UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934

AquaBounty Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**04-3156167**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Two Clock Tower Place, Suite 395
Maynard, Massachusetts 01754
(Address of principal executive offices)

(978) 648-6000
(Registrant's telephone number)

Copies of correspondence to:

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Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	**Name of each exchange on which each class is to be registered**
Common Stock, par value $0.001 per share	**The NASDAQ Stock Market LLC**

Securities to be registered pursuant to Section 12(g) of the Act:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

The Company qualifies as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, or the Securities Act.

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EXPLANATORY NOTE

This Registration Statement on Form 10 is being filed by AquaBounty Technologies, Inc. in order to register its common stock, par value $0.001 per share, voluntarily pursuant to Section 12(b) under the Securities Exchange Act of 1934, or the Exchange Act. Unless otherwise noted or indicated by the context, the terms “AquaBounty,” “the Company,” “we,” “us” and “our” refer to AquaBounty Technologies, Inc., together with its consolidated subsidiaries.

Emerging Growth Company Status

We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as amended by the Jumpstart Our Business Startups Act enacted on April 5, 2012, which we refer to as the JOBS Act. For as long as we are an “emerging growth company,” we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including, but not limited to, not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, an exemption from the adoption of new or revised financial accounting standards until they would apply to private companies, an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditors’ report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding advisory “say-on-pay” votes on executive compensation and shareholder advisory votes on golden parachute compensation not previously approved.

Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Under the JOBS Act, we will remain an “emerging growth company” until the earliest of:

- the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement filed under the Securities Act;
- the last day of the fiscal year during which we have total annual gross revenues of $1 billion or more;
- the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt; and
- the date on which we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur as of the first day of the first fiscal year after we have (i) more than $700 million in outstanding common equity held by our non-affiliates as of the last day of our second fiscal quarter and (ii) been public for at least 12 months.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Registration Statement on Form 10 contains “forward-looking statements.” Forward-looking statements include any statements that address future results or occurrences. In some cases you can identify forward-looking statements by terminology such as “may,” “might,” “will,” “would,” “should,” “could” or the negatives thereof. Generally, the words “anticipate,” “believe,” “continue,” “expect,” “intend,” “estimate,” “project,” “plan” and similar expressions identify forward-looking statements. In particular, statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance contained in this Registration Statement on Form 10 in Item 1. “Business,” Item 1A. “Risk Factors” and Item 2. “Financial Information—Management’s Discussion and Analysis of Financial Condition and Results of Operations” are forward-looking statements. These forward-looking statements include statements that are not historical facts, including statements concerning our possible or assumed future actions and business strategies and the process of obtaining regulatory approval to commercialize our product candidates.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, many of which are outside of our control, which could cause our actual results, performance or achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to:

- our AquAdvantage® Salmon product;
- the uncertainty of achieving the business plan, future revenue and operating results;
- the risk of market acceptance of genetically modified fish;
- developments concerning our research projects;
- our ability to successfully enter new markets or develop additional products;
- competition from existing technologies and products or new technologies and products that may emerge;
- actual or anticipated variations in our operating results;
- our cash position and ability to raise additional capital to finance our activities;
- market conditions in our industry;
- our ability to protect our intellectual property and other proprietary rights and technologies;
- our ability to adapt to changes in laws or regulations and policies;
- the ability to secure any necessary regulatory approvals to commercialize any products;
- the rate and degree of market acceptance of any products developed through the application of genetic engineering;
- our ability to retain and recruit key personnel;
- the ability of our majority shareholder, Intrexon Corporation, or Intrexon, to control us;
- the success of any of our future acquisitions or investments;
- international business risks and exchange rate fluctuations;
- the possible volatility of our stock price;

- our limited operating history and track record of operating losses; and
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Registration Statement on Form 10. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Registration Statement on Form 10, particularly in the Item 1A. “Risk Factors,” that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we may make.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements are made only as of the date of this Registration Statement on Form 10. We do not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments unless required by federal securities law. New factors emerge from time to time, and it is not possible for us to predict all such factors.

ITEM 1. BUSINESS

This Business section, along with other sections of this Registration Statement on Form 10, includes, in some cases, management estimates based on industry and other knowledge, statistical market and industry data that we obtained from industry and general publications and research, surveys and studies conducted by third party sources that we believe to be reliable. We have not independently verified any of the data from third-party sources, and we make no representation as to the accuracy of such information. While we believe internal company estimates are reliable and market definitions are appropriate, they have not been verified by any independent sources, and we make no representations as to the accuracy of such estimates. We have one segment for financial reporting purposes.

Overview

AquaBounty Technologies, Inc., a Delaware corporation, was formed on December 17, 1991. Our common stock was listed on London’s Alternative Investment Market, or AIM, in 2006. Headquartered in Maynard Massachusetts, we are a biotechnology company focused on enhancing productivity in the fast growing aquaculture market. Our principal place of business is located at Two Clock Tower Place, Suite 395, Maynard, Massachusetts 01754, and our telephone number at that location is (978) 648-6000.

We use genetic manipulation and other molecular biologic techniques in order to improve the quality and yield of fish stocks and help the aquaculture industry meet growing consumer demand. At the time of our listing on AIM in 2006, we were developing disease management and diagnostic products for shrimp as well as transgenic lines of salmon and trout that exhibited an accelerated rate of growth. However, as a result of technical and regulatory delays, in 2009 we decided to focus our resources on the regulatory approval of our AquAdvantage® Salmon product and to discontinue spending on other research projects. Since that time, we have completed all sections of the New Animal Drug Application, or NADA, process with the U.S. Food and Drug Administration, or the FDA, for AquAdvantage® Salmon, but are still waiting for formal approval of the NADA.

We believe that receipt of FDA approval for AquAdvantage® Salmon would not only represent a major milestone for us, but also a significant pioneering development in introducing transgenic animals into

the food chain. Although genetically modified crops have been accepted in the United States and South America for some time, AquAdvantage® Salmon would be the first genetically modified animal to be approved for human consumption. We intend to deploy AquAdvantage® Salmon in land-based, contained, freshwater aquaculture systems, which would allow inland fish farms to be established close to major demand centers in a profitable and environmentally sustainable manner. The technology underlying AquAdvantage® Salmon would offer the potential to reintroduce salmon aquaculture in the United States, which imported more than $2.0 billion of Atlantic salmon in 2013 according to the U.S. Department of Commerce, or the DOC. We believe it will take two years following receipt of FDA approval of the NADA to establish commercial operations and an additional two years before we can generate significant revenues. Ultimately, our prospects depend on receipt of that approval as well as consumer acceptance of genetically modified fish.

See "—Our Product" for more information on AquAdvantage® Salmon and "—Regulatory Environment" for more information on our NADA process with the FDA.

The Aquaculture Industry

Aquaculture is the farming of aquatic organisms such as fish, shellfish, crustaceans and aquatic plants. It involves cultivating freshwater or saltwater species under controlled conditions, as an alternative to the commercial harvesting of wild species of aquatic organisms. The aquaculture industry has experienced growth in recent years, and we believe that the aquaculture industry, and in particular salmon farming, is poised for significant additional growth in the coming years as the global population expands.

Salmon Farming

According to Kontali Analyse, or Kontali, and Marine Harvest ASA, or Marine Harvest, farmed salmon accounted for approximately 60% of the world's salmon production during 2013, of which Atlantic salmon accounted for approximately 70%. According to the United Nations Food and Agriculture Organization, or the FAO, Atlantic salmon aquaculture production grew by approximately 6.5% annually between 2001 and 2012. Kontali and Marine Harvest have both indicated that they expect increases in demand to drive continued production growth through 2020, although at a lower annual rate of approximately 3.0% primarily due to supply constraints.

Atlantic salmon farming is a major industry in the cold-water countries of the northern and southern hemispheres. According to the FAO, total production volume of farmed Atlantic salmon during 2012 was 2.07 million metric tons. This production had a market value of over $10.0 billion. Below is a break-down by major producing country for the time period 2006 through 2012, which is the last year for which data is readily available.

Worldwide Atlantic Salmon Production by Country (in metric tons)

	2006	2007	2008	2009	2010	2011	2012
Canada	118,061	102,509	104,070	100,220	101,385	102,064	108,118
Chile	376,476	331,042	388,847	233,308	123,233	264,349	399,678
U.S.A	10,485	11,001	16,714	14,074	19,535	18,595	19,295
Ireland	11,174	9,923	9,217	12,210	15,691	12,196	12,440
Norway	629,888	744,222	737,694	862,908	939,536	1,064,868	1,232,095
United Kingdom	131,973	130,104	128,744	133,440	154,625	158,168	162,604
Australia	20,710	25,336	25,737	29,893	31,807	35,198	43,785
All other	19,953	24,737	40,239	54,358	51,863	70,866	88,546
WW Volume (mt)	1,318,720	1,378,874	1,451,262	1,440,410	1,437,675	1,726,304	2,066,561

Pricing

According to the DOC, which tracks the volume and value of Atlantic salmon imports into the country, from 2008 to 2013, the average wholesale price of Atlantic salmon imported into the United States increased from $3.17 per pound ($7.05/kilogram) to $4.04 per pound ($8.97/kilogram).

The daily spot (farm-gate or wholesale market) price for Atlantic salmon is very volatile due to the species' long production cycle, which typically ranges between two and three years, and its short shelf life, which typically ranges between two and three weeks. Farmed salmon is typically sold as fresh and thus must be consumed within this timeframe. Consequently, the available supply is very inelastic over the short-term, while demand can be very elastic due to price, season or market size.

Major Producers

The global Atlantic salmon farming industry includes several very large companies with operations in each of the major producing countries. Consolidation has been evident in the past few years as producers attempt to gain competitive cost advantages while overcoming the regulatory challenges associated with developing new marine farm sites. Major market producers, and their primary country of operation, include the following companies: Marine Harvest (Norway), Leroy Seafood (Norway), Cermaq (Chile), Salmar (Norway), AquaChile (Chile) and Cooke Aquaculture (Canada).

U.S. Atlantic Salmon Market

According to the DOC, in 2013 the United States imported a record 514 million pounds (233,000 metric tons) of Atlantic salmon with an aggregate market value of approximately $2.08 billion, or $4.04 per pound. The DOC also reported that over 75% of the total quantity of Atlantic salmon imports into the United States in 2013 originated from Chile and Canada. The Atlantic salmon farming industry in the United States contracted significantly beginning in the 1990s in the face of environmental concerns and lower costs of production from foreign sources, notably Chile. According to the FAO, a total of only 43 million pounds of farmed Atlantic salmon was produced in the United States in 2012, an increase of just 4% from the previous year.

Despite intensive public consumer education campaigns promoting its health benefits, seafood consumption in the United States still lags other protein sources and trails consumption in overseas markets. According to the DOC, during the period from 2007 to 2011, annual seafood consumption in the United States ranged between 15 and 16 pounds per capita, significantly behind consumption of poultry (80 to 85 pounds), beef (57 to 65 pounds), and pork (46 to 50 pounds). In comparison, according to SeaFood Business, average seafood consumption throughout Europe was 48.5 pounds per capita in 2012.

Our Product

Our product, AquAdvantage® Salmon, is a genetically modified Atlantic salmon that can grow to marketable size in about half the time of traditional farmed Atlantic salmon. By placing the salmon growth hormone under the control of an alternative genetic promoter (gene switch) from the edible marine fish, ocean pout, more consistent levels of growth hormone are released, which accelerates the early stages of the salmon's development. The AquAdvantage® Salmon do not reach a larger final size than their traditional counterparts, but by accelerating growth in the early stages of rearing, these fish can reach a marketable size sooner. In the case of Atlantic salmon, this can reduce farming time from 28 to 36 months to 18 to 20 months.

This accelerated growth has several advantages, both economic and environmental. The faster life cycle, from birth to harvesting, of AquAdvantage® Salmon as compared to conventional salmon would

allow it to be produced more economically in contained inland systems. Although this would require greater capital investment than the sea cage system, we believe that the higher costs would be offset by more efficient growth, better feed conversion and more effective control of disease. In addition, with a facility located nearer to the major food markets, there would be savings on transportation of the harvested stock as well as the ability to get fresh product to market faster.

Plan of Operation

Our core business is to develop and market superior products to improve productivity in aquaculture. Our first product is the AquAdvantage® Salmon egg, which is currently under FDA review. Our business plan contemplates that, once regulatory approval for the human consumption of AquAdvantage® Salmon in the United States is obtained, we will produce and sell AquAdvantage® Salmon eggs for commercial production.

As we scale up our production capabilities, we plan to apply for approval for a second hatchery that will likely be sited in the United States. In addition, we plan to increase our supply of unfertilized Atlantic salmon eggs through either the expansion of our existing Canadian hatchery or through the purchase of an existing egg producer. We may also apply to engage in commercial production of AquAdvantage® Salmon through the construction and operation of land-based Recirculating Aquaculture System facilities located in the United States.

We intend to continue investing in research and development. We anticipate that our research and development expenditures will increase as we continue to develop our other AquAdvantage® fish products and as we initiate new development projects under the Exclusive Channel Collaboration Agreement, or ECC, that we entered into in February 2013 with Intrexon. See “—Research and Development.” The timeline for development projects will depend on many factors, but could extend beyond ten to fifteen years, taking into account the time needed for development, regulatory approval and pre-marketing activities.

Any additions to headcount in our research and production activities will depend in large part on the number of development activities we undertake and the success of our commercialization efforts for AquAdvantage® Salmon. We expect to increase our headcount in administration at our corporate headquarters as we begin to commercialize our product and as a result of being a public reporting company in the United States.

Our Markets

If FDA approval of the NADA is received, we expect to market AquAdvantage® Salmon throughout the United States. In addition, we intend to focus on those significant fish farming markets where we believe we will have success in gaining regulatory approval and consumer acceptance. We currently expect to market AquAdvantage® Salmon in the United States, Canada, Argentina, Chile and China following receipt of required regulatory approvals in the applicable jurisdiction.

Initially, we expect the cost of production for each AquAdvantage® Salmon egg will be higher than the industry norm, but will fall significantly once volume production increases. While no pricing structure has been set, on the basis of the considerable savings available to producers, we expect AquAdvantage® Salmon eggs to sell at a premium to standard Atlantic salmon eggs.

The salmon distribution system in the United States is complex and varied. Participants include fishermen, fish farmers, processors, importers, secondary processors, broadline distributors, specialty seafood distributors, brokers, traders and many different kinds of retail and food service companies. Salmon distribution channels are evolving, with fewer and larger distributors handling an increasing

share of total volume, and an increasing share of salmon being sold directly by large fish-farming companies and large wild salmon processors to large retail and food service chains. We expect that harvested AquAdvantage® Salmon will be sold into this distribution network.

Regulatory Environment

FDA Approval

We submitted a NADA for AquAdvantage® Salmon to the FDA in 1995. By 2010, we had completed all of the technical submission requirements for approval. In September 2010, the FDA held a public meeting of its Veterinary Medicine Advisory Committee to review its findings regarding AquAdvantage® Salmon. The FDA's panel of experts concluded that AquAdvantage® Salmon is indistinguishable from other farmed Atlantic salmon, is safe to eat and does not pose a threat to the environment under the conditions in which it would live and be harvested.

On December 26, 2012, the FDA published its environmental assessment, or EA, for AquAdvantage® Salmon, along with its preliminary Finding of No Significant Impact, or FONSI, confirming that an approval of the pending NADA would not have an adverse effect on the environment. The FDA opened up a 60-day period for public comment on the EA and FONSI. On February 13, 2013, the FDA extended the period for public comment by an additional 60 days and that period expired April 26, 2013.

We are awaiting a final decision from the FDA on the NADA for AquAdvantage® Salmon. While we do not expect the FDA to require us to complete other field trials, or meet any other requirements prior to approval, the FDA has not provided us with an indication of its current or proposed process or the associated timing for approval.

Other Regulatory Approvals

On November 25, 2013, Environment Canada, the department of the Government of Canada with responsibility for regulating environmental policies and issues, concluded that AquAdvantage® Salmon is not harmful to the environment or human health when produced in contained facilities. This ruling, which is currently subject to a judicial review brought about by certain environmental groups on administrative procedural grounds, recognizes that our Canadian hatchery, which produces sterile, all-female eggs, is no longer solely a research facility but can produce eggs on a commercial scale without harm to the environment or human health.

In February 2012, we filed a Novel Foods application for AquAdvantage® Salmon with Health Canada, the department of the Government of Canada with responsibility for regulating products for human consumption. In conjunction with this application, we filed to register AquAdvantage® Salmon as a Novel Feed with the Canadian Food Inspection Agency, a prerequisite for a Novel Food approval. To date, Health Canada and the Canadian Food Inspection Agency have been reviewing our data submission on the safety of AquAdvantage® Salmon as a food and feed, respectively. While we continue to seek Health Canada's approval for the sale of AquAdvantage® Salmon in Canada for human consumption, there can be no assurance as to when and if this approval will be obtained.

We have not requested approval for the production or sale of AquAdvantage® Salmon in any other market. We intend to initiate additional regulatory filings outside the United States if and when FDA approval of the NADA for AquAdvantage® Salmon is obtained.

Environmental Regulation

Grow-out of AquAdvantage® Salmon in the United States will require compliance with environmental regulations and local site permitting statutes. In addition, every production site for AquAdvantage® Salmon in the United States will require approval by the FDA of both a Supplemental NADA and a site-specific EA. We expect that we will incur costs to comply with these environmental and regulatory requirements, which could take several years to complete for each production site. We are currently unable to estimate these costs but they may be significant.

Raw Materials

We currently source the unfertilized eggs that we use for internal research and trials of our AquAdvantage® Salmon eggs from a Canadian supplier. If that supplier were unwilling or unable to continue to supply our unfertilized egg requirements during the commercialization of AquAdvantage® Salmon, we believe we could find alternative sources of these materials without significant difficulty or material additional expense. In addition, as we move towards the commercialization of AquAdvantage® Salmon, we may acquire an unfertilized egg producer or expand our existing facility to produce unfertilized eggs in-house.

Intellectual Property

The AquAdvantage® fish program is based upon a single, specific molecular modification in fish that results in more rapid growth in early development. This enables shorter production cycles and increased efficiency of production. We hold a global, perpetual, non-exclusive license from the Hospital for Sick Children of Toronto and Memorial University to the technology covering genetically modified salmonid fish that express endogenous growth hormone under the control of an anti-freeze protein gene promoter from an edible fish. The patent for the technology, which had been issued in every major salmon producing country, expired in August 2013; however, we believe that the degree of know-how in the molecular modification process and the regulatory timescales associated with approval of genetically modified fish would present significant barriers to competition.

Seasonality

Atlantic salmon spawn once per year, so there is a natural seasonality of three to five months in the production of Atlantic salmon eggs for commercial use. This natural seasonality can be lengthened through the use of photoperiod techniques to make Atlantic salmon eggs available year round. We are not yet capable of producing AquAdvantage® Salmon eggs on a year-round basis. Currently, we produce AquAdvantage® Salmon eggs during the period of January through April of each year. We expect that once we establish a second egg rearing hatchery and increase our supply of unfertilized eggs, we will be able to produce AquAdvantage® Salmon eggs year-round.

Competition

There are four major commercial salmonid breeding companies that market proprietary lines of Atlantic salmon eggs, as well as many small producers of salmonid eggs. Additionally, many of the largest Atlantic salmon producers maintain their own egg production capabilities. We do not believe, however, that we have a direct competitor for genetically modified, growth-enhanced Atlantic salmon eggs. The industry and market for farmed Atlantic salmon is dominated by a group of large, multinational corporations with entrenched distribution channels, as discussed above under “The Aquaculture Industry—Major Producers.”

Research and Development

As of December 31, 2013, we had eight employees dedicated to research and development. Our primary research and development operations are located in our owned hatchery on Prince Edward Island. In addition, we contract research activities to the Center for Aquaculture Technologies Canada, or CATC, our former research group. We incurred expenses of $1.9 million in 2013, $1.6 million in 2012 and $2.2 million in 2011 on research and development activities.

In February 2013, we entered into the ECC with Intrexon pursuant to which we are permitted to use Intrexon's UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC grants us a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale and offer for sale of products involving DNA administered to finfish for human consumption. This license is exclusive with respect to any clinical development, selling, offering for sale or other commercialization of developed products, and otherwise is non-exclusive. Under the ECC and subject to certain exceptions, we are responsible for, among other things, the performance of the program, including development, commercialization and certain aspects of manufacturing developed products. Among other things, Intrexon is responsible for the costs of establishing manufacturing capabilities and facilities for the bulk manufacture of certain products developed under the program, certain other aspects of manufacturing, costs of discovery-stage research with respect to platform improvements and costs of filing, prosecution and maintenance of Intrexon's patents. We agreed to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. Since its execution in February 2013, we and Intrexon have commenced development on two projects under the ECC. Both projects are currently proceeding according to expectations.

In addition to the projects being undertaken under the ECC, we are exploring the potential development of a range of additional products, including a second generation of AquAdvantage® Salmon to ensure 100% sterility, molecular sterility systems to provide an improved means of sterility for farmed fish, infection control in shrimp and improved methods for generating transgenic fish.

Our research and development expenditures are directly tied to the number of projects that we choose to undertake. We expect to increase our development efforts as we commence projects under our ECC with Intrexon. We expect that these projects could result in an increase in our research and development expenditures in the range of 5% to 10% per year.

Employees

As of December 31, 2013, we had 15 employees. None of our employees is represented by a labor union, and we consider our employee relations to be good.

Financial Information About Geographic Areas

While our corporate headquarters are located in Maynard, Massachusetts and we are domiciled in the United States, our primary physical assets are comprised of our hatchery on Prince Edward Island, Canada. We own the building, all improvements and the equipment used in the facility. In addition, we lease a demonstration farm for AquAdvantage® Salmon in Panama.

Recent Events

On March 20, 2014, we completed a private offering of 19,040,366 shares of our common stock to Intrexon, our majority shareholder. The shares were sold pursuant to an exemption from the registration requirements of the Securities Act. The total net proceeds, after giving effect to expenses associated with the offering, was approximately $9.7 million. We believe that the net proceeds raised in the offering will permit us to fund our working capital needs for at least the next 12 months. We also believe that such proceeds will allow us to begin accelerated commercialization of AquAdvantage® Salmon following receipt of FDA approval of the NADA for AquAdvantage® Salmon. We believe it will take two years following receipt of FDA approval of the NADA for AquAdvantage® Salmon to establish commercial operations and an additional two years before we can generate significant revenues and, accordingly, we anticipate that we will need to raise further funds prior to that time. We also intend to apply a portion of the net proceeds of the offering towards the development of new products through the ECC with Intrexon.

In connection with the private offering, we sought and obtained the approval of our shareholders of (1) the offering and waiver of certain pre-emptive rights under the existing Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc., or the Existing Certificate of Incorporation, and (2) the amendment and restatement of the Existing Certificate of Incorporation as contemplated by the Second Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc., or the Restated Certificate of Incorporation, to effect a 1-for-10 reverse stock split and certain changes to the corporate governance procedures and voting thresholds set forth therein. The Restated Certificate of Incorporation, including the reverse stock split contemplated thereby, would become effective immediately following the effective time of this Registration Statement on Form 10.

We believe that the net proceeds of the offering together with the reverse stock split will allow us to satisfy certain balance sheet tests and bid price requirements under the NASDAQ initial listing standards.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with the other information contained in this Registration Statement on Form 10, including our consolidated financial statements and the related notes appearing at the end of this Registration Statement on Form 10, before making your decision to invest in shares of our common stock. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition or prospects. If that were to happen, the trading price of our common stock could decline, and you could lose all or part of your investment.

This Registration Statement on Form 10 also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Registration Statement on Form 10. See "Cautionary Note Regarding Forward-Looking Statements" for information relating to these forward-looking statements.

Risks Related to our Business

We have a history of net losses and will likely incur future losses, at least during the next four years, and we may not achieve or maintain profitability.

Although we were established in 1991, we did not start to develop our current product portfolio until 1996. In the period since incorporation to December 31, 2013, we have incurred net losses of approximately $77 million. These losses reflect our personnel, research and development and marketing costs. We believe it will take two years following receipt of FDA approval of the NADA for AquAdvantage® Salmon to establish commercial operations and an additional two years before we can generate significant revenues. Ultimately, our prospects depend on receipt of that approval as well as consumer acceptance of genetically modified fish. There can be no guarantee that we will achieve profitability in the future.

We may need substantial additional capital in the future in order to fund our business.

We do not expect significant sales until 2018, at the earliest. Therefore, based on our current business plan, we anticipate a need to raise further funds prior to that time. Any issuance of shares of our capital stock could have an effect on the potential realizable value of an investment in our common stock. In the absence of a proportionate increase in our earnings and book value, an increase in the aggregate number of outstanding shares of our capital stock caused by the issuance of any additional shares of our capital stock could dilute the earnings per share and book value per share of outstanding shares of our common stock. If such factors were reflected in the price per share of our common stock, the potential realizable value of our shareholders' investments could be adversely affected.

The amount and timing of the expenditures needed to achieve our development and commercialization programs will depend on numerous factors, some of which are outside our control. Changes could result in the need for additional funds. There can be no assurance that additional funds will be available on a timely basis, on favorable terms, or at all, or that such funds, if raised, would be sufficient to enable us to continue to implement our business strategy.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of holders of our common stock will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us.

Our ability to generate revenue to support our operations depends on obtaining regulatory approvals for AquAdvantage® Salmon, and receipt of those approvals is uncertain.

As a genetically modified animal for human consumption, AquAdvantage® Salmon will require approval from the FDA in the United States and regulatory bodies in other countries before it can be sold and/or produced. There is no guarantee that we will receive or be able to maintain regulatory approvals from the FDA or other regulatory bodies or that there will not be a significant delay before approval. There is also no guarantee that any approvals granted will not be subject to unduly onerous obligations in relation to matters such as production or labeling, or that any regulator will not require additional data prior to approval, which may be costly and time consuming to acquire. In particular, the FDA has not

provided us with an indication of the process or associated timing for approval of the NADA for AquAdvantage® Salmon. We do not expect to engage in commercial development of AquAdvantage® Salmon, or to generate revenue, unless and until FDA approval of the NADA for AquAdvantage® Salmon is received.

The FDA has not yet approved any genetically modified animal for sale as a food item.

The FDA has not yet approved any genetically modified animal for sale as a food item in the United States. If AquAdvantage® Salmon is approved, it will be the first approval of a NADA for the sale of a genetically modified animal as food anywhere in the world. There can be no assurance that our product will receive FDA approval.

Ethical, legal and social concerns about genetically modified organisms could limit or prevent the use of our products and limit our revenues.

Our technologies involve the use of genetically modified organisms. Public perception about the safety and environmental hazards of, and ethical concerns over, genetically engineered products could influence public acceptance of our technologies and products. If we are not able to overcome the ethical, legal and social concerns relating to genetic engineering, products using our technologies may not be accepted in the marketplace and demand for our products could fall short of what we expect. These concerns could also result in increased expenses, regulatory scrutiny, delays or other impediments to implementation of our business plan.

The subject of genetically modified organisms has received negative publicity, which has aroused public debate. This adverse publicity could lead to greater regulation and trade restrictions on imports of genetically altered products. Further, there is a concern that products produced using our technologies could be perceived to cause adverse events, which could also lead to negative publicity.

We may have limited success in gaining consumer acceptance of our products.

There is an active and vocal group of opponents to genetically modified organisms who wish to ban or restrict the technology and who, at a minimum, hope to sway consumer perceptions and acceptance of this technology. Their efforts include regulatory legal challenges, consumer retail pressure and labeling campaigns for genetically modified products. We may not be able to overcome the negative consumer perceptions that these organizations have instilled against our products.

The markets in which we intend to sell our products are subject to significant regulations.

In addition to the requirement for FDA approval of the NADA for AquAdvantage® Salmon to sell in the United States, we will also be subject to state and local regulations and permitting requirements, which could impact or delay the commercialization and commencement of revenue generation from the sale of AquAdvantage® Salmon. International sales are also subject to rules and regulations promulgated by regulatory bodies within foreign jurisdictions. There can be no assurance that foreign, state or local regulatory bodies will approve the sale of our product in their jurisdiction.

We may incur significant costs complying with environmental, health and safety laws and regulations, and failure to comply with these laws and regulations could expose us to significant liabilities.

Our operations are subject to a variety of federal, state, local and international laws and regulations governing, among other matters, the use, generation, manufacture, transportation, storage, handling, disposal of and human exposure to our products in both the United States and overseas, including

regulation by governmental regulatory agencies, such as the FDA and the U.S. Environmental Protection Agency. We have incurred, and will continue to incur, capital and operating expenditures and other costs in the ordinary course of our business in complying with these laws and regulations.

We may become subject to increasing regulation in the future.

Regulations pertaining to genetically modified animals are still developing and could change from their present state. We could be subject to increasing or more onerous regulatory hurdles as we attempt to commercialize our product, which could require us to incur significant additional capital and operating expenditures and other costs in complying with these laws and regulations.

The loss of AquAdvantage® Salmon broodstock could result in the loss of our commercial technology.

Our intellectual property for AquAdvantage® Salmon resides in the breeding population of live fish, or broodstock, themselves. Destruction of AquAdvantage® Salmon broodstocks by whatever means would result in the loss of the commercial technology. Live animals are subject to disease that may, in some cases, prevent or cause delay in the export of fish or eggs to customers. Disease organisms may be present undetected and transferred inadvertently. Such events may cause loss of revenue, increased costs, or both.

We may be sued by non-governmental organizations and others who are opposed to the development or commercialization of genetically modified organisms.

There are many organizations in the United States and elsewhere that are fundamentally opposed to the development of genetically modified organisms. These groups have a history of bringing legal action against companies attempting to bring new biotechnology products to market. We may be subject to litigation brought by one or more of these organizations in their attempt to block the development or sale of our product. In addition, animal rights groups and various other organizations and individuals have attempted to stop genetic engineering activities by pressing for legislation and additional regulation in these areas. To the extent the actions of such groups are successful, our business may be adversely affected. These actions, even if unsuccessful, may distract management from its operations priorities and may cause us to incur significant costs.

Our ability to compete may be negatively impacted if we do not adequately protect our proprietary technologies or if we lose some of our intellectual property rights.

Our success depends in part on our ability to obtain patents and maintain adequate protection of our intellectual property in the United States and abroad for our technologies and resultant products and potential products. We have adopted a strategy of seeking patent protection in the United States and abroad with respect to certain of the technologies used in or relating to our products. However, the patent for AquAdvantage® Salmon expired in August 2013. We expect to protect our proprietary technology in regards to AquAdvantage® Salmon through a combination of in-house know-how and the regulatory process that would need to be completed for a competing product to be commercialized, which we believe would be cost-prohibitive to our competitors. There can be no guaranty that this strategy will be successful.

We also rely on trade secrets to protect our technologies, particularly in cases when we believe patent protection is not appropriate or obtainable. However, trade secrets are difficult to protect, and we may not be able to adequately protect our trade secrets or other proprietary or licensed information. While we require our employees, academic collaborators, consultants and other contractors to enter into confidentiality agreements with us, if we cannot maintain the confidentiality of our proprietary and

licensed technologies and other confidential information, our ability and that of our licensor to receive patent protection and our ability to protect valuable information owned or licensed by us may be imperiled.

Enforcing our intellectual property rights may be difficult and unpredictable.

Enforcing our intellectual property rights can be expensive and time consuming, and the outcome of such efforts can be unpredictable. If we were to initiate legal proceedings against a third party to enforce a patent covering one of our technologies, the defendant could counterclaim that our patent is invalid and/or unenforceable or assert that the patent does not cover its manufacturing processes, manufacturing components or products. Furthermore, in patent litigation in the United States, defendant counterclaims alleging both invalidity and unenforceability are commonplace. Although we may believe that we have conducted our patent prosecution in accordance with the duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity of our patent rights, we cannot be certain, for example, that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would not be able to exclude others from practicing the inventions claimed therein. Such a loss of patent protection could have a material adverse impact on our business. Even if our patent rights are found to be valid and enforceable, patent claims that survive litigation may not cover commercially valuable products or prevent competitors from importing or marketing products similar to our own, or using manufacturing processes or manufacturing components similar to those used to produce the products using our technologies.

Although we believe we have obtained assignments of patent rights from all inventors, if an inventor did not adequately assign their patent rights to us, a third party could obtain a license to the patent from such inventor. This could preclude us from enforcing the patent against such third party.

We may not be able to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, often do not favor the enforcement of patents and other intellectual property protection, particularly those relating to genetic engineering. This could make it difficult for us to stop the infringement of our patents or misappropriation of our other intellectual property rights. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

Competitors and potential competitors may develop products and technologies that make ours obsolete or garner greater market share than ours.

We do not believe that we have a direct competitor for genetically modified, growth-enhanced Atlantic salmon eggs. However, the market for Atlantic salmon is dominated by a group of large, multinational corporations with entrenched distribution channels. Our ability to compete successfully will depend on our ability to demonstrate that AquAdvantage® Salmon is superior to and/or less expensive than other products available in the market. Certain of our competitors may benefit from government support and other incentives that are not available to us. As a result, our competitors may be able to develop competing and/or superior products and compete more aggressively and sustain that competition over a longer period of time than we can. As more companies develop new intellectual property in our markets, a competitor could acquire patent or other rights that may limit our ability to successfully market our product.

If our technologies or products are stolen, misappropriated or reverse engineered, others could use the technologies to produce competing technologies or products.

Third parties, including our collaborators, contractors and others involved in our business often have access to our technologies. If our technologies or products were stolen, misappropriated or reverse engineered, they could be used by other parties that may be able to reproduce our technologies or products using our technologies for their own commercial gain. If this were to occur, it would be difficult for us to challenge this type of use, especially in countries with limited intellectual property protection.

If we lose key personnel, including key management personnel, or are unable to attract and retain additional personnel, it could delay our commercialization plans or harm our research and development efforts, and we may be unable to sell or develop our own products.

Our success depends substantially on the efforts and abilities or our officers and other key employees. The loss of any key members of our management, or the failure to attract or retain other key employees who possess the requisite expertise for the conduct of our business, could prevent us from developing and commercializing our products and executing on our business strategy. We may not be able to attract or retain qualified employees in the future due to the intense competition for qualified personnel among biotechnology and other technology-based businesses, or due to the unavailability of personnel with the particular qualifications or experience necessary for our business. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience staffing constraints that could adversely affect our ability to meet the demands of our customers in a timely fashion or to support our internal research and development programs. In particular, our product development programs are dependent on our ability to attract and retain highly skilled scientists. Competition for experienced scientists and other technical personnel from numerous companies and academic and other research institutions may limit our ability to attract and retain such personnel on acceptable terms.

We may encounter difficulties managing our growth, which could adversely affect our business.

We could face a period of rapid growth following regulatory approval of AquAdvantage® Salmon, which may place significant pressure on our management, sales, operational and financial resources. The execution of our business plan and our future success will depend, in part, on our ability to manage current and planned expansion and on our ability to continue to implement and improve our operational management. Any failure to manage the planned growth may have a substantial adverse effect on our business, financial condition, trading performance and prospects.

We may pursue strategic acquisitions and investments that could have an adverse impact on our business if they are unsuccessful.

If appropriate opportunities become available, we may acquire businesses, assets, technologies or products to enhance our business in the future. In connection with any future acquisitions, we could:

- issue additional equity securities, which would dilute our current shareholders;
- incur substantial debt to fund the acquisitions; or
- assume significant liabilities.

Acquisitions involve numerous risks, including:

- difficulties integrating the purchased operations, technologies or products;
- unanticipated costs and other liabilities;
- diversion of management’s attention from our core business;

- adverse effects on existing business relationships with current and/or prospective customers and/or suppliers;
- risks associated with entering markets in which we have no or limited prior experience; and
- potential loss of key employees.

We do not have extensive experience in managing the integration process, and we may not be able to successfully integrate any businesses, assets, products, technologies or personnel that we might acquire in the future without a significant expenditure of operating, financial and management resources. The integration process could divert management time from focusing on operating our business, result in a decline in employee morale or cause retention issues to arise from changes in compensation, reporting relationships, future prospects or the direction of the business. Acquisitions also may require us to record goodwill and non-amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets and incur large and immediate write-offs and restructuring and other related expenses, all of which could harm our operating results and financial condition. In addition, we may acquire companies that have insufficient internal financial controls, which could impair our ability to integrate the acquired company and adversely impact our financial reporting. If we fail in our integration efforts with respect to any of our acquisitions and are unable to efficiently operate as a combined organization, our business and financial condition may be adversely affected.

We have entered into agreements that require us to pay a significant portion of our future revenue to third parties.

In 2009, we received a grant from the Atlantic Canada Opportunities Agency to fund a research program. A total of C$2.9 million was made available under the grant, and we had received C$2.5 million of this amount through December 31, 2013. Once we begin to generate revenue, we must commence repayment of the outstanding loan in the form of a 10% royalty. These loan payments could negatively impact our ability to support our operations.

In addition, in February 2013, we entered into the ECC with Intrexon pursuant to which we are permitted to use Intrexon's UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC grants us a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale and offer for sale of products involving DNA administered to finfish for human consumption. We agreed under the ECC to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. These payments could negatively impact our ability to support our operations.

Our financial condition or results of operations may be adversely affected by international business risks, including exchange rate fluctuation.

The majority of our employees, including our research personnel, are located outside the United States. As a consequence of the international nature of our business, we are exposed to risks associated with changes in foreign currency exchange rates. We are based in the United States and present our financial statements in U.S. dollars and the majority of our cash resources are held in U.S. dollars or in Canadian dollars. Some of our future expenses and revenues are expected to be denominated in currencies other than in U.S. dollars. Therefore, movements in exchange rates to translate to foreign currencies may have a negative impact on our reported results of operations, financial position and cash flows.

Risks Related to our Common Stock

Intrexon's significant share ownership position allows it to influence corporate matters.

Intrexon currently owns 59.82% of our outstanding shares of common stock. In addition, we have granted to Intrexon certain rights to nominate members of our Board of Directors that are intended to ensure that Intrexon-nominated Board members represent a percentage of our Board that is proportionate to Intrexon's percentage ownership of our common stock. Accordingly, Intrexon will be able to significantly influence who serves on our Board of Directors and the outcome of matters required to be submitted to our shareholders for approval, including decisions relating to the outcome of any proposed merger or consolidation of our company. Intrexon's interests may not be consistent with those of our other shareholders. In addition, Intrexon's significant interest in us may discourage third parties from seeking to acquire control of us, which may adversely affect the market price of our common stock.

An active trading market for our common stock may not develop or be sustained.

Although our common stock is currently traded on AIM and we intend to apply to list our common stock on the NASDAQ Capital Market, an active trading market for our common stock may never develop or, if developed, be maintained. If an active market for our common stock does not develop or is not maintained, it may be difficult for shareholders to sell shares of our common stock.

As a result of Intrexon's significant ownership percentage, the market in our common stock is expected to provide relatively low levels of liquidity in the foreseeable future. An inactive trading market may impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

The price of our shares of common stock is likely to be volatile.

The share price of publicly traded emerging companies can be highly volatile and subject to wide fluctuations. The prices at which our common stock are quoted and the prices which investors may realize will be influenced by a large number of factors, some specific to our company and operations and some which may affect the quoted biotechnology sector, or quoted companies generally. These factors could include variations in our operating results, publicity regarding the process of obtaining regulatory approval to commercialize our products, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, overall market or sector sentiment, legislative changes in our sector, the performance of our research and development programs, large purchases or sales of our common stock, currency fluctuations, legislative changes in the genetic engineering environment and general economic conditions. Certain of these events and factors are outside of our control. Stock markets have from time to time experienced severe price and volume fluctuations, which, if recurring, could adversely affect the market prices for our commons stock.

We do not anticipate paying cash dividends, and accordingly, shareholders must rely on stock appreciation for any return on their investment.

We have never declared or paid cash dividends on our capital stock. We do not anticipate paying cash dividends in the future and intend to retain all of our future earnings, if any, to finance the operations, development and growth of our business. As a result, only appreciation of the price of our common stock, which may never occur, will provide a return to shareholders.

If securities or industry analysts do not publish research or reports, or publish inaccurate or unfavorable research or reports about our business, our share price and trading volume could decline.

The trading market for our shares of common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If no securities or industry analysts commence coverage of us, the trading price for our shares of common stock may be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our shares of common stock, changes their opinion of our shares or publishes inaccurate or unfavorable research about our business, our share price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our shares of common stock could decrease and we could lose visibility in the financial markets, which could cause our share price and trading volume to decline.

We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our shares of common stock less attractive to investors.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as amended by the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act, an exemption from the adoption of new or revised financial accounting standards until they would apply to private companies, an exemption from compliance with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditors' report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding advisory "say-on-pay" votes on executive compensation and shareholder advisory votes on golden parachute compensation not previously approved. Under the JOBS Act, we will remain an "emerging growth company" until the earliest of (1) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement filed under the Securities Act, (2) the last day of the fiscal year during which we have total annual gross revenues of $1 billion or more, (3) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt and (4) the date on which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act. We cannot predict if investors will find our shares of common stock to be less attractive because we may rely on these exemptions. If some investors find our shares of common stock less attractive as a result, there may be a less active trading market for our shares of common stock and our share price may be more volatile.

Under the JOBS Act, emerging growth companies also can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Our shareholders will not have the same protections generally available to shareholders of other NASDAQ-listed companies because we are currently a "controlled company" within the meaning of the NASDAQ listing rules.

Because Intrexon holds a majority of the voting power for the election of our Board of Directors, we are a "controlled company" within the meaning of NASDAQ Listing Rule 5615(c). As a controlled company, we qualify for exemptions from several of NASDAQ's corporate governance requirements, including requirements that:

- a majority of our Board of Directors consist of independent directors;
- compensation of officers be determined or recommended to our Board of Directors by a majority of its independent directors or by a compensation committee comprised solely of independent directors; and
- director nominees be selected or recommended to our Board of Directors by a majority of its independent directors or by a nominating committee that is composed entirely of independent directors.

While our Board of Directors has determined that a majority of its members are independent, we may not have a compensation committee or a nominating committee composed entirely of independent directors. Accordingly, our shareholders will not be afforded the same protections generally as shareholders of other NASDAQ-listed companies for so long as Intrexon controls the composition of our Board of Directors and our Board of Directors determines to rely upon exemptions available to controlled companies.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

The financial reporting obligations of being a public company in the United States are expensive and time consuming, and may place significant additional demands on our management.

Prior to the effectiveness of this Registration Statement on Form 10, we have not been subject to public company reporting obligations in the United States. The additional obligations of being a public company in the United States require significant additional expenditures and place additional demands on our management, including costs resulting from public company reporting obligations under the Exchange Act, and the rules and regulations regarding corporate governance practices, including those under the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act and the listing requirements of NASDAQ, the exchange on which we intend to apply to list our common stock. Our management and other personnel will need to devote a substantial amount of time to ensure that we comply with all of these requirements. Moreover, despite recent reforms made possible by the JOBS Act, the reporting requirements, rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly, particularly

if we were no longer to qualify as an “emerging growth company.” Any changes that we make to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all.

We also expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These factors also could make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, particularly to serve on our Audit Committee and Compensation Committee, or as executive officers.

The reverse stock split may not increase the price of shares of our common stock sufficiently and we may not be able to list our common stock on NASDAQ.

We expect that the 1-for-10 reverse stock split of our outstanding common stock will increase the market price of our common stock so that we will be able to meet the minimum bid price requirement of the NASDAQ listing rules. However, the effect of a reverse stock split upon the market price of our common stock cannot be predicted with certainty, and it is possible that the market price of our common stock following the reverse stock split will not permit us to be in compliance with the applicable minimum bid or price requirements. If we are unable meet the minimum bid or price requirements, we may be unable to list our shares on NASDAQ.

The reverse stock split may result in shareholders owning “odd lots” of shares of our common stock.

The reverse stock split may result in some shareholders owning “odd lots” of less than 100 shares of common stock on a post-split basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in “round lots” of even multiples of 100 shares.

There can be no assurance that we will be able to comply with other continued listing standards of NASDAQ.

Even if we are able to meet the initial requirements for the listing of our common stock on NASDAQ, we cannot assure you that we will be able to comply with standards necessary to maintain a listing of our common stock on NASDAQ. Our failure to meet the NASDAQ continuing listing requirements may result in our common stock being delisted from NASDAQ.

ITEM 2. FINANCIAL INFORMATION

Selected Financial Data

The following table sets forth our selected consolidated financial data for the periods and as of the dates indicated. You should read the following selected consolidated financial data in conjunction with our audited consolidated financial statements and the related notes thereto included elsewhere in this Registration Statement on Form 10 and “—Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

The consolidated statement of operations data for the years ended December 31, 2013, 2012 and 2011, and the consolidated balance sheet data as of December 31, 2013, 2012 and 2011, are derived from our audited consolidated financial statements. Our audited and unaudited consolidated financial statements have been prepared in U.S. dollars in accordance with United States generally accepted accounting principles, or U.S. GAAP.

Our historical results for any prior period are not necessarily indicative of results to be expected in any future period, and our results for any interim period are not necessarily indicative of results to be expected for a full fiscal year.

	Fiscal Years Ended December 31,		
	2013	2012	2011
	in thousands, except share data		
Statement of Operations Data:			
Costs and expenses:			
Sales and marketing	$ 678	$ 582	$ 673
Research and development	1,895	1,629	2,165
General and administrative	2,302	2,101	2,578
Restructuring charge	—	94	—
Total costs and expenses	4,875	4,406	5,416
Operating loss	(4,875)	(4,406)	(5,416)
Other income (expense):			
Gain on royalty based financing instrument	187	—	2,709
Interest and other expense, net	(1)	(9)	(3)
Total other income (expense)	186	(9)	2,706
Net loss	$ (4,689)	$ (4,415)	$ (2,710)
Other comprehensive income:			
Foreign currency translation gain (loss)	94	(9)	73
Unrealized losses on marketable securities	—	—	—
Total other comprehensive income (loss)	94	(9)	73
Comprehensive loss	$ (4,595)	$ (4,424)	$ (2,637)
Basic and diluted net loss per share(1)	$ (0.04)	$ (0.05)	$ (0.04)
Weighted average number of common shares—basic and diluted(1)	120,613,246	94,701,028	68,570,857

(1) The basic and diluted net loss per share and weighted average number of common shares used in the net loss per share calculation have not been adjusted to reflect the 1-for-10 reverse stock split to be effected immediately following the effective time of this Registration Statement on Form 10.

	As of December 31,		
	2013	2012	2011
	in thousands		
Balance Sheet Data:			
Cash, cash equivalents and certificate of deposit	$1,889	$ 363	$1,645
Total assets	$3,561	$1,962	$3,537
Long term debt	$2,360	$2,035	$1,393
Stockholders' equity (deficit)	$ 497	$ (780)	$1,578

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the other sections of this Registration Statement on Form 10, including our consolidated financial statements and notes thereto included in Item 13. "Financial Statements and Supplementary Data." This discussion and analysis also contains forward-looking statements and should also be read in conjunction with the disclosures and information contained in "Cautionary Note Regarding Forward-Looking Statements" and Item 1A. "Risk Factors." Our actual results may differ materially from those discussed below. The following discussion and analysis is intended to enhance the reader's understanding of our business environment.

