as reasonably possible.

6.0 VAR PRODUCTS AND VAR PRODUCT UPDATES

6.1 The Licensee shall within thirty days of the development and/or manufacture of any and all VAR Products and VAR Product Updates, and prior to their distribution,

provide to CHS, at no cost to it, two (2) sample copies of VAR Products and VAR Product Updates in English, and two (2) sample copies of same in French, if applicable.

6.2 CHS will thereupon make a determination as to whether the VAR Products and VAR Product Updates unreasonably compete with the Crown's own products, in which case the Licensee will promptly effect, at its own cost, all modifications to the VAR Products and/or VAR Product Updates, as the case may be, deemed necessary by CHS, acting reasonably.

7.0 REPORTS

7.1 The Licensee agrees to provide CHS the sales reports prescribed in Schedule "C" attached hereto, in the manner set out in said Schedule.

8.0 MARKETING

8.1 All marketing and promotional material produced by the Licensee which relates to CHS Digital Data, or any VAR Products or VAR Product Updates shall not misrepresent or bring into disrepute the reputation of the Crown or CHS.

8.2 The Licensee shall, prior to use, supply CHS for approval, a copy of all marketing and promotional literature that in any way relates to CHS Digital Data or the relationship between CHS and the Licensee. CHS shall inform the Licensee of any required changes within five (5) days of receipt. The Licensee shall make, at its expense, all changes reasonably required by CHS.

8.3 The Licensee shall ensure that all verbal, written or electronic marketing and promotional material clearly and correctly indicates the year and edition, if applicable, of the CHS Digital Data and shall not make any direct or indirect claims or representations that they relate to any other year or edition.

9.0 TERM

9.1 This Agreement is effective when signed by all parties, and shall remain in effect for one year, subject to clause 10.1 below.

10.0 TERMINATION

10.1 Notwithstanding clause 9.1 above, this Agreement may be terminated prior to its expiration:

- (a) automatically and without notice, if the Licensee commits or permits a breach of any of its covenants or obligations under this Agreement;

(b) upon written notice of termination without cause by either party at any time, and such termination shall take effect ninety (90) after the receipt by the other party of such notice; or

(c) upon mutual written agreement of the Parties.

10.2 Upon the expiration or termination of this Agreement, for whatever reason:

(a) the Licensee's rights under clause 2.0 shall immediately cease, and the Licensee:

(i) shall deliver to CHS any royalties and interest payable at the time of expiration or termination;

(ii) shall deliver to CHS the relevant sales reports as set out in clause 7.0 and Schedule C attached hereto;

(iii) shall deliver a detailed statement to CHS of the inventory of VAR Products and VAR Product Updates then existing and not sold by the Licensee as of the date of expiration or termination;

(iv) may continue to use the CHS Digital Data for the purpose of completing orders for VAR Products and/or VAR Product Updates which were received before the termination date of this Agreement, notwithstanding clause 10.2(a), provided that the Licensee shall:

(A) continue to pay royalties as required by clause 4 and Schedule "B";

(B) continue to comply with the requirements to protect and acknowledge the source in clause 11.0; and

(C) continue to fulfil its reporting obligations set out in clause 7.0 and Schedule "C" attached hereto.

(v) shall maintain records using Generally Accepted Accounting Principles providing data that would allow CHS to calculate and easily audit any payment under this Agreement for two years after termination or expiry of this Agreement, unless CHS has agreed otherwise in writing;

(vi) shall return or destroy, at its expense, as CHS shall instruct, no later than thirty (30) days thereafter, all Crown intellectual property, other reproduced material, documentation, technical information and any other data supplied to the Licensee during the continuance of this Agreement and all and any copies made of the whole or any part of the same; and the

Licensee shall furnish CHS with a certificate certifying that the same has been done; and

(vii) shall deliver any additional written report setting out all information as reasonably required by CHS; and

(b) the Licensee's obligations under clauses 18 and 26 shall survive.

10.3 Notwithstanding the expiration or termination of this Agreement, all agreements entered into by the Licensee in the exercise of its rights hereunder prior to such expiration or termination and all obligations imposed therein shall continue in full force and effect subject to their terms.

11.0 PROTECTION AND ACKNOWLEDGEMENT OF SOURCE

11.1 Where any of the CHS Digital Data is contained within VAR Products or VAR Product Updates, the Licensee shall include in a prominent location on said VAR Products or VAR Product Updates the following notice:

This product has been produced by [the Licensee] based on Canadian Hydrographic Service data, following any minimum standards/guidelines that may have been established by CHS, pursuant to CHS Digital VAR Agreement No. _____.