Overview

We believe we are a leader in the field of biotechnology tools for improving the productivity of aquaculture. Our lead product is the AquAdvantage® Salmon, which is currently under FDA regulatory review. If approved, it will be the first genetically modified animal available for sale for human consumption. In the event we receive FDA approval of the NADA for AquAdvantage® Salmon, we intend to commence commercial activities thereafter, including the sale of AquAdvantage® Salmon eggs to aquaculture farmers around the world and the farming of AquAdvantage® Salmon eggs in contained, land-based Recirculating Aquaculture System facilities in the United States. We believe it will take two years following receipt of FDA approval of the NADA to establish commercial operations and an additional two years before we can generate significant revenues.

Financial Overview

We have incurred significant losses since our inception. We anticipate that we may continue to incur significant losses for the foreseeable future, and we may never achieve or maintain profitability. We have never generated revenues from the sale of AquAdvantage® Salmon, and we have had no revenues from any other product since 2008.

We expect our future capital requirements will be substantial, particularly as we continue to develop our business and expand our commercial activities. As discussed in Item 1. "Business—Recent Events," in March 2014, we raised approximately $9.7 million of new equity capital through a private offering of shares of our common stock to Intrexon, our majority shareholder. After giving effect to this offering, and based on our current level of operations and anticipated growth, we believe our existing cash will provide adequate funds for ongoing operations, planned capital expenditures and working capital requirements through at least the next 12 months. We also believe that such proceeds will allow us to begin accelerated commercialization of AquAdvantage® Salmon following receipt of FDA approval of the NADA for AquAdvantage® Salmon. We believe it will take two years following receipt of FDA approval of the NADA for AquAdvantage® Salmon to establish commercial operations and an additional two years before we can generate significant revenues and, accordingly, we anticipate that we will need to raise further funds prior to that time. We also intend to apply a portion of the net proceeds of the offering towards the development of new products through the ECC with Intrexon. In addition, we may need to raise additional capital if our current plans and assumptions change.

During the next several years, we expect that our annual spending on operations will increase. We expect that our research and development costs will increase as we expand the scope of our current projects and add new development projects under the ECC with Intrexon. We expect that our general and administrative expenses will increase due to the added reporting requirements of being a reporting company in the United States, as well as due to the anticipated growth of our company. We expect that our sales and marketing expenses will increase following commencement of commercial activities for our AquAdvantage® Salmon.

Sales and Marketing Expenses

Until we receive FDA approval of the NADA for AquAdvantage® Salmon, our sales and marketing expenses will consist primarily of personnel costs, travel and consulting fees for premarket commercial activities. As of December 31, 2013, we had one employee dedicated to sales and marketing. In addition, we operate a demonstration farm for AquAdvantage® Salmon in Panama, and we incur both lease and local management costs to run the facility.

Research and Development Expenses

We employ eight technicians at our hatchery on Prince Edward Island to oversee our broodstock of AquAdvantage® Salmon, as well as the lines of fish we maintain for research and development purposes. Since 2012, we have outsourced our research activities at the hatchery to CATC, our former research group. Under the ECC, we also have an agreement with Intrexon to conduct research and develop new finfish products using their technology platform. We recognize research and development expenses as they are incurred. Our research and development expenses consist primarily of:

- salaries and related overhead expenses for personnel in research and development functions;
- fees paid to CATC, consultants and contract research organizations who perform research on our behalf and under our direction; and
- costs related to laboratory supplies used in our research and development efforts.

From time to time we receive government funding or assistance in support of certain research projects. Any funds received are credited against costs incurred for the specific program.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for employees in executive, operational and finance functions. Other significant general and administrative expenses include corporate governance and public market maintenance, regulatory, rent and utilities, insurance and legal services.

Restructuring Charge

In conjunction with a fundraising in 2012, we implemented a reorganization intended to reduce operating costs by 30 percent, including the spin-off and sale of CATC to Tethys Ocean, B.V., our largest individual shareholder at that time. The restructuring charge during the year ended December 31, 2012 relates to the costs of implementing the reorganization.

Other Income (Expense), Net

Interest income consists of interest earned on our cash and short-term investments. Interest expense pertains to a term loan and a bridge loan from Intrexon. All of our interest bearing loans were fully repaid during 2013. Other expense also includes bank charges and fees. Gain on royalty based financing instruments relates to the adjustments made to the balance of royalty based financing instruments with expiration dates. Adjustments are based on the likelihood of future repayment, taking into consideration the terms of the individual arrangements.

Significant Accounting Policies and Estimates

This management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which we have prepared in accordance with U.S. GAAP. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent

assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 2 to our consolidated financial statements appearing elsewhere in this Registration Statement on Form 10, we believe that the following accounting policies are the most critical for fully understanding and evaluating our financial condition and results of operations:

Government Assistance

From time to time we receive government assistance in the form of research grants, which are recorded as a reduction of the related expenditures. All government assistance is subject to periodic audit by the agency involved in the grant.

Valuation Allowance for Net Deferred Tax Assets

We record a valuation allowance to offset any net deferred tax assets if, based upon the available evidence, it is more likely than not that we will not recognize some or all of the deferred tax assets. We have had a history of net losses since inception, and as a result, we have established a 100% valuation allowance for our net deferred tax assets. If circumstances change and we determine that we will able to realize some or all of these net deferred tax assets in the future, we will record an adjustment to the valuation allowance.

Valuation of Long-Lived Assets

Definite lived intangible assets include patents and licenses. Patent costs consist primarily of legal and filing fees incurred to file patents on proprietary technology that we have developed. Patent costs are amortized on a straight line basis over 20 years beginning with the issue date of the applicable patent. Licensing fees are capitalized and expensed over the term of the licensing agreement. Indefinite lived intangible assets include trademark costs, which are capitalized with no amortization as they have an indefinite life.

We review the carrying value of its long-lived tangible assets and definite lived intangible assets on an annual basis or more frequently if facts and circumstances suggest that they may be impaired. The carrying values of such assets are considered impaired when the anticipated identifiable undiscounted cash flows from such assets are less than their carrying values. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value. Indefinite lived intangible assets are subject to impairment testing annually or more frequently if impairment indicators arise. Our impairment testing utilizes a discounted cash flow analysis that requires significant management judgment with respect to revenue and expense growth rates, changes in working capital and the selection and use of the appropriate discount rate. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value.

Royalty-Based Financing Instruments

From time to time we will enter into financing arrangements whereby the funds received will be repaid through future royalties from revenues at agreed upon royalty rates. Amounts to be paid may be in excess of amounts borrowed. Additionally, in certain instances the repayment terms have expiration

dates. We record outstanding borrowings under these arrangements as long-term debt liabilities and adjust the balance based on the likelihood of future repayment, taking into consideration the terms of the individual arrangement.

Share-Based Compensation

We measure and recognize all share-based payment awards, including stock options made to employees and directors, based on estimated fair values. The fair value of share-based payment awards are estimated on the date of grant using an option pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in our consolidated statement of operations. We use the Black-Scholes option pricing model, or Black-Scholes, as our method of valuation.

Results of Operations

Comparison of the year ended December 31, 2013 and the year ended December 31, 2012.

The following table summarizes our results of operations for the years ended December 31, 2013 and 2012, together with the changes in those items in dollars and as a percentage:

	Years ended December 31		Dollar Change	% Change
	2013	2012		
	(in thousands)			
Operating expenses:				
Sales and marketing	$ 678	$ 582	$ 96	16%
Research and development	1,895	1,629	266	16%
General and administrative	2,302	2,101	201	10%
Restructuring charge	—	94	(94)	(100)%
Operating loss	4,875	4,406	469	11%
Total other income (expense), net	186	(9)	195	(2167)%
Net loss	$4,689	$4,415	$ 274	6%

Sales and Marketing Expenses

Sales and marketing expenses were $678 thousand for the year ended December 31, 2013 compared to $582 thousand for the year ended December 31, 2012, resulting in an increase of $96 thousand, or 16%. The increase was the result of premarket commercial activities for AquAdvantage® Salmon and increased costs for our demonstration farm in Panama incurred in conjunction with the transfer of the management of the site. We expect that our sales and marketing expenses will increase in the event we receive FDA approval for AquAdvantage® Salmon and commence full commercial activities.

Research and Development Expenses

Research and development expenses were $1.9 million for the year ended December 31, 2013 compared to $1.6 million for the year ended December 31, 2012, resulting in an increase of $266 thousand, or 16%. The increase was the result of the initiation of two new research projects under the ECC with Intrexon. We expect that our research and development expenses will increase as we continue to enter into new ECC projects and as we scale-up our commercial operations.

General and Administrative Expenses

General and administrative expenses were $2.3 million for the year ended December 31, 2013 compared to $2.1 million for the year ended December 31, 2012, resulting in an increase of $201 thousand, or 10%. The increase in 2013 was the result of an employee hire mid-way through the year and a year-end bonus accrual. We expect that our general and administrative expenses will increase as we operate as a public company in the United States. We believe that increases will likely include increased costs for director and officer liability insurance, costs related to the hiring of additional personnel and increased fees for outside consultants, lawyers and accountants. We also expect to incur increased costs to comply with corporate governance, internal controls and similar requirements applicable to U.S. public companies.

Restructuring Charge

A restructuring charge of $94 thousand was incurred during the year ended December 31, 2012 in conjunction with our reorganization and the spin-out of our research group.

Total Other Income (Expense), Net

Total other income (expense), net is primarily comprised of $8 thousand of interest income and $9 thousand of interest expenses and bank charges for the year ended December 31, 2013, along with a gain on royalty based financing instrument of $187 thousand, compared to $9 thousand of interest expenses and bank charges for the year ended December 31, 2012.

Comparison of the year ended December 31, 2012 and the year ended December 31, 2011.

The following table summarizes our results of operations for the years ended December 31, 2013 and 2012, together with the changes in those items in dollars and as a percentage:

	Years ended December 31		Dollar Change	% Change
	2012	2011		
	(in thousands)			
Operating expenses:				
Sales and marketing	$ 582	$ 673	$ (91)	(14%)
Research and development	1,629	2,165	(536)	(25%)
General and administrative	2,101	2,578	(477)	(19%)
Restructuring charge	94	—	94	—
Operating loss	4,406	5,416	(1,010)	(19%)
Total other income (expense), net	(9)	2,706	(2,715)	(100%)
Net loss	$4,415	$2,710	$ 1,705	63%

Sales and Marketing Expenses

Sales and marketing expenses were $582 thousand for the year ended December 31, 2012 compared to $673 thousand for the year ended December 31, 2011, resulting in a decrease of $91 thousand, or 14%. The decrease was the result of a scale-back in spending on international marketing efforts and field trial preparations.

Research and Development Expenses

Research and development expenses were $1.6 million for the year ended December 31, 2012 compared to $2.2 million for the year ended December 31, 2011, resulting in a decrease of $536 thousand, or 25%. The decrease in 2012 was the result of the reorganization, which included the spin-out of our research group.

General and Administrative Expenses

General and administrative expenses were $2.1 million for the year ended December 31, 2012 compared to $2.6 million for the year ended December 31, 2011, resulting in a decrease of $477 thousand, or 19%. The decrease in 2012 was the result of the reorganization, including a reduction in force and the closure of two offices.

Restructuring Charge

A restructuring charge of $94 thousand was incurred during the year ended December 31, 2012 in conjunction with the reorganization and spin-out of our research group.

Total Other Income (Expense), Net

Total other income (expense), net is primarily comprised of $9 thousand of interest expenses and bank charges for the year ended December 31, 2012 compared to $10 thousand of interest income and $13 thousand of interest expenses and bank charges for the year ended December 31, 2011, along with a gain on royalty based financing instrument of $2.7 million.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements as defined under Securities and Exchange Commission, or SEC, rules.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred losses from operations since our inception in 1991 and as of December 31, 2013, we had an accumulated deficit of $77 million. From our inception through 2005, we funded our operations principally with the proceeds received from the sale of $34 million of our preferred stock and common stock and convertible debt to private investors. On March 20, 2006 we completed a public offering of common stock in the United Kingdom, raising net proceeds of $28 million. In 2010, 2012 and 2013, we raised additional funds totaling $13 million in three private placements of shares to existing investors. As of December 31, 2013, we had cash and cash equivalents of $1.9 million.

On March 20, 2014, we completed a private placement of 19,040,366 shares of our common stock, all of which was purchased by Intrexon, our majority shareholder. The net proceeds from this offering were approximately $9.7 million. For a discussion of the impact of this offering on our capitalization and balance sheet, see Item 10. “Recent Sales of Unregistered Securities.”

Cash Flows

The following table sets forth the significant sources and uses of cash for the periods set forth below:

	Years ended, December 31		
	2013	2012	2011
	(in thousands)		
Net cash provided by (used in):			
Operating activities	$(4,458)	$(3,715)	$(4,951)
Investing activities	(142)	(122)	3,450
Financing activities	6,127	2,553	551
Effect of exchange rate changes on cash	—	2	4
Net increase (decrease) in cash	$ 1,527	$(1,282)	$ (946)

Cash Flows from Operating Activities

Net cash used in operating activities was $4.5 million for the year ended December 31, 2013 compared to $3.7 million for the year ended December 31, 2012 and $5.0 million for the year ended December 31, 2011. Net cash used in operating activities during the year ended December 31, 2013 was primarily comprised of our $4.7 million net loss, offset by depreciation and stock compensation charges of $289 thousand, a gain of $187 thousand on a royalty-based financing instrument, and working capital increases of $129 thousand. Net cash used in operating activities during the year ended December 31, 2012 was primarily comprised of our $4.4 million net loss offset by depreciation and stock compensation charges of $550 thousand and working capital increases of $144 thousand. Net cash used in operating activities during the year ended December 31, 2011 was primarily comprised of our $2.7 million net loss, offset by depreciation and stock compensation charges of $531 thousand, a gain of $2.7 million on a royalty-based financing instrument, and working capital decreases of $63 thousand.

Cash Flows from Investing Activities

Net cash used in investing activities was $142 thousand for the year ended December 31, 2013 compared to $122 thousand for the year ended December 31, 2012 and net cash provided $3.4 million for the year ended December 31, 2011. In 2013, we used $100 thousand for equipment purchases and incurred $42 thousand for patent charges. In 2012, we used $53 thousand for equipment purchases and incurred $69 thousand for patent charges. In 2011, we received $3.5 million from the maturity of marketable securities, net of purchases, and we used $69 thousand for equipment purchases and incurred $14 thousand for patent charges.

Cash Flows from Financing Activities

Net cash provided by financing activities was $6.1 million for the year ended December 31, 2013 compared to $2.6 million for the year ended December 31, 2012 and $551 thousand for the year ended December 31, 2011. In 2013, we received $5.7 million of net proceeds from the issuance of our common stock in a private placement of shares, we received $4 thousand in proceeds from the exercise of stock options and we received $397 thousand in proceeds from the issuance of term debt, net of current payments. In 2012, we received $1.7 million of net proceeds from the issuance of our common stock in a private placement of shares and we received $810 thousand in proceeds from the issuance of term debt, net of current payments. In 2011, we received $4 thousand in proceeds from the exercise of stock options and we received $547 thousand in proceeds from the issuance of term debt, net of current payments.

Future Capital Requirements

On March 20, 2014, we completed a private offering of 19,040,366 shares of our common stock to Intrexon, our majority shareholder. The net proceeds from this offering were approximately $9.7 million. For a discussion of the impact of this offering on our capitalization and balance sheet, see Item 10. “Recent Sales of Unregistered Securities.” After giving effect to the offering, we had $10.1 million of available cash at March 31, 2014.

We believe our existing cash will provide adequate funds for ongoing operations, planned capital expenditures and working capital requirements through at least the next 12 months. We anticipate a need to raise further funds in order to complete the commercialization of AquAdvantage® Salmon once FDA approval is received. We intend to devote a significant portion of our existing cash to the commercial roll-out of our AquAdvantage® Salmon product and the continued investment in our research and development projects. We have not determined the amounts we may spend on the commercial roll-out of AquAdvantage® Salmon and research and development projects. We may also use existing cash for acquisitions of companies that we believe may be complementary to our current business plan.

We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- the timing of an FDA approval for AquAdvantage® Salmon, if ever;
- the timing of regulatory approvals for AquAdvantage® Salmon in other countries, if any;
- the successful roll-out of our AquAdvantage® Salmon commercial plan;
- the acceptance of AquAdvantage® Salmon by consumers;
- the resources, time and cost required to develop new and complimentary products; and
- the costs associated with legal activities and regulatory filings.

Until such time, if ever, as we can generate positive operating cash flows, we may finance our cash needs through a combination of equity offerings, debt financings, government or other third-party funding, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of holders of our common stock will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us.

Contractual Obligations

The following table summarizes our significant contractual obligations and commercial commitments at December 31, 2013 and the effects such obligations are expected to have on our liquidity and cash flows in future periods:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in thousands)		
Office lease	$ 46	$ 20	$ 26	$ 0	$ 0
Panama site lease	277	158	119	0	0
Panama site management	353	202	151	0	0
Total	$676	$ 380	$ 296	$ 0	$ 0

In addition to the obligations in the table above, as of December 31, 2013, we also have the following significant contractual obligations described below:

- In January 2009, we were awarded a grant to provide funding of a research and development project from the Atlantic Canada Opportunities Agency, a Canadian government agency. The total amount available under the award is C$2.9 million, which we can claim over a five year period. All amounts claimed must be repaid in the form of a 10% royalty on any products commercialized out of this research and development project until fully paid. As of December 31, 2013, the total amount claimed under the award was C$2.5 million ($2.4 million) and is included in long-term debt in the consolidated balance sheet. This amount is not included in the table above due to the uncertainty of the timing of repayment.
- In February 2013, we entered into the ECC with Intrexon, pursuant to which we are permitted to use Intrexon's UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. We agreed under the ECC to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. Amounts required to be paid to Intrexon under the ECC are not included in the table above due to the uncertainty of the timing of payments.

Quantitative and Qualitative Disclosures About Market Risk

The following sections provide quantitative information on our exposure to interest rate risk, stock price risk, and foreign currency exchange risk. We make use of sensitivity analyses which are inherently limited in estimating actual losses in fair value that can occur from changes in market conditions.

Interest Rate Risk

Our primary exposure to market risk is interest rate risk associated with debt financing that we utilize from time to time to fund operations or specific projects. The interest on this debt is usually determined based on a fixed rate and is contractually set in advance. At December 31, 2013 we did not have any interest-bearing debt instruments on our consolidated balance sheet.

Foreign Currency Exchange Risk

Our functional currency is the U.S. Dollar. The functional currency of our Canadian subsidiary is the Canadian Dollar, and the functional currency of our Panama subsidiary is the U.S. Dollar. For the

Canadian subsidiary, assets and liabilities are translated at the exchange rates in effect at the balance sheet date, equity accounts are translated at the historical exchange rate and the income statement accounts are translated at the average rate for each period during the year. Net translation gains or losses are adjusted directly to a separate component of other comprehensive loss within stockholders' equity (deficit).

ITEM 3. PROPERTIES

Our primary operations include locations in Massachusetts, Canada and Panama. We lease approximately 1,800 square feet of office space which is used as our corporate headquarters in Maynard, Massachusetts under the term of a three year lease. We lease a demonstration farm for AquAdvantage® Salmon in Panama. And we own an 18,000 square foot hatchery on Price Edward Island, Canada. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations" in Item 2. "Financial Information."

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners and Management

As of March 31, 2014, there are 144,405,837 shares of our common stock outstanding. The following table sets forth information regarding beneficial ownership of our share capital as of March 31, 2014 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our shares of common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and current named executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Name and address of beneficial owner	Number of shares beneficially owned(1)	Percentage of shares beneficially owned
Intrexon Corporation 222 Lakeview Avenue, Suite 1400 West Palm Beach, Florida 33401	86,386,624	59.82%
Alejandro Weinstein (2) Avenida Pedro de Valdivia No 295 Comuna de Providencia Ciudad de Santiago Region Metroploitana 7500524 Chile	22,130,040	15.32%
Ronald L. Stotish	2,370,000	1.62%
David A. Frank	666,600	*
Henry C. Clifford	536,600	*
Richard J. Clothier	791,559	*
Thomas U. Barton	—	—
Richard L. Huber	783,321	*
Thomas R. Kasser	—	—
Rick Sterling	—	—
James C. Turk	—	—
Executive officers and directors as a group (10 persons)	5,148,080	3.44%

* Indicates beneficial ownership of less than one percent of the total outstanding shares of our common stock.

(1) Numbers of shares does not give effect to the 1-for-10 reverse stock split to be effected immediately following the effective time of this Registration Statement on Form 10. Percentages of shares beneficially owned will not change as a result of the reverse stock split. Amounts include options to purchase shares of our common stock that are exercisable within 60 days of March 31, 2014.

(2) The amount include shares of our common stock held by Western Pharmaceuticals and CFR International. Mr. Weinstein is a controlling shareholder of both companies.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officers

The following table sets forth certain information regarding our directors and executive officers as of March 31, 2014:

Name	Age	Position(s)
Richard J. Clothier	68	Chairman
Thomas U. Barton	60	Director
Richard L Huber	77	Director
Thomas R. Kasser, Ph.D.	59	Director
Rick Sterling	50	Director
James C. Turk	57	Director
Ronald L. Stotish	64	Director, Chief Executive Officer and President
Alejandro Rojas	52	Chief Operating Officer
David A. Frank	53	Chief Financial Officer, Treasurer and Secretary
Henry C. Clifford	59	VP Marketing & Sales

Richard J. Clothier. Mr. Clothier has served as Chairman of the Board of Directors of AquaBounty since April 2006. Mr. Clothier has served as the Chairman of Robinson Plc since 2004, of Spearhead International Ltd since 2005 and of Exosect since 2013. He retired as Group Chief Executive of PGI Group Plc, an international agricultural products producer, following 20 years with Dalgety Plc where he was chief executive officer of the genetics firm Pig Improvement Company until 1992 and then Group Chief Executive Officer until 1997. He holds a Bachelor of Science in Agriculture from Natal University and an Advanced Management Program degree from Harvard Business School. Mr. Clothier's extensive experience, both as an executive in the food industry and as a director of public and private companies, provides considerable operating, strategic and policy knowledge to our Board of Directors.

Thomas U. Barton. Mr. Barton joined the Board of Directors of AquaBounty in February 2013. He is co-founder of White Rock Capital Texas, Inc., where he has served as President since 1993, and a managing partner of White Rock Capital Management, L.P., an investment advisory firm. He brings over 35 years experience in the investment field. He received his undergraduate degree from Mercer University and his Masters of Business Administration from Vanderbilt University. Mr. Barton's extensive knowledge of corporate financing and the capital markets strengthens the collective skills of our Board of Directors.

Richard L. Huber. Mr. Huber joined the Board of Directors of AquaBounty after our public offering in 2006. Mr. Huber is the former Chairman, President and Chief Executive Officer of Aetna, a major U.S. health insurer, and is currently an independent investor in a number of companies operating in a wide range of businesses, mainly in South America. Following a 40 year career in the financial services industry, Mr. Huber now serves as a director of Gafisa, the largest integrated residential housing developer in Brazil, and Antarctic Shipping SA in Chile, as well as several other companies in the United States and elsewhere in the world. He holds an Bachelor of Arts in Chemistry from Harvard. Mr. Huber brings unique knowledge and experience in strategic planning, organizational leadership, accounting, legal and governmental affairs to our Board of Directors.

Thomas R. Kasser, Ph.D. Dr. Kasser joined the Board of Directors of AquaBounty in February 2013. He is the President of the Animal Sciences and Agricultural Biotechnology Divisions and a Senior Vice President at Intrexon Corporation. Dr. Kasser brings over 25 years of business management experience in the biotechnology and life sciences industries. He was most recently President and Chief Executive Officer of Angionics, Inc., an early-stage biotech company focused on novel anti-angiogenic technology directed at therapies for cancer and ocular diseases. Prior to Angionics, he was a Covance Corporate Vice President and General Manager of Covance Research Products. Dr. Kasser had over 20 years of experience at Monsanto Company both in commercial as well as scientific leadership roles, including tenures as General Manager of Monsanto Choice Genetics, directing new product development for the nutrition and consumer products business, and managing clinical safety and efficacy trials under the jurisdiction of the FDA Center for Veterinary Medicine. Dr. Kasser was designated a Monsanto Fellow in recognition of his scientific and technical excellence. Dr. Kasser received his Ph.D. in Nutrition from the University of Georgia and a Masters in Animal Nutrition from the Pennsylvania State University. He also received an Masters of Business Administration from Washington University — St. Louis. Mr. Kasser's knowledge of our industry and his research and executive leadership experience make him well qualified to serve as a director.

Rick Sterling. Mr. Sterling joined the Board of Directors of AquaBounty in September 2013. He is the Chief Financial Officer at Intrexon Corporation. Prior to joining Intrexon, he was with KPMG LLP where he worked in the audit practice for over 17 years, with a client base primarily in the healthcare, technology and manufacturing industries. Mr. Sterling's experience includes serving clients in both the private and public sector, including significant experience with SEC filings and compliance with the Sarbanes-Oxley Act. He has a Bachelor of Science in Accounting and Finance from Virginia Tech and

is a licensed Certified Public Accountant. Mr. Sterling's background in audit and finance, as well as his experience with technology companies, make him well suited for services on our Board of Directors.

James C. Turk. Mr. Turk joined the Board of Directors of AquaBounty in February 2013. Mr. Turk has served as a partner in the law firm Harrison & Turk, P.C. since 1987, having practiced two years before that with other firms. He has previously served as a member of the board of directors for multiple companies and foundations including Intrexon Corporation, the New River Community College Education Foundation, and the Virginia Student Assistance Authorities. He presently serves as a director of SunTrust Bank, Synchrony Inc., the Virginia Tech Athletic Foundation, and is a member of the Roanoke College President's advisory board. Mr. Turk received a Bachelor of Arts from Roanoke College and a Juris Doctor from Cumberland School of Law at Samford University. Mr. Turk's legal background and his experience on multiple boards make him well qualified for service on our Board of Directors.

Ronald L. Stotish, Ph.D., Chief Executive Officer and President. Dr. Stotish was appointed Executive Director, President and Chief Executive Officer of AquaBounty in May 2008. He joined AquaBounty in 2006 as Vice-President for Regulatory Affairs and, most recently, was Senior Vice-President for R&D and Regulatory Affairs. Prior to joining AquaBounty, Dr Stotish was Executive Vice-President for R&D at MetaMorphix, Inc. He has served as Vice-President for Pharmaceutical R&D at Fort Dodge Animal Health and held a variety of positions at American Cyanamid. He began his career in research at Merck & Co. Dr Stotish has degrees in biochemistry and over 40 years' experience in the discovery, development and commercialization of new animal health products. Mr. Stotish has a Bachelor of Science degree from Pennsylvania State University and a Masters of Science and a Ph.D. from Rutgers University.

David A. Frank, M.B.A., Chief Financial Officer, Treasurer and Secretary. Mr. Frank was appointed Chief Financial Officer, Treasurer and Secretary of AquaBounty in October 2007. Previously he served as President and General Manager of TekCel LLC, a subsidiary of Magellan Biosciences, after serving as Magellan's Chief Financial Officer since the company's founding in 2004 and as TekCel's Chief Financial Officer. Mr. Frank has over 30 years of financial management experience, including as Chief Financial Officer of SmartEnergy, an independent energy supplier, as Corporate Controller for Moldflow Corporation, and in financial roles at PerSeptive Biosystems, Inc., Lotus Development Corporation, Apollo Computer, Inc. and Honeywell International, Inc. He has a Bachelor of Science in finance and accounting from Boston College and an Masters of Business Administration from Babson College.

Alejandro Rojas, D.V.M., Chief Operating Officer. Mr. Rojas joined AquaBounty in February 2014. He formerly was the Production and Technical Manager for Marine Harvest from 1988 to 2000, where he was responsible for operations and the production of salmonids in Chile. He was also responsible for managing Quality Control Labs, Environmental Programs and Fish Health Programs. Mr. Rojas has a doctorate in Veterinary Medicine and for the past 14 years has been a Technical Advisor and Consultant to numerous global aquaculture and biotech companies working with marine fish, including salmon, seabass, seabream and barramundi. His areas of expertise include benchmarking and market studies, technical and economic analysis for M&A activities, new species development in Latin America, the Middle East and Africa, and consulting on fish production, aquatic health, environment and biosecurity programs to private companies and governments.

Henry C. Clifford, Vice President Marketing & Sales. Mr. Clifford was appointed Vice-President of Marketing and Sales of AquaBounty in June 2005 and is responsible for the commercial deployment of AquaBounty's product lines. Mr. Clifford is an internationally recognized authority on aquaculture and genetic improvement programs with a career spanning more than 30 years in the industry. He has provided technical services in aquaculture to more than 250 clients in 20 countries. In addition to implementing sales and marketing strategies for the company and overseeing customer relations, Mr. Clifford directs domestic and international field trial evaluations of the company's products,

including the successful introduction and production of AquAdvantage® Salmon in Panama. Mr. Clifford has a Bachelor of Arts from the University of Virginia and a Masters of Science in aquaculture from Texas A&M University.

ITEM 6. EXECUTIVE COMPENSATION

Overview

In preparing to become a public company, we have begun a thorough review of all elements of our executive and director compensation program, including the function and design of our equity incentive programs. We have begun, and we expect to continue in the coming months, to evaluate the need for revisions to our executive compensation program to ensure our program is competitive with the companies with which we compete for executive talent and is appropriate for a public company.

The tables and discussion below present compensation information for our chief executive officer and our two other most highly compensated officers for the year ended December 31, 2013, whom we refer to collectively as our named executive officers. These officers are:

- Ronald L. Stotish, Chief Executive Officer and President;
- David A. Frank, Chief Financial Officer, Treasurer and Secretary; and
- Henry C. Clifford, Vice President of Marketing and Sales.

Summary Compensation Table

The following table sets forth the compensation paid or accrued during the fiscal years ended December 31, 2013 and 2012 to our named executive officers.

Name and Position	Year	Salary ($) (1)	Bonus ($) (2)	Stock Awards ($)	Option Awards ($) (3)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation (4) ($)	Total ($)
R. Stotish	2013	315,167	80,063	—	—	—	—	6,653	401,883
CEO and President	2012	305,000	—	—	—	—	—	6,467	311,467
D. Frank	2013	226,667	—	—	46,471	—	—	6,579	279,717
CFO, Treasurer and Secretary	2012	220,000	—	—	—	—	—	6,392	226,392
H. Clifford	2013	216,667	—	—	46,471	—	—	6,500	269,638
VP Sales and Marketing	2012	210,000	—	—	—	—	—	6,300	216,300

(1) Represents salaries before any employee contributions under our 401(k) plan.
(2) Represents discretionary cash incentive awards paid for performance during the 2013 fiscal year.
(3) The Option Awards included for each individual consists of stock option awards granted under the AquaBounty Technologies 2006 Equity Incentive Plan. The value for each of these awards is its grant date fair value calculated by multiplying the number of shares subject to the award by the fair value of the stock option award on the date such award was granted, computed in accordance with FASB Accounting Standards Codification Topic 718. The following table summarizes the number of stock option awards granted, the grant date and the fair value of the stock option award to calculate the total grant date fair value for the option awards reported. The Fair Value of the stock option grants were measured on the date of the grant using the Black-Scholes calculation. The assumptions included an expected stock price volatility of 160%, a risk-free interest rate of 1.05%, a dividend yield of 0% and an expected life of 5 years.

Name	# of Stock Option Awards	Grant Date	Per Share Fair Value	Total Grant Date Fair Value
R. Stotish	—	—	—	—
D. Frank	200,000	April 27, 2013	$ 0.2324	$ 46,471
H. Clifford	200,000	April 27, 2013	$ 0.2324	$ 46,471

The actual value a named executive officer may receive depends on market prices and there can be no assurance that the amounts reflected in the Option Awards column will actually be realized. No gain to a named executive officer is possible without an appreciation in stock value after the date of grant.

(4) Amounts represent our contributions under our 401(k) plan.

In 2013, we paid base salaries to Dr. Stotish, Mr. Frank and Mr. Clifford of $315,167, $226,667 and $216,667, respectively. As of December 31, 2013, the base salaries of Dr. Stotish, Mr. Frank and Mr. Clifford were $320,250, $230,000 and $220,000, respectively. Base salaries are used to recognize the experience, skills, knowledge and responsibilities required of all of our employees, including our named executive officers. Certain of our named executive officers is currently party to an employment agreement that provides for the continuation of certain compensation upon termination of employment. See "—Employment Agreements."

Our Board of Directors may, at its discretion, award bonuses to our named executive officers from time to time. We typically establish bonus targets for our named executive officers and evaluate their performance based on the achievement of specified goals and objectives by each individual employee. Our management may propose bonus awards to the Compensation Committee of the Board of Directors primarily based on such achievements. Our Board of Directors makes the final determination of the eligibility requirements for and the amounts of such bonus awards. For the fiscal year ended December 31, 2013, the bonus award for Dr. Stotish was $80,063, which represents 25% of his base salary, awarded for his achievements in progressing the approval process for AquAdvantage® Salmon with the FDA.

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the ownership interests of our executives and our shareholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain in our employment during the vesting period.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes outstanding equity awards to our named executive officers at December 31, 2013.

	Option Awards			
	Number of securities underlying unexercised options		Option	Option Expiration
Name	Exercisable	Unexercisable	Exercise Price	Date
R. Stotish	1,870,000	0	$ 0.11	06/30/2019
CEO and President	500,000	0	$ 0.23	01/10/2021
D. Frank	450,000	0	$ 0.11	06/30/2019
CFO, Treasurer and Secretary	150,000	0	$ 0.23	01/10/2021
	0	200,000	$ 0.25	04/26/2023
H. Clifford	90,000	0	$ 0.10	05/31/2019
VP Sales and Marketing	280,000	0	$ 0.11	06/30/2019
	100,000	0	$ 0.23	01/10/2021
	0	200,000	$ 0.25	04/26/2023

Director Compensation

Through December 31, 2013, the Chairman of our Board of Directors received annual compensation of £40,000 (approximately $66,228 using the pound sterling to U.S. dollar spot exchange rate of 1.6557 published in the Wall Street Journal as of December 31, 2013), payable in quarterly installments of £10,000 (approximately $16,557). He also received an annual grant of restricted common shares equal to £15,000 (approximately $24,836) (based on the fair market value on the date of grant), with vesting after three years.

Through December 31, 2013, all non-employee directors, except for directors appointed by Intrexon per the Relationship Agreement described under Item 7, “Certain Relationships and Related Transactions, and Director Independence—Related Person Transactions—Relationship Agreement” received annual compensation of $12,000, payable in quarterly installments of $3,000, and an additional $1,500 per meeting. Board of Directors committee chairs received $5,000 per annum and members of a board committee received $3,000 per annum, both payable quarterly. All non-employee directors, except for directors employed and appointed by Intrexon per the Relationship Agreement, received an annual grant of options to purchase 24,000 shares of our common stock (with an exercise price equal to the fair market value on the date of grant), with vesting after one year.

The following table discloses all compensation provided to the non-employee directors for the most recently completed fiscal year ending December 31, 2013:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Deferred Compensation Earnings ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
R. Clothier (1)	64,986	22,812	—	—	—	—	87,798
T. Barton (2)	—	—	7,788	—	—	—	7,788
R. Huber	31,875	—	7,788	—	—	—	39,663
Dr. T. Kasser (2)	—	—	—	—	—	—	—
R. Sterling (2)	—	—	—	—	—	—	—
J. Turk (2)	—	—	7,788	—	—	—	7,788
	96,861	22,812	23,364	—	—	—	143,037

(1) Mr. Clothier’s compensation includes both Board of Directors fees and an annual grant of ordinary shares. Included in his 2013 compensation is a share grant of $22,812.
(2) Messrs. Barton, Kasser, Sterling and Turk are appointees to our Board of Directors by Intrexon and do not receive cash compensation from AquaBounty at this time.

Employment Agreements

We have formal employment agreements with Dr. Stotish, Dr. Rojas, and Messrs. Frank and Clifford. Each agreement provides for the payment of a base salary, an annual bonus determined at the discretion of our Board of Directors based on achievement of financial targets and other performance criteria and, for Dr. Stotish, a one-time grant of 90,000 stock options.

Each agreement will remain in effect unless and until terminated in accordance with the terms and conditions set forth in the agreement. Each of Mr. Frank’s and Mr. Clifford’s agreements provide that employment may be terminated by either us or the employee after giving the other not less than 12 months’ notice. Mr. Rojas’ agreement provides that employment may be terminated by us after giving to Mr. Rojas not less than 12 months’ notice, and by Mr. Rojas after giving to us not less than 1 months’ price. During these respective notice periods, we have the right to terminate employment

prior to expiration of the notice period by paying the employee a sum equal to his basic salary and benefits during the notice period. Mr. Stotish's agreement does not contain termination notice requirements applicable to his current employment.

In addition, under each agreement, we may terminate the employee's employment without notice or payment at any time for cause. For these purposes, "cause" means any of the following:

- performance by the employee of his duties in a manner that is deemed consistently materially unsatisfactory by our Board of Directors in its sole and exclusive discretion;
- willful and material failure or refusal by the employee to perform his duties under the employment agreement (other than by reason of the employee's death or disability);
- certain breaches or nonobservance by the employee of the provisions of the employment agreement or directions of our Board of Directors or of rules issued by a stock exchange on which our securities are listed;
- any intentional act of dishonesty, fraud or embezzlement by the employee or the admission or conviction of, or entering a plea of no contest by, the employee with respect to any felony or lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;
- any negligence, willful misconduct or personal dishonesty of the employee resulting in a good faith determination by our Board of Directors of a loss to us or a damage to our reputation;
- any failure by the employee to comply with our policies or procedures to a material extent;
- the employee commits any act of deliberate unlawful discrimination or harassment;
- the employee is adjudged bankrupt or enters into any composition or arrangement with or for the benefit of his creditors;
- the employee becomes of unsound mind or a patient for the purposes of any law relating to mental health; or
- the employee becomes prohibited by law from being a director.

Each agreement also contains confidentiality and noncompetition provisions that we believe are typical for agreements of this type.

Equity Incentive and Retirement Plans

AquaBounty Technologies 2006 Equity Incentive Plan

The AquaBounty Technologies 2006 Equity Incentive Plan, as amended, which we refer to as the 2006 Plan, was first adopted by our Board of Directors and our shareholders in June 2007.

The 2006 Plan provides for the issuance of incentive stock options to our employees and non-qualified stock options and awards of restricted and direct stock purchases to our directors, officers, employees and consultants. In accordance with the terms of the 2006 Plan, the Compensation Committee of the Board of Directors administers the 2006 Plan and, subject to any limitations, approves the recipients of awards and determines, among other things:

- the number of shares of our common stock covered by options and the dates upon which those options become exercisable;
- the exercise prices of options;
- the duration of options (subject to certain limitations set forth in the plan);

- the methods of payment of the exercise price of options;
- the number of shares of our common stock subject to any restricted stock awards and the terms and conditions of those awards, including the price, if any, restriction period (subject to certain limitations set forth in the plan) and conditions for repurchase (with respect to restricted stock awards); and
- the number of shares of our common stock subject to any incentive awards and the terms and conditions of those awards, including the payment terms and award or the dollar amount of any incentive award period (subject to certain limitations set forth in the plan).

In the event of a change in control, as defined in the 2006 Plan, all awards under the 2006 Plan, subject to the reasonable discretion of the Board of Directors, will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares will lapse and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid.

As of December 31, 2013, there were options to purchase an aggregate of 4,249,000 shares of our common stock outstanding under the 2006 Plan at a weighted-average exercise price of $0.16 per share. As of December 31, 2013, there were 8,281,547 shares of our common stock reserved for future awards under the 2006 Plan.

AquaBounty Technologies 1998 Stock Option Program

In 1998, the Board of Directors reserved for issuance shares to be granted pursuant to stock options, which we refer to as the 1998 Program. The 1998 Program provides for the issuance of incentive stock options to our employees and non-qualified stock options to our directors, officers, employees and consultants. As of December 31, 2013, there were options to purchase an aggregate of 2,375,000 shares of our common stock outstanding under the 1998 Program at a weighted-average exercise price of $0.40 per share. These options were held by former members of our Board of Directors. As of December 31, 2013, there were no shares of our common stock reserved for future issuance under the 1998 Program. Effective as of the adoption of the 2006 Plan, our Board of Directors ceased making awards under the 1998 Program, and there are no shares of our common stock reserved for future awards under the 1998 Program.

401(k) Plan

We provide an employee retirement plan under Section 401(k) of the Internal Revenue Code of 1986, which we refer to as the 401(k) plan, to all U.S. employees that are eligible employees as defined in the 401(k) plan. Subject to annual limits set by the Internal Revenue Service, we match 50 percent of eligible employee contributions up to a maximum of 3% of an employee's salary, and vesting in our match is immediate. We made contributions in connection with the 401(k) plan during the years ended December 31, 2013, 2012 and 2011 of $21,788, $24,851 and $31,860, respectively.

Registered Retirement Savings Plan

We also have a Registered Retirement Savings Plan for our Canadian employees. Subject to annual limits set by the Canadian government, we match 50 percent of eligible employee contributions up to a maximum of 3% of an employee's salary, and vesting in our match is immediate. We made contributions in connection with this plan during the years ended December 31, 2013, 2012 and 2011 of $14,312, $13,730 and $16,636, respectively.

Compensation Committee Interlocks

None of our executive officers serves, or in the past has served, as a member of our Board of Directors or Compensation Committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our Board of Directors or our Compensation Committee. None of the members of our Compensation Committee is also an officer or employee of AquaBounty, nor have they ever been an officer or employee of AquaBounty.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Person Transactions

Exclusive Channel Collaboration Agreement

In February 2013, we entered into the ECC with Intrexon, pursuant to which we are permitted to use Intrexon's UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC grants us a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale and offer for sale of products involving DNA administered to finfish for human consumption. This license is exclusive with respect to any clinical development, selling, offering for sale or other commercialization of developed products, and otherwise is non-exclusive. Under the ECC and subject to certain exceptions, we are responsible for, among other things, the performance of the program, including development, commercialization and certain aspects of manufacturing developed products. Among other things, Intrexon is responsible for the costs of establishing manufacturing capabilities and facilities for the bulk manufacture of certain products developed under the program, certain other aspects of manufacturing, costs of discovery-stage research with respect to platform improvements and costs of filing, prosecution and maintenance of Intrexon's patents. We agreed to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. The ECC may be terminated by either us or Intrexon in the event of a material breach by the other. Intrexon may terminate the ECC (a) if we elect not to pursue the development of a "superior animal product" identified by Intrexon or (b) under certain circumstances if we assign our rights under the ECC without Intrexon's consent. We may voluntarily terminate the ECC at any time upon 90 days' written notice to Intrexon. Upon termination of the ECC, we may continue to develop and commercialize any collaboration product that, at the time of termination, (x) is being sold by us, (y) has received regulatory approval or (z) is the subject of an application for regulatory approval. Our obligation to pay 16.66% of the gross profits with respect to these "retained" products will survive termination of the ECC.

Relationship Agreement

In December 2012, we entered into a Relationship Agreement with Intrexon, which we refer to as the Relationship Agreement, that sets forth certain matters relating to Intrexon's relationship with us as a major shareholder. The Relationship Agreement was entered into in connection with the acquisition in October 2012 by Intrexon of shares of our common stock constituting 47.56% of our outstanding share capital from Linnaeus Capital Partners B.V. and Tethys Ocean B.V., our former major shareholders.

Pursuant to the Relationship Agreement, we agreed to increase the size of our Board of Directors from three members to six members and to appoint three nominees of Intrexon, referred to as Intrexon Nominees, as directors with terms expiring at the annual meeting of shareholders held on July 10, 2013. Intrexon nominated Messrs. Barton, Kasser and Turk to serve as directors. Each was appointed

to our Board of Directors on February 14, 2013. In addition, we agreed that, so long as the Relationship Agreement remains in effect and Intrexon and its affiliates together control 25% or more of the voting rights exercisable at meetings of our shareholders, we will (a) nominate such number of Intrexon Nominees as may be designated by Intrexon for election to our Board of Directors at each annual meeting of our shareholders so that Intrexon will have representation on our Board of Directors proportional to Intrexon's percentage shareholding and (b) recommend that shareholders vote to elect such Intrexon Nominees at the next annual meeting of shareholders occurring after the date of nomination. Subsequent to entering into the Relationship Agreement, we increased the size of our Board of Directors from six members to seven members and Intrexon nominated Mr. Sterling to fill the Board vacancy. Mr. Sterling was appointed to our Board of Directors on September 13, 2013.

In addition, we and Intrexon agreed that, so long as Intrexon and its affiliates control 10% or more of the voting rights exercisable at meetings of our shareholders, for any time period for which Intrexon has reasonably concluded that it is required to consolidate or include our financial statements with its own:

- we will maintain at our principal place of business (i) a copy of our certificate of incorporation and other organizational documents, (ii) a copy of the Relationship Agreement, (iii) copies of our federal, state and local income tax returns and (iv) minutes of our Board of Director and shareholder meetings, redacted as necessary to exclude sensitive or confidential information;
- we will keep our books and records consistent with U.S. GAAP;
- Intrexon may examine any information that it may reasonably request and make copies of and abstracts from our financial and operating records and books of account, and discuss our affairs, finances and accounts with us and our independent auditors;
- as soon as available but no later than ninety days after the end of each fiscal year, we will furnish to Intrexon an audited balance sheet, income statement and statements of cash flows and stockholders' equity as of and for the fiscal year then ended, together with a report of our independent auditor that such financial statements have been prepared in accordance with U.S. GAAP and present fairly, in all material respects, our financial position, results of operation and cash flows;
- as soon as available but no later than forty-five days after the end of each calendar quarter, we will furnish to Intrexon an unaudited balance sheet, income statement and statements of cash slows and stockholders' equity for such period, in each case prepared in accordance with U.S. GAAP; and
- as requested by Intrexon but no more than quarterly, we will provide to Intrexon (i) a certificate of our Chief Executive Officer and Chief Financial Officer certifying as to the accuracy of our books and records and the adequacy of our internal control over financial reporting and disclosure controls and procedures and (ii) any information requested by Intrexon for purposes of its compliance with applicable law.

The Relationship Agreement and related documents also provide for certain confidentiality obligations between the two parties. The Relationship Agreement will continue in full force and effect until Intrexon and its affiliates cease to control 10% or more of the voting rights exercisable at meetings of our shareholders.

Bridge Loan

In December 2012, Intrexon agreed to provide us with a $500,000 bridge loan to help fund operations until permanent financing could be completed. The terms of the loan provided that borrowings could be made in increments of $100,000. Outstanding borrowings accrued interest at 3.0% per annum and were required to be repaid with the proceeds of our next fundraising but in any event no later than May

2013. As of December 31, 2012, we had borrowed $200,000 of the available amounts, and during January 2013 and February 2013, we made additional borrowings of $200,000 and $100,000, respectively. The balance under the bridge loan, including $2,567 in accrued interest, was repaid on March 15, 2013.

2013 Subscription Agreements

On February 14, 2013, we entered into separate subscription agreements with certain of our existing shareholders, including Intrexon and Alejandro Weinstein, another major shareholder, pursuant to which Intrexon and Mr. Weinstein agreed to invest an aggregate of approximately $6.0 million into us by way of a subscription for 22,883,295 new shares or our common stock at a price of $0.2622 per share. Intrexon initially agreed to subscribe for the full amount of the subscription but reduce its participation to a minimum 14,874,142 shares in the event that other eligible shareholders agreed to participate in the subscription. The closing of the subscription occurred on March 15, 2013 and resulted in Intrexon purchasing 18,714,814 shares and Mr. Weinstein purchasing 4,046,682 shares and other investors purchasing a combined 121,799 shares. The subscription price represented the average share price of our common stock on AIM for the 24 trading days prior to and including February 14, 2013, which was the date of the pricing of the subscription.

2014 Subscription Agreement

On March 5, 2014, we entered into a subscription agreement with Intrexon pursuant to which Intrexon agreed to invest approximately $10.0 million into us by way of a subscription for 19,040,366 new shares or our common stock at a price of $0.5252 per share. The closing of the subscription occurred on March 20, 2014. The subscription price represented the closing share price of our common stock on AIM on March 4, 2014, which was the last practical date prior to the signing of the subscription agreement.

Policies and Procedures for Review of Related Person Transactions

Our Board of Directors has adopted a policy with respect to related person transactions. This policy governs the review, approval or ratification of covered related person transactions. The Audit Committee of the Board of Directors manages this policy.

For purposes of this policy, a “related person transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we (or any of our subsidiaries) were, are or will be a participant, and in which any related person had, has or will have a direct or indirect interest. For purposes of determining whether a transaction is a related person transaction, the Audit Committee relies upon Item 404 of Regulation S-K promulgated under the Exchange Act.

A “related person” is defined as:

- any person who is, or at any time since the beginning of our last fiscal year was, one of our directors or executive officers or a nominee to become one of our directors;
- any person who is known to be the beneficial owner of more than 5% of any class of our voting securities;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the director, executive officer, nominee or more than five percent beneficial owner and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than five percent beneficial owner; and

- any firm, corporation, or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a ten percent or greater beneficial ownership interest.

The policy generally provides that we may enter into a related person transaction only if:

- the Audit Committee pre-approves such transaction in accordance with the guidelines set forth in the policy;
- the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the Audit Committee (or the chairperson of the Audit Committee) approves or ratifies such transaction in accordance with the guidelines set forth in the policy;
- the transaction is approved by the disinterested members of the Board of Directors; or
- the transaction involves compensation approved by the Compensation Committee of the Board of Directors.

In the event a related person transaction is not pre-approved by the Audit Committee and our management determines to recommend such related person transaction to the Audit Committee, such transaction must be reviewed and by the Audit Committee. After review, the Audit Committee will approve or disapprove such transaction.

In addition, the Audit Committee will review the policy at least annually and recommend amendments to the policy to the Board of Directors from time to time.

The policy provides that all related person transactions will be disclosed to the Audit Committee, and all material related person transactions will be disclosed to the Board of Directors. Additionally, all related person transactions requiring public disclosure will be properly disclosed in our public filings.

The Audit Committee will review all relevant information available to it about the related person transaction. The policy provides that the Audit Committee may approve or ratify the related person transaction only if the Audit Committee determines that, under all of the circumstances, the transaction is in, or is not inconsistent with, our best interests. The policy provides that the Audit Committee may, in its sole discretion, impose such conditions as it deems appropriate on us or the related person in connection with approval of the related person transaction.

Director Independence; Controlled Company Exemption

As required by the NASDAQ listing rules, our Board of Directors will evaluate the independence of its members at least once annually and at other appropriate times when a change in circumstances could potentially impact the independence or effectiveness of one of our directors.

In April 2014, our Board of Directors undertook a review of the composition of our Board of Directors and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our Board of Directors has determined each of Messrs. Barton, Clothier, Huber and Turk is an "independent director" as defined under NASDAQ Listing Rule 5605(a)(2). On [—], 2014, our Board of Directors determined that Messrs. Huber, **[—]** and **[—]**, who will be members of our Audit Committee following our NASDAQ listing, satisfy the special independence standards for such committee established by the SEC and NASDAQ, as applicable, and that Mr. **[—]** is an "audit committee financial expert," as that term is defined by the SEC in Item 407(d) of Regulation S-K. Shareholders should understand that this designation is an SEC disclosure requirement relating to Mr. **[—]**'s experience and understanding of certain accounting and auditing matters, which the SEC has stated

does not impose on the director so designated any additional duty, obligation or liability than otherwise is imposed generally by virtue of serving on the Audit Committee and/or our Board of Directors. Prior to our NASDAQ listing, we expect to appoint a third member to our Audit Committee, which member would be an "independent director" as defined under NASDAQ Listing Rule 5605(a)(2) and satisfy the special independence standards for such committee established by the SEC and NASDAQ.

The remaining members of our Board of Directors may not satisfy these "independence" definitions because they have been chosen by and/or are affiliated with our controlling shareholder, Intrexon, in a non-independent capacity. Because we are eligible to be a "controlled company" within the meaning of NASDAQ Listing Rule 5615(c) and our Board of Directors has chosen to rely on this exception, we are exempt from certain NASDAQ listing rules that would otherwise require us to have a majority independent board and fully independent standing nominating and compensation committees. We determined that we are such a "controlled company" because Intrexon holds more than 50% of the voting power for the election of our directors. If Intrexon's voting power were to fall below this level, however, we would cease to be permitted to rely on the controlled company exception and would be required to have a majority independent board and fully independent standing nominating and compensation committees. Our Board of Directors has determined that a board consisting of between six and ten members is appropriate at the current time and has currently set the number at seven members. Our Board of Directors is currently considering whether to increase the number of members from seven to eight and will continue to evaluate the appropriate size of our Board of Directors from time to time. As of the date of this Registration Statement on Form 10, our Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominations Committee.

ITEM 8. LEGAL PROCEEDINGS

On January 16, 2014, an application was filed by Ecology Action Centre and Living Oceans Society, together referred to as the applicants, with the Canadian Federal Court seeking judicial review to declare invalid the decision by the Canadian Minister of the Environment to publish in the Canada Gazette a Significant New Activity Notice, or SNAN, with respect to AquAdvantage® Salmon. The Canadian Minister of the Environment, the Canadian Minister of Health and AquaBounty Canada Inc., our Canadian subsidiary, were listed as respondents on the application. The plaintiffs allege that the Canadian Minister of the Environment inappropriately waived a requirement of the Canadian Environmental Protection Act, or CEPA, to provide certain prescribed information for an assessment under CEPA. The plaintiffs are seeking an order from the court that the minister acted unlawfully and without jurisdiction by publishing notice of the SNAN with respect to AquAdvantage® Salmon in the Canada Gazette, that the SNAN is invalid and unlawful and, in the alternative, that the minister acted unreasonably in exercising her discretion.

Other than as set forth above, we are not party to any legal proceedings the outcome of which, we believe, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our future business, consolidated results of operations, cash flows or financial position. We may, from time to time, be subject to legal proceedings and claims arising from the normal course of business activities.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock is quoted on AIM under the symbol "ABTX". As of March 31, 2014, 144,405,837 shares of our common stock were issued and outstanding. As of March 31, 2014, there were approximately 290 holders of record of our common stock. The U.S. transfer agent for our common stock is **[**—**]** and our U.K. registrar is Capita Registrars Limited.

The following table sets forth the high and low bid prices for our common stock for the periods indicated, as reported by AIM. These prices are as reported by the London Stock Exchange plc. Amounts presented in U.S. dollars reflect the currency exchange rate in effect on the date the price was reported on AIM.

	Price Per Share of Common Stock(1)			
Quarterly Period	Low		High	
2012				
Quarter ended March 31, 2012	£0.350	$ 0.536	£ 0.440	$0.693
Quarter ended June 30, 2012	£0.375	$ 0.595	£ 0.798	$1.243
Quarter ended September 30, 2012	£0.538	$ 0.870	£ 0.800	$1.251
Quarter ended December 31, 2012	£0.512	$ 0.818	£ 1.862	$3.005
2013				
Quarter ended March 31, 2013	£1.475	$ 2.236	£ 2.175	$3.523
Quarter ended June 30, 2013	£1.525	$ 2.322	£ 2.375	$3.731
Quarter ended September 30, 2013	£2.175	$ 3.236	£ 2.425	$3.873
Quarter ended December 31, 2013	£2.400	$ 3.827	£ 5.050	$8.302
2014				
Period January 1, 2014 through March 31, 2014	£3.150	$ 5.192	£ 4.950	$8.200
Period April 1, 2014 through April 23, 2014	£3.150	$ 5.218	£ 3.150	$5.296

(1) The figures have been adjusted to reflect a 1-for-10 reverse stock split that will become effective immediately following the effective time of this Registration Statement on Form 10. See Item 11. “Description of Registrant’s Securities to be Registered.”

Holders of Common Stock

See Item 4. “Security Ownership of Certain Beneficial Owners and Management” for disclosure regarding the holders of our common stock.

Dividends

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain earnings, if any, to finance the growth and development of our business. We do not expect to pay any cash dividends on our common stock in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law and other factors the Board of Directors deems relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

We have reserved the following number of securities for issuance under the 2006 Plan and the 1998 Program as of December 31, 2013:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	4,249,000	$ 0.16	8,281,547
Equity compensation plans not approved by security holders	2,375,000	$ 0.40	—
Total	6,624,000	$ 0.25	8,281,547

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

The following sets forth information regarding all unregistered securities sold since January 1, 2011:

- On March 22, 2012, we issued 33,277,870 shares of our common stock to certain of our existing shareholders at a per share price of $0.06, for aggregate consideration of approximately $2,000,000. The net proceeds were used for general corporate purposes.
- On March 15, 2013, we issued 22,883,295 shares of our common stock to certain of our existing shareholders at a per share price of $0.26, for aggregate consideration of approximately $6,000,000. The net proceeds were used for general corporate purposes.
- On March 20, 2014, we issued 19,040,366 shares of our common stock to Intrexon at a per share price of $0.53, for aggregate consideration of approximately $10,000,000. The net proceeds will be used for general corporate purposes.

Unless otherwise stated, the sales of our common stock referenced above were exempt from the registration requirements of the Securities Act pursuant to the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated and Regulation S under the Securities Act. We did not pay or give, directly or indirectly, any commission or other remuneration, including underwriting discounts or commissions, in connection with any of the sales of our common stock referenced above. The recipients of the shares of our common stock in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients represented that they had adequate access to information about us. Each of the sales was made without any general solicitation or advertising.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED

The following description summarizes certain important terms of our capital stock, as they are expected to be in effect immediately following the effective time of this Registration Statement on Form 10. We expect to adopt the Restated Certificate of Incorporation and new Amended and Restated Bylaws that will become effective immediately prior to the effectiveness of this Registration Statement on Form 10, and this description summarizes the provisions that are expected to be included in such documents. The Restated Certificate of Incorporation contemplates a 1-for-10 reverse stock split, which would become effective immediately following the time this Registration Statement on Form 10 becomes effective. Because this description is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section, you should refer to the Restated Certificate of Incorporation and the new Amended and Restated Bylaws, forms of which are included as exhibits to this Registration Statement on Form 10, and to the applicable provisions of Delaware law, the state in which we are incorporated.

General

Immediately following the effectiveness of this Registration Statement on Form 10, our authorized capital stock will consist of:

- 200,000,000 shares of common stock, par value $0.001 per share; and
- 40,000,000 shares of preferred stock, par value $0.01 par value per share.

As of March 31, 2013, and after giving effect to the reverse stock split as if it had occurred as of that date, there were zero shares of preferred stock and 14,440,583 shares of common stock outstanding. There were 290 holders of record of our shares of our common stock as of March 31, 2013. Our Board of Directors will be authorized to issue additional shares of our capital stock without shareholder approval, except as required by the NASDAQ listing standards.

Dividends

Subject to preferences that may be applicable to any outstanding shares of our preferred stock, holders of shares of our common stock are entitled to receive ratably such dividends, if any, as our Board of Directors may declare on the common stock out of funds legally available for that purpose.

Voting Rights

Holders of shares of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. A majority of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote is required for any action by the shareholders except (a) except as otherwise provided by law or the Restated Certificate of Incorporation and (b) that directors are to be elected by a plurality of the votes cast at elections. Holders of shares of our common stock do not have cumulative voting rights in the election of directors.

Liquidation

Upon our liquidation, dissolution or winding up, holders of shares of our common stock would be entitled to share ratably in all assets remaining after the payment of all debts and other liabilities and the liquidation preferences of any outstanding shares of our preferred stock.

Future Issuance of Preferred Stock

There are no shares of preferred stock issued or outstanding. Our Board of Directors may, without further action by our shareholders, from time to time, direct the issuance of shares of preferred stock in one or more series and may, at the time of issuance, determine the rights, preferences and limitations of each series. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation, dissolution or winding up before any payment is made to the holders of shares of our common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Our Board of Directors may, without shareholder approval, issue shares of preferred stock with voting and conversion rights that could adversely affect the holders of shares of our common stock.

Certain Provisions of the Restated Certificate of Incorporation and the New Amended and Restated Bylaws

Advance Notice Procedures

The new Amended and Restated Bylaws would establish advance notice procedures for shareholders to make nominations of candidates for election as directors, or bring other business before a meeting of its shareholders. These procedures provide that only persons who are nominated by or at the direction of our Board of Directors or by a shareholder who has given timely notice in proper written form that is received at our principal executive offices prior to the annual or special meeting at which directors are to be elected will be eligible for election as directors. These procedures also require that, in order to raise matters at an annual meeting, those matters be raised before the meeting pursuant to the notice of meeting we deliver or by, or at the direction of, our Board of Directors or by a shareholder who is entitled to vote at the meeting and who has given timely notice in proper written form to our Corporate Secretary of the shareholder's intention to raise those matters at the annual meeting. If the officer presiding at a meeting determines that a person was not nominated, or other business was not brought before the meeting, in accordance with the notice procedure, that person will not be eligible for election as a director, or that business will not be conducted at the meeting.

Authorized but Unissued Shares

The authorized but unissued shares of our common stock are available for future issuance without shareholder approval. We may use these additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and as incentive compensation. The existence of authorized but unissued shares of our common stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Forum Selection

The Restated Certificate of Incorporation would establishes the Court of Chancery of the State of Delaware as the sole and exclusive forum for any derivate action or proceeding brought on behalf of us and for certain other actions that may be brought by our shareholders.

Transfer Agent

The transfer agent for our common stock is **[**—**]**.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102 of the Delaware General Corporation Law, or DGCL, permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our Amended and Restated Certificate of Incorporation provides that none of our directors will be personally liable to us or our stockholders for monetary damages for or with respect to any acts or omissions in the performance of such person's duties as a director, except to the extent required by law.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities, against expenses

(including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, ending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification will be made with respect to any claim, issue or matter as to which such person has been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

The Restated Certificate of Incorporation provides that we may indemnify, and advance expenses to, our directors and officers with respect to certain liabilities, expenses and other accounts imposed upon them because of having been a director or officer.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 15. "Financial Statements and Exhibits."

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements

The financial statements required by this Item are included beginning at page F-1.

(b) Exhibits

Exhibit Designation	Description
3.1	Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc.*
3.2	Form of Second Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc. (to be in effect immediately prior to the effectiveness of this Registration Statement)*
3.3	Amended and Restated Bylaws of AquaBounty Technologies, Inc.*
3.4	Form of Amended and Restated Bylaws of AquaBounty Technologies, Inc. (to be in effect immediately prior to the effectiveness of this Registration Statement)**
4.1	Specimen Certificate of Common Stock**
10.1	AquaBounty Technologies, Inc. 2006 Equity Incentive Plan*
10.2	Amendment No. 1 to AquaBounty Technologies, Inc. 2006 Equity Incentive Plan*
10.3	Form of Stock Option Agreement pursuant to AquaBounty Technologies, Inc. 2006 Equity Incentive Plan*

Exhibit Designation	Description
10.4	Form of Restricted Stock Agreement pursuant to AquaBounty Technologies, Inc. 2006 Equity Incentive Plan*
10.5	Relationship Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated December 5, 2012*
10.6	Exclusive Channel Collaboration Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated February 14, 2013*
10.7	Subscription Agreement, by and between AquaBounty Technologies, Inc. and the investors listed therein, dated February 14, 2013**
10.8	Subscription Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated March 5, 2014**
10.9	Lease and Management Agreement, by and between AquaBounty Panama, S. de R.L. and Luis Lamastus, dated October 1, 2013**
10.10	Agreement, by and among Atlantic Canada Opportunities Agency and AquaBounty Canada, Inc. and AquaBounty Technologies Inc., dated December 16, 2009*
10.11	Employment Agreement, by and between Ronald Stotish and AquaBounty Technologies, Inc., dated April 1, 2006*
10.12	Employment Agreement, by and between David Frank and AquaBounty Technologies, Inc., dated October 1, 2007*
10.13	Employment Agreement, by and between Henry Clifford and AquaBounty Technologies, Inc., dated November 28, 2007*
10.14	Employment Agreement, by and between Alejandro Rojas and AquaBounty Technologies, Inc., dated December 30, 2013*
21.1	List of Subsidiaries of AquaBounty Technologies, Inc.*

* Filed herewith.
** To be filed by amendment.

SIGNATURES

Pursuant to the requirements Section 12 of the Securities Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 25, 2014

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ Ronald L. Stotish
Name: Ronald L. Stotish
Title: Chief Executive Officer and President

AquaBounty Technologies, Inc.

Consolidated financial statements

As of December 31, 2013 and 2012 and for each of the three years in the period ended December 31, 2013.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of AquaBounty Technologies, Inc.:

We have audited the accompanying consolidated balance sheets of AquaBounty Technologies, Inc. as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AquaBounty Technologies, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ Wolf & Company, P.C.

Wolf & Company, P.C.
Boston, Massachusetts
April 23, 2014

AquaBounty Technologies, Inc.

Consolidated balance sheets

As of 31 December	Note	2013	2012
ASSETS			
Current assets:			
Cash and cash equivalents		**$ 1,875,749**	$ 348,521
Certificate of deposit		**13,431**	14,405
Other receivables		**78,455**	24,429
Prepaid expenses and other assets	[6]	**220,888**	127,104
Total current assets		**2,188,523**	514,459
Property, plant and equipment, net	[4]	**1,016,843**	1,131,214
Definite lived intangible assets, net	[5]	**141,779**	102,504
Indefinite lived intangible assets		**191,800**	191,800
Other assets	[6]	**21,628**	21,628
Total assets		**$ 3,560,573**	$ 1,961,605
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable and accrued liabilities	[7]	**$ 704,028**	$ 435,849
Current debt	[8]	**_**	270,560
Total current liabilities		**704,028**	706,409
Long-term debt, net of current portion	[8]	**2,359,653**	2,034,907
Total liabilities		**3,063,681**	2,741,316
Commitments and contingencies	[11]		
Stockholders' equity (deficit):	[9]		
Common stock, $0.001 par value, 200,000,000 shares authorized; 125,305,471 (2012: 102,255,688) shares outstanding		**125,305**	102,256
Additional paid-in capital		**77,582,210**	71,733,509
Accumulated other comprehensive loss		**(566,310)**	(660,201)
Accumulated deficit		**(76,644,313)**	(71,955,275)
Total stockholders' equity (deficit)		**496,892**	(779,711)
Total liabilities and stockholders' equity (deficit)		**$ 3,560,573**	$ 1,961,605

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Consolidated statements of operations and comprehensive loss

Years ended 31 December	Note	2013	2012	2011
COSTS AND EXPENSES				
Sales and marketing		**$ 678,153**	$ 581,954	$ 673,306
Research and development		**1,895,056**	1,628,593	2,165,270
General and administrative		**2,302,279**	2,101,260	2,577,320
Restructuring charge	[1]	**—**	93,780	—
Total costs and expenses		**4,875,488**	4,405,587	5,415,896
OPERATING LOSS		**(4,875,488)**	(4,405,587)	(5,415,896)
OTHER INCOME (EXPENSE):				
Gain on royalty based financing instrument	[8]	**186,980**	—	2,709,602
Interest and other expense, net		**(530)**	(9,026)	(3,301)
Total other income (expense)		**186,450**	(9,026)	2,706,301
NET LOSS		**$ (4,689,038)**	$ (4,414,613)	$ (2,709,595)
OTHER COMPREHENSIVE INCOME (LOSS):				
Foreign currency translation gain (loss)		**93,891**	(9,397)	72,557
Unrealized losses on marketable securities		**—**	—	(77)
Total other comprehensive income (loss)		**93,891**	(9,397)	72,480
COMPREHENSIVE LOSS		**$ (4,595,147)**	$ (4,424,010)	$ (2,637,115)
Basic and diluted net loss per share		**$ (0.04)**	$ (0.05)	$ (0.04)
Weighted average number of common shares – basic and diluted		**120,613,246**	94,701,028	68,570,857

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Consolidated statements of changes in stockholders' equity (deficit)

	Common stock issued and outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at 31 December 2010	68,167,109	$ 68,167	$ 69,447,376	$ (723,284)	$ (64,831,067)	$ 3,961,192
Net loss					(2,709,595)	(2,709,595)
Other comprehensive income				72,480		72,480
Exercise of options for common stock	387,273	387	3,486			3,873
Share based compensation – common stock	226,586	227	23,859			24,086
Share based compensation – options			225,477			225,477
Balance at 31 December 2011	68,780,968	$ 68,781	$ 69,700,198	$ (650,804)	$ (67,540,662)	$ 1,577,513
Net loss					(4,414,613)	(4,414,613)
Other comprehensive loss				(9,397)		(9,397)
Issuance of common stock, net of expenses	33,277,870	33,278	1,709,200			1,742,478
Share based compensation – common stock	196,850	197	23,353			23,550
Share based compensation – options			300,758			300,758
Balance at 31 December 2012	102,255,688	$ 102,256	$ 71,733,509	$ (660,201)	$ (71,955,275)	$ (779,711)
Net loss					**(4,689,038)**	**(4,689,038)**
Other comprehensive income				**93,891**		**93,891**
Issuance of common stock, net of expenses	**22,883,295**	**22,883**	**5,702,724**			**5,725,607**
Exercise of options for common stock	**29,500**	**29**	**3,971**			**4,000**
Exercise of options for common stock—cashless	**71,771**	**72**	**(72)**			**—**
Share based compensation – common stock	**65,217**	**65**	**22,747**			**22,812**
Share based compensation – options			**119,331**			**119,331**
Balance at 31 December 2013	**125,305,471**	**$ 125,305**	**$ 77,582,210**	**$ (566,310)**	**$ (76,644,313)**	**$ 496,892**

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Consolidated statements of cash flows

Years ended 31 December	2013	2012	2011
OPERATING ACTIVITIES			
Net loss	**$ (4,689,038)**	$ (4,414,613)	$ (2,709,595)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	**147,101**	225,416	211,684
Share-based compensation	**142,143**	324,308	249,563
Amortization (accretion) of discount (premium) on corporate bonds	**—**	(326)	69,948
Loss on disposed assets	**—**	5,776	—
Gain on royalty based financing instrument	**(186,980)**	—	(2,709,602)
Changes in operating assets and liabilities:			
Other receivables	**(57,264)**	90,907	(9,518)
Prepaid expenses and other assets	**(94,935)**	121,481	111,001
Accounts payable and accrued liabilities	**281,345**	(68,404)	(164,228)
Net cash used in operating activities	**(4,457,628)**	(3,715,455)	(4,950,747)
INVESTING ACTIVITIES			
Purchases of equipment	**(99,500)**	(52,841)	(68,615)
Purchases of marketable securities	**—**	—	(1,545,980)
Maturities of marketable securities	**—**	—	5,078,266
Paid out (reinvested) interest on certificate of deposit	**(6)**	6	(16)
Payment of patent costs	**(42,249)**	(69,210)	(14,173)
Net cash provided by (used in) investing activities	**(141,755)**	(122,045)	3,449,482
FINANCING ACTIVITIES			
Proceeds from issuance of bridge loan	**300,000**	200,000	—
Repayment of bridge loan	**(500,000)**	—	—
Proceeds from issuance of long-term debt	**665,199**	678,657	613,723
Repayment of other term debt	**(68,327)**	(68,575)	(66,479)
Proceeds from issuance of common stock, net	**5,725,607**	1,742,478	—
Proceeds from exercise of stock options	**4,000**	—	3,873
Net cash provided by financing activities	**6,126,479**	2,552,560	551,117
Effect of exchange rate changes on cash and cash equivalents	**132**	2,481	3,939
Net increase (decrease) in cash and cash equivalents	**1,527,228**	(1,282,459)	(946,209)
Cash and cash equivalents at beginning of year	**348,521**	1,630,980	2,577,189
Cash and cash equivalents at end of year	**$ 1,875,749**	$ 348,521	$ 1,630,980
SUPPLEMENTAL CASH FLOW INFORMATION			
Interest paid in cash	**$ 4,223**	$ 4,414	$ 7,115

See accompanying notes to the consolidated financial statements.

Notes to the consolidated financial statements

for the years ended 31 December 2013, 2012 and 2011

1. Nature of business and organization

Nature of business
AquaBounty Technologies, Inc. (the “Parent”) was incorporated in December 1991 in the State of Delaware for the purpose of conducting research and development of the commercial viability of a group of proteins commonly known as antifreeze proteins (AFPs). In 1996, the Parent obtained the exclusive licensing rights for a gene construct (transgene) used to create a breed of farm-raised Atlantic salmon that exhibit growth rates that are substantially faster than traditional salmon.

Prior to 2006, the Company considered itself a development stage entity. The Company commenced sales of its first product in 2004 and expanded the markets to which that product had been sold. In addition, upon listing on the AIM in 2006, management no longer devoted most of its activities and resources toward raising capital. As a result, in 2006 the Company determined that it was no longer a development stage entity.

AquaBounty Canada, Inc. (the “Canadian Subsidiary”) was incorporated in January 1994 in Canada for the purpose of establishing a commercial biotechnology laboratory to produce antifreeze proteins and to conduct research and development programs related to the commercialization of cryopreservatives and the antifreeze gene construct.

AquaBounty Panama, S. de R.L. (the “Panama Subsidiary”) was incorporated in May 2008 in Panama for the purpose of conducting commercial trials of the Company’s AquAdvantage® Salmon.

Basis of consolidation
The consolidated financial statements include the accounts of AquaBounty Technologies, Inc. and its wholly owned subsidiaries, AquaBounty Canada, Inc. and AquaBounty Panama, S. de R.L. The entities are collectively referred to herein as the “Company.” All inter-company transactions and balances have been eliminated upon consolidation.

Restructuring
In March 2012, the Company undertook a restructuring to reduce operating spend by approximately 30% per annum. Included in the restructuring was the spin-out and sale of the Company’s research and development division for $1 to Tethys Ocean, B.V., at the time the Company’s largest shareholder. The Company recorded a $93,780 restructuring charge in 2012, including a $5,776 loss on disposed assets. In connection with the restructuring, the Company entered into a contract research agreement with the new organization, Tethys Aquaculture Canada Inc. (Note 13).

Liquidity and Management’s Plan
The Company has recurring net losses and has relied on its fundraising efforts to finance its operations and will continue to do so until such time that the Company is able to achieve positive cash flows from operations. In March 2014, the Company closed on a fundraising resulting in net proceeds to the Company of approximately $9.7 million (see Note 15).

2. Summary of significant accounting policies

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Comprehensive loss
The Company displays comprehensive loss and its components as part of its consolidated financial statements. Comprehensive loss consists of net loss and other comprehensive income (loss). Other comprehensive income (loss) includes foreign currency translation adjustments.

Foreign currency translation
The functional currency of the Parent is the US Dollar. The functional currency of the Canadian Subsidiary is the Canadian Dollar (C$) and the functional currency of the Panama Subsidiary is the US Dollar. For the Canadian Subsidiary, assets and liabilities are translated at the exchange rates in effect at the balance sheet date, equity accounts are translated at the historical exchange rate and the income statement accounts are translated at the average rate for each period during the year. Net translation gains or losses are adjusted directly to a separate component of other comprehensive income (loss) within stockholders' equity (deficit).

Cash equivalents
The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents consist primarily of money market funds, corporate obligations and US government agency obligations.

Certificate of deposit
The Company has a one-year certificate of deposit at December 31, 2013 and 2012 that currently bears interest at 0.8%. It is renewable annually in January.

Government assistance
From time to time the Company receives government assistance in the form of research grants, which are recorded as a reduction of the related expenditures. During the year, an amount of $175,665 (2012: $118,657; 2011: $52,861) was recorded as a reduction of expenditures. Included in other receivables at December 31, 2013 is $5,914 (2012: $11,193) of amounts due under research grants. All government assistance is subject to periodic audit by the agency involved in the grant.

Intangible assets
Definite lived intangible assets include patents and licenses. Patent costs consist primarily of legal and filing fees incurred to file patents on proprietary technology developed by the Company. Patent costs are amortized on a straight-line basis over 20 years beginning with the issue date of the applicable patent. Licensing fees are capitalized and expensed over the term of the licensing agreement.

Indefinite lived intangible assets include trademark costs, which are capitalized with no amortization as they have an indefinite life.

Property, plant and equipment
Property, plant and equipment are carried at cost, except for those owned by the Canadian Subsidiary which records such assets net of any related Canadian government grants received. The Company depreciates all asset classes over their estimated useful lives.

Building	25 years
Equipment	7–10 years
Office furniture and equipment	3 years
Leasehold improvements	shorter of asset life or lease term
Vehicles	3 years

Impairment of long-lived assets
The Company reviews the carrying value of its long-lived tangible assets and definite lived intangible assets on an annual basis or more frequently if facts and circumstances suggest that they may be impaired. The carrying values of such assets are considered impaired when the anticipated identifiable undiscounted cash flows from such assets are less than their carrying values. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value.

Indefinite lived intangible assets are subject to impairment testing annually or more frequently if impairment indicators arise. The Company's impairment testing utilizes a discounted cash flow analysis that requires significant management judgment with respect to revenue and expense growth rates, changes in working capital and the selection and use of the appropriate discount rate. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value.

Income taxes
The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recorded for the expected future tax consequences of temporary differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates

and laws that are expected to be in effect when the differences reverse. A valuation allowance is established to reduce net deferred tax assets to the amount expected to be realized. The Company follows accounting guidance regarding the recognition, measurement, presentation and disclosure of uncertain tax positions in the financial statements. Tax positions taken or expected to be taken in the course of preparing the Company's tax returns are required to be evaluated to determine whether the tax positions are "more-likely-than-not" to be upheld under regulatory review. The resulting tax impact of these tax positions are recognized in the financial statements based on the results of this evaluation. The Company did not recognize any tax liabilities associated with uncertain tax positions, nor has it recognized any interest or penalties related to unrecognized tax positions. Generally, the Company is no longer subject to federal and state tax examinations by tax authorities for years before 2010.

Royalty based financing instruments
From time to time the Company will enter into financing arrangements whereby the funds received will be repaid through future royalties from revenues at agreed upon royalty rates. Amounts to be paid may be in excess of amounts borrowed. Additionally, in certain instances the repayment terms have expiration dates. The Company records outstanding borrowings under these arrangements as long-term debt liabilities and adjusts the balance based on the likelihood of future repayment, taking into consideration the terms of the individual arrangements.

Net loss per share
Basic and diluted net loss per share available to common stockholders has been calculated by dividing net loss by the weighted average number of common shares outstanding during the year. Basic net loss is based solely on the number of common shares outstanding during the year. Fully diluted net loss per share includes the number of shares of common stock issuable upon the exercise of warrants and options with an exercise price less than the fair value of the common stock. Since the Company is reporting a net loss for all periods presented, all potential common shares are considered anti-dilutive and are excluded from the calculation of diluted net loss per share.

Share-based compensation
The Company measures and recognizes all share-based payment awards, including stock options made to employees and Directors, based on estimated fair values. The fair value of share-based payment awards are estimated on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in the Company's consolidated statement of operations. The Company uses the Black-Scholes option-pricing model ("Black-Scholes") as its method of valuation. Non-employee stock-based compensation is accounted for using the Black-Scholes to determine the fair value of warrants or options awarded to non-employees with the fair value of such issuances expensed over the period of service.

3. Risks and uncertainties

The Company is subject to risks and uncertainties common in the biotechnology and aquaculture industries. Such risks and uncertainties include, but are not limited to: (i) results from current and planned product development studies and trials; (ii) decisions made by the FDA or similar regulatory bodies in other countries with respect to approval and commercial sale of any of the Company's proposed products; (iii) the commercial acceptance of any products approved for sale and the Company's ability to manufacture, distribute and sell for a profit any products approved for sale; (iv) the Company's ability to obtain the necessary patents and proprietary rights to effectively protect its technologies; and (v) the outcome of any collaborations or alliances entered into by the Company.

Concentration of credit risk
Financial instruments which potentially subject the Company to credit risk consist principally of cash equivalents and marketable securities. This risk is minimized by the Company's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Company's cash balances may at times exceed insurance limitations.

Financial instruments
The carrying amounts reported in the consolidated balance sheets for other receivables and accounts payable approximate fair value based on the short-term maturity of these instruments. The carrying value of debt approximates its fair value since it provides for market terms and interest rates other than as disclosed in Note 8 related to royalty-based financing instruments. These royalty based financing instruments are adjusted at each reporting period to the amounts the Company expects to repay.

The Company groups its financial instruments measured at fair value, if any, in three levels, based on markets in which the instruments are traded and the reliability of the assumptions used to determine fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In certain cases, the input used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

4. Property, plant and equipment

Major classifications of property, plant and equipment are summarized as follows:

	2013	2012
Land	**$ 94,875**	$ 101,796
Building and improvements	**1,471,883**	1,579,255
Equipment	**615,362**	566,014
Office furniture and equipment	**27,613**	32,689
Leasehold improvements	**—**	23,626
Vehicles	**13,451**	28,459
Total property and equipment	**2,223,184**	2,331,839
Less accumulated depreciation and amortization	**(1,206,341)**	(1,200,625)
Property, plant and equipment	**$ 1,016,843**	$ 1,131,214

During 2013, the Company retired $41,856 of fully depreciated property and equipment in Panama that was turned over to the landowner at the expiration of the initial site lease. Depreciation and amortization expense for 2013 on property, plant and equipment was $144,126 (2012: $189,900; 2011: $176,168).

5. Definite lived intangible assets

The following is a summary of definite lived intangible assets at 31 December 2013 and 2012:

	2013	2012
Patents, gross	**$ 145,993**	$ 413,427
Less accumulated amortization	**(4,214)**	(310,923)
Patents, net	**141,779**	102,504
Licenses, gross	**30,000**	30,000
Less accumulated amortization	**(30,000)**	(30,000)
Licenses, net	**—**	—
Total definite lived intangible assets	**$ 141,779**	$ 102,504

During 2013, the Company retired $309,683 of fully amortized patent costs for which the underlying patents have expired. Patent amortization expense for 2013 was $2,975 (2012: $33,641; 2011: $33,641). Estimated amortization expense for 2014 is $nil. Gross patent costs include $141,779 that have not yet begun to amortize as the patent has not yet been issued. License amortization expense for 2013 was $nil (2012: $1,875; 2011: $1,875). There are no further expenses for licenses.

6. Prepaid expenses and other assets

Prepaid expenses and other assets include the following at 31 December 2013 and 2012:

	2013	2012
Prepaid insurance	**$ 23,758**	$ 25,449
Prepaid supplies	**16,525**	7,794
Prepaid professional services	**28,164**	23,979
Prepaid rent and lease deposits, short-term (Note 11)	**152,441**	69,882
Prepaid expenses and other assets	**$ 220,888**	$ 127,104
Long-term investment	**21,628**	21,628
Other assets	**$ 21,628**	$ 21,628

Long –term investment consists of 2,162,809 shares of common stock of A/F Protein, Inc. (AFP) with a cost basis of $21,628, which the Company believes to be the best estimate of market value. AFP and the Company have certain shareholders in common.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following at 31 December 2013 and 2012:

	2013	2012
Accounts payable	**$ 387,076**	$ 240,878
Accrued payroll including vacation	**194,824**	90,955
Accrued professional fees	**115,439**	87,846
Accrued other	**3,313**	11,000
Accrued taxes	**3,376**	5,170
Accounts payable and accrued liabilities	**$ 704,028**	$ 435,849

8. Long-term debt

The current terms and conditions of long-term debt outstanding at 31 December 2013 and 2012 are as follows:

Loan source	Amount	Interest rate	Monthly payment/ repayment terms	Maturity date	2013	2012
Term and bridge debt:						
EPEI loan	C$300,000	6.657%	C$3,738	December 2013	$ —	$ 42,714
ACOA loan	C$250,000	0%	C$2,315	December 2013	—	27,846
Intrexon bridge loan	US$500,000	3%	None	May 2013	—	200,000
Royalty-based financing:						
ACOA AIF grant	C$2,523,963	0%	Royalties	—	**2,359,653**	1,834,287
TPC funding	C$2,964,900	0%	Royalties	June 2014	—	200,620
Total debt					**2,359,653**	2,305,467
Less: current portion					—	(270,560)
Long-term debt					**$ 2,359,653**	$ 2,034,907

All term debt was repaid in full in 2013. The difference between 2012 balances and closing payoff amounts are due to foreign exchange adjustments.

Enterprise PEI (EPEI)
EPEI is a provincial government agency that provides funding to promote the growth and development of companies within the province of Prince Edward Island.

In August 2003, the Canadian subsidiary obtained a loan with EPEI in the amount of C$300,000. This loan was being repaid through monthly payments of principal and interest and was collateralized by a demand note executed by the Canadian Subsidiary. In addition, the loan provided additional collateralization including fixed or floating liens on substantially all of the Canadian Subsidiary's assets, including land, building and fixtures and accounts receivable, as well as an assignment of fire insurance. The loan was fully repaid upon maturity in December 2013.

Atlantic Canada Opportunities Agency (ACOA)
ACOA is a Canadian government agency that provides funding to support the development of businesses and to promote employment in the Atlantic region of Canada.

Term debt:
In October 2003, the Canadian Subsidiary obtained a loan with ACOA in the amount of C$250,000. The loan was being repaid through monthly payments of principal and was unsecured. The loan was fully repaid upon maturity in December 2013.

Royalty-based financing:
In January 2009, the Canadian Subsidiary was awarded a grant from ACOA to provide a contribution towards the funding of a research and development project. The total amount available under the award is C$2,871,900 which can be claimed over a five-year period. All amounts claimed by the Canadian Subsidiary must be repaid in the form of a 10% royalty on any products that are commercialized out of this research project, until the loan is fully paid. During 2013, the Canadian Subsidiary submitted a claim and received funds in the amount of C$695,344 (2012: C$678,504). No repayments have been made to date. Cumulative draws on this award aggregate C$2,523,963 and the remaining balance available under this award at 31 December 2013 is C$347,937.

Intrexon Corporation (Intrexon)
Intrexon is a public company specializing in next generation synthetic biology. In November 2012, Intrexon purchased the common shares of AquaBounty that had been previously held by Linnaeus Capital Partners, B.V. and thus became the majority shareholder in the Company.

In December 2012, Intrexon agreed to provide the Company with a $500,000 bridge loan to help fund operations until permanent financing could be completed. The loan could be drawn-down in increments of $100,000 and carried an interest rate of 3%. All funds borrowed, plus interest, were to be repaid from the proceeds of the Company's next fundraising, but no later than May 2013. As of 31 December 2012, the Company had borrowed $200,000 under this debt facility. In January and February 2013, the Company borrowed the additional $300,000 available under this debt facility. All amounts were repaid in full in March 2013, including accrued interest of $2,567.

Technology Partnership Canada (TPC)
TPC is a Canadian government agency that provides funding to promote economic growth and create jobs in Canada.

In November 1999, TPC agreed to provide funding up to C$2,964,900 to support the Canadian Subsidiary's efforts to develop commercial applications of its transgenic growth enhanced fin fish technology. Funding under the TPC funding agreement was completed in 2003. This amount is repayable to TPC in the form of a 5.2% royalty on revenues generated from the sale of transgenic based growth enhanced fin fish commercial products. However, the Canadian Subsidiary will have no further repayment obligations after 30 June 2014 even if the total amount has not been repaid as of such date. In 2011, management concluded that the probable amount owed would not exceed C$200,000 and the balance owed to TPC was adjusted to C$200,000 at that time. In 2013, management concluded that the probable amount owed would be $0 as no revenue would be generated to pay back the outstanding balance prior to the loan termination date. As a result, the balance owed to TPC was adjusted to $0 and the Company recognized a gain of C$200,000 in 2013 (US$186,980 after foreign exchange adjustment).

The Company recognized interest expense in 2013 of $3,877 (2012: $4,631; 2011: $6,895) on their interest-bearing debt.

9. Stockholders' equity

The Company is presently authorized to issue up to 240 million shares of stock, of which 40 million are authorized as preferred stock and 200 million as common stock. At 31 December 2013 the Company had nil shares (2012: nil) of preferred stock and 125,305,471 shares (2012: 102,255,688) of common stock, issued and outstanding.

Common stock
The holders of the common shares are entitled to one vote for each share held at all meetings of stockholders. Dividends and distribution of assets of the Company in the event of liquidation are subject to the preferential rights of any outstanding preferred shares. At 31 December 2013 the Company had reserved 6,624,000 shares of common stock for the exercise of options.

Recent issuances
On 1 July 2013 the Company issued 65,217 shares of common stock as part of the compensation package for the Chairman of the Board of Directors. The Company recorded a compensation charge of $22,812 in connection with the issuance.

In March 2013 the Company received proceeds of $4,000 in connection with the exercise of options to purchase 29,500 shares of common stock. In addition, the Company issued 71,771 shares of common stock in a cashless exercise of 132,500 options.

In February 2013 the Board approved a fundraising of approximately £3.9 million ($6.0 million) before expenses by means of a subscription for new common shares by certain existing shareholders. The subscription price was 16.89 pence per share ($0.2622) and the aggregate number of common shares subscribed was 22,883,295. The transaction closed on 15 March 2013 with net proceeds to the Company of $5.73 million.

On 2 July 2012 the Company issued 196,850 shares of common stock as part of the compensation package for the Chairman of the Board of Directors. The Company recorded a compensation charge in 2012 of $23,550 in connection with the issuance.

In January 2012 the Board approved a fundraising of approximately £1.26 million ($2.0 million) before expenses by means of a subscription for new common shares by certain existing shareholders. The subscription price was 3.79 pence per share ($0.0601) and the aggregate number of common shares subscribed was 33,277,870. The transaction closed on 22 March 2012 with net proceeds to the Company of $1.74 million.

On 1 July 2011 the Company issued 226,586 shares of common stock as part of the compensation package for the Chairman of the Board of Directors. The Company recorded a compensation charge in 2011 of $24,086 in connection with the issuance.

On 17 May 2011 the Company received proceeds of $3,873 in connection with the exercise of options to purchase 387,273 shares of common stock.

Stock options

In 1998 the Company established a stock option plan. This plan was superseded by the 2006 Equity Incentive Plan (the "Plan"). The Plan provides for the issuance of incentive stock options to employees of the Company and non-qualified stock options and awards of restricted and direct stock purchases to Directors, officers, employees and consultants of the Company.

The Company's option activity under the Plan is summarized as follows:

	Number of options	Weighted average exercise price
Outstanding at 31 December 2010	7,947,773	$0.20
Issued	945,500	0.21
Exercised	(387,273)	0.01
Expired	(151,000)	0.21
Outstanding at 31 December 2011	8,355,000	$0.21
Issued	72,000	0.12
Exercised	—	—
Expired	(1,225,000)	0.20
Outstanding at 31 December 2012	7,202,000	$0.28
Issued	596,000	0.27
Exercised	(162,000)	0.12
Expired	(1,012,000)	0.51
Outstanding at 31 December 2013	6,624,000	$0.25
Exercisable at 31 December 2013	6,052,000	$0.25

The following table summarizes information about options outstanding and exercisable at 31 December 2013:

Weighted average price of outstanding options	Number of options outstanding	Weighted average remaining estimated life (in years)	Number of options exercisable	Weighted average price of outstanding and exercisable options
$0.10	90,000	5.4	90,000	
$0.11	2,665,000	5.5	2,665,000	
$0.12	24,000	8.5	24,000	
$0.23	773,500	7.0	773,500	
$0.25	500,000	9.3	0	
$0.32	24,000	6.8	24,000	
$0.33	24,000	4.5	24,000	
$0.35	72,000	9.5	0	
$0.40	2,375,000	1.5	2,375,000	
$0.65	76,500	3.5	76,500	
	6,624,000		6,052,000	$ 0.25

Unless otherwise indicated, options issued to employees, members of the Board of Directors and non-employees are vested over one to three years and are exercisable for a term of ten years from the date of issuance.

The weighted average fair value of stock options granted in 2013 was $0.27 (2012: $0.12; 2011: $0.21). The total intrinsic value of options exercised in 2013 was $3,254 (2012: $nil; 2011: $54,218). At 31 December 2013, the total intrinsic value of all options outstanding was $3,756,724 (2012: $681,029) and the total intrinsic value of exercisable options was $3,440,172 (2012: $622,140).

The market values of stock option grants/modifications to employees, members of the Board of Directors and non-employees during 2013, 2012 and 2011 were measured on the date of grant/modification using Black-Scholes, with the following weighted average assumptions:

	2013	2012	2011
Expected volatility	**160%**	160%	177%
Risk-free interest rate	**1.05%**	0.60%	1.98%
Expected dividend yield	**0.0%**	0.0%	0.0%
Expected life (in years)	**5**	3-5	5

The risk-free interest rate is estimated using the Federal Funds interest rate for a period that is commensurate with the expected term of the awards. The expected dividend yield is zero because the Company has never paid a dividend and does not expect to do so for the foreseeable future. The expected life was based on a number of factors including historical experience, vesting provisions, exercise price relative to market price and expected volatility. The Company believes that all groups of employees demonstrate similar exercise and post-vesting termination behavior and, therefore, does not stratify employees into multiple groups. The expected volatility was estimated using the Company's historical price volatility over a period that is commensurate with the expected term of the awards.

Total share-based compensation on stock-option grants amounted to $119,331 in 2013 (2012: $300,758; 2011: $225,477). At 31 December 2013, the balance of unearned share-based compensation to be expensed in future periods related to unvested share-based awards is $97,394. The period over which the unearned share-based compensation is expected to be earned is approximately three years.

Recent issuances

During April 2013 the Company granted options to purchase 500,000 shares of common stock to certain executive officers and employees at an exercise price of $0.25. These options vest over a one-to-three year period.

During July 2013 the Company issued 96,000 options at an exercise price of $0.35 under the terms of its service agreement with Non-executive Directors. These options vest over a one-year period.

During July 2012 the Company issued 72,000 options at an exercise price of $0.12 under the terms of its service agreement with Non-executive Directors. These options vest over a one-year period.

At the Company's Annual General Meeting in July 2012, the shareholders approved a 3 year extension to the exercise term on 2,375,000 options belonging to previous Company Directors which were due to expire. In conjunction with the extension, the exercise price of the options was increased from $0.20 to $0.40. The Company recognized an immediate non-cash stock-based compensation charge of $202,987 in 2012 for this extension.

During January 2011 the Company granted options to purchase 801,500 shares of common stock to certain executive officers and employees at an exercise price of $0.23. These options vest over a one-to-three year period.

During July 2011 the Company issued 144,000 options at an exercise price of $0.11 under the terms of its service agreement with Non-executive Directors. These options vest over a one-year period.