This product does not meet the requirements of the Charts and Nautical Publications Regulations under the Canada Shipping Act. Certified charts and publications, corrected and up-to-date, must be used to meet the requirements of those regulations.

or any other notice approved in writing by CHS.

11.2 Unless with the prior written consent of CHS, the Licensee shall ensure that no acknowledgement of the Crown except as set out in clause 11.1 above shall be shown in association with any form of promotion or advertisement, and the Licensee shall not include in its promotional materials:

(a) the Crown, the Department of Fisheries and Oceans, the Canadian Hydrographic Service name, crest, logos, flags, other insignia or domain names;

(b) the chart name used in the original CHS chart; or

(c) any annotation of any kind that may in any way be interpreted as an endorsement by the Crown of the Licensee's VAR Products or VAR Product Updates.

12.0 BAR SCALES AND CAUTION NOTES

12.1 The Licensee may reproduce bar scales and caution notes as they deem appropriate. With respect to charts that are not on NAD 83 (WGS 84), the Licensee shall effect appropriate datum adjustments on its products. The Licensee shall indemnify CHS for any liability which may arise from the Licensee's errors with regard to geographic adjustments.

13.0 END USER LICENSING AND SUPPORT

13.1 The Licensee shall, prior to use, provide CHS with a copy of the Licensee's End User Licence Agreement for approval. CHS shall have thirty (30) days to review and approve the Licensee's End User Licence Agreement, such approval not to be unreasonably withheld, provided the Licensee's End User Licence Agreement is consistent with this Agreement. The Licensee agrees not to use the Licensee's End User Licence Agreement prior to receiving approval from CHS.

13.2 The Licensee shall advise prospective End-users with the terms of the approved End User Licence Agreement prior to the taking of any order, and shall ensure that each End User is bound by the same prior to use.

13.3 The Licensee shall provide all End User support, including VAR Product Updates.

13.4 End Users do not have the right to redistribute, nor to grant sublicences, nor to use any of the VAR Products or VAR Product Updates or CHS Digital Data and Products to develop new products.

14.0 ENCRYPTION

14.1 The Crown reserves the right to require the Licensee to encrypt the VAR Products and VAR Product Updates in order to prevent copyright infringement with regard to the CHS Digital Data and Products.

GENERAL

15.0 Applicable Law

15.1 This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the province in which the head office of the Licensee is located, and of Canada; or if the head office of the Licensee is not located in Canada, then by the laws of Ontario and of Canada.

16.0 Assignment

16.1 This Agreement or any part thereof, shall not be assigned without the prior written consent of CHS.

16.2 This Agreement shall be binding upon and inure to the benefit of the parties hereto and permitted assigns.

17.0 Benefits arising from Agreement

17.1 No member of the House of Commons shall be admitted to share any benefits that may arise from the present Agreement.

17.2 No former public-office holder who is not in compliance with the post-employment provisions of the Conflict of Interest and Post-Employment Code for the Public Service may derive a direct benefit from the present Agreement.

17.3 Subject to current and future policies of the Government of Canada no company or organisation based in a country subject to any international sanction governed by the United Nations Act, R.S. 1985 c. U-2 shall be admitted to share any benefit that may arise from the present Agreement.

18.0 Confidentiality

18.1 CHS has imparted and may from time to time impart to the Licensee certain confidential information relating to the CHS Digital Data and Products or other products or marketing or support thereof, and the Licensee may otherwise obtain confidential information concerning the affairs of CHS.

18.2 The Licensee agrees that it will use such confidential information solely for the purposes of this Agreement and that it shall not disclose, whether directly or indirectly, to any third party such information other than as required to carry out the purposes of this Agreement. In the event of and prior to such disclosure, the Licensee will obtain from such third parties duly binding agreements to maintain in confidence the information to be disclosed to the same extent at least as the Licensee is so bound under this Agreement.

18.3 Subject to clause 18.4 below, any information provided by one Party to another shall be treated as confidential if clearly marked as confidential. Each Party (the "First Party") agrees not to disclose any confidential information of the other Party (the "Other Party") unless:

(a) the Other Party consents in writing to the disclosure;

(b) the information is or becomes public without breach of the Agreement by the First Party;

(c) the information was known to the First Party prior to the date it was provided by the other Party;

(d) the information is provided to the First Party by a third party who does not owe a duty of confidentiality to the other Party; or

(e) the First Party has a legal obligation to disclose the information.