Share-based compensation

The following table summarizes share-based compensation costs recognized in the Company's consolidated statements of operations for the years ended 31 December 2013, 2012 and 2011:

	2013	2012	2011
Research and development	**$6,454**	$3,721	$16,553
Sales and marketing	**17,645**	15,104	22,890
General and administrative	**118,044**	305,483	210,120
Total share-based compensation	**$142,143**	$324,308	$249,563

10. Income taxes

As at 31 December 2013 the Company has net domestic operating loss carryforwards of approximately $8.3 million to offset future federal taxable income, which expires at various times through the year 2031. The future utilization of the net operating loss and tax credit carryforwards, however, are subject to annual use limitations based on the change in stock ownership rules of Internal Revenue Code Sections 382 and 383. The Company experienced a change in ownership under these rules during 2012 and revised its calculation of net operating loss carryforwards based on annual limitation rules. The Company also has foreign net operating loss carryforwards in the amount of approximately $4.1 million and federal R&D tax credits of approximately $2.7 million at 31 December 2013, which expire at various times through 2031. Since the Company has incurred only losses from inception and there is uncertainty related to the ultimate use of the loss carryforwards and tax credits, a valuation allowance has been recognized to offset the Company's deferred tax assets.

Significant components of the Company's deferred tax assets and liabilities are as follows:

	2013	2012
Deferred tax assets (liabilities):		
Net operating loss carryforwards	**$4,571,597**	$3,653,409
Federal research and development tax credit carryforwards	**3,010,329**	3,098,157
Property and equipment	**427,454**	456,008
Accounts receivable and other	**400**	400
Stock options	**695,417**	882,600
Accrued royalties	**56,094**	—
Accrued vacation	**24,708**	21,777
Accrued compensation	**34,475**	—
Capital loss carryforwards	**—**	63,214
Intangible assets	**(164,002)**	(136,798)
Total deferred tax assets	**8,656,472**	8,038,767
Valuation allowance	**(8,656,472)**	(8,038,767)
Net deferred tax assets	**$—**	$—

The valuation allowance increased by $617,705 during 2013 and decreased by $11,036,117 during 2012. The increase in 2013 was due primarily to an increase in deferred tax assets for net operating loss carryforwards offset by a decrease in federal research and development tax credit carryforwards and capital loss carryforwards as well as a decrease in stock options. The 2012 decrease was due primarily to a decrease in deferred tax assets for expired net operating loss carryforwards.

11. Commitments and contingencies

The Company recognizes and discloses commitments when it enters into executed contractual obligations with other parties. The Company accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Lease commitments

In 2008 the Company established a subsidiary in Panama for the purpose of conducting commercial field trials of one of its products. The Company entered into a land lease agreement for a term of five years commencing 1 October 2008. Under the terms of the lease, the Company agreed to pay for improvements to the site in lieu of rent. The Company incurred costs of $346,735 for the site improvements during 2008 and these costs were amortized to rent expense over the term of the lease. These fully amortized leasehold improvements were turned over to the landowner upon expiration of the initial lease in 2013. In June 2013, the Company entered into a new lease with the landowner to lease the site for an additional two years. Under the terms of the new lease agreement, the Company will make payments totalling $712,834 over the term of the agreement, including $316,800 representing rental payments and $396,034 representing a management fee as all management services and operational expenses of the site were turned over to the landowner. Payments are due in monthly installments and a prepayment of $180,000 was made in 2013 under the terms of the agreement.

In February 2012, the Company signed a one-year lease for office space in Maynard, Massachusetts for its corporate headquarters for a total of $17,901. In March 2013, this lease was extended for an additional three years at a total cost of $59,670.

Total rent expense, including the management fee of the Panama site, under non-cancelable operating leases in 2013 was $165,170 (2012: $117,162; 2011: $192,154). Future minimum commitments under its operating leases are as follows:

Year ended 31 December	Amount
2014	$ 379,641
2015	290,636
2016	5,221
Lease commitments	$ 675,498

License agreements
The Company was a party to a license agreement with Genesis Group, Inc. related to the Company's transgenic fish program. Under the terms of this agreement, the Company was required to make an annual royalty payment of $25,000 or revenue-based royalty payments equal to 5% of any gross revenues generated from products that utilize the technology covered under the license agreement.

No revenue-based royalty payments have been made to date. In consideration for a worldwide, royalty-free, fully paid up, sub-licensable, assignable, non-exclusive right and license to the transgenic fish technology, the Company agreed to pay to Genesis Group, Inc. a one-time payment of C$150,000 (US$140,235). This amount is included as a component of accounts payable and accrued liabilities at 31 December 2013.

Royalty obligations
As discussed in Note 8, the Canadian Subsidiary is obligated to pay royalties to TPC in an amount equal to 5.2% of gross sales generated from the sale of any growth enhanced transgenic-based fin fish commercial products. Such royalties are payable until the earlier of: (i) 30 June 2014; or (ii) until cumulative royalties of C$5,750,000 have been paid. No royalty payments have been made to date.

As discussed in Note 8, the Canadian subsidiary is obligated to pay royalties to ACOA in an amount equal to 10% of gross sales generated from the sale of any new products that are developed through the research project that is being co-funded by ACOA. This royalty is for the repayment of the funds contributed by ACOA to the Canadian Subsidiary through the AIF grant. The first scheduled repayment is 30 June 2015 and subsequent repayments are due annually until the full balance of the contributed funds is paid. Total amount outstanding at 31 December 2013 is C$2,523,963 (US$2,359,653) and the maximum amount available under the grant is C$2,871,900.

Employment agreements
The Company has employment agreements with certain of its officers. The agreements provide for base pay and benefits, as defined. Under certain circumstances of termination, the Company must make severance payments.

Bonus obligation
The Company is obligated to pay a bonus to its Chief Executive Officer of $80,062 upon the successful approval of its AquAdvantage® Salmon New Animal Drug Application by the Food and Drug Administration. The Company has recorded an accrual for this bonus as of 31 December 2013 based on management's expectation regarding payment.

12. Retirement plan

The Company has a savings and retirement plan for its US employees which qualifies under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees and provides for voluntary contributions by participating employees up to the maximum contribution allowed under the Internal Revenue Code. Contributions by the Company can be made, as determined by the Board of Directors, provided the amount does not exceed the maximum permitted by the Internal Revenue Code. Company contributions made and expensed in operations in connection with the plan during the year ended 31 December 2013 amounted to $21,788 (2012: $24,851; 2011: $31,860). The Company also has a Registered Retirement Savings Plan for its Canadian employees. Company contributions made and expensed in operations in connection with the plan during the year ended 31 December 2013 amounted to $14,312 (2012: $13,730; 2011: $16,636).

13. Contract Research Agreement

In March 2012, and in connection with the restructuring (Note 1), the Company executed a contract research agreement with Tethys Aquaculture Canada Inc. ("TAC"), to provide AquaBounty with the resources required for its ongoing development needs. Under the terms of the extended agreement, TAC will provide services to the Company through 1 April 2014. Total costs incurred under the terms of this agreement amounted to $386,806 in 2013 (2012: $260,798) and is included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss.

14. Exclusive Channel Collaboration Agreement

In February 2013, the Company entered into an Exclusive Channel Collaboration agreement ("ECC") with Intrexon Corporation, its majority shareholder, pursuant to which the Company will use Intrexon's UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC, which can be terminated by the Company upon 90 days written notice, grants the Company a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale and offer for sale of products involving DNA administered to finfish for human consumption. Such license is exclusive with respect to any clinical development, selling, offering for sale or other commercialization of developed products, and otherwise is non-exclusive.

Under the ECC and subject to certain exceptions, the Company is responsible for, among other things, the performance of the program, including development, commercialization and certain aspects of manufacturing developed products. Among other things, Intrexon is responsible for the costs of establishing manufacturing capabilities and facilities for the bulk manufacture of certain products developed under the program, certain other aspects of manufacturing, costs of discovery-stage research with respect to platform improvements and costs of filing, prosecution and maintenance of Intrexon's patents.

The Company will pay Intrexon quarterly 16.66% of the gross profits calculated under the terms of the agreement for each developed product. The Company has likewise agreed to pay Intrexon 50% of quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, the Company will reimburse Intrexon for the costs of certain services provided by Intrexon. Total Intrexon service costs incurred under the terms of this agreement amounted to $453,304 in 2013, of which $106,647 is included in accounts payable and accrued liabilities at 31 December 2013, and is included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss.

15. Subsequent events

The Company has evaluated events occurring subsequent to 31 December 2013, identifying those that are required to be disclosed as follows:

In January 2014, the Board approved a fundraising of $10.0 million before expenses by means of a subscription for new common shares by the Company's majority shareholder, Intrexon Corporation. The subscription price was $0.5252 per share and the aggregate number of common shares subscribed was 19,040,366. The transaction closed on 20 March 2014 with net proceeds to the Company of approximately $9.7 million.

There were no other subsequent events that require adjustment to or disclosure in the financial statements.

EXHIBIT 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AQUABOUNTY TECHNOLOGIES, INC.

AQUABOUNTY TECHNOLOGIES, INC., a corporation organized and existing under the laws of the state of Delaware (the "Corporation") hereby certifies that:

1. The name of the Corporation is AquaBounty Technologies, Inc.

2. The date of filing of the Corporation's original Certificate of Incorporation was December 17, 1991.

3. The Amended and Restated Certificate of Incorporation of the Corporation as provided in Exhibit A hereto was duly adopted in accordance with the provisions of Section 242 and Section 245 of the General Corporation Law of the State of Delaware by the Board of Directors of the Corporation.

4. Pursuant to Section 245 of the Delaware General Corporation Law, approval of the stockholders of the Corporation has been obtained.

5. The Amended and Restated Certificate of Incorporation so adopted reads in full as set forth in Exhibit A attached hereto and is hereby incorporated by reference.

IN WITNESS WHEREOF, the undersigned have signed this certificate this 14th day of March 2006, and hereby affirm and acknowledge under penalty of perjury that the filing of this Amended and Restated Certificate of Incorporation is the act and deed of AquaBounty Technologies, Inc.

Effective as of March 17, 2006.

AQUABOUNTY TECHNOLOGIES, INC.:

/s/ Elliot Entis
Elliot Entis
President

ATTEST:

/s/ Richard John Clothier
Name: Richard John Clothier
Title: Chairman

EXHIBIT A

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AQUABOUNTY TECHNOLOGIES, INC.

1. The name of this corporation is AquaBounty Technologies, Inc. (the "Corporation").

2. The address, including street, number, city and county of the registered officer of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 in the county of New Castle; and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

3. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

4. (a) The Corporation is authorized to issue two (2) classes of stock to be designated Common Stock and Preferred Stock. The Corporation is authorized to issue Two Hundred Million (200,000,000) shares of Common Stock, with a par value of One Tenth of One Cent ($0.001) per share, and Forty Million (40,000,000) shares of Preferred Stock, with a par value of One Cent ($0.01) per share.

(b) The Preferred Stock may be issued in any number of series, as determined by the Corporation's board of directors (the "Board of Directors"). The Board of Directors is hereby authorized to issue the shares of Preferred Stock in such series and to fix from time to time before issuance the number of shares to be included in any such series and the designation, relative powers, preferences, and rights and qualifications, limitations, or restrictions of all shares of such series. The authority of the Board with respect to each such series will include, without limiting the generality of the foregoing, the determination of any or all of the following:

(i) the number of shares of any series and the designation to distinguish the shares of such series from the shares of all other series;

(ii) the voting powers, if any, and whether such voting powers are full or limited in such series;

(iii) the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid;

(iv) whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates and preferences of dividends on such series;

(v) the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Corporation;

(vi) the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock, or any other security, of the Corporation or any other corporation or other entity, and the price or prices or the rates of exchange applicable thereto;

(vii) the right, if any, to subscribe for or to purchase any securities of the Corporation or any other corporation or other entity;

(viii) the provisions, if any, of a sinking fund applicable to such series; and

(ix) any other relative, participating, optional, or other special powers, preferences, rights, qualifications, limitations, or restrictions thereof;

all as may be determined from time to time by the Board of Directors and stated in the resolution or resolutions providing for the issuance of such Preferred Stock.

(c) So long as the Corporation's Common Stock is listed for trading on AIM, a market operated by the London Stock Exchange in the United Kingdom ("AIM"), save as otherwise approved by a resolution passed by at least 75% of the voters having voting power present in person or represented by proxy at any duly noticed and convened meeting of stockholders and subject to the exceptions set forth below, the Corporation shall not sell its shares of Common Stock to any person for cash unless it shall first have made an offer to each holder of Common Stock to sell to him on the same or more favorable terms a proportion of those shares which is as nearly as practical equal to the proportion in nominal value of shares held by him on the record date for any such sale of the aggregate of all such shares, but subject to such exclusions or other arrangements as the Board of Directors may deem necessary, appropriate or expedient in their exclusive discretion to deal with fractional entitlements or legal or practical problems under the laws of or the requirements of any regulatory authority or stock exchange in any jurisdiction (these exclusions shall include, without limitation, the exclusion from any pre-emptive offer of any US Persons (as defined by Securities Act of 1933, as amended); provided, however, that these pre-emption rights shall not apply with respect to:

(i) the sale for cash of any Common Shares which when aggregated with all other such sales in the relevant calendar year do not exceed 10% of the outstanding Common Shares as of the first day of the relevant calendar year;

(ii) options or shares previously or to be granted to employees, officers, directors, consultants, contractors or advisors under, and the issuance of shares pursuant to benefits granted under, the Corporation's AquaBounty 2006 Equity Incentive Plan or any stock option or incentive plan heretofore or hereafter adopted by the Corporation;

(iii) shares issued upon exercise of any current outstanding warrants or options or upon conversion of any convertible preferred stock;

(iv) shares issued upon exercise of any warrants granted in connection with business transactions of the Corporation in the ordinary course (including, without limitation, to lessors, financial institutions, vendors and research and development joint venture partners);

(v) shares issued as a dividend or distribution payable in shares of Common Stock pro rata to all shareholders;

(vi) shares issued upon any subdivision or combination or reclassification of shares of Common Stock; and

(vii) shares issued for or in connection with the purchase or acquisition of the stock, business or assets of one or more other persons, or in connection with a merger of the Corporation with or into one or more other persons or any similar business combination or acquisition.

The provisions of this Section 4(c) shall cease to apply as soon as any securities of the Corporation become listed on any stock exchange outside of the United Kingdom.

(d) The Corporation shall nor issue, redeem or repurchase any shares of Common Stock or Preferred Stock, except an issuance of shares of Common Stock pursuant to the Corporation's stock option or incentive plans as described in Section 4(c)(ii), without first obtaining (a) the affirmative vote of the holders of 65 percent of the shares of Common Stock represented (in person or by proxy) at a meeting of the stockholders duly called and held. or (b) the written consent of the holders of 65 percent of the Common Stock then outstanding.

5. For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

(a) (i) The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by the Board of Directors in accordance with the Bylaws of the Corporation.

(ii) Notwithstanding the foregoing provisions of this Section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(iii) The Board of Directors or any individual director may be removed from office at any time with cause by the affirmative vote of the holders of a majority of the Common Stock.

(iv) Newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board resulting from death, resignation, disqualification, removal, or other cause will be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board, or by a sole remaining Director. No decrease in the number of Directors constituting the Board will shorten the term of an incumbent Director.

(b) (i) As of the effective date of the listing of the Corporation's Common Stock on AIM (the "Initial Public Offering"), the Bylaws may be altered or amended or new Bylaws adopted by the affirmative vote of a majority of the voting power of all of the then-outstanding shares of the Corporation with the right to vote on such matters. The Board of Directors shall also have the power to adopt, amend, or repeal Bylaws.

(ii) The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

(iii) Following the closing of the Initial Public Offering, no action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws and no action shall be taken by the stockholders by written consent.

(iv) Special meetings of the stockholders of the Corporation (i) may be called by the Chairman of the Board of Directors or the Chief Executive Officer, and (ii) shall be called by the Chief Executive Officer or Secretary at the request in writing of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such written request is made by the Board of Directors) or the holders of not less than a majority of the outstanding Common Stock.

(v) Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

(c) (i) The Board of Directors of the Corporation shall not declare or pay a dividend or other cash distribution upon the shares of capital stock of the Corporation without first obtaining (a) the affirmative vote of the holders of 65 percent of the shares of Common Stock represented (in person or by proxy) at a meeting of the .stockholders duly called and held, or (b) the written consent of the holders of 65 percent of the shares of Common Stock then outstanding.

(ii) The Corporation shall not incur Indebtedness, other than Indebtedness incurred to provide working capital for use in the ordinary course of business of the Corporation or its subsidiaries, without first obtaining (a) the affirmative vote of the holders of 65 percent of the shares of Common Stock represented (in person or by proxy) at a meeting of the stockholders duly called and held, or (b) the written consent of the holders of 65 percent of the Common Stock then outstanding. For the purposes of this Section, "Indebtedness" shall mean obligations for borrowed money in the nature of borrowings (including, without limitation, bonds, debentures, notes and sale and leaseback arrangements), but excluding, for the avoidance of doubt, trade or other accounts payable.

6. (a) To the fullest extent permitted by the DGCL or any other laws presently or hereinafter in effect, directors of the corporation shall have no personal liability to the corporation or its stockholders for monetary damages for or with respect to any acts or omissions in the performance of such persons duties as a director of the corporation, except to the extent now or hereafter required by law.

(b) Each person who is or was or had agreed to become a director or officer of the corporation, or each such person who is or was serving or who had agreed to serve at the request of the board of directors or an officer of the corporation as an employee or agent of the corporation or as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including the heirs, executors, administrators or estate of such person), shall be indemnified by the corporation to the full extent permitted by the DGCL or any other applicable laws as presently or hereafter in effect. Such indemnification is not exclusive of any other right to indemnification provided by law or otherwise. The right to indemnification conferred by this paragraph shall be deemed to be a contract between the corporation and each person referred to herein.

(c) No amendment to or repeal of the provisions of this Section 6 shall apply to or have any effect on the liability or alleged liability of any person for or with respect to any acts or omissions of such person occurring prior to such amendment.

7. From the date of an IPO, subject to subsection (q) of this Section 7, for so long as the Corporation has any shares of its capital stock listed on the London Stock Exchange or AIM in the United Kingdom (or any successor to either of them), the following provisions shall be in effect:

(a) In subsections (b) through (q) of this Section 7, the following words and expressions have the meanings set forth below:

“AIM” means a market operated by the London Stock Exchange;

“acting in concert” means actively co-operating, pursuant to an agreement or understanding (whether formal or informal), through the acquisition of securities of the Corporation, to obtain or consolidate Control (as defined below) of the Corporation;

“beneficial ownership” means, with respect to a security, sole or shared voting power (which includes the power to vote, or to direct the voting of, such security) and/or investment power (which includes the power to dispose, or to direct the disposition of, such security), whether direct or indirect, and whether through any contract, arrangement, understanding, relationship, or otherwise;

“Control” means a holding or aggregate holdings of securities representing 30% or more of the Voting Rights of the Corporation, irrespective of whether the holding or holdings gives de facto control;

“Exchange Act” means the Securities Exchange Act of 1934, as amended;

“interest” in a person means beneficial ownership of any securities of such person;

"Offer" means a written offer made in accordance with subsections (b) and (d) through (h) of this Section 7 and may, subject to subsections (b) and (d) through (h), include an offer to consummate a takeover, merger or consolidation transaction, however effected, including a reverse takeover, partial offer, tender offer, Court scheme or offer by a parent company for stock in its subsidiary;

"Offeror" has the meaning given to it in subsection (b) of this Section 7 and includes persons wherever organised or resident;

"Offer period" means the period from the time when an announcement is made of a proposed or possible Offer (with or without terms) until the first closing date or, if later, the date when the Offer becomes or is declared unconditional as to acceptances or lapses. An announcement that a holding, or aggregate holdings, of stock carrying 30% or more of the Voting Rights of the Corporation is for sale or that the Board of Directors is seeking potential offers to acquire Control of the Corporation will be treated as the announcement of a possible Offer for purposes of determining the applicable Offer Period;

"person" means any individual, firm, partnership, association, corporation or other entity;

"public disclosure" means disclosure in a press release reported by the Dow Jones News Service, Associated Press, Reuters, Bloomberg or comparable national or international news service or in a document filed by the Company with AIM (if the Corporation's shares are listed on AIM at such time) or the Securities and Exchange Commission pursuant to the Exchange Act (if the Company is then a U.S. Reporting Company) or furnished to all stockholders;

"US Reporting Company" means a person with class of equity securities registered under the Exchange Act, as amended; and

"Voting Rights" means the votes represented by the issued and outstanding securities of the Corporation that give their holders the right to vote at meetings of stockholders.

(b) When:

(i) any person acquires, whether by a series of transactions over a period of time or not, securities which (taken together with securities held or acquired by persons acting in concert with such person) represent 30% or more of the Voting Rights; or

(ii) any person that, together with persons acting in concert with such person, holds not less than 30% but not more than 50% of the Voting Rights acquires, together with persons acting in concert with such person, in any period of 12 months, additional securities,

then such person and, if applicable, each person acting in concert with such person (collectively "the Offeror") shall extend an Offer, on the basis set out in subsections (d) through (h) of this Section 7, to the holders of all issued and outstanding capital stock of the Corporation. Offers for different classes of capital stock must be comparable.

(c) The taking of an option to acquire securities will be deemed to constitute the acquisition of securities giving rise to the obligation to make an Offer under subsection (b) of this Section 7 where the relationship and arrangements between the parties concerned is such that effective Control of the Corporation has passed to the taker of the option. The acquisition of Voting Rights, or general control of them, as distinct from the associated securities, itself will be deemed to be an acquisition of the associated securities.

(d) Each member of a group of persons acting in concert that constitutes an Offeror will have a joint and several obligation to extend an Offer.

(e) In respect of any Offer(s) made under subsection (b) of this Section 7:

(i) such Offer(s) must be conditional only upon the Offeror having received acceptances in respect of securities which, together with securities acquired or agreed to be acquired before or during the Offer, will result in the Offeror holding securities representing more than 50% of the Voting Rights; and

(ii) no acquisition of securities which would give rise to the obligation to make an Offer under subsection (b) of this Section 7 may be made if the making or implementation of such Offer would or might be dependent on the passing of a resolution at any meeting of stockholders of the Offeror or upon any other condition, consent or arrangement.

(f) An Offer must be unconditional if the Offeror holds securities representing more than 50% of the Voting Rights before the Offer is made.

(g) An Offer must, in respect of each class of capital stock, be in cash (or be accompanied by a cash alternative) at not less than the highest price paid by the Offeror for capital stock of that class during the Offer period and within 12 months prior to its commencement. The cash offer or the cash alternative must remain open after the Offer has become or is declared unconditional as to acceptances for not less than 14 days after the date on which it would otherwise have expired. An Offer must be made in writing and publicly disclosed, and must be open for acceptance for a period of not less than 30 days.

(h) When capital stock of the Corporation has been acquired for consideration other than cash, the Offer must nevertheless be in cash or be accompanied by a cash alternative of at least equal value, which value must be determined by an independent valuation.

(i) In calculating the price paid for capital stock of the Corporation, stamp duty and broker’s commission, if any, shall be excluded.

(j) If capital stock of the Corporation has been acquired in exchange for listed securities, the price paid for such capital stock will be established by reference to the closing price of such listed securities on the applicable market on the date of such acquisition.

(k) If Common Stock of the Corporation is listed on AIM and has been acquired by the conversion or exercise (as applicable) of convertible securities, warrants, options or other subscription rights, the price paid for such common stock will normally be established by reference to the middle market price of such common stock on AIM at the close of business

on the day on which the relevant exercise or conversion notice was submitted. If, however, the convertible securities, warrants, options or subscription rights were acquired during the Offer period or within 12 months prior to its commencement, they will be treated as if they were purchases of the underlying common stock at a price equal to the sum of the purchase price of such convertible securities, warrants, options or other subscription rights plus the relevant conversion or exercise price paid (or if such convertible securities, warrants, options or other subscription rights have not yet been converted or exercised, the maximum conversion or exercise price payable under the relevant conversion or exercise terms).

(l) In the event that any Director of the Corporation (or any of his or her affiliates) sells stock to a purchaser as a result of which the purchaser is required to make an Offer under subsection (b) of this Section, such Director must ensure that as a condition of the sale the purchaser undertakes to fulfil its obligations under subsection (b) of this Section 7. In addition, subject to subsection (p) of this Section 7, such Director shall not resign from the Board of Directors until the first closing date of the Offer or the date when the Offer becomes or is declared wholly unconditional, whichever is the later.

(m) No Offeror or nominee of an Offeror may be appointed to the Board of Directors, nor may an Offeror exercise the Voting Rights represented by the securities of the Corporation held by such Offeror, until public disclosure of the Offer has been made.

(n) If an issue of new securities by the Corporation as consideration for an acquisition or a cash subscription would otherwise result in an obligation to make an Offer under subsection (b) of this Section 7, the obligation may be waived by an independent vote of the stockholders not affiliated or acting in concert with the allottees of the new securities. The requirement for an Offer under subsection (b) of this Section 7 may also be waived by the consent of the holders of a majority of the Voting Rights of those persons who are not the proposed allottee(s) of the relevant new securities (nor affiliated or acting in concert with such proposed allottee(s)). If an underwriter incurs an obligation under subsection (b) of this Section 7 unexpectedly, for example as a result of an inability to complete a distribution of securities of the Corporation, this obligation may be waived by the consent of the holders of a majority of the Voting Rights of those persons who are not the underwriter(s) (nor affiliated or acting in concert with such underwriter(s)).

(o) If an Offeror shall fail to comply with subsection (b) and (e) through (h) of this Section 7, or shall fail to comply with such Offeror's obligations under the Offer, and shall persist in such failure after written notice from the Corporation to such person or persons, the Board of Directors may:

(i) make an award for costs against the Offeror;

(ii) direct that the Offeror shall not be entitled to exercise any Voting Rights; or

(iii) direct that no dividends shall be paid in respect of all or any of the capital stock of the Corporation held by the Offeror.

The restrictions in subsection (o)(ii) and (o)(iii) above may be lifted at the discretion of the Board of Directors, and shall be lifted when (i) the capital stock subject to such restrictions is proved to the reasonable satisfaction of the Board of Directors to have been sold to a new beneficial owner that is not affiliated or acting in concert with the Offeror, (ii) such capital stock has been sold pursuant to an Offer made to all holders of capital stock of the Corporation on terms which do not differentiate between such holders or (iii) the provisions of this Section 7 relating to the Offer or, as the case may be, the Offeror's obligations under the Offer, have been complied with in full.

(p) If a Director is affiliated with an Offeror, he or she shall forthwith vacate his or her office if his or her resignation is requested by notice tendered at a meeting of the Board by all other Directors who are not so affiliated. For purposes hereof, like notices signed by each such Director shall be effective as a single notice signed by all such Directors.

(q) The provisions of subsections (a) through (p) of this Section 7 shall cease to apply as soon as any securities of the Corporation become listed on any stock exchange outside the United Kingdom.

8. (a) The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in subsection (b) of this Section 8, and all rights conferred upon the stockholders herein are granted subject to this reservation.

(b) Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, following the Initial Public Offering the affirmative vote of a majority of the voting power of all of the then-outstanding shares of the Common Stock, voting together as a single class, shall be required to alter, amend or repeal Sections 5, 6, 7 and 8 (other than any amendment of such Sections in connection with a restatement of the Certificate of Incorporation). Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of 65 percent of the voting power of all the then-outstanding shares of the Common Stock, voting together as a single class, shall be required to alter, amend or repeal Section 4(a), Section 4(d), Section 5(a)(i) or Section 5(c).

FORM OF SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AQUABOUNTY TECHNOLOGIES, INC.

AQUABOUNTY TECHNOLOGIES, INC., a corporation organized and existing under the laws of the state of Delaware (the "Corporation") hereby certifies that:

1. The name of the Corporation is AquaBounty Technologies, Inc.

2. The date of filing of the Corporation's original Certificate of Incorporation was December 17, 1991 and was amended and restated on March 17, 2006 (as amended and restated, the "Original Certificate").

3. The Second Amended and Restated Certificate of Incorporation, which restates, integrates and further amends the Original Certificate as provided in Exhibit A hereto, has been duly adopted in accordance with the provisions of Section 242 and Section 245 of the General Corporation Law of the State of Delaware (the "DGCL") by the Board of Directors of the Corporation.

4. Pursuant to Section 245 of the DGCL, approval of the stockholders of the Corporation has been obtained.

5. The Second Amended and Restated Certificate of Incorporation so adopted reads in full as set forth in Exhibit A attached hereto and is hereby incorporated by reference.

IN WITNESS WHEREOF, the undersigned have signed this certificate this __th day of____ 2014, and hereby affirm and acknowledge under penalty of perjury that the filing of this Second Amended and Restated Certificate of Incorporation is the act and deed of AquaBounty Technologies, Inc.

Effective as of_____.

AQUABOUNTY TECHNOLOGIES, INC.:

Ronald L. Stotish
President

ATTEST:

Name: Richard John Clothier
Title: Chairman

EXHIBIT A

SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AQUABOUNTY TECHNOLOGIES, INC.

1. The name of this corporation is AquaBounty Technologies, Inc. (the "Corporation").

2. The address, including street, number, city and county of the registered officer of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 in the county of New Castle; and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

3. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware or any applicable successor act thereto, as the same may be amended from time to time (the "DGCL").

4. (a) The Corporation is authorized to issue two (2) classes of stock to be designated Common Stock and Preferred Stock. The Corporation is authorized to issue Two Hundred Million (200,000,000) shares of Common Stock, with a par value of One Tenth of One Cent ($0.001) per share, and Forty Million (40,000,000) shares of Preferred Stock, with a par value of One Cent ($0.01) per share.

(i) Reverse Stock Split. Effective upon the close of trading of the Company's Common Stock on the AIM Market of the London Stock Exchange (the "Closing Time") on the date on which the Registration Statement on Form 10 (File No. [_____]) originally filed by the Corporation on [_____], 2014 becomes effective (the "Effective Date"), without any further action on the part of any stockholders of the Corporation, a reverse stock split of the Corporation's outstanding Common Stock shall be effected whereby each ten (10) shares of issued and outstanding Common Stock shall be reconstituted and exchanged for one (1) share of Common Stock (the "Reverse Stock Split").

(ii) No Fractional Shares. No fractional shares of Common Stock shall be issued as a result of the Reverse Stock Split. A holder of Common Stock at the Effective Time who would otherwise be entitled to a fraction of a share as a result of the Reverse Stock Split shall, in lieu thereof, be entitled to receive a cash payment in an amount equal to the fraction to which the stockholder would otherwise be entitled multiplied by the per share fair market value of such Common Stock on the Effective Date, deemed to be equal for purposes hereof to the closing price of the Company's Common Stock on the AIM Market of the London Stock Exchange at the Closing Time on the Effective Date.

(b) The Preferred Stock may be issued in any number of series, as determined by the Corporation's board of directors (the "Board of Directors"). The Board of Directors is hereby authorized to issue the shares of Preferred Stock in such series and to fix from time to time before issuance the number of shares to be included in any such series and the designation, relative powers, preferences, and rights and qualifications, limitations, or restrictions of all shares of such series. The authority of the Board of Directors with respect to each such series will include, without limiting the generality of the foregoing, the determination of any or all of the following:

(i) the number of shares of any series and the designation to distinguish the shares of such series from the shares of all other series;

(ii) the voting powers, if any, and whether such voting powers are full or limited in such series;

(iii) the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid;

(iv) whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates and preferences of dividends on such series;

(v) the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Corporation;

(vi) the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock, or any other security, of the Corporation or any other corporation or other entity, and the price or prices or the rates of exchange applicable thereto;

(vii) the right, if any, to subscribe for or to purchase any securities of the Corporation or any other corporation or other entity;

(viii) the provisions, if any, of a sinking fund applicable to such series; and

(ix) any other relative, participating, optional, or other special powers, preferences, rights, qualifications, limitations, or restrictions thereof;

all as may be determined from time to time by the Board of Directors and stated in the resolution or resolutions providing for the issuance of such Preferred Stock.

(c) Subject to the rights of the holders of any series of Preferred Stock, the number of authorized shares of any of the Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL, and no vote of the holders of any of the Common Stock or Preferred Stock voting separately as a class shall be required therefor.

5. For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

(a) (i) The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors which shall constitute the whole Board of Directors shall be fixed by the Board of Directors in accordance with the bylaws of the Corporation (the "Bylaws").

(ii) Subject to the rights of holders of any series of Preferred Stock, holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. The term of each director shall be one year and shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, disqualification, resignation or removal.

(iii) Subject to the rights of the holders of any series of Preferred Stock, the Board of Directors or any individual director may be removed from office at any time (i) with cause by the affirmative vote of the holders of at least a majority of the voting power of the then outstanding voting stock of the Corporation entitled to vote thereon (the "Voting Stock") or (ii) without cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the then outstanding shares of Voting Stock.

(iv) Subject to the rights of holders of any series of Preferred Stock, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, disability, resignation, disqualification, removal, or other cause will be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director. No decrease in the number of directors constituting the Board of Directors will shorten the term of an incumbent director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall hold office for the remaining term of his or her predecessor.

(b) (i) Notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by the certificate of designation of a series of Preferred Stock, the Bylaws may also be amended, altered or repealed and new Bylaws may be adopted by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) in voting power of the stock of the Corporation entitled to vote thereon. In furtherance and not in

limitation of the powers conferred upon it by law, the Board of Directors is expressly authorized and empowered to adopt, amend and repeal the Bylaws by the affirmative vote of a majority of the total number of directors present at a regular or special meeting of the Board of Directors at which there is a quorum or by written consent.

(ii) The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

(iii) Subject to the terms of any series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders called in accordance with the Bylaws and no action may be taken by the stockholders by written consent in lieu of a meeting.

(iv) Special meetings of the stockholders of the Corporation (i) may be called by the Chairman of the Board of Directors or the Corporation's Chief Executive Officer, and (ii) shall be called by the Corporation's Chief Executive Officer or Secretary at the request in writing of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such written request is made by the Board of Directors), and may not be called by another other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

(v) Advance notice of stockholder nominations for the election of directors and of other business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

6. (a) To the fullest extent permitted by the DGCL or any other laws presently or hereinafter in effect, directors of the Corporation shall have no personal liability to the Corporation or its stockholders for monetary damages for or with respect to any acts or omissions in the performance of such person's duties as a director of the Corporation, except to the extent now or hereafter required by law; provided, however, that nothing contained in this Section 6(a) shall eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to the provisions of Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. No repeal or modification of this Section 6(a) shall apply to or have any adverse effect on any right or protection of, or any limitation of the liability of, a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification. If the Delaware DGCL is amended after approval by the stockholders of this Section 6(a) to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

(b) The Corporation may indemnify, and advance expenses to, to the fullest extent permitted by law, any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that the person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(c) No amendment to or repeal of the provisions of this Section 6 shall apply to or have any effect on the liability or alleged liability of any person for or with respect to any acts or omissions of such person occurring prior to such amendment.

7. (a) The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in subsection (b) of this Section 7, and all rights conferred upon the stockholders herein are granted subject to this reservation.

(b) Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of a majority of the voting power of the stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to alter, amend or repeal any provision of this Certificate of Incorporation, or to adopt any new provision of this Certificate of Incorporation. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to alter, amend or repeal Section 5(a), Section 5(b)(i), Section 5(b)(iii), Section 5(b)(iv), Section 6(a), Section 6(b), Section 8 and this sentence of this Certificate of Incorporation (other than any amendment of such Sections and this sentence in connection with a restatement of the Certificate of Incorporation), or in each case, the definition of any capitalized terms used therein or any successor provision (including, without limitation, any such article or section as renumbered as a result of any amendment, alteration, change, repeal or adoption of any other provision of this Certificate of Incorporation).

8. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL, or (4) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.

9. The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any stockholder of the Corporation or any partner, member, director,

stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

10. The Corporation shall not be subject to the provisions of Section 203 of the DGCL (Business Combination with Interested Stockholders). This Article shall be amended only by the affirmative vote of a majority of the Corporation's stockholders entitled to vote on such matter.

EXHIBIT 3.3

AQUABOUNTY TECHNOLOGIES INC.

AMENDED AND RESTATED BYLAWS

As Adopted and in
Effect as of March 17, 2006

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STOCKHOLDERS' MEETINGS

1. Time and Place of Meetings. All meetings of the stockholders for the election of Directors or for any other purpose will be held at such time and place, within or without the State of Delaware, as may be designated by the Board of Directors (the "Board") of Aquabounty Technologies Inc. (the "Company") or, in the absence of a designation by the Board, the Chairman of the Board (the "Chairman"), the Chief Executive Officer, or the Secretary, and stated in the notice of meeting. Notwithstanding the foregoing, the Board may, in its sole discretion, determine that meetings of the stockholders shall not be held at any place, but may instead be held by means of remote communications, subject to the guidelines and procedures as the Board may adopt from time to time. The Board may postpone and reschedule any previously scheduled annual or special meeting of the stockholders.

2. Annual Meeting. An annual meeting of the stockholders will be held at such date and time as may be designated from time to time by the Board, at which meeting the stockholders will elect by a plurality vote the Directors to succeed those whose terms expire at such meeting and will transact such other business as may properly be brought before the meeting in accordance with Bylaw 8.

3. Special Meetings. Special meetings of the stockholders of the Company (i) may be called by the Chairman of the Board of Directors or the Chief Executive Officer, and (ii) shall be called by the Chief Executive Officer or Secretary at the request in writing of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such written request is made by the Board of Directors) or the holders of not less than a majority of the outstanding common stock of the Company (the "Common Stock").

4. Notice of Meetings. Written notice of every meeting of the stockholders, stating the place, if any, date, and time thereof, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, will be given not less than 10 nor more than 60 calendar days before the date of the meeting to each stockholder of record entitled to vote at such meeting, except as otherwise provided herein or by law. Written notice of every meeting of stockholders shall be given by personal delivery or by mail or by electronic communication to the extent permitted by the Delaware General Corporation Law. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Company. If electronically transmitted, such notice shall be deemed given when directed to an electronic mail address at which the stockholder has consented to receive notice. Confirmation of receipt will not be required. When a meeting is adjourned to another place, date, or time, written notice need not be given of the adjourned meeting if the place, if any, date, and time thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than 30 calendar days, or if after the adjournment a new record date is fixed for the adjourned meeting, written notice of the place, if

any, date, and time thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting must be given in conformity herewith. At any adjourned meeting, any business may be transacted which properly could have been transacted at the original meeting.

5. Inspectors. The Board shall appoint one or more inspectors of election to act as judges of the voting, to determine those entitled to vote at any meeting of the stockholders and to make a written report thereof, or any adjournment thereof, in advance of such meeting subject to, and in accordance with, Delaware General Corporation Law. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer of the meeting may appoint one or more substitute inspectors. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

6. Quorum. Except as otherwise provided by law or by the Company's Certificate of Incorporation, as it may be amended from time to time or supplemented by any Certificate of Designation setting forth the rights of any series of Preferred Stock that the Company may file from time to time (as so amended and supplemented, the "Certificate of Incorporation"), the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, will constitute a quorum at all meetings of the stockholders for the transaction of business thereat. If, however, such quorum is not present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, will have the power to adjourn the meeting from time to time, as provided in these Bylaws and the Delaware General Corporation Law, until a quorum is present or represented. When a quorum is once present it is not broken by the subsequent withdrawal of any stockholder.

7. List of Stockholders. It shall be the duty of the Secretary or other officer who has charge of the stock ledger to prepare and make, at least 10 days before the meeting of the stockholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in such stockholder's name. Such list shall be produced and kept available at the times and places required by Delaware General Corporation Law.

8. Voting; Proxies. (a) Except as otherwise provided by law or the Certificate of Incorporation, each stockholder will be entitled at every meeting of the stockholders to one vote for each share of the Common Stock standing in the name of such stockholder on the books of the Company on the record date for the meeting and such votes may be cast either in person or by proxy but no such proxy shall be voted upon after three years from its date, unless such proxy provides for a longer period. Every proxy must be in a form permitted by the Delaware General Corporation Law. Without affecting any vote previously taken, a stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person, by revoking the proxy by giving notice to the Secretary of the Company, or by a later appointment of a proxy. The vote upon any question brought before a meeting of the stockholders may be by voice vote, unless otherwise required by the Delaware General Corporation Law, the Certificate of

Incorporation or these Bylaws or unless the Chairman or the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting otherwise determine. Every vote taken by written ballot will be counted by the inspectors of election. When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter and which has actually been voted will be the act of the stockholders, except in the election of Directors or as otherwise provided in these Bylaws, the Certificate of Incorporation, or by law.

(b) If any stockholder of the Company who is not a U.S. person (as defined under Regulation S of the Securities Act of 1933 (the "Securities Act")) or any other person appearing to have an interest, economic or otherwise, in shares held by such stockholder, has been duly served with a written notice from the Company demanding information concerning the beneficial ownership and voting rights and powers of shares of the Company held by such stockholder and is in default for a period of fourteen (14) days from the date of service of such notice in supplying to the Company the information thereby required or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material respect, then (unless the Board of Directors otherwise determines) in respect of shares of capital stock held by such stockholder (the "Default Shares"), the stockholder shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred, with certain exceptions, be entitled to attend or vote either personally or by proxy at a stockholders' meeting of the Company or to exercise any other rights conferred by share ownership in relation to stockholders' meetings. Where the Default Shares represent 1 per cent. or more of the issued and outstanding shares of a particular class of capital stock, the Board of Directors may in their absolute discretion by notice to such stockholder direct (i) that any dividend or other money which would otherwise be available be payable in respect of the Default Shares shall be retained by the Company; and/or (ii) no transfer of any of the shares held by such stockholder shall be registered unless the transfer is approved by the Board of Directors in its sole discretion.

9. Order of Business. (a) The Chairman, or such other officer of the Company designated by the Board, will call meetings of the stockholders to order and will act as presiding officer thereof. Unless otherwise determined by the Board prior to the meeting, the presiding officer of the meeting of the stockholders will also determine the order of business and have the authority in his or her sole discretion to regulate the conduct of any such meeting, including without limitation by imposing restrictions on the persons (other than stockholders of the Company or their duly appointed proxies) that may attend any such stockholders' meeting, by ascertaining whether any stockholder or his proxy may be excluded from any meeting of the stockholders based upon any determination by the presiding officer, in his sole discretion, that any such person has unduly disrupted or is likely to disrupt the proceedings thereat, and by determining the circumstances in which any person may make a statement or ask questions at any meeting of the stockholders.

(b) At an annual meeting of the stockholders, only such business will be conducted or considered as is properly brought before the annual meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of the annual meeting (or any supplement thereto) given by or at the direction of the Board in accordance with Bylaw 4, (ii) otherwise properly brought before the meeting by the presiding officer or by or at the direction of the Board, or (iii) otherwise properly requested to be brought before the annual meeting by a stockholder of the Company in accordance with Bylaw 9(c).

(c) For business to be properly requested by a stockholder to be brought before an annual meeting, (i) the stockholder must be a stockholder of the Company of record at the time of the giving of the notice for such annual meeting provided for in these Bylaws, (ii) the stockholder must be entitled to vote at such meeting, and (iii) the stockholder must have given timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 45 calendar days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the 90th calendar day prior to such annual meeting or the 20th calendar day following the day on which public disclosure of the date of such meeting is first made. In no event shall the public disclosure of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. With respect to the annual meeting of stockholders of the Company to be held in the year 2006, to be timely, a stockholder's notice must be so received not later than the close of business on the later of (A) the 90th calendar day prior to such annual meeting and (B) the 20th day following the calendar day on which public disclosure of the date of such annual meeting was first made, whichever first occurs. A stockholder's notice to the Secretary must set forth as to each matter the stockholder proposes to bring before the annual meeting (A) a description in reasonable detail of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (B) the name and address, as they appear on the Company's books, of the stockholder proposing such business and the beneficial owner, if any, on whose behalf the proposal is made, (C) the class or series and number of shares of the Common Stock of the Company that are owned beneficially and of record by the stockholder proposing such business and by the beneficial owner, if any, on whose behalf the proposal is made, and (D) a description of all arrangements or understandings among such stockholder, the beneficial owner on whose behalf the notice is given and any other person or persons (including their names) in connection with the proposal of such business of such stockholder and any material interest of such stockholder in such business, and (E) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the annual meeting. Notwithstanding the foregoing provisions of this Bylaw 9(c), if the Company then has any class of equity securities registered under the Securities Exchange Act of 1934 (the "Exchange Act") a stockholder must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw 9(c). For purposes of these Bylaws, at any time that the Company has a class of equity securities registered under the Exchange Act, it shall be referred to as a "U.S. Reporting Company." Nothing in this Bylaw 9(c) will be deemed to affect any rights of stockholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act, if the Company is then a U.S. Reporting Company. For purposes of this Bylaw 9(c) and Bylaw 14, "public disclosure" means disclosure in a press release reported by the

Dow Jones News Service, Associated Press, Reuters, Bloomberg or comparable national news service or in a document filed by the Company with the Alternative Investment Market ("AIM") (if the Company's shares are listed on AIM at such time) or the Securities and Exchange Commission pursuant to the Exchange Act (if the Company is then a U.S. Reporting Company) or furnished to stockholders.

(d) At a special meeting of stockholders, only such business may be conducted or considered as is properly brought before the meeting. To be properly brought before a special meeting, business must be (i) specified in the notice of the meeting (or any supplement thereto) given in accordance with Bylaws 3 and 4 or (ii) otherwise properly brought before the meeting by the presiding officer or by or at the direction of the Board.

(e) The determination of whether any business sought to be brought before any annual or special meeting of the stockholders is properly brought before such meeting in accordance with this Bylaw 9 will be made by the presiding officer of such meeting. If the presiding officer determines that any business is not properly brought before such meeting, he or she will so declare to the meeting and any such business will not be conducted or considered.

DIRECTORS

10. Function. The business and affairs of the Company will be managed by or under the direction of its Board which may exercise all such powers of the Company and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

11. Number, Election, and Terms. The authorized number of Directors shall be 7 or such other number as shall from time to time be fixed by the Board.

12. Vacancies and Newly Created Directorships. Newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board resulting from death, resignation, disqualification, removal, or other cause will be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board, or by a sole remaining Director. No decrease in the number of Directors constituting the Board will shorten the term of an incumbent Director.

13. Removal. Any Director may be removed from office by the stockholders only in the manner provided in the Certificate of Incorporation.

14. Nominations of Directors; Election. (a) Only persons who are nominated in accordance with this Bylaw 14 will be eligible for election at a meeting of stockholders as Directors of the Company.

(b) Nominations of persons for election as Directors of the Company may be made only at an annual meeting of stockholders (i) by or at the direction of the Board or a committee thereof or (ii) by any stockholder that is a stockholder of record at the time of giving of notice provided for in this Bylaw 14, who is entitled to vote for at such meeting, and who complies with the procedures set forth in this Bylaw 14. All nominations by stockholders must be made pursuant to timely notice in proper written form to the Secretary.

(c) To be timely, a stockholder's notice with respect to nominations of persons for election as Directors of the Company must be delivered to or mailed and received at the principal executive offices of the Company not less than 45 calendar days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the 90th calendar day prior to such annual meeting or the 20th calendar day following the day on which public disclosure of the date of such meeting is first made. In no event shall the public disclosure of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. With respect to the annual meeting of stockholders of the Company to be held in the year 2006, to be timely, a stockholder's notice must be so received not later than the close of business on the later of (i) the 90th calendar day prior to such annual meeting and (ii) the 20th day following the calendar day on which public disclosure of the date of such annual meeting was first made, whichever first occurs. To be in proper written form, such stockholder's notice must set forth or include (i) the name and address, as they appear on the Company's books, of the stockholder giving the notice and of the beneficial owner, if any, on whose behalf the nomination is made; (ii) a representation that the stockholder giving the notice is a holder of record of Common Stock of the Company entitled to vote at such annual meeting; (iii) the class and number of shares of the Common Stock of the Company owned beneficially and of record by the stockholder giving the notice and by the beneficial owner, if any, on whose behalf the nomination is made; (iv) a description of all arrangements or understandings between or among any of (A) the stockholder giving the notice, (B) the beneficial owner on whose behalf the notice is given, (C) each nominee, and (D) any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder giving the notice; (v) the name, age, business address, residence address and occupation of the nominee proposed by the stockholder; (vi) such other information regarding each nominee proposed by the stockholder giving the notice as would be required to be included in a proxy statement filed pursuant to the proxy rules of AIM (or if the Company is then a U.S. Reporting Company, the proxy rules of the Securities and Exchange Commission) had the nominee been nominated, or intended to be nominated, by the Board; (vii) the signed consent of each nominee to serve as a Director of the Company if so elected; and (viii) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice. At the request of the Board, any person nominated by the Board for election as a Director must furnish to the Secretary that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. The presiding officer of any annual meeting will, if the facts warrant, determine that a nomination was not made in accordance with the procedures prescribed by this Bylaw 14, and if he or she should so determine, he or she will so declare to the meeting and the defective nomination will be disregarded. Notwithstanding the foregoing provisions of this Bylaw 14, a stockholder must also comply with all applicable requirements of AIM and, if the Company is then a U.S. Reporting Company, all applicable requirements of the Exchange Act with respect to the matters set forth in this Bylaw 14. Nothing in the foregoing

provision shall obligate the Company or the Board to include in any proxy statement or other stockholder communication distributed on behalf of the Company or the Board information with respect to any nominee for Directors submitted by a stockholder. For purposes of this Bylaw 14(c), "public disclosure" shall have the meaning set forth in Bylaw 9(c).

15. Resignation. Any Director may resign at any time by giving notice in writing or by electronic submission of his or her resignation to the Chairman or the Secretary. Unless otherwise stated in such notice of resignation, the acceptance thereof shall not be necessary to make it effective; and such resignation shall take effect at the time specified therein or, in the absence of such specification, it shall take effect upon the receipt thereof.

16. Regular Meetings. Regular meetings of the Board may be held immediately after the annual meeting of the stockholders and at such other time and place either within or without the State of Delaware as may from time to time be determined by the Board. Notice of regular meetings of the Board need not be given.

17. Special Meetings. Special meetings of the Board may be called by the Chairman, by the Chief Executive Officer or by the Board and notice will be deemed given to each Director by whom such notice is not waived, if it is given 24 hours before the start of the meeting (i) in person, (ii) by facsimile telecommunication, when directed to a number at which the Director has consented to receive notice, (iii) by electronic mail, when directed to an electronic mail address at which the Director has consented to receive notice or (iv) by other similar medium of communication, or if it is given 72 hours before the start of the meeting by mail, when deposited in the United States mail, postage prepaid, and when directed to an address to which the Director has consented to receive notice. Special meetings of the Board may be held at such time and place either within or without the State of Delaware as is determined by the Board or specified in the notice of any such meeting.

18. Quorum. At all meetings of the Board, the lowest whole number of directors as shall from time to time constitute not less than a majority of the authorized number of directors in accordance with Bylaw 11 will constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum will be the act of the Board. If a quorum is not present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time to another place, time, or date, without notice other than announcement at the meeting, until a quorum is present.

19. Participation in Meetings by Remote Communications. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or any such committee, as the case may be, by means of telephone conference or other means by which all persons participating in the meeting can hear each other, and such participation in a meeting will constitute presence in person at the meeting.

20. Committees. (a) The Board may designate an executive committee (the "Executive Committee") of not less than two members of the Board, one of whom will be the Chairman. The Executive Committee will have and may exercise the powers of the Board, except the power to amend these Bylaws or the Certificate of Incorporation, fill any vacancy on

the Executive Committee, adopt an agreement of merger or consolidation, authorize the issuance of stock, declare a dividend, or recommend to the stockholders the sale, lease, or exchange of all or substantially all of the Company's property and assets, a dissolution of the Company, or a revocation of a dissolution, and except as otherwise provided by law.

(b) The Board, by resolution passed by the Board, may designate one or more additional committees. Each such committee will consist of one or more Directors and each to have such lawfully delegable powers and duties as the Board may confer; provided, however, that no committee shall exercise any power or duty expressly required by the Delaware General Corporation Law, as it may be amended from time to time, to be acted upon by the Board.

(c) The members of each committee of the Board will serve in such capacity at the pleasure of the Board or as may be specified in any resolution from time to time adopted by the Board. The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent or disqualified member at any meeting of such committee. In lieu of such designation by the Board, in the absence or disqualification of any member of a committee of the Board, the members thereof present at any such meeting of such committee and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(d) Except as otherwise provided in these Bylaws or by law, any committee of the Board, to the extent provided in Bylaw 20(a) or, if applicable, in the resolution of the Board, will have and may exercise all the powers and authority of the Board in the direction of the management of the business and affairs of the Company. Any such committee designated by the Board will have such name as may be determined from time to time by resolution adopted by the Board. Unless otherwise prescribed by the Board, a majority of the members of any committee of the Board will constitute a quorum for the transaction of business, and the act of a majority of the members present at a meeting at which there is a quorum will be the act of such committee. Each committee of the Board may prescribe its own rules for calling and holding meetings and its method of procedure, subject to any rules prescribed by the Board. Each committee of the Board shall keep written minutes of its proceedings and shall report on such proceedings to the Board.

21. Compensation. The Board may establish the compensation for, and reimbursement of the expenses of, Directors for membership on the Board and on committees of the Board, attendance at meetings of the Board or committees of the Board, and for other services by Directors to the Company or any of its majority-owned subsidiaries. No such payment shall preclude any director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service as committee members.

22. Rules. The Board may adopt rules and regulations for the conduct of meetings and the oversight of the management of the affairs of the Company.

23. Action without Meeting. Any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all of the members of the Board or of any such committee consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filled with the minutes or proceedings of the Board or of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

NOTICES

24. Generally. Except as otherwise provided by law, these Bylaws, or the Certificate of Incorporation, whenever by law or under the provisions of the Certificate of Incorporation or these Bylaws notice is required to be given to any Director or stockholder, it will not be construed to require personal notice, but such notice may be given in writing, by mail or courier service, addressed to such Director or stockholder, at the address of such Director or stockholder as it appears on the records of the Company, with postage thereon prepaid, and such notice will be deemed to be given at the time when the same is deposited in the United States mail. Notice to Directors may also be given by telephone, telegram, facsimile, electronic transmission or similar medium of communication or as otherwise may be permitted by these Bylaws.

25. Waivers. Whenever any notice is required to be given by law or under the provisions of the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice or such person's duly authorized attorney, or a waiver by electronic transmission by the person whether before or after the time of the event for which notice is to be given, will be deemed equivalent to such notice. Attendance of a person at a meeting will constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

OFFICERS

26. Generally. The officers of the Company will be elected by the Board and will consist of a Chairman, a Chief Executive Officer, a Secretary, and a Treasurer. The Board may also choose any or all of the following: one or more Vice Chairmen, one or more Assistants to the Chairman, one or more Vice Presidents (who may be given particular designations with respect to authority, function, or seniority), one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as the Board may from time to time determine. Notwithstanding the foregoing, by specific action the Board may authorize the Chairman or Chief Executive Officer to appoint any person to any office other than Chairman, Chief Executive Officer, Secretary, or Treasurer. Any number of offices may be held by the same person. Any of the offices may be left vacant from time to time as the Board may determine. In the case of the absence or disability of any officer of the Company or for any other reason deemed sufficient by the Board, the Board may delegate the absent or disabled officer's powers or duties to any other officer or to any Director.

27. Compensation. The compensation of all officers and agents of the Company who are also Directors of the Company will be fixed by the Board or by a committee of the Board. The Board may fix, or delegate the power to fix, the compensation of other officers and agents of the Company to an officer of the Company.

28. Succession. The officers of the Company will hold office until their successors are elected and qualified or until their earlier resignation, retirement, removal or death. Any officer may be removed at any time by the Board. Any vacancy occurring in any office of the Company may be filled by the Board or by the Chairman as provided in Bylaw 26.

29. Voting Securities Owned by the Company. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Company may be executed in the name of and on behalf of the Company by the Chief Executive Officer or any Vice President or any other officer authorized to do so by the Board and any such officer may, in the name of and on behalf of the Company, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Company may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Company might have exercised and possessed if present. The Board may, by resolution, from time to time confer like powers upon any other person or persons.

30. Authority and Duties. Each of the officers of the Company will have such authority and will perform such duties as are customarily incident to their respective offices or as may be specified from time to time by the Board.

STOCK

31. Certificates. The shares of stock of the Company shall be represented by a certificate or shall be uncertificated. Certificates representing shares of stock of the Company will be in such form as is determined by the Board, subject to applicable legal requirements. Each such certificate will be numbered and its issuance recorded in the books of the Company, and such certificate will exhibit the holder's name and the number of shares and will be signed by, or in the name of, the Company by the Chairman or the Chief Executive Officer and the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, and will also be signed by, or bear the facsimile signature of, a duly authorized officer or agent of any properly designated transfer agent of the Company. Any or all of the signatures and the seal of the Company, if any, upon such certificates may be facsimiles, engraved, or printed. Such certificates may be issued and delivered notwithstanding that the person whose facsimile signature appears thereon may have ceased to be such officer at the time the certificates are issued and delivered.

32. Classes of Stock. The designations, powers, preferences, and relative participating, optional, or other special rights of the various classes of stock or series thereof, and the qualifications, limitations, or restrictions thereof, will be set forth in full or summarized on the face or back of the certificates which the Company issues to represent its stock or, in lieu thereof, such certificates will set forth the office of the Company from which the holders of certificates may obtain a copy of such information at no charge.

33. Lost, Stolen, or Destroyed Certificates. The Secretary may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact, satisfactory to the Secretary, by the person claiming the certificate of stock to be lost, stolen, or destroyed. As a condition precedent to the issuance of a new certificate or certificates, the Secretary may require the owners of such lost, stolen, or destroyed certificate or certificates to give the Company a bond in such sum and with such surety or sureties as the Secretary may direct as indemnity against any claims that may be made against the Company with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of the new certificate.

34. Transfer. (a) Stock of the Company shall be transferable in the manner prescribed by applicable law and in these Bylaws. Transfers of stock shall be made on the books of the Company only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; provided, however, that such surrender and endorsement or payment of taxes shall not be required in any case in which the officers of the Company shall determine to waive such requirement. Every certificate exchanged, returned or surrendered to the Company shall be marked "Cancelled," with the date of cancellation, by the Secretary or Assistant Secretary of the Company or the transfer agent thereof. No transfer of stock shall be valid as against the Company for any purpose until it shall have been entered in the stock records of the Company by an entry showing from and to whom transferred.

(b) The Company will not register any subsequent transfer of Common Stock which is issued or sold pursuant to Regulation S under the Securities Act unless such subsequent transfer is made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an available exemption from registration under the Securities Act.

35. Setting of Record Date. The Board of Directors shall have the power to fix in advance a date not exceeding sixty (60) days and not less than ten (10) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or (in the event the Certificate of Incorporation is amended to permit action to be taken by stockholders by consent) the final date for obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at such meeting, entitled to receive payment of such dividend or to such allotment of rights or to exercise the right in respect of such change, conversion or exchange of capital stock, or to give such consent, and in such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of and to vote at such meeting or to receive payment of such dividend or to receive such allotment of rights or to exercise such rights or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Company after such record date fixed as aforesaid.

36. Transfer Agents. The Company may from time to time maintain one or more transfer offices or agencies at such place or places as may be determined from time to time by the Board.

37. Anti-greenmail. (a) Any direct purchase or other acquisition by the Company of any Voting Stock from any Significant Stockholder who has beneficially owned such Common Stock for less than two years prior to the date of such purchase or other acquisition shall, except as otherwise expressly provided in these Bylaws, require the affirmative vote of the holders of at least a majority of the total number of the then outstanding shares of Common Stock. In calculating such total number of outstanding shares, all Common Stock beneficially owned by such Significant Stockholder shall be excluded. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or any agreement with any securities exchange or automated quotation system on which the Company's Voting Stock is listed or traded or otherwise. No such affirmative vote shall be required with respect to any purchase or other acquisition of Common Stock made as part of a tender or exchange offer by the Company to purchase Common Stock on the same terms from all holders of the same class of Voting Stock and in compliance with the applicable requirements of AIM (if the Voting Stock is listed on AIM at such time), the London Stock Exchange (if the Common Stock is listed on the London Stock Exchange at such time) or the Exchange Act (if the Company is then a U.S. Reporting Company).

(b) For the purpose of this Bylaw 37, "Significant Stockholder" means any person (other than the corporation or any corporation of which a majority of any class of Common Stock is owned, directly or indirectly, by the Company or any other person who at the date of adoption of these Bylaws was the beneficial owner, directly or indirectly, of 5 per cent. or more of the voting power of the Common Stock outstanding on such date) or who or which is the beneficial owner, directly or indirectly, of 5 per cent. or more of the voting power of the outstanding Common Stock.

(c) As used in this Bylaw 37, a "beneficial owner" shall mean any person who, directly or indirectly with or through any other person, by means of any contract, arrangement, understanding, relationship or otherwise has or shares: (i) voting power as to the Common Stock, which includes the power to vote, or to direct the voting of, the Common Stock or (ii) investment power which includes the power to dispose, or to direct the disposition of, Common Stock.

DIVIDENDS

38. Dividends. Subject to the provisions of Delaware General Corporation Law and the Certificate of Incorporation, the Board shall have full power to declare and pay dividends on the capital stock of the Company. Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sum or sums as the Board from time to time, in its absolute discretion, may determine for any proper purpose, and the Board may modify or abolish such reserve.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

39. Indemnification. (a) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an employee or agent of the Company or is or was serving at the request of the Company in any other capacity for or on behalf of the Company or was serving at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an employee or agent of the Company or is or was serving at the request of the Company in any other capacity for or on behalf of the Company or was serving at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former director, officer, employee, agent or representative of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Sections 1 and 2 of this article (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee, agent or representative is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2 of this article. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by the Board of Directors by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of the Board of Directors designated by a majority vote of such directors, even though less than a quorum or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

(e) Expenses (including attorneys' fees) incurred in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in Section 4 of this article upon receipt of an undertaking by or on behalf of the director, officer, employee, agent or representative to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company under this article. Such expenses (including attorneys' fees) incurred by any present or former director, officer, employee, agent or representative may be paid upon such terms and conditions, if any, as the Company deems appropriate.

(f) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, (i) arising under the Employee Retirement Income Security Act of 1974 or regulations promulgated thereunder, or under any other law or regulation of the United States or any agency or instrumentality thereof or law or regulation of any state or political subdivision or any agency or instrumentality of either, or under the common law of any of the foregoing, against expenses (including attorneys' fees), judgments, fines, penalties, taxes and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding by reason of the fact that he is or was a fiduciary, disqualified person or party in interest with respect to an employee benefit plan covering employees of the Company or of a subsidiary corporation, or is or was serving in any other capacity with respect to such plan, or has or had any obligations or duties with respect to such plan by reason of such laws or regulations, provided that such person was or is a director or officer of the Company (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an employee or agent of the Company), or (ii) in connection with any matter arising under federal, state or local revenue or taxation laws or regulations, against expenses (including attorneys' fees), judgments, fines, penalties, taxes, amounts paid in settlement and amounts paid as penalties or fines necessary to contest the imposition of such penalties or fines, actually and reasonably incurred by him in connection with such action, suit or proceeding by reason of the fact that he is or was a director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise and had responsibility for or participated in activities relating to compliance with such revenue or taxation laws and regulations (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of

the fact that he is or was an employee or agent of the Company or is or was serving at the request of the Company in any other capacity for or on behalf of the Company or was serving at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise and had responsibility for or participated in activities relating to compliance with such revenue or taxation laws and regulations); provided, however, that such person did not act dishonestly or in willful or reckless violation of the provisions of the law or regulation under which such suit or proceeding arises. Unless the Board of Directors determines that under the circumstances then existing, it is probable that such director, officer, employee, agent or representative will not be entitled to be indemnified by the Company under this section, expenses incurred in defending such suit or proceeding, including the amount of any penalties or fines necessary to be paid to contest the imposition of such penalties or fines, shall be paid by the Company in advance of the final disposition of such suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, agent or representative to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company under this section.

(g) The indemnification and advancement of fees provided by this article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of fees may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, agent or representative and shall inure to the benefit of the heirs, executors and administrators of such a person.

(h) The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, agent or representative of the Company, or is or was serving at the request of the Company as a director, officer, employee, agent or representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not he would be entitled to indemnity against such liability under the provisions of this article.

GENERAL

40. Fiscal Year. The fiscal year of the Company will end on December 31st of each year or such other date as may be fixed from time to time by the Board.

41. Seal. The Board may adopt a corporate seal and use the same by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

42. Location and Reliance Upon Books, Reports, and Records. The books and records of the Company may be kept at such place or places as the Board or the respective officers in charge thereof may from time to time determine. The record books containing the names and addresses of all stockholders, the number and class of shares of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Secretary as prescribed in the Bylaws or by such officer or agent as shall be designated by the

Board. Each Director, each member of a committee designated by the Board, and each officer of the Company will, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports, or statements presented to the Company by any of the Company's officers or employees, or committees of the Board, or by any other person or entity as to matters the Director, committee member, or officer believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

43. Time Periods. In applying any provision of these Bylaws that requires that an act be performed or not be performed a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days will be used unless otherwise specified, the day of the doing of the act will be excluded, and the day of the event will be included.

44. Amendments. Except as otherwise provided by law or by the Certificate of Incorporation or these Bylaws, these Bylaws or any of them may be amended in any respect or repealed at any time, either (i) at any meeting of stockholders, provided that any amendment or supplement proposed to be acted upon at any such meeting has been described or referred to in the notice of such meeting, or (ii) at any meeting of the Board, provided that no amendment adopted by the Board may vary or conflict with any amendment adopted by the stockholders in accordance with the Certificate of Incorporation and these Bylaws. Notwithstanding the foregoing and anything contained in these Bylaws to the contrary, the Bylaws may not be amended or repealed by the stockholders, and no provision inconsistent therewith may be adopted by the stockholders, without the affirmative vote of the holders of a majority of the Common Stock, voting together as a single class.

45. Certain Defined Terms. Terms used herein with initial capital letters that are not otherwise defined are used herein as defined in the Certificate of Incorporation.

Exhibit 10.1

AQUA BOUNTY TECHNOLOGIES INC.

2006 EQUITY INCENTIVE PLAN

Approved by the Company on 20th February 2006

INDEX

AQUA BOUNTY TECHNOLOGIES INC.

2006 EQUITY INCENTIVE PLAN

1. Purpose

The purpose of the Aqua Bounty Technologies Inc. 2006 Equity Incentive Plan (the "**Plan**") is to attract and retain directors, officers, consultants and other employees for Aqua Bounty Technologies Inc. (the "**Company**") and its subsidiaries (together the "**Group**") and to provide such persons with incentives and rewards for superior performance.

2. Administration

2.1 The Plan will be administered by a duly authorised committee of the board of directors of the Company (the "**Board**").

2.2 The Board will have authority to construe and interpret the Plan and any benefits granted under the Plan, to establish and amend rules for the administration of the Plan, to change the terms and conditions of options and other benefits at or after grant, and to make all other determinations which it deems necessary or advisable for the administration of the Plan.

2.3 In considering the making of awards under this Plan:

(a) the Board will have regard to the provisions of the code of dealing adopted by the Company relating to dealings in securities by directors and other relevant employees and, at any time while Shares of the Company are traded on AiM (being the market of that name operated by the London Stock Exchange), to the provisions of AiM Rule 21 (as amended or replaced from time to time) and, at any time, to any other applicable legislation or regulations of similar effect or purpose to AiM Rule 21; and

(b) awards over Shares of the Company or by reference to the value of such Shares may only be authorised by the Board during a period of 42 days following (i) the date of admission of the Shares of the Company to trading on AiM ("**Admission**"), (ii) the date of announcement of the annual or interim results of the Company or (iii) the date on which listing particulars or a prospectus or document containing equivalent information in relation to Shares of the Company is published, provided that grants outside these periods may be authorised by the Board in circumstances which, in its discretion and acting in good faith, it considers sufficiently exceptional to justify the grant of awards at that time.

3. Participants

3.1 Participants in the Plan may be directors, officers, consultants or other employees of the Company or any one or more of its subsidiaries selected by the Board considering all factors that it deems relevant in such selection and in determining the type and amount of their respective benefits.

3.2 Designation of a participant in any year shall not require the Board to designate that person to receive a benefit in any other year or to receive the same type or amount of benefit as granted to that participant in any other year or as granted to any other participant in any year.

4. Shares available under the Plan

4.1 The maximum aggregate number of ordinary Shares of [—] cents each ("**Shares**") which may be issued and/or transferred pursuant to awards made under the Plan, when aggregated with the number of Shares issued or remaining issuable or transferred or remaining transferable in respect of awards made under the Plan and any other employee stock incentive programme, may not exceed ten per cent. of the number of Shares then in issue. (When calculating this limit, regard will be had only to Shares issued or remaining issuable and treasury shares transferred or remaining transferable by the Company and by reference to awards made under the Plan and any other employee stock incentive programme after the date of Admission.)

4.2 The fair market value per Share at any time for the purposes of this Plan will be determined in such manner as the Board considers equitable, or as required by law or regulation.

4.3 The Company will, with respect to all Shares issued pursuant to an award under the Plan, apply for the same listings as are applicable to Shares already in issue.

5. Types of benefits

5.1 Benefits under the Plan shall consist of share options, share appreciation rights, restricted shares, deferred shares and other share, share based or cash awards, all as described below. Such benefits will not be pensionable.

5.2 Each right granted under the Plan will be evidenced by means of an agreement, certificate or other form of written record approved by the Board setting out the terms and conditions of the award and may be in an electronic medium or limited to a notation in the books and records of the Company.

5.3 Each award will be personal to the participant and will not be capable of being assigned, transferred, mortgaged, charged or otherwise disposed of or encumbered (whether in whole or in part). If the participant does or suffers any act or thing whereby he or she would or might be deprived of the legal or beneficial ownership of an award, the award will be forfeited immediately.

6. Share Options

6.1 Share options ("**Share Options**") consist of a right to purchase Shares which may be granted to participants at any time as determined by the Board, subject to the provisions of this Plan.

6.2 The Board will determine the terms of any Share Option including, but without limitation, (a) the number of Shares subject to each Share Option, (b) the option price per Share (which may not be less than the fair market value per Share on the date of grant), (c) the terms and conditions upon which the Share Option may be exercised and its expiry date (being no later than the tenth anniversary of its grant), and (d) the terms for payment of the option price upon exercise, including by way of cash payment or such other methods of payment as the Board, in its discretion, deems appropriate.

7. Incentive Stock Options

7.1 Notwithstanding the other provisions of this Plan to the contrary, to the extent that Share Options are granted to U.S. persons, which options are intended to qualify as "**Incentive Stock Options**" under Section 422 of the U.S. Internal Revenue Code, the following provisions will apply:

(a) the maximum aggregate number of Shares for which Incentive Stock Options may be issued shall be [—] Shares, subject to section 4.1 of this Plan and to adjustment as provided in section 14 of this Plan provided that any such adjustment will be made only if and to the extent that such adjustment would not cause any option intended to qualify as an Incentive Stock Option to fail so to qualify;

(b) the persons eligible to receive Incentive Stock Options (potential "**Optionees**") shall be U.S. persons who are determined to be key employees of the Group who meet the definition of "**employees**" under Section 3401(c) of the Code;

(c) the price payable on exercise of an Incentive Stock Option (the "**Option Price**") shall be not less than the fair market value of the underlying Shares on the date that the Incentive Stock Option is granted.

7.2 The Incentive Stock Option shall not be exercisable after the expiration of ten years from the date of grant. Such Incentive Stock Option shall be granted within ten years from the date this Plan is adopted or the date this Plan is approved by shareholders, whichever is earlier.

7.3 The Incentive Stock Option shall not be transferable other than by will or the laws of descent and distribution and is exercisable during the Optionee's lifetime only by him.

7.4 If the Optionee owns stock possessing more than ten per cent. of the combined voting power of all classes of stock of the Company, such Optionee may only be granted an Incentive Stock Option if the Option price is at least 110 per cent. of the fair market value of a Share on and the Option is not exercisable after the expiration of five years from the date that the Option is granted.

7.5 To the extent that the aggregate fair market value of Shares with respect to which Incentive Stock Options are exercisable for the first time by any individual during any calendar year (under the Plan and any other employee incentive stock programme of the Group) exceeds US$100,000, such options shall be treated as Share Options which are not Incentive Stock Options.

8. Share appreciation rights

8.1 Share appreciation rights ("**SARs**") consist of a right to receive from the Company an amount determined by the Board being no greater than the difference between the fair market value per Share on the date of grant of the SAR and on the date of exercise. SARs may be granted to participants at any time as determined by the Board, subject to the terms of this Plan, in tandem with Share Options or on a free-standing basis.

8.2 The Board will determine the terms of any SAR including, but without limitation, (a) the number of Shares subject to each SAR, (b) the amount payable on exercise of a SAR (being not less than the option price per Share if granted in tandem with a Share Option and not less than the fair market value per Share on the date of grant if granted on a free-standing basis), (c) the terms and conditions upon which the SAR may be exercised and its expiry date (being no later than the tenth anniversary of its grant), and (d) the terms for payment by the Company on exercise of the SAR, whether in cash or Shares or any combination thereof as determined by the Board at the time of grant.

9. Restricted Shares and Deferred Shares

9.1 Restricted Shares ("**Restricted Shares**") consist of Shares which may be granted or sold to participants subject to such terms and conditions (including the risk of forfeiture and prohibition on transfer) as determined by the Board, subject to the provisions of this Plan.

9.2 Deferred shares ("**Deferred Shares**") consist of a right which may be granted or sold to participants to receive Shares or cash at the end of a specified period after vesting in accordance with the terms and conditions of such grant as determined by the Board subject to the provisions of this Plan.

9.3 The Board will determine the terms of any award of Restricted Shares or Deferred Shares including, but without limitation, restrictions and conditions such as (a) a prohibition against sale, assignment, transfer, mortgage, charge or other disposal or encumbrance for a specified period and (b) a requirement that the participant forfeits (or, in the case of shares or rights sold to the participant, resells to the Company) such shares or rights in the event of termination of employment during the period of restriction.

9.4 The grant or sale of Restricted Shares or Deferred Shares may be made without additional consideration or in consideration of a payment by a participant that is less than the market value per Share at the date of award of such Shares.

10. Other awards

10.1 The Board may, subject to limitations under applicable law, grant to any participants such other award that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares or factors that may influence the value of such Shares including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares,

purchase rights for Shares, awards with the value in payment contingent upon performance of the Company or specified companies in the Group, affiliates or other business units thereof or any other factors designated by the Board, and awards valued by reference to the book value of Shares or the value of securities of, or the performance of specified companies in the Group or affiliates or other business units of the Company or companies in the Group.

10.2 The Board will determine the terms and conditions of such awards.

10.3 Shares delivered pursuant to an award in the nature of a purchase right granted under this section 10 will be purchased for such consideration, paid for at such time, by such methods and in such forms (including, without limitation, cash, Shares, other awards, notes or other property) as the Board will determine.

10.4 Cash awards, as the only element of or part of or supplemental to any other award granted under this Plan, may also be granted pursuant to this section 10.

10.5 The Board may grant Shares as a bonus, or may grant other awards in lieu of obligations of the Company or any company in the Group to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as will be determined by the Board.

11. Performance targets

11.1 Awards under this Plan may be made subject to the attainment of performance targets in such objective manner as the Board considers appropriate. Performance targets may be set by reference to the performance of any one or more of the Company and other companies in the Group or to the performance of the participant or of the subsidiary, division, department, regional function within the Company or a Group company in which the participant is employed or engaged. Performance targets may also be made relative to the performance of other companies.

11.2 The Board may, in circumstances it considers in good faith to be appropriate, subsequently amend any target or condition imposed in accordance with this section 11 should an event or events have occurred that cause the Board reasonably to consider that the amended target or condition would be a fairer measure of the performance of the participant and that the amended condition would be no more difficult to satisfy than it would have been without such amendment.

12. Change in Control

12.1 All awards under this Plan shall prescribe the extent to which, subject to any reasonable Board discretion, upon a Change in Control (as defined below) of the Company, outstanding Share Options and SARs will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares will lapse and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid.

12.2 For the purposes of this Plan, a "**Change in Control**" shall mean such event or events as are prescribed at the time of the grant of an award under this Plan relating to changes in ownership of the Shares or in the voting control of the Company and any reconstruction or winding up of the Company.

13. Termination of employment/service

13.1 Awards under this Plan may prescribe the extent to which, subject to any reasonable Board discretion, in the case of termination of employment or service by reason of death, disability, redundancy or normal or early retirement, or in the case of hardship or other special circumstances, Share Options and SARs will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares will lapse and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid.

13.2 In all other circumstances, awards under the Plan will lapse on termination of employment or service.

14. Adjustments

14.1 The Board may make or provide for such adjustments in the number and kind of Shares and/or the option price or other price of Shares subject to outstanding awards granted under this Plan as it may, in its discretion and in good faith, determine as equitably required to prevent dilution or enlargement of the rights of participants that would otherwise result from any change in the capital structure of the Company including, but without limitation, from (a) any stock dividend, stock split, combination of Shares, recapitalisation or other change in the capital structure of the Company, or (b) any merger, consolidation, spin off, reorganisation, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing (other than a Change in Control).

14.2 In the event of any transaction or event described in section 14.1 above, the Board, in its discretion, may provide in substitution for any or all outstanding awards under this Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances, and the Board may require in connection therewith the surrender of all awards so replaced.

15. Sub Plans

15.1 In order to facilitate the making of any grant or combination of grants under this Plan, the Board may provide such special terms for awards to participants as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom.

15.2 The Board may approve such supplements to or amendments, restatements or alternative versions of this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose provided that the provisions in this Plan in relation to:

(a) the definition and scope of participants under this Plan (see section 3.1 above);

(b) the limitations on the amount of Shares subject to the Plan (see section 4.1 and section 7.1(a) above); and

(c) the adjustment provisions in section 14 above,

cannot be altered to the advantage of participants without the prior approval of shareholders of the Company in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan or for the Company or any companies in the Group).

16. Taxes

16.1 To the extent that the Company or any other company in the Group is required to withhold any taxes in any jurisdiction (including, without limitation, social security or equivalent contributions) in connection with any payment made or benefit realised by a participant or other person under this Plan, and the amounts available to the Company or relevant Group company for such withholding are insufficient, it will be a condition of receipt of such payment or the realisation of such benefit that the participant or such other person makes arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit.

17. Amendments

17.1 The Board may at any time amend the Plan in whole or in part provided that any amendment which may require approval by the shareholders of the Company in order to comply with applicable law and the rules of AiM and/or any other relevant investment exchange will not be effective until such approval has been obtained.

17.2 The Board may amend the terms of any award granted under this Plan provided that no amendment to the material advantage of participants may be made without the prior approval of the shareholders of the Company (other than a change to the performance targets in accordance with section 11 of this Plan) and no such amendment may impair the rights of any participant without his or her consent.

18. Termination

18.1 No grant will be made under this Plan more than ten years after the date on which it is first approved by shareholders of the Company but all grants made on or prior to such date will continue in effect thereafter subject to the terms of such grant and of this Plan.

Exhibit 10.2

Aqua Bounty Technologies Inc.

Amendment No. 1 to the
Aqua Bounty Technologies Inc.
2006 Equity Incentive Plan

Aqua Bounty Technologies Inc., a Delaware corporation (the "Company"), by action of its Board of Directors taken in accordance with the authority granted to it by Section 17.1 of the Aqua Bounty Technologies Inc. 2006 Equity Incentive Plan (the "Plan"), hereby amends the Plan in the following respect effective June 26, 2007:

1. By deleting Section 13.1 of the Plan and inserting in lieu thereof the following:

"13.1 Awards under this Plan may prescribe the extent to which, subject to any reasonable Board discretion, in the case of termination of employment or service by reason of death, disability, redundancy, normal or early retirement or any other reason, or in the case of hardship or other special circumstances, Share Options and SARs will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares will lapse and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid."

EXHIBIT 10.3

AquaBounty Technologies Inc.

FORM OF STOCK OPTION AGREEMENT

This Stock Option Agreement (this "Agreement") is made and entered into as of by and between AquaBounty Technologies Inc., a Delaware corporation (the "Company"), and , an individual ("Optionee"), with respect to options to purchase shares of the Company's Common Stock pursuant to the AquaBounty Technologies Inc. 2006 Equity Incentive Plan (the "Plan"). All capitalized terms used herein and not defined shall have the meaning set forth in the Company's 2006 Equity Incentive Plan.

1. Grant of Option. Pursuant to resolutions of the Company's Board of Directors (the "Board"), the Company hereby grants to Optionee an option (the "Option") to purchase shares of the Company's Common Stock upon the terms and conditions hereinafter set forth and as set forth in the Plan. The number of shares to be purchased upon exercise of the Option, subject to adjustment as provided herein (the "Shares"), are set forth on Exhibit A hereto. The Option is intended to be: (Check One)

☐ - a nonstatutory option and not an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

☐ - an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Exercise Price. The exercise price of the Option (the "Exercise Price") is as set forth on Exhibit A hereto (being not less than the fair market value of a share of Common Stock on the date the Option is granted), subject to adjustment as provided herein.

3. Exercise Period. The Option granted hereby shall be exercisable for a period or periods of time, commencing on the exercise date or dates (each, an "Exercise Date") as set forth on Exhibit A hereto and continuing until such date or dates as set forth on Exhibit A (each, an "Expiration Date"), unless it sooner terminates or expires as provided in Section 7 hereof.

4. Manner of Exercise. The Option granted hereby to the extent exercisable may be exercised in lots of 100 Shares or multiples thereof during the applicable Exercise Period (as defined below), by written notice delivered to the Chief Financial Officer of the Company. Such notice shall state the number of Shares with respect to which the Option is being exercised and shall be accompanied by payment of the purchase price in full in cash. As soon as practicable after any such exercise of the Option, the Company shall issue and register in the name of and deliver to Optionee a certificate or certificates for the Shares issuable upon such exercise; provided that, if any law or regulation requires the Company to delay, or to take any action with respect to such Shares before, the issuance thereof, then the date of delivery of such Shares shall be extended for the period necessary until such requirement is met; and provided further that the Company shall have no obligation to deliver any such certificate unless and until appropriate provision has been made for any withholding taxes in respect of such exercise. If permitted by and subject to applicable law, the payment of the purchase price may also be made on a cashless exercise basis by delivery to the Chief Financial Officer of the Company of a properly executed

notice, directing the Company to withhold from the number of Shares to be issued upon exercise a sufficient number of Shares to satisfy the purchase price (based upon the fair market value of a share of Common Stock on the Exercise Date). A cashless exercise may also be effected using broker-assistance by delivering a properly executed notice to the Chief Financial Officer of the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of the proceeds of the sale of the Shares issued pursuant to the exercise of the Option or loan proceeds from the brokerage firm to pay the purchase price, and, if requested by the Company, the amount of any required federal, state, local or foreign withholding taxes. The term "Exercise Period" with respect to the Option or any applicable portion thereof shall mean such period of time from the Exercise Date on which the Option or the applicable portion becomes exercisable as provided in Section 3 hereof through the Expiration Date, unless the Option sooner terminates or expires as provided in Section 7 hereof.

5. Adjustment Provisions. If, at any time or from time to time from the date of grant through the end of the Exercise Period, any of the following events shall occur, the Exercise Price and the number of and kind of Shares then subject to the Option shall in each instance be adjusted as follows:

(a) Stock Dividends, Split-Ups and Combinations

If a change is effected in the number of outstanding shares of Common Stock by a stock dividend in Common Stock or by a subdivision or combination of such shares, the Exercise Price shall be proportionately reduced or increased, as the case may be, so that it will bear the same ratio to the Exercise Price in effect immediately before such change as the number of shares outstanding immediately before such change bears to the number of shares outstanding immediately thereafter.

(b) Adjustment of Number of Optioned Shares

Upon any adjustment of the Exercise Price as provided above, the number of Shares subject to the Option shall be increased or decreased, as appropriate, so that the total purchase price that would be payable upon exercise of the Option, to the extent not previously exercised, shall be the same immediately after the adjustment as the total purchase price payable upon such exercise of the Option, immediately before the adjustment.

(c) Other Changes in Capital Structure

In the case of any reclassification or other change in the outstanding Common Stock not covered by the foregoing provisions, other than a change in par value, or from par value to no par value, or from no par value to par value, or in the case of any consolidation or merger of the Company with or into another corporation (other than a merger in which the Company is the continuing corporation and which does not result in any reclassification or change of outstanding shares of the Company), or in the case of any sale or conveyance to another corporation of the property of the Company as an entirety, or substantially as an entirety, the Optionee shall have the right, upon exercise of Option, to receive solely a like amount and kind of shares of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance as Optionee would have been entitled to

receive if the Option, to the extent not previously exercised, had been exercised in full immediately prior to such reclassification, change, consolidation, merger, sale or conveyance, and the Board shall adjust the Exercise Price as it shall determine in its discretion to be equitable to prevent a dilution or enlargement of rights hereunder.

(d) Notice of Adjustment

Upon any adjustment of the Exercise Price and change in the number of Shares or other securities purchasable hereunder, the Company shall give written notice thereof to Optionee, stating the new price and the increased or decreased number of Shares or other securities purchasable upon exercise of the Option and setting forth in reasonable detail the method of calculation and the pertinent facts upon which such calculation is based. All determinations with respect to such adjustments shall be made by the Board and shall be conclusive and binding.

6. Non-Transferability of Option. The Option may be exercised during the lifetime of Optionee only by Optionee or by the guardian or legal representative of the Optionee and may not be transferred in any manner other than by will or by the laws of descent and distribution. In the event of death of Optionee, the person or persons entitled to exercise the Option under Optionee's will or under the laws of descent and distribution shall have the right to exercise any previously unexercised portion of the Option as of the date of Optionee's death as provided in Section 7, provided that the Company has been supplied with documentation satisfactory to it with respect to the appointment of such person or persons as such. The terms of this Option shall be binding upon the executors, administrators, heirs and successors of the Optionee.

7. Exercise in the Event of Death, Disability, Retirement or Other Termination.

(a) *Termination of Employment By Death*. If the Optionee's employment within the Group is terminated by reason of death, the Option will become immediately exercisable in full and may thereafter be exercised by the holder for a period of one year from the date of death or until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

(b) *Termination of Employment By Reason of Disability*. If the Optionee's employment within the Group is terminated by reason of permanent and total disability as determined by the Board ("Disability"), the Option will become immediately exercisable in full and may thereafter be exercised by the Optionee for a period of one year from the date of such termination or until the Expiration Date, whichever period is shorter; provided, however, that if the Optionee dies within such one-year period and prior to the Expiration Date, any unexercised portion of the Option shall, notwithstanding the expiration of such one-year period, continue to be exercisable for a period of 12 months from the date of death or until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

(c) *Termination of Employment By Reason of Retirement*. If the Optionee's employment within the Group is terminated by reason of retirement on or after the Optionee reaches age sixty five (65), the Option will become immediately exercisable in full and may thereafter be exercised by Optionee for a period of one year from the date of such retirement or

until the Expiration Date, whichever period is shorter; provided, however, that if the Optionee dies within such one-year period and prior to the Expiration Date, any unexercised portion of the Option shall, notwithstanding the expiration of such one-year period, continue to be exercisable for a period of 12 months from the date of death or until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

(d) *Other Termination of Employment*. Unless otherwise determined by the Board, if for any reason other than death, retirement after reaching age sixty five (65), or Disability, the Optionee's employment within the Group is terminated, the Option shall thereupon terminate, except that the Option, to the extent exercisable immediately prior to a termination for any reason other than death, retirement after reaching age sixty five (65), or Disability, may be exercised for a period of sixty (60) days from the date of such termination or until the Expiration Date, whichever period is shorter. Notwithstanding the foregoing, if the Optionee's employment is terminated at or after a Change of Control (as defined in Section 8), other than by reason of death, retirement on or after reaching age sixty five (65), or Disability, the Option shall be exercisable for the lesser of (1) sixty (60) days from the date of such termination, or (2) until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

8. Change of Control. In the event of a Change of Control (as defined below), the Option shall become fully exercisable and vested. "Change of Control" means the occurrence of any of the following events:

(a) The Company is merged, consolidated or reorganized into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than a majority of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction is held in the aggregate, directly or indirectly, by the holders of the then-outstanding securities entitled to vote generally in the election of directors (the "Voting Stock") of the Company immediately prior to such transaction;

(b) The Company sells or otherwise transfers all or substantially all of its assets to another corporation or other legal person, and as a result of such sale or transfer, less than a majority of the combined voting power of the then-outstanding Voting Stock of such corporation or person immediately after such sale or transfer is held in the aggregate, directly or indirectly, by the holders of Voting Stock of the Company immediately prior to such sale or transfer;

(c) There is a report filed on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), each as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), disclosing that any person (as the term "person" is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing 35% or more of the combined voting power of the then outstanding Voting Stock of the Company;

(d) There is a report or notification filed with any regulatory body in the United Kingdom or issued pursuant to the AIM Rules or any other applicable laws or regulations, disclosing that any person has become the beneficial owner of securities representing 35% or more of the combined voting power of the then outstanding Voting Stock of the Company.

(e) If, during any period of two consecutive years, individuals who at the beginning of any such period constitute the members of the Board of Directors of the Company cease for any reason to constitute at least a majority thereof; provided, however, that for purposes of this paragraph (e) each director who is first elected, or first nominated for election, by the Company's shareholders, by a vote of at least two-thirds of the directors of the Company (or a committee thereof) then still in office who were directors of the Company at the beginning of any such period will be deemed to have been a director of the Company at the beginning of such period; or

(f) The approval of the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing provisions of paragraphs (c) and (d) above, unless otherwise determined in a specific case by majority vote of the Board, a "Change of Control" shall not be deemed to have occurred for purposes of paragraph (c) and (d) solely because (i) the Company, (ii) a subsidiary of the Company, or (iii) any employee stock ownership plan or any other employee benefit plan of the Company or any Subsidiary either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report or item therein) under the Exchange Act or a report or notification is filed or issued with any regulatory body in the United Kingdom or pursuant to the AIM Rules or other applicable laws or regulations, disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 35% or otherwise.

9. Representations of Optionee. Optionee acknowledges that he has been informed that the Shares subject to the Option, if and when issued, will not be registered under the Securities Act of 1933, as amended (the "Act"). Optionee acknowledges that he has been informed that the Company is granting the Option in reliance upon exemptions contained in the Act and the General Rules and Regulations under the Act as promulgated and from time to time amended by the Securities and Exchange Commission on the grounds that the grant of the Option and the issuance and sale of the Shares subject to the Option when exercised are transactions not involving any public offering and that, consequently, such transactions are exempt from registration under the Act by virtue of the provisions of Section 4(2) thereof. Optionee acknowledges that reliance upon this exemption is predicated in part upon his representation that he has no intention of dividing his participation for any interest in the Option and the Shares subject to the Option with others or otherwise distributing all or any part thereof but that any Shares acquired by him upon exercise of the Option will be acquired for investment only. In addition, Optionee specifically authorizes the Company to place an appropriate legend on the Shares in the form set forth in Section 11 hereof.

10. Representation of the Company. The Company represents and warrants that the Shares issuable upon any exercise of the Option, when purchased and paid for as herein provided, will be validly issued, fully paid and non-assessable.

11. Legend. The certificates representing the Shares issued upon any exercise of the Option granted hereby shall bear the following legend:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER, IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION OR IS OTHERWISE IN COMPLIANCE WITH THE ACT AND SUCH LAWS.

12. No Employment Contract. Nothing in this Agreement shall confer upon the Optionee any right to become or to continue to be an employee of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to discharge the Optionee, if an employee, at any time for any reason whatsoever, with or without cause, subject to the provisions of applicable law. This Agreement is not an employment contract.

13. Income Tax Withholding. Optionee authorizes the Company or other Group company to withhold in accordance with applicable law from any compensation payable to him or her any taxes required to be withheld by Federal, state, local or foreign laws as a result of the exercise of the Option. The Optionee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the Shares purchased upon the exercise of the Option. If such election is made, the Shares so retained shall be credited against such withholding requirement based on the fair market value of a share of Common Stock on the Exercise Date. Furthermore, in the event of any determination that the Company or other Group company has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the exercise of the Option, Optionee agrees to pay the Company the amount of any such deficiency in cash within five (5) days after receiving a written demand from the Company to do so, whether or not Optionee is an employee of the Company at that time.

14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

15. Option Subject to Terms of Plan**.** The granting of the Option is being made pursuant to the Plan and the Option shall be exercisable only in accordance with the applicable terms of the Plan. The Plan contains certain definitions, restrictions, limitations and other terms and conditions all of which shall be applicable to the Option. **ALL THE PROVISIONS OF THE PLAN ARE INCORPORATED HEREIN BY REFERENCE AND ARE MADE A PART OF THIS AGREEMENT IN THE SAME MANNER AS IF EACH AND EVERY SUCH PROVISION WERE FULLY WRITTEN INTO THIS AGREEMENT.** Should the Plan become void or unenforceable by operation of law or judicial decision, this Agreement shall have no force or effect. Nothing set forth in this Agreement is intended, nor shall any of its

provisions be construed, to limit or exclude any definition, restriction, limitation or other term or condition of the Plan as is relevant to this Agreement and as may be specifically applied to it by the Board. In the event of a conflict in the provisions of this Agreement and the Plan, as a rule of construction, the terms of the Plan shall be deemed superior and apply. The Optionee acknowledges receipt of a copy of the Plan.

16. No Rights in Stock. The holder of the Option shall have no rights as a shareowner in respect of any shares of Common Stock of the Company unless and until a certificate or certificates representing such shares shall have been delivered to him.

IN WITNESS WHEREOF, the parties have executed this Stock Option Agreement as of the date first above written.

AQUABOUNTY TECHNOLOGIES INC.

Name:
Title:

OPTIONEE

Name:

EXHIBIT A

TERMS OF OPTIONS

Date of Grant	Number of Shares	Exercise Price Per Share	Vesting Period	Expiration Date
		$		

Exhibit 10.4

AQUA BOUNTY TECHNOLOGIES INC.

2006 EQUITY INCENTIVE PLAN

FORM OF RESTRICTED STOCK AGREEMENT

(United Kingdom Residents)

This Agreement (the "Agreement") is made as of_____, 201__ (the "Date of Grant") by and between Aqua Bounty Technologies Inc., a Delaware corporation (the "Company") and _____ ("Grantee") on behalf of itself and of any subsidiary of the Company (a "Subsidiary") which is the employer of or deemed to be the employer of Grantee or to which Grantee provides services.

1. Grant of Restricted Shares. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Company's 2006 Equity Incentive Plan (the "Plan"), the Company hereby grants to Grantee as of the Date of Grant _____(_____) shares of the Company's Common Stock as Restricted Shares (the "Restricted Shares"). The Restricted Shares shall be fully paid and nonassessable and shall be represented by a certificate or certificates registered in Grantee's name, endorsed with an appropriate legend referring to the restrictions hereinafter set forth.