18.4 The Licensee acknowledges that the Crown is subject to the Access to Information Act, R.S. 1985, c. A-1, and the Privacy Act, R.S. 1985, c.P-21, as amended from time to time, and that this Agreement is subject to the Crown's obligations under those statutes.

19.0 Dispute Resolution

19.1 If a dispute arises between the parties concerning this Agreement, the parties shall attempt to resolve the matter by negotiation, mediation or arbitration in accordance with the federal Commercial Arbitration Act.

20.0 Due Diligence

20.1 The Licensee shall use due care, skill and diligence in the exercise of its rights under this Agreement and shall take all reasonable precautions and actions to ensure that neither the CHS Digital Data nor any portion of it is used, reproduced, distributed or otherwise made available except in accordance with the terms of this Agreement.

20.2 The Licensee shall diligently monitor and enforce any and all agreements it enters into in the exercise of its rights hereunder.

21.0 Entirety of Agreement

21.1 This Agreement including the recitals and Schedules "A", "B", "C", "D", and "E" attached hereto and incorporated herein constitute the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements or communications of any kind between the parties. This Agreement may only be amended in writing, signed by both parties, which expressly states the intention to amend this Agreement.

22.0 Language of Agreement

22.1 The Agreement is written in English at the request of the Licensee; cette entente a été rédigée en anglais à la demande du Licencié.

23.0 Licensee Not an Agent, Partner or Representative

23.1 It is agreed and understood that for the purposes of this Agreement the Licensee is not the agent, partner or representative of the Crown; will not represent itself as such; and

has no authority or power to bind or contract in the name of or to create any liability against the Crown in any way or for any purpose.

23.2 The Licensee shall not incur any liability on behalf of the Crown or in any way pledge or purport to pledge the Crown's credit or purport to make any contract binding upon the Crown.

23.3 The Licensee will, in all correspondence and other dealings relating directly or indirectly to the licensing or other transaction relating to the CHS Digital Products and Data, clearly indicate that it is acting as Licensee and not as author or owner of the CHS Digital Products and Data.

24.0 Notices

24.1 Any notices or other communications under this Agreement shall be in writing and shall be addressed:

In the case of the Crown or CHS:

Canadian Hydrographic Service
615 Booth St.
Ottawa, ON K1A 0E6
Attn: Client Services
Fax: (613) 996-9053

And in the case of the Licensee, to:

25.0 Records

25.1 The Licensee shall maintain records using Generally Accepted Accounting Principles providing data that would allow the Crown to calculate and easily audit any payment under this Agreement during the term of this Agreement and for two years after termination or expiry of this Agreement, unless CHS has agreed otherwise in writing.

26.0 Representations, Warranties and Indemnities

26.1 Neither the Crown, nor its ministers, officers, employees, or agents make any representation or warranty of any kind with respect to the accuracy, usefulness, novelty, validity, scope, completeness or currency of the CHS Digital Products and Data and they expressly disclaim any implied warranty of merchantability or fitness for a particular purpose of the CHS Digital Products and Data.

26.2 The Licensee shall have no recourse against the Crown, whether by way of any suit or action or other, for any loss, liability, damage or cost that the Licensee may suffer or incur at any time, by reason of the Licensee's possession or use of the CHS Digital Products and Data, or arising out of the exercise of its rights hereunder.

26.3 The Licensee represents and warrants:

(a) that it has the capacity and resources to exercise the rights herein granted to it and to fulfil its obligations under this Agreement; and

(b) that there are no legal impediments to the carrying out of the Licensee's rights and obligations under this Agreement.

26.4 CHS shall not be under any liability to the Licensee or to any other party in any way whatsoever for destruction, damage, delay or any other matters of any nature whatsoever arising out of power outages, computer failure, war, rebellion, civil commotion, strikes, lock-outs, industrial disputes, fire, explosion, earthquake, acts of God, flood, drought, bad weather, or the unavailability of deliveries, supplies, CHS Digital Products and Data, disks or other media; or the requisitioning or other act or order by any government department, council or other constituted body.