2. Restrictions on Transfer of Restricted Shares. The Restricted Shares may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by Grantee, except to the Company, until the Restricted Shares have become nonforfeitable as provided in Section 3 hereof. Any purported transfer or encumbrance in violation of the provisions of this Section 2 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Shares.

3. Vesting of Restricted Shares. The Restricted Shares shall become nonforfeitable on the_____ anniversary of the Date of Grant (the "Vesting Date") if Grantee remains in the continuous employ or service of the Company or a Subsidiary from the Date of Grant until the Vesting Date.

4. Forfeiture of Shares. Notwithstanding any other provision of this Agreement or of the Plan to the contrary, the Restricted Shares shall be forfeited without further consideration if Grantee ceases to be an employee of or to provide services to the Company or any Subsidiary prior to the Vesting Date. In the event of a forfeiture, the certificate(s) representing the Restricted Shares covered by this Agreement shall be canceled.

5. Dividend, Voting and Other Rights. Except as otherwise provided herein, from and after the Date of Grant, Grantee shall have all of the rights of a stockholder with respect to the Restricted Shares; provided, however, that any additional shares of Common Stock or other securities that Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company shall be subject to the same restrictions as the Restricted Shares covered by this Agreement.

6. Retention of Stock Certificate(s) by the Company. The certificate(s) representing the Restricted Shares shall be held in custody by the Company, together with a stock power endorsed in blank by Grantee with respect thereto, until those shares have become nonforfeitable in accordance with Section 3 of this Agreement.

7. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to issue any shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

8. Taxes and Withholding.

(a) To the extent that the Company or a Subsidiary shall be required to withhold any federal, state, local or foreign taxes and social security contributions (including, without limitation, UK primary class 1 (employee's) national insurance contributions) in connection with the issuance, vesting or disposal of the Restricted Shares or non restricted Common Stock of the Company or other securities obtained pursuant to this Agreement (including in the event of Grantee making an election under Section 431 of the United Kingdom Income Tax (Earnings and Pensions) Act 2003 (b) with respect to the Restricted Shares), and the amounts available to the Company for such withholding are insufficient, Grantee shall pay such taxes or make provisions that are satisfactory to the Company for the payment thereof.

(b) Grantee hereby acknowledges and agrees that he shall be fully responsible for and hereby indemnifies the Company and its Subsidiaries for and in respect of any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the grant of Restricted Shares pursuant to this Agreement, where the recovery is not prohibited by law. The Grantee hereby further indemnifies the Company and its Subsidiaries against all reasonable costs, expenses and any penalty, final interest incurred or payable by the Company or any Subsidiary in connection with or in consequence of any such liability, deduction, contribution, assessment or claim.

9. Continuous Employment. For purposes of this Agreement, the continuous employment or service of Grantee with the Company or a Subsidiary shall not be deemed to have been interrupted, and Grantee shall not be deemed to have ceased to be an employee of or provider of services to the Company or a Subsidiary, by reason of the transfer of his employment or service among the Company and its Subsidiaries or a leave of absence approved by the Board.

10. No Employment Contract.

(a) Nothing contained in this Agreement shall confer upon Grantee any right with respect to continuance of employment or service with the Company or any Subsidiary, nor limit or affect in any manner the right of the Company or any Subsidiary to terminate the employment or service or to adjust the compensation of Grantee.

(b) This grant of Restricted Shares is a voluntary, discretionary bonus being made on a one time basis and does not constitute a commitment to make any future grants. This grant and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance. Grantee shall not be entitled to any compensation in connection with Grantee's termination of employment or service for any loss of any right or benefit or prospective right or benefit under this Agreement or the Plan which he might otherwise have enjoyed, whether such compensation is claimed by way of damages for breach of contract or by way of compensation for loss of office or otherwise.

11. Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of Grantee under this Agreement without Grantee's consent.

12. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

13. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Board acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of Restricted Shares.

14. Data Privacy. Information about Grantee may be collected, recorded and held, used and disclosed in electronic or other form for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan. By accepting this grant of Restricted Shares, Grantee agrees and understands that processing of such information may need to be carried out by the Company and any Subsidiary and by third party administrators, whether such persons are located within Grantee's country of residence or elsewhere, including outside the European Economic Area. Grantee hereby consents to the processing of information relating to him and his participation in the Plan in any one or more of the ways referred to above.

15. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

16. Governing Law. This agreement is made under, and shall be construed in accordance with, the internal substantive laws of the State of Delaware.

[SIGNATURES ON NEXT PAGE]

This Agreement is executed by the Company on the day and year first set forth above.

By: _____
Name:
Title:

The undersigned hereby acknowledges receipt of an executed original of this Agreement and accepts the award of Restricted Shares granted thereunder on the terms and conditions set forth herein and in the Company's 2006 Equity Incentive Plan.

Date: _____, 201__

_____
GRANTEE
Name: _____

Exhibit 10.5

DATED December 5, 2012

INTREXON CORPORATION

- and -

AQUABOUNTY TECHNOLOGIES, INC.

RELATIONSHIP AGREEMENT

- relating to -

AQUABOUNTY TECHNOLOGIES, INC.

Hogan Lovells

CONTENTS

THIS RELATIONSHIP AGREEMENT (this "Agreement") is made on December 5, 2012 by and between **Intrexon Corporation,** Incorporated in Virginia, USA, with offices at [ ] **("Intrexon"),** and **AquaBounty Technologies, Inc.,** incorporated in Delaware, USA, with offices at 935 Main Street, Waltham, Mass 02451, USA (the "**Company**").

RECITALS

(A) On 31 October 2012, Intrexon agreed to acquire shares constituting 47.56% of the current issued share capital of AquaBounty from Linnaeus Capital Partners B.V. and Tethys Ocean B.V., which acquisition was completed on 16 November 2012 with Intrexon becoming the owner of such shares.

(B) In accordance with the Company's Certificate of Incorporation, Intrexon intends to make a conditional cash offer for any and all shares of common stock of AquaBounty not already owned by Intrexon (the "**Mandatory Offer**"**).**

(C) The parties to this Agreement wish to record the current and future basis of Intrexon's relationship with the Company as a major shareholder.

OPERATIVE PROVISIONS

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement the following words and expressions shall have the following meanings unless they are inconsistent with the context:

"Affiliate" means, as to any person, any other person or entity that, directly or indirectly through one or more intermediaries, controls, or is controlled by such person;

"Board" means the board of directors of the Company from time to time;

"Business Day" means any day (other than Saturday or Sunday) on which clearing banks are open for a full range of banking transactions in both London and New York City;

"Closing Date" means the date on which the Mandatory Offer becomes or is declared unconditional in all respects or lapses or is withdrawn in accordance with its terms;

"Confidential Information" mean's all information which is not publicly known, and which is used in or otherwise relates to the Company's business, customers, or financial or other affairs, including, without limitation, information relating to:

(a) trade secrets, know-how, ideas, computer systems and computer software;

(b) future projects, business development or planning, commercial relationships and negotiations; and

(c) the marketing of goods or services including customer names and lists, sales targets and statistics;

"Director" means a director of the Company from time to time;

"First Annual Meeting" has the meaning given in clause 2.1.

"Intrexon Director" has the meaning given in clause 2.5;

"Intrexon Nominee" has the meaning given in clause 2.2(a);

"Intrexon Representative" has the meaning given in clause 2.5; and

"Mandatory Offer" has the meaning given in Recital (B).

1.2 In this Agreement:

(a) references to clauses and parties are, unless otherwise stated, to the clauses of and the parties to this Agreement;

(b) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporated;

(c) the headings to the clauses are for convenience only and shall not affect the construction or interpretation of this Agreement; and

(d) references to any statute or statutory provision include, unless the context otherwise requires, a reference to the statute or statutory provision as modified, replaced or reenacted and in force from time to time prior to the date hereof and any subordinate legislation made under the relevant statute or statutory provision (as so modified, replaced or re-enacted) in force prior to the date hereof.

2. INTREXON NOMINEE; INTREXON REPRESENTATIVE

2.1 As soon as practicable after the Closing Date, and in any case no later than the later of (x) ten (10) Business Days after the Closing Date and (y) thirty (30) days after the date on which Intrexon submits names to the Company's Nominated Advisor, the Company shall take or cause to be taken all necessary actions to (A) increase the size of the Board from three (3) to six (6) directors and (B) appoint three (3) nominees of Intrexon (each an **"Intrexon Nominee"** and together the **"Intrexon Nominees")** as directors of the Company with terms expiring at the next annual meeting of the shareholders of the Company occurring after the date of such appointment (the **"First Annual Meeting"**), provided, however that if as a result of the Mandatory Offer Intrexon becomes the beneficial owner of greater than 50% of the outstanding common stock of the Company, the Company shall take or cause to be taken all necessary actions to (A) increase the size of the Board from three (3) to seven (7) directors and (B) appoint four (4) Intrexon Nominees as directors of the Company with terms expiring at the First Annual Meeting. Intrexon shall have the right to nominate each Intrexon Nominee from among the officers and directors of Intrexon (or any such other persons with at least similar stature and experience, in the reasonable judgment of the Board), provided, however, that for so long as the Company is listed on the AIM Market of the London Stock Exchange that (i) Intrexon acknowledges the obligation of the Company's Nominated Advisor under the AIM Rules to undertake due diligence on any prospective Intrexon Nominee and agrees to cooperate with the Nominated Advisor's reasonable enquiries and (ii) Intrexon will not exercise its voting rights in a manner designed to prevent the Company from having on the Board at all times two directors who are independent of Intrexon and the Company.

2.2 The Company agrees that so long as (i) this Agreement continues in full force and effect and has not been terminated pursuant to clause 6 (*Duration*) and (ii) Intrexon itself or together with its Affiliates control 25% or more of the voting rights exercisable at meetings of the shareholders of the Company, the Company will procure that the Board will, in advance of the First Annual Meeting and thereafter in advance of each annual meeting of the shareholders of the Company:

(a) nominate such number of Intrexon Nominees as may be designated by Intrexon for election as directors of the Company at each forthcoming annual meeting of shareholders of the Company occurring after the date of such nomination so that Intrexon shall have representation on the Board proportional to Intrexon's percentage shareholding in the capital of the Company rounded up to the nearest whole person in the event that Intrexon's representation on the Board would not as a result constitute at least a majority of the directors on the Board and rounded arithmetically to the nearest whole person in the event that Intrexon's representation on the Board would as a result constitute a majority of the Board; provided, that each such nomination shall not include any individual whose membership on the Board would be a violation of law and shall be in accordance with the Bylaws of the Company then in effect; and provided, further, that should the Board determine that any such designee of Intrexon is inappropriate, consistent with the standards set forth in this clause 2.2(a), Intrexon shall be entitled to designate, as a substitute, an additional individual for election as a director of the Company that shall meet the standards set forth in this clause 2.2(a) and such individual shall be deemed an Intrexon Nominee; and

(b) recommend that the shareholders of the Company vote to elect each such Intrexon Nominee as a director of the Company at the next annual meeting of shareholders of the Company occurring after the date of such nomination.

2.3 In the event that an Intrexon Nominee, nominated for election to the Board in accordance with clause 2.2(a), fails to be elected to the Board by the shareholders at the applicable annual meeting, the Company shall, as an ongoing obligation, procure that the Board take such steps as are permitted by the Bylaws and any applicable law to appoint such Intrexon Nominee to fill any vacancy.

2.4 If a member, of the Board that has been designated by Intrexon resigns or is removed from the Board and Intrexon indicates that it does not wish to designate a nominee to fill the vacancy or fails to nominate a designee that meets the standards set forth in clause 2.2(a) to replace such individual within ten (10) Business Days following receipt of notice of such resignation or removal, the Company will take or cause to be taken all necessary actions to reduce the size of the Board so that there is no vacancy as a result thereof and then to promptly increase the size of the Board to create a vacancy at such time as Intrexon indicates that it wishes to designate a nominee to fill the vacancy that meets the standards set forth in clause 2.2(a). Upon termination of this Agreement pursuant to clause 6 *(Duration)*, Intrexon shall, upon the written request of the Board, cause such member(s) of the Board that have been designated by Intrexon to resign from the Board, effective immediately.

2.5 Intrexon shall be entitled to, and the Company shall procure that it may, send a representative (an **"Intrexon Representative"**) to attend and speak at, but not to vote at, any meetings of the board of subsidiary of the Company if at such time it has no Intrexon-appointed director serving on the board of directors of that subsidiary (any such Intrexon-appointed director, an **"Intrexon Director"**).

2.6 The Company agrees that, for so long as there is an Intrexon Nominee on the Board, it will procure director insurance of a type and at a level of coverage that is customary for members of a board of directors of a publicly listed company and reasonably acceptable to Intrexon.

2.7 The Company agrees that, for so long as there is an Intrexon Nominee on the Board, it will enter into a customary form of indemnification agreement with each Intrexon Nominee in a form reasonably acceptable to Intrexon.

3. **REPORTING COMPLIANCE.**

3.1 For so long as Intrexon itself or together with its Affiliates controls 10% or more of the voting rights exercisable at meetings of the shareholders of the Company, for any time period for which Intrexon has notified. AquaBounty that Intrexon has reasonably concluded, after consultation with its outside advisors, that Intrexon is required to consolidate or include AquaBounty's financial statements with its own, AquaBounty shall comply with the following additional obligations:

(a) AquaBounty shall maintain at its principal place of business or, upon notice to Intrexon, at such other place as AquaBounty shall determine:

(i) a copy of AquaBounty's Certificate of Incorporation or organizational document and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(ii) a copy of this Agreement;

(iii) a copy of AquaBounty's federal, state, and local income tax returns and reports, if any; and

(iv) minutes of meetings of AquaBounty's board of directors and shareholders or actions by written consent in lieu thereof, redacted as necessary by AquaBounty to exclude any sensitive or confidential information that Intrexon, by operation of law or contractual stipulation, is not permitted to receive.

(b) AquaBounty shall keep its books and records consistent with United States generally accepted accounting principles (US GAAP).

(c) Intrexon at its own expense and upon reasonable notice, may examine any information it may reasonably request (including, to the extent AquaBounty has the right to provide such, the work papers of AquaBounty's internal and independent auditors) and make copies of and abstracts from the financial and operating records and books of account of AquaBounty, and discuss the affairs, finances and accounts of AquaBounty with AquaBounty and independent auditors of AquaBounty, all at such reasonable times and as often as Intrexon or any agents or representatives of Intrexon may reasonably request. The rights granted pursuant to this clause 3.1(c) are expressly subject to compliance by Intrexon with the safety, security and confidentiality procedures and guidelines of AquaBounty, as such procedures and guidelines may be established from time to time.

(d) Unless waived by Intrexon, in its sole discretion, as soon as available but no later than ninety (90) days after the end of each fiscal year, AquaBounty shall cause to be prepared and Intrexon to be furnished with an audited balance sheet as of the last day of such fiscal year and an audited income statement, a statement of stockholders' equity and statement of cash flows for AquaBounty for such fiscal year and notes associated with each, in each case prepared in accordance with US GAAP, together with a report of AquaBounty's independent auditor that such statements have been prepared in accordance with US GAAP and present fairly, in all material respects, the financial position, results of operations and cash flows of AquaBounty.

(e) As soon as available but no later than forty five (45) days after the end of each calendar quarter, AquaBounty shall furnish the following to Intrexon an unaudited balance sheet as of the last day of such period, and an unaudited income statement, a statement of cash flows and a statement of stockholders' equity for AquaBounty for such period, in each case prepared in accordance with US GAAP.

(f) As requested by Intrexon on no more than a quarterly basis, a certificate, executed by the Chief Executive Officer or Chief Financial Officer of AquaBounty, certifying on behalf of AquaBounty the following:

(i) AquaBounty maintains accurate books and records reflecting its assets and liabilities and maintains proper and adequate internal accounting controls that provide assurance that (1) transactions are executed with management's authorization; (2) transactions are recorded as necessary to permit preparation of the consolidated financial statements of AquaBounty and to maintain accountability for AquaBounty's consolidated assets; (3) access to the assets of AquaBounty is permitted only in accordance with management's authorization; (4) the reporting of assets of AquaBounty is compared with existing assets at regular intervals; and (5) accounts, notes and other receivables and inventory are recorded accurately, and proper and adequate procedures are implemented to effect the collection of accounts, notes and other receivables on a current and timely basis.

(ii) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder; any such controls and procedures are adequate to ensure that all material information concerning AquaBounty is made known on a timely basis to those individuals responsible for the preparation of any filings that may be required to be made by Intrexon with the SEC and other public disclosure documents.

(iii) AquaBounty shall promptly prepare and furnish to Intrexon any information, whether written or oral, requested by Intrexon that is reasonably necessary for purposes of Intrexon's ongoing compliance with applicable law.

3.2 The parties agree that the delivery deadlines in clause 3.1 will be modified to the extent necessary to ensure that such deliverables are provided by AquaBounty no less than thirty (30) days prior to the date necessary for Intrexon to meet any disclosure obligation under rules or regulations to which Intrexon may be or become subject from time to time. Intrexon will provide AquaBounty with notice as promptly as practicable regarding any changes in Intrexon's disclosure obligations that would require a change in delivery deadlines under this clause 3.

4. CONFIDENTIALITY

4.1 The parties acknowledge the existence and continuing effect of the Mutual Confidentiality Agreement effective January 13, 2012 between Intrexon and the Company, as amended June 25, 2012 and as further amended by this Section 4.1 (the "Mutual Confidentiality Agreement"). The first section of Section 3 of the Mutual Confidentiality Agreement is hereby replaced in its entirety with the following "The disclosure period of this Agreement shall expire on the date that the Relationship Agreement dated [ ], 2012 between Intrexon and AquaBounty Technologies terminates (the **"Disclosure Period"),** unless such Disclosure Period is extended by the agreement of the parties in writing." The definition of "Confidential Information" in Section 1 of the Mutual Confidentiality Agreement is hereby amended to replace the period at the end of such definition with the following: "; provided, however, that Confidential Information shall not include any such information that Intrexon can demonstrate was developed by Intrexon independently of and without reference to any Confidential Information or became known to Intrexon (independently of disclosure by the Company) on a non-confidential basis from a third party lawfully possessing and entitled to disclose such information.".

4.2 For the avoidance of doubt, information shared by or on behalf of the Company with an Intrexon Nominee is deemed to be shared with such individual in his or her capacity as an Intrexon Nominee and not in his or her capacity as an employee, consultant or agent of Intrexon; provided, however, that each Intrexon Nominee shall be entitled to disclose to Intrexon such information concerning the Company as he or she thinks fit, to the extent permitted by applicable law, and that information that constitutes Confidential Information under the Confidentiality Agreement that is disclosed to Intrexon shall be subject to the terms of the Confidentiality Agreement.

5. CAPACITY AND LIABILITY

Each party warrants and represents to the other that it has the power to enter into this Agreement and to exercise its rights and to perform its obligations hereunder and all corporate and other action required to authorise its execution of this Agreement and its performance of its obligations hereunder has been duly taken.

6. DURATION

This Agreement will continue in full force and effect until Intrexon itself or together with its Affiliates ceases to control 10% or more of the voting rights exercisable at meetings of the shareholders of the Company, save that the provisions of clauses 4 (*Confidentiality*), 10 *(Notices)* and 13 *(Governing Law)* shall survive termination of this Agreement.

7. **ENTIRE AGREEMENT**

This Agreement (together with any documents referred to herein) constitutes the entire agreement between the parties hereto in connection with the subject matter of this Agreement.

8. **WAIVERS AND AMENDMENTS**

8.1 No waiver of any term, provision or condition of this Agreement shall be effective unless such waiver is evidenced in writing and signed by the waiving party.

8.2 No omission or delay on the part of any party to this Agreement in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies in this Agreement are cumulative with and not exclusive of any rights or remedies provided by law.

8.3 No amendment or modification to this Agreement shall be effective unless in writing and signed by all parties.

9. **ASSIGNMENT**

No party to this Agreement may assign, transfer or charge all or any of the other parties' obligations nor any of its rights or benefits arising under this Agreement without the prior written consent of the other party; except that Intrexon may assign, transfer or charge all or any of its obligations, rights and benefits arising under this Agreement without the prior written consent of the Company to (i) an Affiliate of Intrexon or (ii) to the transferee in the event Intrexon sells, conveys, disposes or otherwise transfers all of its shares of AquaBounty common stock.

10. **NOTICES**

Any demand, notice or other communication in connection with this Agreement will be in writing and will, if otherwise given or made in accordance with this clause 10, be deemed to have been duly given or made as follows:

(a) if sent by prepaid first class post to the recipient at its registered office (or such other address as may be notified to the other parties by a recipient in writing), on the second Business Day after the date of posting;

(b) if sent by air mail to the recipient at its registered office (or such other address as may be notified to the other parties by a recipient in writing), on the sixth Business Day after the date of posting; or

(c) if delivered by hand, upon delivery to the recipient at its registered office (or such other address as may be notified to the other parties by a recipient in writing),

provided that, if it is delivered by hand or sent by facsimile on a day which is not a Business Day or after 4 p.m. (at the location of the recipient) on a Business Day, it will instead be deemed given or made on the next Business Day.

11. **INVALIDITY**

If at any time any one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

12. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the parties on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

13. GOVERNING LAW

All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, employees or agents) shall be commenced exclusively in the New York Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such New York Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. For the purposes of this Agreement, “Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

[Signatures Appear on the Following Page]

THIS AGREEMENT is executed and delivered on the date stated at the beginning of this Agreement.

Intrexon Corporation

By: /s/ Thomas R. Kasser
Name: Thomas R. Kasser
Title: President, Animal Science Division
SVP, Intrexon Corporation

AquaBounty Technologies, Inc.

By: /s/ David A. Frank
Name: David A. Frank
Title: Chief Financial Officer

EXHIBIT 10.6

EXCLUSIVE CHANNEL COLLABORATION AGREEMENT

THIS EXCLUSIVE CHANNEL COLLABORATION AGREEMENT (the "**Agreement**") is made and entered into effective as of February 14, 2013 (the "**Effective Date**") by and between **INTREXON CORPORATION**, a Virginia corporation with offices at 20358 Seneca Meadows Parkway, Germantown, MD 20876 ("**Intrexon**"), and **AQUABOUNTY TECHNOLOGIES, INC.,** a Delaware corporation having its principal place of business at Two Clock Tower Place, Suite 395, Maynard, MA 01754 ("**AquaBounty**"). Intrexon and AquaBounty may be referred to herein individually as a "**Party**", and collectively as the "**Parties**."

RECITALS

WHEREAS, Intrexon has expertise in and owns or controls proprietary technology relating to the identification, design and production of genetically modified cells and DNA vectors, and the control of peptide expression; and

WHEREAS, AquaBounty now desires to become Intrexon's exclusive channel collaborator with respect to such technology for the purpose of developing the Aquaculture Program (as defined herein), and Intrexon is willing to appoint AquaBounty as a channel collaborator in the Field (as defined herein, and subject to amendments to the definition as permitted herein) under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing and the covenants and promises contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

1.1 "**AAA Rules**" has the meaning set forth in Section 11.2.

1.2 "**Affiliate**" means, with respect to a particular Party, any other person or entity that directly or indirectly controls, is controlled by, or is in common control with such Party. As used in this Section 1.2, the term "controls" (with correlative meanings for the terms "controlled by" and "under common control with") means the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of an entity, or the possession, directly or indirectly, of the power to direct the management or policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Notwithstanding the foregoing, Third Security shall be deemed not to be an Affiliate of Intrexon, and neither Party shall be deemed to be an Affiliate of the other Party. In addition, any other person, corporation, partnership, or other entity that would be an Affiliate of Intrexon solely because it and Intrexon are under common control by Randal J. Kirk or by investment funds managed by Third Security or an affiliate of Third Security shall also be deemed not to be an Affiliate of Intrexon.

1.3 "**Applicable Laws**" has the meaning set forth in Section 8.2(d)(xii).

1.4 "**AquaBounty Indemnitees**" has the meaning set forth in Section 9.1.

1.5 "**AquaBounty Product**" means any product in the Field that is created, produced, developed, or identified in whole or in part, directly or indirectly, by or on behalf of AquaBounty during the Term through use or practice of Intrexon Channel Technology, Intrexon IP, or the Intrexon Materials.

1.6 "**AquaBounty Program Patent**" has the meaning set forth in Section 6.2(b).

1.7 "**AquaBounty Termination IP**" means all Patents or other intellectual property that AquaBounty or any of its Affiliates Controls as of the Effective Date or during the Term that cover, or is otherwise necessary or useful for, the development, manufacture or Commercialization of a Reverted Product or necessary or useful for Intrexon to operate in the Field.

1.8 "**Aquaculture Program**" has the meaning set forth in Section 2.1(a).

1.9 "**Authorizations**" has the meaning set forth in Section 8.2(d)(xii).

1.10 "**Channel-Related Program IP**" has the meaning set forth in Section 6.1(c).

1.11 "**Claims**" has the meaning set forth in Section 9.1.

1.12 "**Committees**" has the meaning set forth in Section 2.2(a).

1.13 "**Commercialize**" or "**Commercialization**" means any activities directed to marketing, promoting, distributing, importing for sale, offering to sell and/or selling AquaBounty Products.

1.14 "**Commercial Sale**" means for a given product and country the sale for value of that product by a Party (or, as the case may be, by an Affiliate or permitted sublicensee of a Party), to a Third Party after regulatory approval (if necessary) has been obtained for such product in such country.

1.15 "**Complementary In-Licensed Third Party IP**" has the meaning set forth in Section 3.9(a).

1.16 "**Confidential Information**" means all Information which is not publicly known, and which is used in or otherwise relates to each Party's business, customers, or financial or other affairs and disclosed by a Party pursuant to this Agreement or any other confidentiality agreement between the Parties, regardless of whether in oral, written, graphic, electronic, or other tangible and intangible forms, including, without limitation, information relating to (a) trade secrets, know-how, ideas, computer systems and computer software; (b) future projects, business development or planning, commercial relationships and negotiations; and (c) the marketing of goods or services including customer names and lists, sales targets and statistics.

1.17 "**Control**" means, with respect to Information, a Patent or other intellectual property right, that a Party owns or has a license from a Third Party to such right and has the ability to grant a license or sublicense as provided for in this Agreement under such right without violating the terms of any agreement or other arrangement with any Third Party.

1.18 "**Costs of Goods Sold**" or "**COGS**" means all Manufacturing Costs that are directly and reasonably attributable to manufacturing of an AquaBounty Product in accordance with US GAAP for commercial sale in the countries where such AquaBounty Product has been launched.

1.19 "**Diligent Efforts**" means, with respect to a Party's obligation under this Agreement, the level of efforts and resources reasonably required to diligently develop, manufacture, and/or Commercialize (as applicable) each AquaBounty Product in a sustained manner, consistent with the efforts and resources a similarly situated company working in the Field would typically devote to a product of similar market potential, profit potential, strategic value and/or proprietary protection, based on market conditions then prevailing.

1.20 "**Excess Product Liability Costs**" has the meaning set forth in Section 9.3.

1.21 "**Executive Officer**" means : (a) the Chief Executive Officer of the applicable Party, or (b) another senior executive officer of such Party who has been duly appointed in writing by the Chief Executive Officer to act as the representative of the Party to resolve, as the case may be, (i) a Committee dispute, provided that such appointed officer is not a member of the applicable Committee and occupies a position senior to the positions occupied by the applicable Party's members of the applicable Committee, or (ii) a dispute described in Section 11.1.

1.22 "**FDA**" has the meaning set forth in Section 8.2(d)(xii).

1.23 "**Field**" means the development, breeding, hatching, and farming of genetically modified finfish to be used for human food consumption.

1.24 "**Field Infringement**" has the meaning set forth in Section 6.3(b).

1.25 "**Fully Loaded Cost**" means the direct cost of the applicable good, product or service plus indirect charges and overheads reasonably allocable to the provision of such good, product or service in accordance with US GAAP. Subject to the approval of a project and its associated budget by the JSC and the terms of Sections 4.5 and 4.6 (as appropriate), Intrexon will bill for its internal direct costs incurred through the use of annualized standard full-time equivalents; such rate shall be based upon the actual fully loaded costs of those personnel directly involved in the provision of such good, product or service. Intrexon may, from time to time, adjust such full-time equivalent rate based on changes to its actual fully loaded costs and will review the accuracy of its full-time equivalent rate at least quarterly, and any increase to the full-time equivalent rate must be communicated in advance to AquaBounty. Intrexon shall provide AquaBounty with documentation reasonably acceptable to AquaBounty indicating the basis for any direct and indirect charges, any allocable overhead, and any such adjustment in full-time equivalent rate.

1.26 "**Gross Profit**" means, with respect to sales of a particular product by a seller who is the producer of such product, the gross revenues derived by that seller or an Affiliate of that seller (including without limitation net sales of the product to a non-Affiliate sublicensee but not including net sales by such non-Affiliate sublicensee), as determined in accordance with US GAAP as the gross amount invoiced on account of sales of the product less COGS as determined in accordance with US GAAP. In the case of any sale for value, such as barter or counter-trade other than in an arm's length transaction exclusively for cash, Gross Profit shall be deemed to be the net sales at which substantially similar quantities of the product are sold for cash in an arm's length transaction in the relevant country. If an AquaBounty Product is sold to any Third Party together with other products or services, the price of such product, solely for purposes of the calculation of Gross Profit, shall be deemed to be no less than the price at which such product would be sold in a similar transaction to a third party not also purchasing the other products or services.

1.27 "**In-Licensed Program IP**" has the meaning set forth in Section 3.9(a).

1.28 "**Information**" means information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, including without limitation, databases, inventions, practices, methods, techniques, specifications, formulations, formulae, knowledge, know-how, skill, experience, test data including pharmacological, biological, chemical, biochemical, toxicological and regulatory test data, analytical and quality control data, stability data, studies and procedures, and patent and other legal information or descriptions.

1.29 "**Infringement**" has the meaning set forth in Section 6.3(a).

1.30 "**Intrexon Channel Technology**" means Intrexon's current and future technology directed towards the design, identification, culturing, and/or production of genetically modified cells, including without limitation the technology embodied in the Intrexon Materials and the Intrexon IP, and specifically including without limitation the following of Intrexon's platform areas and capabilities: (1) UltraVector®, (2) LEAP™, (3) DNA and RNA MOD engineering, (4) protein engineering, (5) transcription control chemistry, (6) genome engineering, and (7) cell system engineering.

1.31 "**Intrexon Indemnitees**" has the meaning set forth in Section 9.2.

1.32 "**Intrexon IP**" means the Intrexon Patents and Intrexon Know-How.

1.33 "**Intrexon Know-How**" means all Information (other than Intrexon Patents) that (a) is Controlled by Intrexon as of the Effective Date or during the Term and (b) is reasonably required or useful for AquaBounty to conduct the Aquaculture Program. For the avoidance of doubt, the Intrexon Know-How shall include any Information (other than Intrexon Patents) in the Channel-Related Program IP.

1.34 "**Intrexon Materials**" means the gene constructs, in each case that are Controlled by Intrexon, used alone or in combination and such other proprietary reagents and biological materials including but not limited to plasmid vectors, virus stocks, cells and cell lines, antibodies, and ligand-related chemistry, in each case that are reasonably required or useful for and provided to AquaBounty by or on behalf of Intrexon to conduct the Aquaculture Program.

1.35 "**Intrexon Patents**" means all Patents that (a) are Controlled by Intrexon as of the Effective Date or during the Term; and (b) are reasonably required or useful for AquaBounty to conduct the Aquaculture Program. For the avoidance of doubt, the Intrexon Patents shall include any Patent in the Channel-Related Program IP.

1.36 "**Intrexon Trademarks**" means those trademarks related to the Intrexon Channel Technology that are established from time to time by Intrexon for use across its channel partnerships or collaborations.

1.37 "**Inventions**" has the meaning set forth in Section 6.1(b).

1.38 "**IPC**" has the meaning set forth in Section 2.2(b).

1.39 "**JSC**" has the meaning set forth in Section 2.2(b).

1.40 "**Losses**" has the meaning set forth in Section 9.1.

1.41 "**Manufacturing Costs**" means, with respect to a given AquaBounty Product, the full-time equivalent costs (under a reasonable accounting mechanism to be agreed upon by the Parties) and out-of-pocket costs that AquaBounty or any of its Affiliates incurred in manufacturing such products, including costs and expenses incurred in connection with (a) the development or validation of any manufacturing process, formulations or delivery systems, or improvements to the foregoing; (b) manufacturing scale-up; (c) in-process testing, stability testing and release testing; (d) quality assurance/quality control development; (e) internal and Third Party costs and expenses incurred in connection with qualification and validation of Third Party contract manufacturers, including scale up, process and equipment validation, and initial manufacturing licenses, approvals and inspections; (f) packaging development and final packaging and labeling; (g) shipping configurations and shipping studies; and (h) overseeing the conduct of any of the foregoing. "Manufacturing Costs" shall further include: (i) to the extent that any such AquaBounty Product is manufactured by a Third Party manufacturer, the out-of-pocket costs incurred by AquaBounty or any of its Affiliates to the Third Party for the manufacture and supply (including packaging and labeling) thereof, and any reasonable out-of-pocket costs and direct labor costs incurred by AquaBounty or any of its Affiliates in managing or overseeing the Third Party relationship determined in accordance with the books and records of such Party or its Affiliates maintained in accordance with US GAAP; and (ii) to the extent that any such AquaBounty Product is manufactured by AquaBounty or any of its Affiliates, direct material and direct labor costs attributable to such product, as well as reasonably allocable overhead expenses, determined in accordance with the books and records of AquaBounty or its Affiliates maintained in accordance with US GAAP.

1.42 "**Patents**" means (a) all patents and patent applications (including provisional applications), (b) any substitutions, divisions, continuations, continuations-in-part, reissues, renewals, registrations, requests for continued examination, confirmations, re-examinations, extensions, supplementary protection certificates and the like of the foregoing, and (c) any foreign or international equivalents of any of the foregoing.

1.43 "**Product-Specific Program Patent**" means any issued Intrexon Patent where all the claims are directed to Inventions that relate solely and specifically to AquaBounty Products. In the event of a disagreement between the Parties as to whether a particular Intrexon Patent is or is not a Product-Specific Program Patent, the Parties shall seek to resolve the issue through discussions at the IPC, provided that if the Parties are unable to resolve the disagreement, the issue shall be submitted to arbitration pursuant to Section 11.2. Any Intrexon Patent that is subject to such a dispute shall be deemed not to be a Product-Specific Program Patent unless and until (a) Intrexon agrees in writing that such Patent is a Product-Specific Program Patent or (b) an arbitrator or arbitration panel determines, pursuant to Article 11, that such Intrexon Patent is a Product-Specific Program Patent

1.44 "**Product Sublicense**" has the meaning set forth in Section 3.2(c).

1.45 "**Product Sublicensee**" has the meaning set forth in Section 3.2(c).

1.46 "**Proposed Terms**" has the meaning set forth in Section 11.2.

1.47 "**Prosecuting Party**" has the meaning set forth in Section 6.2(c).

1.48 "**Recovery**" has the meaning set forth in Section 6.3(f).

1.49 "**Retained Product**" has the meaning set forth in Section 10.4(a).

1.50 "**Reverted Product**" has the meaning set forth in Section 10.4(c).

1.51 "**SEC**" means the United States Securities and Exchange Commission.

1.52 "**Sublicensing Revenue**" means any cash consideration, or the cash equivalent value of non-cash consideration, regardless of whether in the form of upfront payments, milestones, or royalties, actually received by AquaBounty or its Affiliate from a Third Party in consideration for a grant of a sublicense under the Intrexon IP or any rights to develop or Commercialize AquaBounty Products, but excluding: (a) any amounts paid as bona fide reimbursement for research and development costs to the extent incurred following such grant; (b) bona fide loans or any payments in consideration for a grant of equity of AquaBounty to the extent that such consideration is equal to or less than fair market value (i.e. any amounts in excess of fair market value shall be Sublicensing Revenue); and (c) amounts received from sublicensees in respect of any AquaBounty Product sales that are included in the calculation of revenue sharing payments made to Intrexon under Section 5.1(a).

1.53 "**Superior Animal Product**" means a genetically modified animal product in the Field that, based on the data then available, (a) demonstrably appears to offer either superior farming yield or safety or significantly lower cost of production, as compared with both (i) those animal products that are marketed (either by AquaBounty or others) at such time for similar commercial use and (ii) those animal products that are being actively developed by AquaBounty for such indication; (b) demonstrably appears to represent a substantial improvement over such existing animal products; and (c) has intellectual property protection and a regulatory approval pathway that, in each case, would not present a significant barrier to commercial development.

1.54 "**Supplemental In-Licensed Third Party IP**" has the meaning set forth in Section 3.9(a).

1.55 "**Support Memorandum**" has the meaning set forth in Section 11.2.

1.56 "**Term**" has the meaning set forth in Section 10.1.

1.57 "**Territory**" means the world.

1.58 "**Third Party**" means any individual or entity other than the Parties or their respective Affiliates.

1.59 "**Third Security**" means Third Security, LLC.

1.60 "**US GAAP**" means generally accepted accounting principles in the United States.

ARTICLE 2

SCOPE OF CHANNEL COLLABORATION; MANAGEMENT

2.1 Scope.

(a) Generally. The general purpose of the channel collaboration described in this Agreement will be to use the Intrexon Channel Technology to research, develop and Commercialize products for use in the Field (collectively, the "**Aquaculture Program**"). As provided below, the JSC shall establish, monitor, and govern projects for the Aquaculture Program. Either Party may propose potential projects in the Field for review and consideration by the JSC.

2.2 Committees.

(a) Generally. The Parties desire to establish several committees (collectively, "**Committees**") to oversee the Aquaculture Program and to facilitate communications between the Parties with respect thereto. Each of such Committees shall have the responsibilities and authority allocated to it in this Article 2. Each of the Committees shall have the obligation to exercise its authority consistent with the respective purpose for such Committee as stated herein and any such decisions shall be made in good faith.

(b) Formation and Purpose. Promptly following the Effective Date, the Parties shall confer and then create a Joint Steering Committee ("**JSC**") and an Intellectual Property Committee ("**IPC**"). The JSC shall have authority, subject to Section 2.5 and except as otherwise delegated to the IPC, to (i) establish research and development projects for the Aquaculture Program (including establishing the priorities and budgets for such projects), (ii) oversee manufacturing and controls for AquaBounty Products, (iii) review and approve all regulatory trial projects and associated regulatory filings and correspondence under the Aquaculture Program (including reviewing and approving itemized budgets with respect to the foregoing), (iv) establish project plans and review and approve activities and budgets for Commercialization activities under the Aquaculture Program, and (v) approve the projects and plans of any subcommittee it establishes consistent with this authority. The IPC shall have authority, subject to Section 2.5, to evaluate all intellectual property issues and approve

associated collaborative activities in connection with the Aquaculture Program, including the protection of Inventions or Confidential Information, the filing of Patents, licensing of Third Party intellectual property, the establishment or enforcement of controls concerning the dissemination or use of intellectual property (including Intrexon Channel Technology, Intrexon IP, or Intrexon Materials) for the development or manufacturing of AquaBounty Products.

(c) JSC Governance Activities. Promptly following creation of the JSC, the JSC shall meet and deliberate on a regular basis as set forth in Section 2.3 below. The JSC shall review information and make recommendations as necessary to the Parties to implement the Aquaculture Program and, subject to Section 2.5, authorize activities of the Parties under the Aquaculture Program consistent with the terms and provisions of this Agreement. The activities of the JSC shall include, from time to time as warranted or necessary: (i) preparation of written plans for each Aquaculture Program project detailing for each project its purpose and objectives, the activities to be performed, a timeline for achievement of such activities and a budget (including Intrexon activities and associated budget for support services), and timing for the transfer of relevant Information and materials between the Parties; (ii) preparation of research and development plans associated with any necessary regulatory approvals for any projects for the Aquaculture Program, all associated publications, and all regulatory filings and correspondence related to gaining regulatory approval for new AquaBounty Projects under the Aquaculture Program; (iii) review of the overall progress of a project against any approved plan and advising the Parties accordingly; (iv) establishment of procedures for any necessary technology transfer between the Parties; (v) preparation of plans relating to regulatory approval and Commercialization activities under the Aquaculture Program; and (vi) establishment and oversight of any subcommittees as it deems appropriate (and within its authority) for carrying out activities under this Agreement. The representatives from each Party to the JSC shall be responsible for reporting to their respective Party and obtaining any necessary delegations, authorizations or approvals required by their respective Party in accordance with Section 2.5.

2.3 General Committee Membership and Procedure.

(a) Membership. For each Committee, each Party shall designate an equal number of representatives (not to exceed three (3) for each Party) with appropriate expertise to serve as members of such Committee. For the JSC, the representatives must all be employees of such Party or an Affiliate of such Party, and for Committees other than the JSC, the representatives must all be employees of such Party or an Affiliate of such Party with the caveat that each Party may designate for each such other Committee up to one (1) representative who is not an employee if: (i) such non-employee representative agrees in writing to be bound by the terms of this Agreement for the treatment and ownership of Confidential Information and Inventions of the Parties, and (ii) the other Party consents to the designation of such non-employee representative, which consent shall not be unreasonably withheld. For purposes of this Section 2.3, employees of Third Security may, at Intrexon's election, serve as members of a Committee as if they were employees of Intrexon. Each representative as qualified above may serve on more than one (1) Committee as appropriate in view of the individual's expertise. Each Party may replace its Committee representatives at any time upon written notice to the other Party. Each Committee shall have a chairperson; the chairperson of each committee shall serve for a two-year term and the right to designate which representative to the Committee will act as chairperson shall alternate between the Parties, with AquaBounty selecting the chairperson first

for the JSC, and Intrexon selecting the chairperson first for the IPC. The chairperson of each Committee shall be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting of such Committee, and preparing and issuing minutes of each meeting within fifteen (15) days thereafter.

(b) Meetings. Each Committee shall hold meetings at such times as it elects to do so, but in no event shall such meetings be held less frequently than once every six (6) months. Meetings of any Committee may be held in person or by means of telecommunication (telephone, video, or web conferences). To the extent that a Committee holds any meetings in person, the Parties will alternate in designating the location for such in-person meetings, with AquaBounty selecting the first meeting location for each Committee. A reasonable number of additional representatives of a Party may attend meetings of a Committee in a non-voting capacity. Each Party shall be responsible for all of its own expenses of participating in any Committee excepting that an Intrexon employee or agent serving on a Committee shall not prevent Intrexon from recouping the Fully Loaded Costs otherwise derived from the labor of that employee or agent in the course of providing manufacturing or support services as set forth in Sections 4.5 and 4.6 below.

(c) Meeting Agendas. Each Party will disclose to the other proposed agenda items along with appropriate information at least three (3) business days in advance of each meeting of the applicable Committee; provided, that a Party may provide its agenda items to the other Party within a lesser period of time in advance of the meeting, or may propose that there not be a specific agenda for a particular meeting, so long as such other Party consents to such later addition of such agenda items or the absence of a specific agenda for such Committee meeting.

(d) Limitations of Committee Powers. Each Committee shall have only such powers as are specifically delegated to it hereunder or from time to time as agreed to in writing by the mutual consent of the Parties and shall not be a substitute for the rights of the Parties. Without limiting the generality of the foregoing, no Committee shall have any power to amend this Agreement. Any amendment to the terms and conditions of this Agreement shall be implemented pursuant to Section 12.7 below. Additionally, no member of any Committee shall be able to vote in such Committee and thereby bind its respective Party on any material matter accept as otherwise properly authorized, approved, or delegated by such Party in accordance with Section 2.5.

2.4 Committee Decision-Making. If a Committee is unable to reach unanimous consent on a particular matter within thirty (30) days of its initial consideration of such matter, then either Party may provide written notice of such dispute to the Executive Officer of the other Party. The Executive Officers of each of the Parties will meet at least once in person or by means of telecommunication (telephone, video, or web conferences) to discuss the dispute and use their good faith efforts to resolve the dispute within thirty (30) days after submission of such dispute to the Executive Officers. If any such dispute is not resolved by the Executive Officers within thirty (30) days after submission of such dispute to such Executive Officers, then the Executive Officer of the Party specified in the applicable subsection below shall have the authority to finally resolve such dispute acting in good faith.

(a) Casting Vote at JSC. If a dispute at the JSC is not resolved pursuant to Section 2.4 above, then the Executive Officer of AquaBounty shall have the authority to finally resolve such dispute.

(b) Casting Vote at IPC. If a dispute at the IPC is not resolved pursuant to Section 2.4 above, then the Executive Officer of Intrexon shall have the authority to finally resolve such dispute, provided that such authority shall be shared by the Parties with respect to Product-Specific Program Patents (i.e., neither Party shall have the casting vote on such matters, and any such disputes shall be resolved pursuant to Article 11).

(c) Other Committees. If any additional Committee or subcommittee other than those set forth in Section 2.2(b) is formed, then the Parties shall, at the time of such formation, agree on which Party shall have the authority to finally resolve a dispute that is not resolved pursuant to Section 2.4 above.

(d) Restrictions. Neither Party shall exercise its right to finally resolve a dispute at a Committee in accordance with this Section 2.4 in a manner that (i) excuses such Party from any of its obligations specifically enumerated under this Agreement; (ii) expands the obligations of the other Party under this Agreement; (iii) negates any consent rights or other rights specifically allocated to the other Party under this Agreement; (iv) purports to resolve any dispute involving the breach or alleged breach of this Agreement; (v) resolves a matter if the provisions of this Agreement specify that mutual agreement is required for such matter; or (vi) would require the other Party to perform any act that is inconsistent with applicable law.

2.5 Authorization of Committee Representatives. Each Committee representative shall be able to bind his or her respective appointing Party via any Committee vote or other material Committee activity only to the extent such vote or other activity (a) has been previously approved by the Party, (b) is within the authority duly delegated to the representative by the respective Party, or (c) is otherwise authorized by its respective Party as may be required by that Party's corporate charter or bylaws, or by its board of directors. Any action or vote taken by a Party's representative at any Committee without valid authority shall be considered null and void and shall be without effect unless subsequently and expressly approved by the Party appointing the representative on the Committee.

ARTICLE 3

LICENSE GRANTS

3.1 Licenses to AquaBounty.

(a) Subject to the terms and conditions of this Agreement, Intrexon hereby grants to AquaBounty a license under the Intrexon IP to research, develop, use, make, have made, sell, import, and offer for sale AquaBounty Products in the Field in the Territory. Such license shall be exclusive (even as to Intrexon) with respect to any development, selling, making or having made (except as permitted in Section 4.5), using (except for uses in connection with research), importing, offering for sale or other Commercialization of AquaBounty Products in the Field, and shall be otherwise non-exclusive.

(b) Subject to the terms and conditions of this Agreement, Intrexon hereby grants to AquaBounty a non-exclusive, royalty-free license to use and display the Intrexon Trademarks, solely in connection with the Commercialization of AquaBounty Products in the promotional materials, packaging, and labeling for AquaBounty Products, as provided under and in accordance with Section 4.8.

3.2 Sublicensing. Except as provided in this Section 3.2, AquaBounty shall not sublicense the rights granted under Section 3.1 to any Third Party, or transfer the Intrexon Materials to any Third Party, or otherwise grant any Third Party the right to research, develop, use, or Commercialize AquaBounty Products or use or display the Intrexon Trademarks, in each case except with Intrexon's written consent, which written consent may be withheld in Intrexon's sole discretion. Notwithstanding the foregoing, AquaBounty (and its Product Sublicensees only to the extent explicitly set forth in Section 3.2(a) below) shall have a limited right to sublicense under the circumstances described in Sections 3.2(a) through 3.2(c).

(a) AquaBounty may transfer, to the extent reasonably necessary and after providing Intrexon with reasonable advance notice thereof, Intrexon Materials to a Third Party contractor performing (i) farming, cultivation, or harvesting of food animals from AquaBounty Products under bailment from AquaBounty or (ii) contract manufacturing, fill, and/or finish responsibilities for AquaBounty Products, and may in connection therewith grant limited sublicenses necessary to enable such Third Party to perform such activities. If AquaBounty transfers any Intrexon Materials under this Section 3.2(a), AquaBounty will take commercially reasonable steps, including contractually obligating any such Third Party contractors, to ensure that the rights of Intrexon in and to the Intrexon Materials and Intrexon IP and under the provisions of Articles 6 and 7 of this Agreement are not violated by any such Third Party contractor. A Product Sublicensee may transfer, to the extent reasonably necessary and upon the consent of Intrexon (which consent shall not be unreasonably withheld), Intrexon Materials that are ingredients for the AquaBounty Product sublicensed by the Product Sublicensee to a Third Party contractor performing on behalf of that Product Sublicensee (A) farming, cultivation, or harvesting of food animals from AquaBounty Products under bailment from AquaBounty or (B) contract manufacturing, fill, and/or finish responsibilities for AquaBounty Products, and may in connection therewith grant limited sublicenses to the extent necessary to enable such Third Party to perform such activities. AquaBounty will require and ensure that if any Product

Sublicensee transfers any Intrexon Materials under this Section 3.2(a), that such Product Sublicensee, after obtaining Intrexon's consent, will take commercially reasonable steps, including contractually obligating any such Third Party contractors, to ensure that the rights of Intrexon in and to the Intrexon Materials and Intrexon IP and under the provisions of Articles 6 and 7 of this Agreement are not violated by any Third Party contractors of such Product Sublicensees.

(b) AquaBounty may, with Intrexon's written consent, which consent shall not be unreasonably withheld, sublicense the rights granted under Section 3.1 to an Affiliate, or transfer the Intrexon Materials to an Affiliate, or grant an Affiliate the right to display the Intrexon Trademarks. In the event that Intrexon consents to any such grant or transfer to an Affiliate, AquaBounty shall remain responsible for, and be guarantor of, the performance by any such Affiliate and shall cause such Affiliate to comply with the provisions of this Agreement in connection with such performance (as though such Affiliate were AquaBounty), including any payment obligations owed to Intrexon hereunder.

(c) AquaBounty may grant a sublicense of the rights granted under Section 3.1 (and not including a right to sublicense under this Section 3.1(c)) to a Third Party licensee of any AquaBounty Product (a "**Product Sublicensee**") to the extent necessary to permit such Third Party to research, develop, use, import, export, make, have made, sell, and offer for sale that AquaBounty Product (a "**Product Sublicense**"), provided that (i) such Product Sublicense is expressly limited to the appropriate AquaBounty Product, (ii) such Product Sublicense does not grant the Product Sublicensee any rights to Intrexon IP other than as incorporated into the AquaBounty Product at the time of the Product Sublicense, (iii) such Product Sublicense does not purport to relieve AquaBounty of any of its obligations under this Agreement, (iv) the Product Sublicensee agrees in writing, in a document in form reasonably acceptable to Intrexon and to which Intrexon is an express third party beneficiary, to abide by the following provisions of this Agreement: Sections 3.1, 3.3 through 3.6, 3.8, 3.10, and 3.11 and Articles 6, 7, and 10), and (v) the Product Sublicense is presented in full to the JSC by AquaBounty before execution by AquaBounty and the prospective Product Sublicensee and as soon as is reasonably practical for the purpose of allowing the JSC to review and comment upon the terms and scope of the Product Sublicense agreement before execution.

3.3 Limitation on Sublicensees. None of the enforcement rights under the Intrexon Patents that are granted to AquaBounty pursuant to Section 6.3 shall be transferred to, or exercised by, a sublicensee except with Intrexon's prior written consent, which may be withheld in Intrexon's sole discretion.

3.4 No Non-Permitted Use. AquaBounty hereby covenants that it shall not, nor shall it permit any Affiliate or, if applicable, (sub)licensee, to use or practice, directly or indirectly, any Intrexon IP, Intrexon Channel Technology, or Intrexon Materials for any purposes other than those expressly permitted by this Agreement.

3.5 Exclusivity. Neither Intrexon nor its Affiliates shall make the Intrexon Channel Technology or Intrexon Materials available to any Third Party for the purpose of developing or Commercializing products in the Field (except as set forth in Section 3.2), and neither Intrexon nor any Affiliate shall pursue (either by itself or with a Third Party or Affiliate) the research,

development or Commercialization of any product for purpose of commercial use or sale in the Field, outside of the Aquaculture Program. Further, neither AquaBounty nor its Affiliates shall pursue (either by itself or with a Third Party or Affiliate) outside of the Aquaculture Program the research, development or Commercialization of any genetically modified product for purpose of commercial use or sale in the Field where such genetically modified products would compete with AquaBounty Products.

3.6 No Prohibition on Intrexon. Except as explicitly set forth in Sections 3.1 and 3.5, nothing in this Agreement shall prevent Intrexon from practicing or using the Intrexon Materials, Intrexon Channel Technology, and Intrexon IP for any purpose, and to grant to Third Parties the right to do the same. Without limiting the generality of the foregoing, AquaBounty acknowledges that Intrexon has all rights, in Intrexon's sole discretion, to make the Intrexon Materials, Intrexon Channel Technology (including any genetic materials used in an AquaBounty Product), and Intrexon IP available to Third Party channel partners or collaborators for use in fields outside the Field.

3.7 Rights to Regulatory Data. AquaBounty shall own and control all regulatory trial data and regulatory filings relating to Commercialization of AquaBounty Products (except to the extent such become Reverted Products). AquaBounty shall provide (or shall cause an applicable Product Sublicensee to provide) to Intrexon, upon its request, access to review all trial data and reports, regulatory filings, and communications from regulatory authorities that relate specifically and solely to AquaBounty Products. To the extent that there exist any trial data and reports, regulatory filings, and communications from regulatory authorities owned by AquaBounty (or a Product Sublicensee) that relate both to AquaBounty Products and other products produced by AquaBounty (or a Product Sublicensee) outside the Field or outside the Aquaculture Program, upon Intrexon's request, AquaBounty shall provide (or shall cause an applicable Product Sublicensee to provide) to Intrexon access to review the portions of such data, reports, filings, and communications that relate to AquaBounty Products. Subject to its ongoing obligations of exclusivity under Section 3.5, Intrexon shall be permitted, directly or in conjunction with or through partners or other channel collaborators, to reference these data, reports, filings, and communications relating to AquaBounty Products in regulatory filings made to obtain regulatory approval for products for use in fields outside the Field. Intrexon shall have the right to use any such information in developing and Commercializing products outside the Field and to license any Third Parties to do so. Notwithstanding the provisions of this Section 3.7, Intrexon shall not, outside of the Aquaculture Program, utilize knowingly any AquaBounty trial data or reports in support of obtaining regulatory approval for a product for use in the Field.

3.8 Third Party Licenses.

(a) Intrexon shall obtain, at its sole expense, any licenses from Third Parties that are required in order to practice the Intrexon Channel Technology in the Field where the licensed intellectual property is reasonably necessary for Intrexon to conduct genetic and cell engineering and related analytic activities under JSC-approved project plans for the Aquaculture Program (but specifically excluding intellectual property directed to any specific target genes, genetic transformation methodologies, or processes or methods for harvesting, culturing, formulating, or otherwise manufacturing AquaBounty Products) ("**Supplemental In-Licensed**

Third Party IP"). Other than with respect to Supplemental In-Licensed Third Party IP, AquaBounty shall be solely responsible for obtaining, at its sole expense, any licenses from Third Parties that AquaBounty determines, in its sole discretion, are required in order to lawfully make, use, sell, offer for sale, or import AquaBounty Products ("**Complementary In-Licensed Third Party IP**"). Supplemental In-Licensed Third Party IP and Complementary In-Licensed Third Party IP are collectively referred to as "**In-Licensed Program IP**".

(b) In the event that either Party desires to license from a Third Party any Supplemental In-Licensed Third Party IP or Complementary In-Licensed Third Party IP, such Party shall so notify the other Party, and the IPC shall discuss such In-Licensed Program IP and its applicability to the AquaBounty Products and to the Field. As provided above in Section 3.8(a), Intrexon shall have the sole right and responsibility to pursue a license under Supplemental In-Licensed Third Party IP, and AquaBounty hereby covenants that it shall not itself directly license such Supplemental In-Licensed Third Party IP at any time, provided that AquaBounty may (but shall not be obligated to) obtain such a license directly if the Third Party owner or licensee of such Supplemental In-Licensed Third Party IP brings an infringement action against AquaBounty or its Affiliates or threatens to bring such action (to the extent such threats would reasonably be considered to subject the Third Party owner or licensee to declaratory judgment jurisdiction) and, after written notice to Intrexon of such action, Intrexon fails to obtain a license to such Supplemental In-Licensed Third Party IP using Diligent Efforts within ninety (90) days after such notice. Following the IPC's discussion of any Complementary In-Licensed Third Party IP, subject to Section 3.8(c), AquaBounty shall have the right to pursue a license under Complementary In-Licensed Third Party IP, at AquaBounty's sole expense. Intrexon hereby covenants that during the Term it shall not directly license Complementary In-Licensed IP in the Field except in cooperation with AquaBounty and for the benefit of an AquaBounty Product or the Aquaculture Program. For the avoidance of doubt, Intrexon may at any time obtain a license under Complementary In-Licensed Third Party IP outside the Field, at Intrexon's sole expense, provided that if Intrexon decides to seek to obtain such a license, it shall use reasonable efforts to coordinate its licensing activities in this regard with AquaBounty.

(c) AquaBounty shall provide the proposed terms of any license under Complementary In-Licensed Third Party IP and the final version of the definitive license agreement for any Complementary In-Licensed Third Party IP to the IPC for review and discussion prior to signing, and shall consider Intrexon's comments thereto in good faith. To the extent that AquaBounty obtains a license under Supplemental In-Licensed Third Party IP, AquaBounty shall provide the final version of the definitive license agreement for such Supplemental In-Licensed Third Party IP to the IPC. If AquaBounty acquires rights under any In-Licensed Program IP outside the Field, it will do so on a non-exclusive basis unless it obtains the prior written consent of Intrexon for such license outside the Field to be exclusive. Any Party that is pursuing a license to any In-Licensed Program IP with respect to the Field under this Section 3.8 shall keep the other Party reasonably informed of the status of any negotiations relating thereto. For purposes of clarity, (i) any costs incurred by Intrexon in obtaining and maintaining licenses to Supplemental In-Licensed Third Party IP shall be borne solely by Intrexon, and (ii) any costs incurred by AquaBounty in obtaining and maintaining licenses to Complementary In-Licensed Third Party IP (and, to the limited extent provided in subsection (b), Supplemental In-Licensed Third Party IP) shall be borne solely by AquaBounty except as set forth in Section 10.4(h).

(d) For any Third Party license under which AquaBounty or its Affiliates obtain a license under Patents claiming inventions or know-how specific to or used or incorporated into the development, manufacture, and/or Commercialization of AquaBounty Products, AquaBounty shall use commercially reasonable efforts to ensure that AquaBounty will have the ability, pursuant to Section 10.4(h), to assign such agreement to Intrexon or grant a sublicense to Intrexon thereunder (having the scope set forth in Section 10.4(h)).

(e) The licenses granted to AquaBounty under Section 3.1 may include sublicenses under Intrexon IP that has been or will be licensed to Intrexon by one or more Third Parties. Any such sublicenses may be subject to the terms and conditions set forth in the applicable upstream license agreement, subject to the cost allocation set forth in Section 3.8(c), provided that Intrexon shall either provide unredacted copies of such upstream license agreements to AquaBounty or shall disclose in writing to AquaBounty all of such terms and conditions that are applicable to AquaBounty. AquaBounty shall not be responsible for complying with any provisions of such upstream license agreements unless, and to the extent that, such provisions have been disclosed to AquaBounty as provided in the preceding sentence.

(f) If either Party receives notice from a Third Party concerning activities of a Party taken in conjunction with performance of obligations under this Agreement, which notice alleges infringement by a Party of, or offers license under, Patents or other intellectual property rights owned or controlled by that Third Party, the receiving Party shall inform the other party thereof within five (5) business days.

3.9 Licenses to Intrexon. Subject to the terms and conditions of this Agreement, AquaBounty hereby grants to Intrexon a non-exclusive, worldwide, fully-paid, royalty-free license, under any applicable Patents or other intellectual property Controlled by AquaBounty or its Affiliates, solely to the extent necessary for Intrexon to conduct those responsibilities assigned to it under this Agreement, which license shall be sublicensable solely to Intrexon's Affiliates or to any Intrexon subcontractors as permitted in accordance with Section 4.5 or as otherwise permitted to be used by Intrexon in conjunction with support services under Section 4.6 (subject to JSC research plan approval).

3.10 Restrictions Relating to Intrexon Materials. AquaBounty and its permitted sublicensees shall use the Intrexon Materials solely for purposes of the Aquaculture Program and not for any other purpose without the prior written consent of Intrexon. With respect to the Intrexon Materials comprising Intrexon's vector assembly technology, AquaBounty shall not, and shall ensure that AquaBounty personnel and permitted sublicensees do not, except as otherwise permitted in this Agreement (a) distribute, sell, lend or otherwise transfer such Intrexon Materials to any Third Party; (b) except as is reasonably necessary for the Commercialization of AquaBounty Products, co-mingle such Intrexon Materials with any other proprietary biological or chemical materials without Intrexon's written consent; or (c) analyze such Intrexon Materials or in any way attempt to reverse engineer or sequence such Intrexon Materials.

ARTICLE 4

OTHER RIGHTS AND OBLIGATIONS

4.1 Development and Commercialization. Subject to Sections 4.5 and 4.6, AquaBounty shall be solely responsible for the development and Commercialization of AquaBounty Products. AquaBounty shall be responsible for all costs incurred in connection with the Aquaculture Program except that Intrexon shall be responsible for the following: (a) costs of establishing manufacturing capabilities and facilities in connection with Intrexon's manufacturing obligation under Section 4.5 (provided, however, that Intrexon may include an allocable portion of such costs, through depreciation and amortization, when calculating the Fully Loaded Cost of manufacturing an AquaBounty Product, to the extent such allocation, depreciation, and amortization is permitted by US GAAP, it being recognized that the majority of non-facilities scale-up costs cannot be capitalized and amortized under US GAAP); (b) costs of basic research with respect to the Intrexon Channel Technology (i.e., improvements to Intrexon's synthetic biology platforms) but, for clarity, excluding research described in Section 4.6 or research requested by AquaBounty for the development of an AquaBounty Product (which research costs shall be reimbursed by AquaBounty); (c) payments under Section 3.9(c)(i) in respect of Supplemental In-Licensed Third Party IP; and (d) costs of filing, prosecution and maintenance of Intrexon Patents. The costs encompassed within clause (a) of the previous sentence shall include the scale-up of Intrexon Materials for generating data for regulatory approval submissions and Commercialization of AquaBounty Products undertaken pursuant to Section 4.5, which shall be at Intrexon's cost whether it elects to conduct such efforts internally or through Third Party contractors retained by either Intrexon or AquaBounty (with Intrexon's consent).

4.2 Information and Reporting. AquaBounty will keep Intrexon informed about AquaBounty's efforts to develop and Commercialize AquaBounty Products, including reasonable and accurate summaries of AquaBounty's (and its Affiliates' and, if applicable, (sub)licensees') development plans (as updated), including regulatory plans, marketing plans (as updated), progress towards meeting the goals and milestones in such plans and explanations of any material deviations, significant developments in the development and/or Commercialization of the AquaBounty Products, including initiation or completion of a regulatory trial, submission of a United States or international regulatory filing, receipt of a response to such United States or international regulatory filing, product safety event, receipt of Regulatory Approval, or commercial launch, and manufacturing costs and pricing information. As set forth in Section 3.7 above, AquaBounty shall also provide Intrexon access to all final regulatory trial protocols and reports, and regulatory correspondence and filings generated by AquaBounty as soon as practical after they become available. Intrexon will keep AquaBounty informed about Intrexon's efforts (a) to establish manufacturing capabilities and facilities for AquaBounty Products (and Intrexon Materials relevant thereto) and (b) to undertake discovery-stage research for the Aquaculture Program with respect to the Intrexon Channel Technology and Intrexon Materials. Unless otherwise provided herein or directed by the JSC in accordance with Section 4.2 above, such disclosures by AquaBounty and Intrexon will be coordinated by the JSC and made in connection with JSC meetings at least once every six (6) months while AquaBounty Products are being developed or Commercialized anywhere in the world, and shall be reflected in the minutes of such meetings.

4.3 Regulatory Matters. At all times after the Effective Date, AquaBounty shall own and maintain, at its own cost, all regulatory filings and regulatory approvals for AquaBounty Products that AquaBounty is developing or Commercializing pursuant to this Agreement. As such, AquaBounty shall be responsible for reporting all adverse events related to such AquaBounty Products to the appropriate regulatory authorities in the relevant countries, in accordance with the applicable laws and regulations of such countries. To the extent that Intrexon will itself develop, or in collaboration with other third parties develop, Intrexon Materials outside of the Field, Intrexon may request that AquaBounty and Intrexon enter into a separate safety data exchange agreement governing the timely exchange of safety information generated by AquaBounty, Intrexon, and relevant third parties with respect to specific Intrexon Materials.

4.4 Diligence.

(a) AquaBounty shall use, and shall require its sublicensees to use, Diligent Efforts to develop and Commercialize AquaBounty Products. Intrexon shall use, and shall require its sublicensees to use, Diligent Efforts in conducting any activities undertaken by Intrexon in support of any JSC-approved research plan for the Aquaculture Program.

(b) Without limiting the generality of the foregoing, Intrexon may, from time to time, notify AquaBounty that it believes it has identified a Superior Animal Product, and in such case Intrexon shall provide to AquaBounty its then-available information about such animal product and reasonable written support for its conclusion that the animal product constitutes a Superior Animal Product. AquaBounty shall have the following obligations with respect to such proposed Superior Animal Product: (i) within sixty (60) days after such notification, AquaBounty, in conjunction with the members of the JSC, shall prepare and deliver to the JSC for review and approval a development plan detailing how AquaBounty will pursue the Superior Animal Product (including a proposed budget); (ii) AquaBounty shall revise the development plan as directed by the JSC; and (iii) following approval of the development plan by the JSC, AquaBounty shall use Diligent Efforts to pursue the development of the Superior Animal Product under the Aquaculture Program in accordance with such development plan. If AquaBounty fails to comply with the foregoing obligations, or if AquaBounty unreasonably exercises its casting vote at the JSC to either (x) prevent the approval of a development plan for a Superior Animal Product; (y) delay such approval more than sixty (60) days after delivery of the development plan to the JSC; or (z) approve a development plan that is insufficient in view of the nature and magnitude of the opportunity presented by the Superior Animal Product, then Intrexon shall have the termination right set forth in Section 10.2(b) (subject to the limitation set forth therein). For clarity, any dispute arising under this 4.4, including any dispute as to whether a proposed project constitutes a Superior Animal Product (as with any other dispute under this Agreement) shall be subject to dispute resolution in accordance with Article 11.

(c) The activities of AquaBounty's Affiliates and any permitted sublicensees shall be attributed to AquaBounty for the purposes of evaluating AquaBounty's fulfillment of the obligations set forth in this Section 4.4, and the activities of Intrexon's Affiliates and any permitted sublicensees shall be attributed to Intrexon for the purposes of evaluating Intrexon's fulfillment of the obligations set forth in this Section 4.4.

4.5 Manufacturing. Intrexon shall have the option and, in the event it so elects, shall use Diligent Efforts, to perform any manufacturing activities in connection with the Aquaculture Program that relate to the Intrexon Materials, including through the use of a suitable Third Party contract manufacturer. To the extent that Intrexon so elects, Intrexon may request that AquaBounty and Intrexon establish and execute a separate manufacturing and supply agreement, which agreement will establish and govern the production, quality assurance, and regulatory activities associated with manufacture of Intrexon Materials. Except as provided in Section 4.1, any manufacturing undertaken by Intrexon pursuant to the preceding sentence shall be performed in exchange for cash payments equal to Intrexon's Fully Loaded Cost in connection with such manufacturing, on terms to be negotiated by the Parties in good faith. In the event that Intrexon does not manufacture Intrexon Materials or bulk quantities of other components of AquaBounty Products, then Intrexon shall provide to AquaBounty or a contract manufacturer selected by AquaBounty and approved by Intrexon (such approval not to be unreasonably withheld) all Information Controlled by Intrexon that is (a) related to the manufacturing of such Intrexon Materials or bulk qualities of other components of AquaBounty Products for use in the Field and (b) reasonably necessary to enable AquaBounty or such contract manufacturer (as appropriate) for the sole purpose of manufacturing such Intrexon Materials or bulk quantities of other components of AquaBounty Products. The costs and expenses incurred by Intrexon in carrying out such transfer shall be borne by Intrexon. Any manufacturing Information transferred hereunder to AquaBounty or its contract manufacturer shall not be further transferred to any Third Party, including any Product Sublicensee, or any AquaBounty Affiliate without the prior written consent of Intrexon; provided, however, that Intrexon shall not unreasonably withhold such consent if necessary to permit AquaBounty to switch manufacturers.

4.6 Support Services. Subject to Section 2.4, the JSC will meet promptly following the Effective Date and establish a plan under which Intrexon will provide support services to AquaBounty for the research and development of AquaBounty Products under the Aquaculture Program, which initial plan may be amended from time to time by the JSC. AquaBounty will compensate Intrexon for such support services with cash payments equal to Intrexon's Fully Loaded Cost in connection with such services. Additionally, from time to time, on an ongoing basis, AquaBounty may request, or Intrexon may propose, that Intrexon perform certain additional support services with respect to researching and developing new AquaBounty Products or improving the manufacturing or processing methods for any existing AquaBounty Products. To the extent that the Parties mutually agree that Intrexon should perform such additional services, the Parties shall negotiate in good faith the terms under which services would be performed, it being understood that Intrexon would be compensated for such services by cash payments equal to Intrexon's Fully Loaded Cost in connection with such services.

4.7 Compliance with Law. Each Party shall comply, and shall ensure that its Affiliates, (sub)licensees and Third Party contractors comply, with all applicable laws, regulations, and guidelines applicable to the Aquaculture Program, including without limitation those relating to the transport, storage, and handling of Intrexon Materials and AquaBounty Products.

4.8 Trademarks and Patent Marking. To the extent permitted by applicable law and regulations, AquaBounty shall ensure that the packaging, promotional materials, and labeling for AquaBounty Products, as appropriate, shall carry, in a conspicuous location, the applicable Intrexon Trademark(s), subject to AquaBounty's reasonable approval of the size, position, and location thereof. Consistent with the U.S. patent laws, AquaBounty shall ensure that AquaBounty Products, or their respective packaging or accompanying literature, as appropriate, bear applicable and appropriate patent markings for Intrexon Patent numbers. AquaBounty shall provide Intrexon with copies of any materials containing the Intrexon Trademarks or patent markings prior to using or disseminating such materials in order to obtain Intrexon's approval thereof. AquaBounty's use of the Intrexon Trademarks and patent markings shall be subject to prior review and approval of the IPC. AquaBounty acknowledges Intrexon's sole ownership of the Intrexon Trademarks and agrees not to take any action inconsistent with such ownership. AquaBounty covenants that it shall not use any trademark confusingly similar to any Intrexon Trademarks in connection with any products (including any AquaBounty Product). From time to time during the Term, Intrexon shall have the right to obtain from AquaBounty samples of AquaBounty Product sold by AquaBounty or its Affiliates or sublicensees, or other items which reflect public uses of the Intrexon Trademarks or patent markings, for the purpose of inspecting the quality of such AquaBounty Products, the use of the Intrexon Trademarks, or the accuracy of the patent markings. In the event that Intrexon inspects under this Section 4.8, Intrexon shall notify the result of such inspection to AquaBounty in writing thereafter. AquaBounty shall comply with commercially reasonable policies provided by Intrexon from time-to-time to maintain the goodwill and value of the Intrexon Trademarks.

ARTICLE 5

COMPENSATION

5.1 Revenue Sharing.

(a) No later than thirty (30) days after each calendar quarter in which there are positive aggregate Gross Profits arising from the sale of AquaBounty Products in the Field and Territory, AquaBounty shall pay to Intrexon a royalty equal to sixteen point sixty-six percent (16.66%) of such Gross Profits during that calendar quarter. Commencing with the Effective Date, in the event that there are negative Gross Profits for a particular AquaBounty Product in any calendar quarter, neither AquaBounty nor Intrexon shall owe any payments hereunder with respect to such AquaBounty Product. Any negative Gross Profits for a given AquaBounty Product, including any that result from Excess Product Liability Costs, may be carried forward to future quarters and offset against positive Gross Profits in such future quarters for the same AquaBounty Product. Except as set forth in the preceding sentence, AquaBounty shall not be permitted to carry forward any negative Gross Profits to subsequent quarters.

(b) No later than thirty (30) days after each calendar quarter in which AquaBounty or any AquaBounty Affiliate receives Sublicensing Revenue, AquaBounty shall pay to Intrexon fifty percent (50%) of such Sublicensing Revenue.

5.2 Method of Payment. Payments due to Intrexon under this Agreement shall be paid in United States dollars by wire transfer to a bank in the United States designated in writing by Intrexon. All references to "dollars" or "$" herein shall refer to United States dollars.

5.3 Payment Reports and Records Retention. Within thirty (30) days after the end of each calendar quarter during which Gross Profits have been generated, during which Sublicensing Revenue has been received, or during which negative Gross Profits have occurred, AquaBounty shall deliver to Intrexon a written report that shall contain at a minimum for the applicable calendar quarter:

(a) gross sales of each AquaBounty Product on a country-by-country basis;

(b) itemized calculation of Gross Profits, showing all applicable COGS deductions;

(c) itemized calculation of Sublicensing Revenue;

(d) the amount of any negative Gross Profits for the applicable calendar quarter, and any negative Gross Profits amount carried forward from a prior quarter and applied during the present quarter (as per Section 5.1(a));

(e) the amount of the payment (if any) due pursuant to each of Sections 5.1(a) and 5.1(b);

(f) the amount of taxes, if any, withheld to comply with any applicable law; and

(g) the exchange rates used in any of the foregoing calculations.

For three (3) years after each sale of AquaBounty Product, or after incurring any component item AquaBounty incorporated into its calculation of Sublicensing Revenues, Gross Profits or COGS as reported to Intrexon, AquaBounty shall keep (and shall ensure that its Affiliates and, if applicable, (sub)licensees shall keep) complete and accurate records of such sales or component item in sufficient detail to confirm the accuracy of the payment calculations hereunder.

5.4 Audits.

(a) Upon no less than thirty (30) days' prior written request from Intrexon, AquaBounty shall permit an independent certified public accounting firm of internationally recognized standing selected by Intrexon, and reasonably acceptable to AquaBounty, to have access to and to review, during normal business hours and upon no less than thirty (30) days' prior written notice, the applicable records of AquaBounty and, if applicable, its Affiliates to verify the accuracy and timeliness of the reports and payments made by AquaBounty under this Agreement. Such review may cover the records for sales made in any calendar year ending not more than three (3) years prior to the date of such request, provided that such records for any given year are not subject to re-review in a subsequent audit for the same AquaBounty Product. The accounting firm shall disclose to both Parties whether the royalty reports and/or know-how reports conform to the provisions of this Agreement and/or US GAAP, as applicable, and the specific details concerning any discrepancies. Such audit may not be conducted more than once in any calendar year.

(b) If such accounting firm concludes that additional amounts were owed during such period, AquaBounty shall pay additional amounts, with interest from the date originally due as set forth in Section 5.6, within thirty (30) days of receipt of the accounting firm's written report. If the amount of the underpayment is greater than five percent (5%) of the total amount actually owed for the period audited, then AquaBounty shall in addition reimburse Intrexon for all costs related to such audit; otherwise, Intrexon shall pay all costs of the audit. In the event of overpayment, any amount of such overpayment shall be fully creditable against amounts payable for the immediately succeeding calendar quarter(s).

(c) Intrexon shall (i) treat all information that it receives under this Section 5.4 in accordance with the confidentiality provisions of Article 7 and (ii) cause its accounting firm to enter into a confidentiality agreement with and acceptable to AquaBounty, such confidentiality agreement obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, in each case except to the extent necessary for Intrexon to enforce its rights under this Agreement.

5.5 Taxes. The Parties will cooperate in good faith to obtain the benefit of any relevant tax treaties to minimize as far as reasonably possible any taxes which may be levied on any amounts payable hereunder. AquaBounty shall deduct or withhold from any payments any taxes that it is required by applicable law to deduct or withhold. Notwithstanding the foregoing, if Intrexon is entitled under any applicable tax treaty to a reduction of the rate of, or the elimination of, applicable withholding tax, it may deliver to AquaBounty or the appropriate governmental authority (with the assistance of AquaBounty to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve AquaBounty of its obligation to withhold tax, and AquaBounty shall apply the reduced rate of withholding tax, or dispense with withholding tax, as the case may be, provided that AquaBounty has received evidence of Intrexon's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) at least fifteen (15) days prior to the time that the payment is due. If, in accordance with the foregoing, AquaBounty withholds any amount, (a) it shall make timely payment to the proper taxing authority of the withheld amount, and send to Intrexon proof of such payment within forty-five (45) days following that latter payment, and (b) Intrexon agrees to indemnify and hold harmless AquaBounty from and against any loss, damage, liability, penalty or expense, including reasonable attorneys' fees and expenses, which AquaBounty may incur by reason of, or in connection with, any failure to withhold or make payment based upon the instruction of Intrexon.

5.6 Late Payments. Any amount owed by AquaBounty to Intrexon under this Agreement that is not paid within the applicable time period set forth herein shall accrue interest at the lower of (a) two percent (2%) per month, compounded, or (b) the highest rate permitted under applicable law.

ARTICLE 6

INTELLECTUAL PROPERTY

6.1 Ownership.

(a) Subject to the license granted under Section 3.1, all rights in the Intrexon IP shall remain with Intrexon.

(b) AquaBounty and/or Intrexon may solely or jointly conceive, reduce to practice or develop discoveries, inventions, processes, techniques, and other technology, whether or not patentable, in the course of performing the Aquaculture Program (collectively "**Inventions**"). Each Party shall promptly provide the other Party with a detailed written description of any such Inventions that relate to the Field. Inventorship shall be determined in accordance with applicable United States patent laws. Except as otherwise provided in this Section 6.1, ownership of Inventions shall be dictated by inventorship.

(c) Intrexon shall solely own all right, title and interest in all Inventions made with, using, or otherwise incorporating Intrexon Channel Technology, together with all Patent rights and other intellectual property rights therein (the "**Channel-Related Program IP**"). AquaBounty hereby assigns all of its right, title and interest in and to the Channel-Related Program IP to Intrexon. AquaBounty agrees to execute such documents and perform such other acts as Intrexon may reasonably request to obtain, perfect and enforce its rights to the Channel-Related Program IP and the assignment thereof.

(d) Notwithstanding anything to the contrary in this Agreement, any discovery, invention, process, technique, or other technology, whether or not patentable, that is conceived, reduced to practice or developed by AquaBounty solely or jointly through the use of the Intrexon Channel Technology, Intrexon IP, or Intrexon Materials in breach of the terms and conditions of this Agreement, together with all patent rights and other intellectual property rights therein, shall be solely owned by Intrexon and shall be included in the Channel-Related Program IP.

(e) All Information regarding Channel-Related Program IP shall be Confidential Information of Intrexon. AquaBounty shall be under appropriate written agreements with each of its employees, contractors, or agents working on the Aquaculture Program, pursuant to which such person shall grant all rights in the Inventions to AquaBounty (so that AquaBounty may convey certain of such rights to Intrexon, as provided herein) and agree to protect all Confidential Information relating to the Aquaculture Program.

6.2 Patent Prosecution.

(a) Intrexon shall have the sole right, but not the obligation, to (i) conduct and control the filing, prosecution and maintenance of the Intrexon Patents, and (ii) conduct and control the filing, prosecution, and maintenance of any applications for patent term extension and/or supplementary protection certificates that may be available as a result of the regulatory approval of any AquaBounty Product. At the reasonable request of Intrexon, AquaBounty shall cooperate with Intrexon in connection with such filing, prosecution, and maintenance, at

Intrexon's expense. Under no circumstances shall AquaBounty (A) file, attempt to file, or assist anyone else in filing, or attempting to file, any Patent application, either in the United States or elsewhere, that claims or uses or purports to claim or use or relies for support upon an Invention owned by Intrexon, (B) use, attempt to use, or assist anyone else in using or attempting to use, the Intrexon Know-How, Intrexon Materials, or any Confidential Information of Intrexon to support the filing of a Patent application, either in the United States or elsewhere, that contains claims directed to the Intrexon IP, Intrexon Materials, or the Intrexon Channel Technology, or (C) without prior approval of the IPC, file, attempt to file, or assist anyone else in filing, or attempting to file, any application for patent term extension or supplementary protection certificate, either in the United States or elsewhere, that relies upon the regulatory approval of an AquaBounty Product.

(b) AquaBounty shall have the sole right, but not the obligation, to conduct and control the filing, prosecution and maintenance of any Patents claiming Inventions that are owned by AquaBounty or its Affiliates and not assigned to Intrexon under Section 6.1(c) ("**AquaBounty Program Patents**"). At the reasonable request of AquaBounty, Intrexon shall cooperate with AquaBounty in connection with such filing, prosecution, and maintenance, at AquaBounty's expense. Under no circumstances shall Intrexon (i) file, attempt to file, or assist anyone else in filing, or attempting to file, any Patent application, either in the United States or elsewhere, that claims or uses or purports to claim an Invention owned by AquaBounty, or (ii) without prior approval of the IPC, file, attempt to file, or assist anyone else in filing, or attempting to file, any application for patent term extension or supplementary protection certificate, either in the United States or elsewhere, that relies upon the regulatory approval of an AquaBounty Product.

(c) As used in this Section, "**Prosecuting Party**" means Intrexon in the case of Intrexon Patents and AquaBounty in the case of AquaBounty Program Patents. The Prosecuting Party shall be entitled to use patent counsel selected by it and reasonably acceptable to the non-Prosecuting Party (including in-house patent counsel as well as outside patent counsel) for the prosecution of the Intrexon Patents and AquaBounty Program Patents, as applicable. The Prosecuting Party shall:

(i) regularly provide the other Party in advance with reasonable information relating to the Prosecuting Party's prosecution of Patents hereunder, including by providing copies of substantive communications, notices and actions submitted to or received from the relevant patent authorities and copies of drafts of filings and correspondence that the Prosecuting Party proposes to submit to such patent authorities (it being understood that, to the extent that any such information is readily accessible to the public, the Prosecuting Party may, in lieu of directly providing copies of such information to such other Party, provide such other Party with sufficient information that will permit such other Party to access such information itself directly);

(ii) consider in good faith and consult with the non-Prosecuting Party regarding its timely comments with respect to the same; provided, however, that if, within fifteen (15) days after providing any documents to the non-Prosecuting Party for comment, the Prosecuting Party does not receive any written communication from the non-Prosecuting Party indicating that it has or may have comments on such document, the Prosecuting Party shall be entitled to assume that the non-Prosecuting Party has no comments thereon;

(iii) consult with the non-Prosecuting Party before taking any action that would reasonably be expected to have a material adverse impact on the scope of claims within the Intrexon Patents and AquaBounty Program Patents, as applicable.

(d) If, for an Invention that (i) comprises Channel-Related Program IP, and (ii) covers an AquaBounty Product in development or Commercialization, Intrexon determines in its discretion to refrain from filing a patent application on such Invention or to abandon (without re-filing) or to discontinue prosecution of (without re-filing) or maintenance of any Intrexon Patent claiming such Invention, Intrexon shall notify AquaBounty in writing, at least thirty (30) days prior to the final, non-extendable date by which any action must be taken to preserve such patent application or Patent, of Intrexon's determination so as to provide AquaBounty with an opportunity to assume responsibility for such filing, prosecution, or maintenance. If AquaBounty elects to assume, at its sole discretion and expense, such responsibility, AquaBounty shall notify Intrexon in writing to that effect and Intrexon shall cooperate with AquaBounty to effect a smooth transfer of such responsibilities to AquaBounty. Such transfer of responsibility shall not otherwise modify the rights, license and obligations of the Parties hereunder.

6.3 Infringement of Patents by Third Parties.

(a) Except as expressly provided in the remainder of this Section 6.3, Intrexon shall have the sole right to take appropriate action against any person or entity directly or indirectly infringing any Intrexon Patent (or asserting that an Intrexon Patent is invalid or unenforceable) (collectively, "**Infringement**"), either by settlement or lawsuit or other appropriate action.

(b) Notwithstanding the foregoing, AquaBounty shall have the first right, but not the obligation, to take appropriate action to enforce Product-Specific Program Patents against any Infringement that involves a commercially material amount of allegedly infringing activities in the Field ("**Field Infringement**"), either by settlement or lawsuit or other appropriate action. If AquaBounty exercises the foregoing right, Intrexon agrees to be named in any such action if required. If AquaBounty fails to take the appropriate steps to enforce Product-Specific Program Patents against any Field Infringement within one hundred eighty (180) days of the date one Party has provided notice to the other Party pursuant to Section 6.3(g) of such Field Infringement, then Intrexon shall have the right (but not the obligation), at its own expense, to enforce Product-Specific Program Patents against such Field Infringement, either by settlement or lawsuit or other appropriate action.

(c) With respect to any Field Infringement that cannot reasonably be abated through the enforcement of Product-Specific Program Patents pursuant to Section 6.3(b) but can reasonably be abated through the enforcement of Intrexon Patent(s) (other than the Product-Specific Program Patents), Intrexon shall be obligated to choose one of the following courses of action: (i) enforce one or more of the applicable Intrexon Patent(s) in a commercially reasonable manner against such Field Infringement, or (ii) enable AquaBounty to do so directly. To the

extent AquaBounty shall be entitled to a share of the Recovery as set forth in Section 6.3(f), Intrexon and AquaBounty shall bear the costs and expenses of such enforcement equally. The determination of which Intrexon Patent(s) to assert shall be made by Intrexon in its sole discretion after consulting in good faith with AquaBounty on such determination. For the avoidance of doubt, Intrexon has no obligations under this Agreement to enforce any Intrexon Patents against, or otherwise abate, any Infringement that is not a Field Infringement.

(d) In the event a Party pursues an action under this Section 6.3, the other Party shall reasonably cooperate with the enforcing Party with respect to the investigation and prosecution of any alleged, threatened, or actual Infringement, at the enforcing Party's expense (except with respect to an action under Section 6.3(c), where all costs and expenses will be shared equally in accordance with terms thereof).

(e) AquaBounty shall not settle or otherwise compromise any action under this Section 6.3 in a way that diminishes the rights or interests of Intrexon outside the Field or adversely affects any Intrexon Patent without Intrexon's prior written consent, which consent shall not be unreasonably withheld. Intrexon shall not settle or otherwise compromise any action under this Section 6.3 in a way that diminishes the rights or interests of AquaBounty in the Field or adversely affects any Intrexon Patent with respect to the Field without AquaBounty's prior written consent, which consent shall not be unreasonably withheld.

(f) Except as otherwise agreed to by the Parties in writing, any settlements, damages or other monetary awards recovered pursuant to a suit, proceeding, or action brought pursuant to Section 6.3 will be allocated first to the costs and expenses of the Party controlling such action, and second, to the costs and expenses (if any) of the other Party (to the extent not otherwise reimbursed), and any remaining amounts (the "**Recovery**") will be shared by the Parties as follows: In any action initiated by Intrexon pursuant to Section 6.3(a) that does not involve Field Infringement, or in any action initiated by Intrexon pursuant to Section 6.3(b), Intrexon shall retain one hundred percent (100%) of any Recovery. In any action initiated by AquaBounty pursuant to Section 6.3(b), AquaBounty shall retain one hundred percent (100%) of any Recovery, but such Recovery shall be shared with Intrexon as Sublicensing Revenue. In any action initiated by Intrexon or AquaBounty pursuant to Section 6.3(c), the Parties shall share the Recovery equally, and such Recovery shall not be deemed to constitute Sublicensing Revenue.

(g) AquaBounty shall promptly notify Intrexon in writing of any suspected, alleged, threatened, or actual Infringement of which it becomes aware, and Intrexon shall promptly notify AquaBounty in writing of any suspected, alleged, threatened, or actual Field Infringement of which it becomes aware.

ARTICLE 7

CONFIDENTIALITY

7.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, each Party agrees that it shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement any Confidential Information disclosed to it by the other Party pursuant to this Agreement, except to the extent that the receiving Party can demonstrate by competent evidence that specific Confidential Information:

(a) was already known to the receiving Party, as can be demonstrated by written records, other than under an obligation of confidentiality, at the time of disclosure by the other Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure other than through any act or omission of the receiving Party in breach of this Agreement;

(d) was disclosed to the receiving Party, other than under an obligation of confidentiality to a Third Party, by a Third Party who had no obligation to the disclosing Party not to disclose such information to others; or

(e) was independently discovered or developed by the receiving Party without the use of Confidential Information belonging to the disclosing Party, as documented by the receiving Party's written records.

The foregoing non-use and non-disclosure obligation shall continue (i) indefinitely, for all Confidential Information that qualifies as a trade secret under applicable law; or (ii) for the Term of this Agreement and for seven (7) years thereafter, in all other cases.

7.2 Authorized Disclosure. Notwithstanding the limitations in this Article 7, either Party may disclose the Confidential Information belonging to the other Party to the extent such disclosure is reasonably necessary in the following instances:

(a) complying with applicable laws or regulations or valid court orders, provided that the Party making such disclosure provides the other Party with reasonable prior written notice of such request or demand for disclosure and makes a reasonable effort to obtain, or to assist the other Party in obtaining, a protective order preventing or limiting the disclosure and/or requiring that the terms and conditions of this Agreement be used only for the purposes for which the law or regulation required, or for which the order was issued;

(b) to regulatory authorities in order to seek or obtain approval to conduct regulatory trials, or to gain regulatory approval, of AquaBounty Products or any products being developed by Intrexon or its other licensees and/or channel partners or collaborators, provided that the Party making such disclosure (i) provides the other Party with reasonable opportunity to review any such disclosure in advance and to suggest redactions or other means of limiting the disclosure of such other Party's Confidential Information and (ii) does not unreasonably reject any such suggestions;

(c) disclosure to investors and potential investors, acquirers, or merger candidates who agree to maintain the confidentiality of such information, provided that such disclosure is used solely for the purpose of evaluating such investment, acquisition, or merger (as the case may be);

(d) disclosure on a need-to-know basis to Affiliates, licensees, sublicensees, employees, consultants, advisors, or agents (such as CROs) who agree to be bound by obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Article 7; and

(e) disclosure of the terms of this Agreement by a Party to collaborators and other channel partners or collaborators who agree to be bound by obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Article 7.

7.3 Publicity; Publications. The Parties agree that the public announcement of the execution of this Agreement shall be substantially in the form of a press release and/or the filing of a Form 8-K by AquaBounty, which shall be mutually agreed to by the Parties. Each Party will provide the other Party with the opportunity to review and comment, prior to submission or presentation, on external reports, publications and presentations (e.g., press releases, reports to government agencies, abstracts, posters, manuscripts and oral presentations) that refer to the Aquaculture Program or programs that are approved by the JSC. For such reports, publications, and presentations, the disclosing Party will provide the other Party at least fifteen (15) calendar days for review of the proposed submission or presentation. In the case of a Form 8-K filing, such shall be provided to Intrexon by AquaBounty as soon as practicable prior to filing. For reports and manuscripts, the disclosing Party will provide the other Party at least thirty (30) days for review of the report or manuscript. The presenting Party will act in good faith to incorporate the comments of the other Party and shall, in any event, redact any Confidential Information of the other Party and cooperate with the other Party to postpone such submissions or presentations if necessary to provide the other Party with sufficient time to prepare and file any related Patent applications before the submission or presentation occurs, as appropriate.

7.4 Terms of the Agreement. Each Party shall treat the terms of this Agreement as the Confidential Information of other Party, subject to the exceptions set forth in Section 7.2. Notwithstanding the foregoing, each Party acknowledges that the other Party may be obligated to file a copy of this Agreement with the SEC, either as of the Effective Date or at some point during the Term. Each Party shall be entitled to make such a required filing, provided that it requests confidential treatment of certain commercial terms and sensitive technical terms hereof to the extent such confidential treatment is reasonably available to it. In the event of any such filing, the filing Party shall provide the other Party with a copy of the Agreement marked to show provisions for which the filing Party intends to seek confidential treatment and shall reasonably consider and incorporate the other Party's comments thereon to the extent consistent with the legal requirements governing redaction of information from material agreements that must be publicly filed. The other Party shall promptly provide any such comments.

7.5 Proprietary Information and Operational Audits.

(a) For the purpose of confirming compliance with the Field-limited licenses granted in Article 3, the diligence obligations of Article 4, and the confidentiality obligations under Article 7, AquaBounty acknowledges that Intrexon's authorized representative(s), during

regular business hours may (i) examine and inspect AquaBounty's facilities and (ii) inspect all data and work products relating to this Agreement, subject to restrictions imposed by applicable laws. Any examination or inspection hereunder shall require five (5) business days written notice from Intrexon to AquaBounty. AquaBounty will make itself and the pertinent employees and/or agents available, on a reasonable basis, to Intrexon for the aforementioned compliance review.

(b) For the purpose of confirming compliance with the diligence obligations of Section 4.6, and the confidentiality obligations under Article 7, Intrexon acknowledges that AquaBounty authorized representative(s), during regular business hours may (i) examine and inspect Intrexon's facilities and (ii) inspect all data and work products relating to this Agreement. Any examination or inspection hereunder shall require five (5) business days written notice from AquaBounty to Intrexon. Intrexon will make itself and the pertinent employees and/or agents available, on a reasonable basis, to AquaBounty for the aforementioned compliance review.

(c) In view of the Intrexon Confidential Information, Intrexon Know-How, and Intrexon Materials transferred to AquaBounty hereunder, Intrexon from time-to-time, but no more than quarterly, may request that AquaBounty confirm the status of the Intrexon Materials at AquaBounty (i.e. how much used, how much shipped, to whom and any unused amounts destroyed (by whom, when) as well as any amounts returned to Intrexon or destroyed). Within ten (10) business days of AquaBounty's receipt of any such written request, AquaBounty shall provide the written report to Intrexon.

7.6 Intrexon Commitment. Intrexon shall use reasonable efforts to obtain an agreement with its other licensees and channel partners or collaborators to enable AquaBounty to disclose confidential information of such licensees and channel partners or collaborators to regulatory authorities in order to seek or obtain approval to conduct regulatory trials, or to gain regulatory approval of, AquaBounty Products, in a manner consistent with the provisions of Section 7.2(b).

ARTICLE 8

REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of AquaBounty. AquaBounty hereby represents and warrants to Intrexon that, as of the Effective Date:

(a) Corporate Power. AquaBounty is duly organized and validly existing under the laws of Delaware and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

(b) Due Authorization. AquaBounty is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the person executing this Agreement on AquaBounty's behalf has been duly authorized to do so by all requisite corporate action.