26.5 The Licensee shall indemnify and save harmless the Crown from and against and be responsible for all claims, demands, losses, costs, including solicitor and client costs, damages, actions, suits, or proceedings, by whomsoever made, brought, and prosecuted, in any manner based upon, arising out of, related to, occasioned by, or attributable to any acts, omissions, or conduct of the Licensee, or its employees or agents, relating to the production, distribution, shipment, offering for sale, or sale of VAR Products or VAR Product Updates, or arising in any other way whatsoever from this Agreement.

27.0 Security Procedures

27.1 The Licensee shall ensure that adequate security procedures are in place within the Licensee's premises to protect the Crown's rights and interests in the CHS Digital Products and Data and these measures shall not be less than those used to protect the Licensee's own valuable commercial property or information.

28.0 Waiver

28.1 Failure or neglect by the Crown to enforce at any time any of the provisions hereof shall not be construed nor shall be deemed to be a waiver of the Crown's rights hereunder nor in any way affect the validity of the whole or any part of this Agreement, nor prejudice the Crown's rights to take subsequent action.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the
Minister of the Department of Fisheries and Oceans, acting through the Canadian
Hydrographic Service,

by: _____
(signature)

(printed name)

(title)

(date)

LICENSEE'S FULL NAME

by: _____
(signature)

(printed name)

(title)

(date)

SCHEDULE "A":

DESCRIPTION OF CHS DIGITAL DATA AND PRODUCTS

"CHS Digital Data and Products" shall consist of the following:

- CHS Digital Chart Products, as available :
 - S57 Electronic Nautical Charts ("ENCs")
 - Raster (BSB) Digital Chart Products
- CHS Digital Tide and Current Data and/or Products, as available
- CHS Digital Sailing Directions Data and/or Products, as available
- Ocean Framework Data (subsets of Natural Resource Maps), as available
- Multibeam Data and/or Products, as available
- CHS Source Hydrographic/Field data used in the production of nautical charts, as available
- Updates of the foregoing, in CHS's sole discretion
- Other CHS Digital Data and Products as may be provided from time to time, in CHS's sole discretion

SCHEDULE "B"

ROYALTIES

The Licensee shall pay the Crown access royalties, and sales royalties based on revenue earned for VAR Products and VAR Product Updates sold by the Licensee containing CHS Digital Data and Products, shipping and handling if applicable, and taxes, as follows:

- Raster and S-57 ENC vector charts: an access royalty of \$50 per chart per year, plus a sales royalty of 15% of the Estimated Price of VAR Products and VAR Product Updates sold by the Licensee containing CHS raster or vector chart data, regardless of the content ratio;
- Digital Tide and Current Products and/or Data: an access royalty of \$50 per station per year, plus a surcharge access royalty for longterm predictions (past and future) of \$25 per station per year, plus a sales royalty of 15% of the Estimated Price of VAR Products and VAR Products Updates sold by the Licensee containing CHS Tide and Current Data, regardless of the content ratio;
- Digital Sailing Directions Data and/or Products: an access royalty of \$100 per volume per year, plus a sales royalty of 15% of the Estimated Price of VAR Products and VAR Product Updates sold by the Licensee containing CHS Sailing Directions, regardless of the content ratio;
- Ocean Framework Data (subset of Natural Resource Maps): an access royalty of \$25 per map per year, plus a sales royalty of 15% of the Estimated Price of VAR Products and VAR Product Updates sold by the Licensee containing Ocean Framework Data, regardless of the content ratio;
- Multibeam Data and/or Products: an access royalty of \$_____ per file per year, plus a sales royalty of 15% of the Estimated Price of VAR Products and VAR Product Updates sold by the Licensee containing CHS Multibeam data, regardless of the content ratio;
- CHS Source Hydrographic/Field data: an access royalty of \$75 per sheet per year, plus a sales royalty of 15% of the Estimated Price of VAR Products and VAR Product Updates sold by the Licensee containing CHS Digital Field Data, regardless of the content ratio;

In case of VAR Products or VAR Product Updates containing multiple CHS charts or multiple types of CHS Digital Data and Products, the Licensee shall pay multiple access royalties as set out above, but a single sales royalty of 15% of the Estimated Price of the VAR Product or VAR Product Update, regardless of the content ratio.

Royalties shall be calculated and paid in Canadian currency.

Access royalties are due in advance of receiving CHS Digital Data and Products.

Sales royalties to the Crown are calculated monthly, at the end of the month, with respect to the gross revenue earned (not revenue received) by the Licensee during the month from sales of the VAR Products and VAR Product Updates.

Sales royalties are payable 15 days following the end of each month.

The Licensee shall pay any applicable shipping, handling and taxes.

This Agreement shall be deemed as sufficient invoice for the purpose of access and sales royalty payments, shipping, handling and taxes.

Payments shall be effected by means of a cheque payable to the Receiver General for Canada and delivered to the following address:

Canadian Hydrographic Service
615 Booth Street
Ottawa, ON K1A 0E6
Attn: Licensing Officer

Payment shall clearly indicate the CHS Digital VAR Agreement number and the term of the Agreement.

Royalties which are payable but have not been paid by the due date, shall accrue interest from the moment they are due at the rate set out in the Interest and Administrative Charges Regulations, SOR/96-188 as amended from time to time.

If at any time, the Licensee is in default on the performance of any of its payment or other obligations under this Agreement, CHS shall be entitled, for so long as such default continues, to withhold provision of any CHS Digital Data and Products and /or updates to the Licensee.

In the event of non-payment, CHS has the discretion to revoke the Licensee's licence or any renewal of the Licensee's licence, and to repossess any documentation, records or information relating to CHS Digital Data and Products. For such purposes, CHS or any one or more of its agents or authorised representatives shall be entitled at any time and without notice to enter upon any premises in which the same are or are reasonably believed by CHS, to be kept, stored or used.

SCHEDULE "C"

REPORTING REQUIREMENTS

Sales Reports

Each royalty payment shall be accompanied by a written sales report for the month, which shall include at least the following:

- the total number of copies of each VAR Product and VAR Product Update sold during the month (this calculation is based on sales made, regardless of whether Licensee has received revenues from those sales);
- the Estimated Price for each VAR Product and VAR Product Update sold during the month;
- the total sales royalties payable to the Crown for the sales of VAR Products and VAR Product Updates during the month.

Any information contained in a sales report marked "confidential" will be kept confidential by CHS.

Licensee's Financial Statements

CHS reserves the right to require the Licensee to provide CHS, within ninety (90) days following the end of the Licensee's fiscal year, a copy of its latest annual report, including audited profit and loss statements and balance sheet.

Any information contained in the licensee's financial statements marked "confidential" will be kept confidential by CHS.

Inspection of Books

CHS reserves the right to inspect (or to appoint accounting experts to inspect) the Licensee's books to confirm the accuracy of the Licensee's reports at any time during the term of this Licence and for two years afterwards.

SCHEDULE "D"

VAR APPLICATION FORM - CONFIDENTIAL WHEN COMPLETED

Application to enter into a CHS Digital VAR Agreement

General

Please fill out the application for a CHS Digital VAR Agreement. This application will allow the CHS to better assess your request and determine the conditions by which a licence may be granted. Additional information may be required at a later date.

Date _____ CHS Digital VAR Agreement No. _____

Name	
Company or Organization	
Your Title/ Position:	
Correspondence Address:	
Telephone:	
Fax: E-mail:	

1. Exactly what CHS Digital Data and Products do you wish to access/copy/ modify/reproduce (please list chart numbers, lines of latitude and longitude, etc.)

2. Please state clearly your intended use of CHS Digital Data and Products. Also, name and describe each VAR product or VAR product update derived from or including CHS Digital Data and Products that you intend to produce.

3. What will be your Estimated Price for each of your VAR product(s) or VAR product updates derived from or including CHS Digital Data and Products?

Name/Type of Product	Estimated Quantity Intended for Distribution	Estimated Wholesale Price	Estimated Retail Price

4. Please indicate your target sales for the term of the licence.

5. Please include any additional or supporting information that you think will help us to assess your application.

FOR OFFICE USE ONLY

The applicant meets the conditions to become a CHS Digital VAR Dealer :

Remarks (if No):

Yes No

Approved:

Date:

Declaration

I confirm that the information that I have supplied is true and accurate to the best of my knowledge, and that any revisions to the information provided above will be immediately provided in writing to the CHS licensing representative.

Signature: _____

Date: _____

Return the completed form to: Licensing Officer, Canadian Hydrographic Service,
615 Booth Street, Ottawa, ON, K1A 0E6, Fax: (613) 996-9053

SCHEDULE "E"

(Copy of Licensee's End User Licence Agreement to be attached)