(c) Binding Agreement. This Agreement is a legal and valid obligation binding upon AquaBounty and enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting creditors' rights, and subject to general equity principles and to limitations on availability of equitable relief, including specific performance. The execution, delivery and performance of this Agreement by AquaBounty does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound. AquaBounty is aware of no action, suit or inquiry or investigation instituted by any governmental agency which questions or threatens the validity of this Agreement.

8.2 Representations and Warranties of Intrexon. Intrexon hereby represents and warrants to AquaBounty that, as of the Effective Date:

(a) Corporate Power. Intrexon is duly organized and validly existing under the laws of Virginia and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

(b) Due Authorization. Intrexon is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the person executing this Agreement on Intrexon's behalf has been duly authorized to do so by all requisite corporate action.

(c) Binding Agreement. This Agreement is a legal and valid obligation binding upon Intrexon and enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting creditors' rights, and subject to general equity principles and to limitations on availability of equitable relief, including specific performance. The execution, delivery and performance of this Agreement by Intrexon does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound. Intrexon is aware of no action, suit or inquiry or investigation instituted by any governmental agency which questions or threatens the validity of this Agreement.

(d) Additional Intellectual Property Representations.

(i) Intrexon possesses sufficient rights to enable Intrexon to grant all rights and licenses it purports to grant to AquaBounty with respect to the Intrexon Patents under this Agreement;

(ii) The Intrexon Patents existing as of the Effective Date constitute all of the Patents Controlled by Intrexon as of such date that are necessary for the development, manufacture and Commercialization of AquaBounty Products;

(iii) Intrexon has not granted, and during the Term Intrexon will not grant, any right or license, to any Third Party under the Intrexon IP that conflicts with the rights or licenses granted or to be granted to AquaBounty hereunder;

(iv) There is no pending litigation, and Intrexon has not received any written notice of any claims or litigation, seeking to invalidate or otherwise challenge the Intrexon Patents or Intrexon's rights therein;

(v) None of the Intrexon Patents is subject to any pending re-examination, opposition, interference or litigation proceedings;

(vi) All of the Intrexon Patents have been filed and prosecuted in accordance with all applicable laws and have been maintained, with all applicable fees with respect thereto (to the extent such fees have come due) having been paid;

(vii) Intrexon has entered into agreements with each of its current and former officers, employees and consultants involved in research and development work, including development of Intrexon's products and technology, providing Intrexon, to the extent permitted by law, with title and ownership to patents, patent applications, trade secrets and inventions conceived, developed, reduced to practice by such person, solely or jointly with other of such persons, during the period of employment or contract by Intrexon (except where the failure to have entered into such an agreement would not have a material adverse effect on the rights granted to AquaBounty herein), and Intrexon is not aware that any of its employees or consultants is in material violation thereof;

(viii) To Intrexon's knowledge, there is no infringement, misappropriation or violation by third parties of any Intrexon Channel Technology in the Field;

(ix) There is no pending or, to Intrexon's knowledge, threatened action, suit, proceeding or claim by others against Intrexon that Intrexon infringes, misappropriates or otherwise violates any intellectual property or other proprietary rights of others in connection with the use of the Intrexon Channel Technology, and Intrexon has not received any written notice of such claim;

(x) To Intrexon's knowledge, no former or current employee or contractor of Intrexon is the subject of any claim or proceeding involving a violation of any term of any contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, non-disclosure agreement or any restrictive covenant to or with a former employer or other Third Party (A) where the basis of such violation relates to such employee's employment or contractor's contractual relationship with Intrexon or actions undertaken by the employee or contractor while employed or under contract, as applicable, with Intrexon and (B) where such violation is relevant to the use of the Intrexon Channel Technology in the Field;

(xi) None of the Intrexon Patents owned by Intrexon or its Affiliates, and, to Intrexon's knowledge, the Intrexon Patents licensed to Intrexon or its Affiliates, have been adjudged invalid or unenforceable by a court of competent jurisdiction or applicable government agency, in whole or in part, and there is no pending or, to Intrexon's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intrexon Patents;

(xii) Except as otherwise disclosed in writing to AquaBounty, Intrexon: (A) is in material compliance with all statutes, rules or regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product that is under

development, manufactured or distributed by Intrexon in the Field ("**Applicable Laws**"); (B) has not received any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other correspondence or notice from the United States Food and Drug Administration (the "**FDA**") or any other federal, state, local or foreign governmental or regulatory authority alleging or asserting material noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws ("**Authorizations**"), which would, individually or in the aggregate, result in a material adverse effect; (C) possesses all material Authorizations necessary for the operation of its business as described in the Field and such Authorizations are valid and in full force and effect and Intrexon is not in material violation of any term of any such Authorizations; and (D) since January 1, 2011, (1) has not received notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from the FDA or any other federal, state, local or foreign governmental or regulatory authority or third party alleging that any product operation or activity is in material violation of any Applicable Laws or Authorizations and has no knowledge that the FDA or any other federal, state, local or foreign governmental or regulatory authority or third party is considering any such claim, litigation, arbitration, action, suit investigation or proceeding; (2) has not received notice that the FDA or any other federal, state, local or foreign governmental or regulatory authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any material Authorizations and has no knowledge that the FDA or any other federal, state, local or foreign governmental or regulatory authority is considering such action; (3) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission); and (4) has not, either voluntarily or involuntarily, initiated, conducted, or issued or caused to be initiated, conducted or issued, any recall, market withdrawal or replacement, safety alert, post sale warning, letters to customers, or other notice or action relating to the alleged lack of safety or efficacy of any product or any alleged product defect or violation and, to Intrexon's knowledge, no third party has initiated, conducted or intends to initiate any such notice or action; and

(xiii) Except, in each of (ix) through (xii), for any instances which would not, individually or in the aggregate, result in a material adverse effect on the rights granted to AquaBounty hereunder or Intrexon's ability to perform its obligations hereunder.

8.3 Warranty Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS ARTICLE 8, EACH PARTY HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 9

INDEMNIFICATION

9.1 Indemnification by Intrexon. Intrexon agrees to indemnify, hold harmless, and defend AquaBounty and its Affiliates and their respective directors, officers, employees, and agents (collectively, the "**AquaBounty Indemnitees**") from and against any and all liabilities, damages, costs, expenses, or losses (including reasonable legal expenses and attorneys' fees) (collectively, "**Losses**") resulting from any claims, suits, actions, demands, or other proceedings brought by a Third Party (collectively, "**Claims**") to the extent arising from (a) the gross negligence or willful misconduct of Intrexon or any of its Affiliates, or their respective employees or agents; (b) the use, handling, storage or transport of Intrexon Materials by or on behalf of Intrexon or its Affiliates, licensees (other than AquaBounty) or sublicensees; or (c) breach by Intrexon of any representation, warranty, covenant, or other material provision in this Agreement. Notwithstanding the foregoing, Intrexon shall not have any obligation to indemnify the AquaBounty Indemnitees to the extent that a Claim arises from (i) the gross negligence or willful misconduct of AquaBounty or any of its Affiliates, licensees, or sublicensees, or their respective employees or agents; or (ii) a breach by AquaBounty of a representation, warranty, covenant, or other material provision of this Agreement.

9.2 Indemnification by AquaBounty. AquaBounty agrees to indemnify, hold harmless, and defend Intrexon, its Affiliates and Third Security, and their respective directors, officers, employees, and agents (and any Third Parties which have licensed to Intrexon intellectual property rights within Intrexon IP on or prior to the Effective Date, to the extent required by the relevant upstream license agreement) (collectively, the "**Intrexon Indemnitees**") from and against any Losses resulting from Claims, to the extent arising from any of the following: (a) the gross negligence or willful misconduct of AquaBounty or any of its Affiliates or their respective employees or agents; (b) the use, handling, storage, or transport of Intrexon Materials by or on behalf of AquaBounty or its Affiliates, licensees, or sublicensees; (c) breach by AquaBounty of any material representation, warranty, covenant, or other material provision in this Agreement; or (d) the design, development, manufacture, regulatory approval, handling, storage, transport, distribution, sale or other disposition of any AquaBounty Product by or on behalf of AquaBounty or its Affiliates, licensees, or sublicensees. Notwithstanding the foregoing, AquaBounty shall not have any obligation to indemnify the Intrexon Indemnitees to the extent that a Claim arises from (i) the gross negligence or willful misconduct of Intrexon or any of its Affiliates, or their respective employees or agents; or (ii) a breach by Intrexon of a representation, warranty, covenant, or other material provision of this Agreement.

9.3 Product Liability Claims. Notwithstanding the provisions of Section 9.2, any Losses arising out of any Third Party claim, suit, action, proceeding, liability or obligation involving any actual or alleged death or bodily injury arising out of or resulting from the development, manufacture or Commercialization of any AquaBounty Products for use or sale in the Field, to the extent that such Losses exceed the amount (if any) covered by the applicable Party's product liability insurance ("**Excess Product Liability Costs**"), shall be paid by AquaBounty, except to the extent such Losses arise out of any Third Party Claim based on the gross negligence or willful misconduct of a Party, its Affiliates, or its Affiliates' sublicensees, or any of the respective officers, directors, employees and agents of each of the foregoing entities, in the performance of obligations or exercise of rights under this Agreement.

9.4 Control of Defense. As a condition precedent to any indemnification obligations hereunder, any entity entitled to indemnification under this Article 9 shall give written notice to the indemnifying Party of any Claims that may be subject to indemnification, promptly after learning of such Claim, provided that, no delay in giving or failure to give notice by the indemnified Party to the indemnifying Party of any Claims that may be subject to indemnification under this Agreement will adversely affect any of the other rights or remedies that the indemnified Party has under this Agreement, or alter or relieve the indemnifying Party of its obligation to indemnify the indemnified Party, except to the extent that the indemnifying Party is prejudiced thereby. If such Claim falls within the scope of the indemnification obligations of this Article 9, then the indemnifying Party shall assume the defense of such Claim with counsel reasonably satisfactory to the indemnified Party, provided that, in the case of a conflict of interest, the indemnified Party may be represented by separate counsel of its choosing at the indemnifying Party's expense. The indemnified Party shall cooperate with the indemnifying Party in such defense. Except in the case of a conflict as provided above, the indemnified Party may, at its option and expense, be represented by counsel of its choice in any action or proceeding with respect to such Claim. The indemnifying Party shall not be liable for any litigation costs or expenses incurred by the indemnified Party without the indemnifying Party's written consent, which consent shall not be unreasonably withheld. The indemnifying Party shall not settle any such Claim if such settlement (a) does not fully and unconditionally release the indemnified Party from all liability relating thereto or (b) adversely impacts the exercise of the rights granted to the indemnified Party under this Agreement, unless the indemnified Party otherwise agrees in writing.

9.5 Insurance. Immediately prior to, and during marketing of AquaBounty Products, AquaBounty shall maintain in effect and good standing a product liability insurance policy issued by a reputable insurance company in amounts considered standard for the industry. Immediately prior to, and during the conduct of any regulatory trials, AquaBounty shall maintain in effect and good standing a regulatory trials liability insurance policy issued by a reputable insurance company in amounts considered standard for the industry. At Intrexon's reasonable request, AquaBounty shall provide Intrexon with all details regarding such policies, including without limitation copies of the applicable liability insurance contracts. AquaBounty shall use commercially reasonable efforts to include Intrexon as an additional insured on any such policies.

ARTICLE 10

TERM; TERMINATION

10.1 Term. The term of this Agreement shall commence upon the Effective Date and shall continue until terminated pursuant to Section 10.2 or 10.3 (the "**Term**").

10.2 Termination for Material Breach; Termination Under Section 4.4(b)

(a) Either Party shall have the right to terminate this Agreement upon written notice to the other Party if the other Party commits any material breach of any provision of this Agreement that such breaching Party fails to cure within sixty (60) days following written notice from the nonbreaching Party specifying such breach. Notwithstanding the foregoing, if a breach is capable of being cured, but is not reasonably capable of being cured within the sixty (60) day period above, such cure period shall be extended to such time as needed to cure the breach within a reasonable timeframe thereafter if (i) the breaching Party proposed within such relevant cure period a written notice thereof and plan reasonably acceptable to the non-breaching party to cure the breach and, (ii) the breaching Party uses Diligent Efforts to implement such written cure plan.

(b) Intrexon shall have the right to terminate this Agreement under the circumstances set forth in Section 4.4(b) upon written notice to AquaBounty, such termination to become effective (i) sixty (60) days following such written notice unless AquaBounty remedies the circumstances giving rise to such termination within such sixty (60) day period, or (ii) in the event that the Parties have commenced a dispute resolution process pursuant to Section 4.4(b) and Article 11, in accordance with any determination made with respect to termination of this Agreement as part of that proceeding.

(c) Intrexon shall have the right to terminate this Agreement should AquaBounty execute any purported assignment of this Agreement contrary to the prohibitions in Section 12.8, such termination occurring upon Intrexon providing written notice to AquaBounty and becoming effective immediately upon such written notice.

10.3 Termination by AquaBounty. AquaBounty shall have the right to voluntarily terminate this Agreement in its entirety upon ninety (90) days' written notice to Intrexon at any time. Additionally, AquaBounty has the right to terminate this Agreement within those ninety (90) days if it fails to receive equity financing in an amount of at least six million dollars ($6,000,000) from existing or new shareholders, said amount including any amount received by AquaBounty from Intrexon by way of the Subscription Agreement, dated as of even date herewith, by and between AquaBounty and Intrexon, as may be amended from time to time.

10.4 Effect of Termination. In the event of termination of this Agreement pursuant to Section 10.2 or Section 10.3, the following shall apply:

(a) Retained Products. AquaBounty shall be permitted, but not obligated, to continue the development and Commercialization in the Field of any product resulting from the Aquaculture Program that, at the time of termination, satisfies at least one of the following criteria (a "**Retained Product**"):

(i) the particular product is an AquaBounty Product that is being sold by AquaBounty (or, as may be permitted under this Agreement, its Affiliates and, if applicable, (sub)licensees) triggering profit sharing payments therefor under Section 5.1(a) or (b) of this Agreement,

(ii) the particular product is an AquaBounty Product that has received regulatory approval, or

(iii) the particular product is an AquaBounty Product that is the subject of an application for regulatory approval in the Field, including, but not limited to, a filed application for an Investigational New Animal Drug, that is pending before the applicable regulatory authority.

Such right to continue development and Commercialization shall be subject to AquaBounty's full compliance with the payment provisions in Article 5, a continuing obligation for AquaBounty to use in accordance with Sections 4.5(a) and 4.5(c) Diligent Efforts to develop and Commercialize any Retained Products, and all other provisions of this Agreement that survive termination.

(b) Termination of Licenses. After the Term, all rights and licenses granted to AquaBounty shall continue only for Retained Products in the Field as permitted by Section 10.4(a), all rights and licenses granted by Intrexon to AquaBounty under this Agreement shall terminate and shall revert to Intrexon without further action by either Intrexon or AquaBounty. AquaBounty's license with respect to Retained Products shall be exclusive or non-exclusive, as the case may be, on the same terms as set forth in Section 3.1.

(c) Reverted Products. All AquaBounty Products other than the Retained Products shall be referred to herein as the "**Reverted Products**." AquaBounty shall immediately cease, and shall cause its Affiliates and, if applicable, (sub)licensees to immediately cease, all development and Commercialization of the Reverted Products, and AquaBounty shall not use or practice, nor shall it cause or permit any of its Affiliates or, if applicable, (sub)licensees to use or practice, directly or indirectly, any Intrexon IP with respect to the Reverted Products. AquaBounty shall immediately discontinue making any representation regarding its status as a licensee or channel collaborator of Intrexon with respect to the Reverted Products.

(d) Intrexon Materials. AquaBounty shall promptly return, or at Intrexon's request, destroy, any Intrexon Materials in AquaBounty's possession or control at the time of termination other than any Intrexon Materials necessary for the continued development, regulatory approval, use, manufacture and Commercialization of the Retained Products in the Field.

(e) Licenses to Intrexon. AquaBounty is automatically deemed to grant to Intrexon a worldwide, fully paid, royalty-free (except for any payment due to Third Parties to license AquaBounty Termination IP, as applicable), exclusive (even as to AquaBounty and its Affiliates), irrevocable license (with full rights to sublicense upon AquaBounty's prior written consent, which consent shall not be unreasonably withheld) under the AquaBounty Termination IP, to make, have made, import, use, offer for sale and sell Reverted Products and to use the Intrexon Channel Technology, the Intrexon Materials, and/or the Intrexon IP in the Field, subject to any exclusive rights held by AquaBounty in Reverted Products pursuant to Section 10.4(c). The Parties shall also take such actions and execute such other instruments and documents as may be reasonably necessary to document such license to Intrexon. For clarity, with respect to Reverted Products, Intrexon shall be responsible for any license payments due to any Third Party under an AquaBounty license with such Third Party for portions of the AquaBounty Termination IP to the extent that such license payments are attributable to such AquaBounty Termination IP being used by or on behalf of Intrexon in the Commercialization of Reverted Products.

(f) Regulatory Filings. AquaBounty shall promptly assign to Intrexon, and will provide full copies of, all regulatory approvals and regulatory filings that relate specifically and solely to Reverted Products. AquaBounty shall also take such actions and execute such other instruments, assignments and documents as may be necessary to effect the transfer of rights thereunder to Intrexon. To the extent that there exist any regulatory approvals and regulatory filings that relate both to Reverted Products and other products, AquaBounty shall provide copies of the portions of such regulatory filings that relate to Reverted Products and shall reasonably cooperate to assist Intrexon in obtaining the benefits of such regulatory approvals with respect to the Reverted Products.

(g) Data Disclosure. AquaBounty shall provide to Intrexon copies of the relevant portions of all material reports and data, including regulatory trial data and reports, obtained or generated by or on behalf of AquaBounty or its Affiliates to the extent that they relate to Reverted Products, within sixty (60) days of such termination unless otherwise agreed, and Intrexon shall have the right to use any such Information in developing and Commercializing Reverted Products and to license any Third Parties to do so.

(h) Third Party Licenses. At Intrexon's request, AquaBounty shall promptly provide to Intrexon copies of all Third Party agreements under which AquaBounty or its Affiliates obtained a license under Patents claiming inventions or know-how specific to or used or incorporated into the development, manufacture and/or Commercialization of the Reverted Products. At Intrexon's request such that Intrexon may Commercialize the Reverted Products, AquaBounty shall promptly work with Intrexon to either, as appropriate, (i) assign to Intrexon the Third Party agreement(s), or (ii) grant a sublicense (with an appropriate scope) to Intrexon under the Third Party agreement(s). Thereafter Intrexon shall be fully responsible for all obligations due for its actions under the sublicensed or assigned Third Party agreements. Notwithstanding the above, if Intrexon does not wish to assume any financial or other obligations associated with a particular Third Party agreement identified to Intrexon under this Section 10.4(h), then Intrexon shall so notify AquaBounty and AquaBounty shall not make such assignment or grant such sublicense (or cause it to be made or granted).

(i) Remaining Materials. At the request of Intrexon, AquaBounty shall transfer to Intrexon all quantities of Reverted Product (including final products or work-in-process) in the possession of AquaBounty or its Affiliates. AquaBounty shall transfer to Intrexon all such quantities of Reverted Products without charge, except that Intrexon shall pay the reasonable costs of shipping.

(j) Third Party Vendors. At Intrexon's request, AquaBounty shall promptly provide to Intrexon copies of all agreements between AquaBounty or its Affiliates and Third Party suppliers, vendors, or distributors that relate to the supply, sale, or distribution of Reverted Products in the Territory. At Intrexon's request, AquaBounty shall promptly: (i) with respect to such Third Party agreements relating solely to the applicable Reverted Products and permitting assignment without consent of such Third Party, immediately assign (or cause to be assigned), such agreements to Intrexon, and (ii) with respect to all other such Third Party agreements, AquaBounty shall use its commercially reasonable efforts to assist Intrexon in obtaining the benefits of such agreements. AquaBounty shall be liable for any costs associated with assigning a Third Party agreement to Intrexon or otherwise obtaining the benefits of such agreement for Intrexon, to the extent such costs are directly related to AquaBounty's breach. For the avoidance of doubt, Intrexon shall have no obligation to assume any of AquaBounty's obligations under any Third Party agreement.

(k) Commercialization. Intrexon shall have the right to develop and Commercialize the Reverted Products itself or with one or more Third Parties, and shall have the right, without obligation to AquaBounty, to take any such actions in connection with such activities as Intrexon (or its designee), at its discretion, deems appropriate.

(l) Confidential Information. Each Party shall promptly return, or at the other Party's request destroy, any Confidential Information of the other Party in such Party's possession or control at the time of termination; provided, however, that each Party shall be permitted to retain (i) a single copy of each item of Confidential Information of the other Party in its confidential legal files for the sole purpose of monitoring and enforcing its compliance with Article 7, (ii) Confidential Information of the other Party that is maintained as archive copies on the recipient Party's disaster recovery and/or information technology backup systems, or (iii) Confidential Information of the other Party necessary to exercise such Party's rights in Retained Products (in the case of AquaBounty) or Reverted Products (in the case of Intrexon). The recipient of Confidential Information shall continue to be bound by the terms and conditions of this Agreement with respect to any such Confidential Information retained in accordance with this Section 10.4(l).

10.5 Surviving Obligations. Termination or expiration of this Agreement shall not affect any rights of either Party arising out of any event or occurrence prior to termination, including, without limitation, any obligation of AquaBounty to pay any amount which became due and payable under the terms and conditions of this Agreement prior to expiration or such termination. The following portions of this Agreement shall survive termination or expiration of this Agreement: Sections 3.1 (as applicable with respect to 10.4(b)), 5.2, 5.4, 6.1, 6.2 (with subsection (c) surviving only to the extent relating to Intrexon Patents that are relevant to Retained Products that, to Intrexon's knowledge, are being developed or Commercialized at such time, if any), 7.1, 7.2, 7.4, 7.5, 10.4, and 10.5; Articles 9, 11, and 12; and any relevant definitions in Article 1. Further, Article 7 and Sections 4.4(a), 4.4(c), 5.1 through 5.5, and 9.4 will survive termination of this Agreement to the extent there are applicable Retained Products.

ARTICLE 11

DISPUTE RESOLUTION

11.1 Disputes. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. In the event of any disputes, controversies or differences which may arise between the Parties out of or in relation to or in connection with this Agreement (other than disputes arising from a Committee, except for disputes at the IPC with respect to Product-Specific Program Patents, as provided in Section 2.4(b)), including, without limitation, any alleged failure to perform, or breach, of this Agreement, or any issue relating to the interpretation or application of this Agreement, then upon the request of either Party by written notice, the Parties agree to meet and discuss in good faith a possible resolution thereof,

which good faith efforts shall include at least one in-person meeting between the Executive Officers of each Party. If the matter is not resolved within thirty (30) days following the written request for discussions, either Party may then invoke the provisions of Section 11.2. For the avoidance of doubt, any disputes, controversies or differences arising from a Committee pursuant to Article 2 shall be resolved solely in accordance with Section 2.4.

11.2 Arbitration. Any dispute, controversy, difference or claim which may arise between the Parties and not from a Committee, out of or in relation to or in connection with this Agreement (including, without limitation, arising out of or relating to the validity, construction, interpretation, enforceability, breach, performance, application or termination of this Agreement) that is not resolved pursuant to Section 11.1 shall, subject to Section 11.10, be settled by binding "baseball arbitration" as follows. Either Party, following the end of the thirty (30) day period referenced in Section 11.1, may refer such issue to arbitration by submitting a written notice of such request to the other Party, with the arbitration to be held in the state where the other Party's principal office is located (or some other place as may be mutually agreed by the Parties). Promptly following receipt of such notice, the Parties shall meet and discuss in good faith and choose one arbitrator from a list of arbitrators provided by the American Arbitration Association in accordance with its Commercial Arbitration Rules (the "**AAA Rules**") as being suitable to arbitrate the Parties' dispute. The Parties agree that the chosen arbitrator shall be neutral and independent of both Parties and all of their respective Affiliates, and shall have significant experience and expertise in licensing and partnering agreements in the biotechnology industry and concerning related intellectual property rights (as appropriate in light of the subject matter of the Parties' disputed issues), and shall have some experience in mediating or arbitrating issues relating to such agreements and/or related intellectual property rights. The AAA Rules shall govern the arbitration between the Parties, except as set forth in, and to the extent not inconsistent with, this Section 11.2. Within fifteen (15) days after an arbitrator is selected, each Party will deliver to both the arbitrator and the other Party a detailed written proposal setting forth its proposed terms for the resolution for the matter at issue (the "**Proposed Terms**" of the Party) and a memorandum (the "**Support Memorandum**") in support thereof. The Parties will also provide the arbitrator a copy of this Agreement, as it may be amended at such time. Within fifteen (15) days after receipt of the other Party's Proposed Terms and Support Memorandum, each Party may submit to the arbitrator (with a copy to the other Party) a response to the other Party's Support Memorandum. Neither Party may have any other communications (either written or oral) with the arbitrator other than for the sole purpose of engaging the arbitrator or as expressly permitted in this Section 11.2; provided that, the arbitrator may convene a hearing if the arbitrator so chooses to ask questions of the Parties and hear oral argument and discussion regarding each Party's Proposed Terms. Within sixty (60) days after the arbitrator's appointment, the arbitrator will select one of the two Proposed Terms (without modification) provided by the Parties that he or she believes is most consistent with the intention underlying and agreed principles set forth in this Agreement. The decision of the arbitrator shall be final, binding, and unappealable. For clarity, the arbitrator must select as the only method to resolve the matter at issue one of the two sets of Proposed Terms, and may not combine elements of both Proposed Terms or award any other relief or take any other action.

11.3 Governing Law. This Agreement shall be governed by and construed under the substantive 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.

11.4 Award. Any award to be paid by one Party to the other Party as determined by the arbitrator as set forth above under Section 11.2 shall be promptly paid in United States dollars free of any tax, deduction or offset; and any costs, fees or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the losing Party. Each Party agrees to abide by the award rendered in any arbitration conducted pursuant to this Article 11, and agrees that, subject to the United States Federal Arbitration Act, 9 U.S.C. §§ 1-16, judgment may be entered upon the final award in any United States District Court located in New York and that other courts may award full faith and credit to such judgment in order to enforce such award. The award shall include interest from the date of any damages incurred for breach of the Agreement, and from the date of the award until paid in full, at a rate fixed by the arbitrator. With respect to money damages, nothing contained herein shall be construed to permit the arbitrator or any court or any other forum to award consequential, incidental, special, punitive or exemplary damages. By entering into this agreement to arbitrate, the Parties expressly waive any claim for consequential, incidental, special, punitive or exemplary damages. The only damages recoverable under this Agreement are direct compensatory damages.

11.5 Costs. Each Party shall bear its own legal fees. The arbitrator shall assess his or her costs, fees and expenses against the Party losing the arbitration.

11.6 Injunctive Relief. Nothing in this Article 11 will preclude either Party from seeking equitable relief or interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding. Specifically, the Parties agree that a material breach by either Party of its obligations in Section 3.5 or Article 7 of this Agreement may cause irreparable harm to the other Party, for which damages may not be an adequate remedy. Therefore, in addition to its rights and remedies otherwise available at law, including, without limitation, the recovery of damages for breach of this Agreement, upon an adequate showing of material breach of such Section 3.5 or Article 7, and without further proof of irreparable harm other than this acknowledgement, such non-breaching Party shall be entitled to seek (a) immediate equitable relief, specifically including, but not limited to, both interim and permanent restraining orders and injunctions, without bond, and (b) such other and further equitable relief as the court may deem proper under the circumstances. For the avoidance of doubt, nothing in this Section 11.6 shall otherwise limit a breaching Party's opportunity to cure a material breach as permitted in accordance with Section 10.2.

11.7 Confidentiality. The arbitration proceeding shall be confidential and the arbitrator shall issue appropriate protective orders to safeguard each Party's Confidential Information. Except as required by law, no Party shall make (or instruct the arbitrator to make) any public announcement with respect to the proceedings or decision of the arbitrator without prior written consent of the other Party. The existence of any dispute submitted to arbitration, and the award, shall be kept in confidence by the Parties and the arbitrator, except as required in connection with the enforcement of such award or as otherwise required by applicable law.

11.8 Survivability. Any duty to arbitrate under this Agreement shall remain in effect and be enforceable after termination of this Agreement for any reason.

11.9 Jurisdiction. For the purposes of this Article 11, the Parties acknowledge their diversity and agree to accept the non-exclusive jurisdiction of any United States District Court located in the Southern District of New York for the purposes of enforcing or appealing any awards entered pursuant to this Article 11 and for enforcing the agreements reflected in this Article 11.

11.10 Patent Disputes. Notwithstanding any other provisions of this Article 11, and subject to the provisions of Section 6.2, any dispute, controversy or claim relating to the scope, validity, enforceability or infringement of any Intrexon Patents shall be submitted to a court of competent jurisdiction in the country in which such Patent was filed or granted.

ARTICLE 12

GENERAL PROVISIONS

12.1 Use of Name. No right, express or implied, is granted by this Agreement to either Party to use in any manner the name of the other or any other trade name or trademark of the other in connection with the performance of this Agreement, except that (a) either Party may use the name of the other Party as required by regulations and in press releases accompanying quarterly and annual earnings reports approved by the issuer's Board of Directors, and (b) AquaBounty may use the Intrexon Trademarks in accordance with licenses and restrictions set forth herein.

12.2 LIMITATION OF LIABILITY. EXCEPT FOR FRAUD, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS PARAGRAPH IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER ARTICLE 9, OR DAMAGES AVAILABLE FOR BREACHES OF THE OBLIGATIONS SET FORTH IN ARTICLE 7.

12.3 Independent Parties. The Parties are not employees or legal representatives of the other Party for any purpose. Neither Party shall have the authority to enter into any contracts in the name of or on behalf of the other Party. This Agreement shall not constitute, create, or in any way be interpreted as a joint venture, partnership, or business organization of any kind.

12.4 Notice. All notices, including notices of address change, required or permitted to be given under this Agreement shall be in writing and deemed to have been given (a) when delivered if personally delivered or sent by facsimile (provided that the party providing such notice promptly confirms receipt of such transmission with the other party by telephone), (b) on the business day after dispatch if sent by a nationally-recognized overnight courier and (c) on the third business day following the date of mailing if sent by certified mail, postage prepaid, return receipt requested. All such communications shall be sent to the address or facsimile number set forth below (or any updated addresses or facsimile number communicated to the other Party in writing in accordance with this Section 12.4):

If to Intrexon:	Intrexon Corporation 20358 Seneca Meadows Parkway Germantown, MD 20876 Attention: President, Animal Sciences Division Fax: (301) 556-9901
with a copy to:	Intrexon Corporation 20358 Seneca Meadows Parkway Germantown, MD 20876 Attention: Legal Department Fax: (301) 556-9902
If to AquaBounty:	AquaBounty Technologies, Inc. Two Clock Tower Place, Suite 395 Maynard, MA 01754 Attention: Chief Executive Officer Fax: (978) 897-3217

12.5 Severability. In the event any provision of this Agreement is held to be invalid or unenforceable, the valid or enforceable portion thereof and the remaining provisions of this Agreement will remain in full force and effect.

12.6 Waiver. Any waiver (express or implied) by either Party of any breach of this Agreement shall not constitute a waiver of any other or subsequent breach.

12.7 Entire Agreement; Amendment. This Agreement, including any exhibits attached hereto, constitutes the entire, final, complete and exclusive agreement between the Parties and supersede all previous agreements or representations, written or oral, with respect to the subject matter of this Agreement (including any prior confidentiality agreement between the Parties). All information of Intrexon or AquaBounty to be kept confidential by the other Party under any prior confidentiality agreement, as of the Effective Date, shall be maintained as Confidential Information by such other Party under the obligations set forth in Article 7 of this Agreement. This Agreement may not be modified or amended except in a writing signed by a duly authorized representative of each Party.

12.8 Non-assignability; Binding on Successors. Any attempted assignment of the rights or delegation of the obligations under this Agreement shall be void without the prior written consent of the non-assigning or non-delegating Party; provided, however, that either Party may assign its rights or delegate its obligations under this Agreement without such consent (a) to an Affiliate of such Party or (b) to its successor in interest in connection with any merger, acquisition, consolidation, corporate reorganization, or similar transaction, or sale of all or substantially all of its assets, provided that such assignee agrees in writing to assume and be

bound by the assignor's obligations under this Agreement. This Agreement shall be binding upon, and inure to the benefit of, the successors, executors, heirs, representatives, administrators and permitted assigns of the Parties. Notwithstanding the foregoing, in the event that either Party assigns this Agreement to its successor in interest by way of merger, acquisition, consolidation, corporate reorganization, or similar transaction, or sale of all or substantially all of its assets (whether this Agreement is actually assigned or is assumed by such successor in interest or its affiliate by operation of law (e.g., in the context of a reverse triangular merger)), the intellectual property rights of such successor in interest or any of its Affiliates other than those licensed in this Agreement shall be automatically excluded from the rights licensed to the other Party under this Agreement.

12.9 Force Majeure. Neither Party shall be liable to the other for its failure to perform any of its obligations under this Agreement, except for payment obligations, during any period in which such performance is delayed because rendered impracticable or impossible due to circumstances beyond its reasonable control, including without limitation earthquakes, governmental regulation, fire, flood, labor difficulties, civil disorder, acts of terrorism and acts of God, provided that the Party experiencing the delay promptly notifies the other Party of the delay.

12.10 No Other Licenses. Neither Party grants to the other Party any rights or licenses in or to any intellectual property, whether by implication, estoppel, or otherwise, except to the extent expressly provided for under this Agreement.

12.11 Non-Solicitation. During the Term and for a period of one (1) year following the end of the Term, neither AquaBounty nor Intrexon may directly or indirectly solicit in order to offer to employ, engage in any discussion regarding employment with, or hire any employee of the other Party or an individual who was employed by the other party within one (1) year prior to such solicitation, discussion, or hire, without the prior approval of such other Party. General employment solicitations or advertisements shall not be considered direct or indirect solicitations, and the hiring of any employee as a result of such general solicitations or advertisements is not prohibited under this Agreement.

12.12 Legal Compliance. The Parties shall review in good faith and cooperate in taking such actions to ensure compliance of this Agreement with all applicable laws.

12.13 Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile, PDF, or other means of electronic communication), each of which will be deemed an original and, when taken together, will constitute one and the same instrument, and any of the Parties hereto may execute this Agreement by signing any such counterpart.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Exclusive Channel Collaboration Agreement.

INTREXON CORPORATION

By: /s/ Thomas R. Kasser
Name: Thomas R. Kasser
Title: Senior Vice President

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David Frank
Name: David Frank
Title: Chief Financial Officer and Secretary

Exhibit 10.10

Atlantic Innovation Fund
Repayable

Contract Number: 193648

This Agreement made

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY**

(hereinafter referred to as **"ACOA"**)

AND: **Aqua Bounty Canada Inc.,** a corporation duly incorporated under the laws of **the province of Newfoundland and Labrador** having its head office located at **20 Hallett Crescent, St. John's, Newfoundland A1B 4C5.**

AND: **Aqua Bounty Technologies Inc.,** a publicly traded company listed on the London Stock Exchange with headquarters at **935 Main Street., Waltham, Massachusetts, 024517418 United States of America.**

(hereinafter referred to as "the **Proponent")**

WHEREAS ACOA has established a program, the Atlantic Innovation Fund (AIF), to strengthen the economy of Atlantic Canada by supporting the development of knowledge-based industry. The AIF will help increase the region's capacity to carry out leading-edge research and development that directly contributes to the development of new technology-based economic activity in Atlantic Canada; and

WHEREAS the Proponent submitted a project proposal in response to ACOA's Request for Letters of Intent and Project Proposals, dated April 30, 2008.

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows.

Article 1—Deadline for Receipt of Signed Agreement

1.1 This Agreement must be signed by the Proponent and received by ACOA on or before **January 31, 2010,** failing which it will be null and void.

Article 2—Documents Forming Part of this Agreement

2.1 The following documents form an integral part of this Agreement:

These Articles of Agreement

Schedule 1—General Conditions

Schedule 2—Statement of Work

Schedule 3—Claims and AIF Project Cost Principles

Schedule 4 — Commercialization

Schedule 5—Reporting Requirements

Schedule 6—Project Fact Sheet for News Release

Schedule 7—Special Purpose Equipment

Schedule 8—Pre-Authorized Repayment/Direct Deposit Authorization

Schedule 9—Environmental Mitigation Measures

2.2 In the event of conflict or inconsistency, the order of precedence amongst the documents forming part of this Agreement shall be:

These Articles of Agreement

Schedule 1—General Conditions

Schedule 2—Statement of Work

Other Schedules

Article 3—The Proponent's Obligations

3.1 The Proponent will carry out the **Reproductive Confinement for Safe Cultivation of Salmon** Project ("the Project") as described in Schedule 2, Statement of Work, will make claims in accordance with Schedule 3, will commercialize as mentioned in Schedule 4, will issue the reports required under Schedule 5 and will fulfill all of its other obligations hereunder, in a diligent and professional manner using qualified personnel.

3.2 The Proponent shall ensure that the Project is completed on or before **April 30, 2013 ("Project Completion Date"),** unless otherwise agreed to in writing by ACOA.

3.3 In the event the carrying out of the Project involves collaboration with other parties, the Proponent shall provide, prior to any disbursement of funds, satisfactory evidence to ACOA that appropriate agreements exist to ensure the roles and responsibilities of each party are defined.

Article 4—The Contribution

4.1 Subject to all the other provisions of this Agreement, ACOA will make a Contribution to the Proponent in respect of the Project, of the lesser of:

(a) 69% of all Eligible Costs (estimated to be **$4,166,177**); or,

(b) **$2,871,919**.

4.2 ACOA will not contribute to any Eligible Costs incurred by the Proponent prior to **April 30, 2008** nor after the Project Completion Date, unless otherwise agreed to in writing by ACOA.

4.3 ACOA will pay the Contribution to the Proponent in respect of Eligible Costs incurred on the basis of itemized claims submitted in accordance with the procedures set out in Schedule 3.

4.4 ACOA may withhold up to ten percent (10%) of the Contribution prior to the completion of the Project or until such audit as ACOA may require has been performed. In the event that no audit has been performed twelve (12) months after receipt of the final claim, any amount so withheld shall be released to the Proponent.

4.5 At the discretion of ACOA or at the request of the Proponent, ACOA may make payments(s) jointly to the Proponent and a supplier for Eligible Costs which have been incurred.

4.6 (a) At the discretion of ACOA, an advance payment may be made to the Proponent

(b) To request an advance payment, the Proponent must submit a completed copy of the Advance Payment Request form (provided by ACOA), including a monthly cash flow forecast of requirements for the Eligible Costs to be incurred during the advance period. Such documentation must demonstrate that an advance payment is essential to the successful completion of the project. Each advance payment must be accounted for, to the satisfaction of ACOA, within forty-five (45) days of the end of the advance period for which that advance payment was made.

(c) Should ACOA determine that an advance payment will be made; such payment will be made in accordance with the Treasury Board Policy on Transfer Payments.

Article 5—Repayment

5.1 The Proponent shall repay the Contribution to ACOA by annual instalments calculated as a percentage of the Gross Revenues from the Resulting Products. The amount due to ACOA at each repayment shall be calculated as **10%** of the Gross Revenues from the Resulting Product(s) for the Fiscal Year immediately preceding the due date of the respective payment.

5.2 The first repayment is due on **July 31, 2014** and subsequent repayments are due annually until the Contribution has been repaid in full.

5.3 The Proponent agrees that its Fiscal Year presently begins on **January 1** and ends on **December 31** and there shall be no change of that Fiscal Year except with the prior approval of ACOA.

Article 6—Environmental Assessment

6.1 ACOA has assessed the Project under the *Canadian Environmental Assessment Act* and is satisfied that any potentially adverse environmental effects that may be caused by the Project are mitigable with known technology. ACOA will have no obligation to make all or part of the Contribution unless the Proponent:

(a) satisfies ACOA that it has implemented or will implement, measures to mitigate such potentially adverse environmental effects in accordance with Schedule 9 (Environmental Mitigation Measures), within the time frames specified therein; and

(b) has incorporated and utilized and maintains environmental protection measures in relation to the Project that satisfy the requirements of all regulatory bodies having jurisdiction over the Proponent or the Project, or both, and certifies to ACOA that it has done so.

The said certification must be provided together with each claim for payment of the Contribution, and annually thereafter during the repayment period.

Article 7—Other Government Assistance

7.1 The Proponent hereby acknowledges that, no other federal, provincial or municipal government financial assistance other than that described in Section 7 of Schedule 2 has been, or will be, requested or received by the Proponent for the Eligible Costs of the Project.

7.2 The Proponent will inform ACOA promptly in writing of any other federal, provincial or municipal government assistance (except for scientific research and experimental development tax credits, deductions or allowances) to be received for the Eligible Costs of the Project and ACOA will have the right to reduce the Contribution under this Agreement to the extent of any such assistance.

Article 8—Project Financing

8.1 Prior to first disbursement of funds, the Proponent shall submit to ACOA sufficient documentation of confirmation of the Proponent contribution to project financing in the amount of $1,294,258.

8.2 The Proponent shall, at the request of ACOA, submit sufficient documentation on an annual basis to confirm instalments of Proponent's total contribution (see Section 8.1) as required to bring project to completion.

Article 9—Research Involving Humans or Animals

9.1 Prior to the first disbursement of funds, the Proponent shall provide evidence satisfactory to ACOA that the project has received approval from a Research Ethics Board which is constituted and working in accordance to the Tri-Council Policy Statement on Ethical Conduct for Research Involving Humans and, in the case of a clinical trial, with Health Canada's Food and Drugs Act and Food and Drug Regulations. Research involving animals must be approved by an Animal Care Committee, which is constituted and working in accordance with the Canadian Council on Animal Care Guide to the Care and Use of Experimental Animals.

9.2 The Proponent shall address any further ethical issues which may arise during the course of the Project in the same manner and shall provide ACOA with satisfactory evidence of same.

Article 10—Equity

10.1 The Proponent shall attain Equity, satisfactory to ACOA, in the total amount of $5,191,269 on or before the date of the first disbursement by ACOA to the Proponent.

10.2 Unless otherwise authorized by ACOA in writing, this level of Equity shall be maintained until all of the Proponent's undertakings in regard to commercialization mentioned in Schedule 4 have been fulfilled.

10.3 Prior to each payment, the Applicant will be required to sign a Subordination Agreement to subordinate the shareholders' loan in the amount of the proponent's contribution to the project costs. The subordination agreement will be accumulative to the maximum amount of the proponents overall contribution to the project.

Article 11—Notice

11.1 Any notice to ACOA will be addressed to:

ACOA PEI and Tourism
P.O. Box 40
Charlottetown, PE CIA 7K2

Attention: Gerard Watts
Tel. (902) 566-7192 Fax. (902) 566-7098

11.2 Any notice to the Proponent will be addressed to:

David A. Frank
Chief Financial Officer
Aqua Bounty Technologies Inc.
935 Main Street
Waltham, MA 02451
Phone No: 781-899-7755
Fax No: 781-899-2814

Article 12—Entire Agreement

12.1 This Agreement constitutes the entire agreement between the parties and supersedes all previous documents, negotiations, arrangements, undertakings and understandings related to its subject matter.

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY,

Per: /s/ Wayne Hooper

Wayne Hooper, A/Vice-President, ACOA PEI & Tourism — Date

AQUA BOUNTY CANADA INC.

Per: /s/ David Frank

David Frank, Chief Financial Officer — 16-Dec-09 Date

Per: _____

Name & Title — Date

AQUA BOUNTY TECHNOLOGIES INC.

Per: /s/ David Frank

David Frank, Chief Financial Officer — 16-Dec-09 Date

Per: _____

Name & Title — Date

EXHIBIT 10.11

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of the date executed below by and between Aqua Bounty Technologies, Inc. (the "**Company**"), a Delaware corporation, and Ronald Stotish ("**Employee**").

Employment and Term

The Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement. The parties agree that this Agreement commences shall remain in effect unless and until terminated in accordance with the terms and conditions set forth in this Agreement. The provisions of this Agreement are conditional upon admission of the Company's outstanding common stock to trading on AIM becoming effective upon the admission of the Company.

1. POSITION AND DUTIES

1.1 The Company shall employ Employee as Vice President Regulatory Affairs; provided, however, that Employee may have such other titles in addition to or in lieu thereof as the Company determines in its sole discretion. Employee shall report to the Chief Executive Officer ("CEO")of the Company and to the Board of Directors of the Company ("**the Board**") or its designee, the CEO. Employee shall have such responsibilities as may, from time to time, be duly authorized or directed by the CEO or the Board. A basic description of duties and responsibilities is included in Appendix A. During his employment, Employee shall perform faithfully and loyally and to the best of his abilities the duties assigned to him hereunder. Employee shall act at all times in the best interests of the Company. Employee shall devote his full business time, attention and effort to the affairs of the Company and shall not, at any time during his employment, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Board. The foregoing is not intended to restrict Employee's ability to engage in charitable, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder and are notified in writing to the Company,

(A) Notwithstanding the preceding, the Company agrees that the Employee may maintain his pre-existing business interest in XXXXX so long as any activities associated with XXXX are undertaken on Employee's personal time, do not interfere with his ability to perform his duties for the Company, and that the business interests of XXX in no way compare with those of the Company.

1.2 Employee shall immediately upon the Company's request supply any and all information which the Company or any Group Company may reasonably require in order to be able to comply with any statutory or regulatory provision or stock exchange rule or requirement, including for the avoidance of doubt the Rules for AIM Companies published by the London Stock Exchange.

1.3 Employee shall comply with the provisions of the code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of the adoption of such a code, with the provisions of the Model Code set out in the Listing Rules published by the UK Listing Authority and Employee shall not do or omit to do anything which could result in the Company being in breach of the Rules for AIM Companies published by the London Stock Exchange.

2. NOTICE

2.1 The employment of Employee shall, subject to the provisions of clause 6, continue unless and until terminated by:

(A) The Company giving to Employee not less than one (1) months' notice during Employee's first twelve (12) months of employment; or

(B) Employee giving to the Company not less than one (1) months' notice during Employee's first twelve (12) months of employment.

(C) The Company and Employee each giving to the other not less than three (3) months' notice during Employee's second twelve (12) months of employment;

(D) The Company and Employee each giving to the other not less than six (6) months' notice during Employee's third twelve (12) months of employment.

2.2 The Company reserves the right at any time, in its absolute discretion, to terminate Employee's employment by paying to Employee a sum equal to his basic salary and benefits for the relevant period of notice which shall be subject to deductions for taxes as appropriate. Employee agrees to accept any such payment in lieu of notice as being in full and final settlement of any claim he may have for wages, salary or compensation arising out of his employment, its termination and/or the resignation of any directorship.

2.3 The Company may make a payment pursuant to clause 3.2 regardless of whether or by whom notice under clause 3.1 has been given and in respect of the whole or the balance of the notice period which would otherwise be required under that clause.

2.4 For the avoidance of doubt, the right of the Company to make a payment in lieu of notice does not give rise to any right of Employee to demand such payment.

2.5 After notice of termination has been given by either party or if Employee seeks to resign without notice or by giving shorter notice than is required under this clause 3, provided that the Company continues to pay Employee his Base Salary and to provide all contractual benefits until his employment terminates in accordance with the terms of this Agreement, the Company has absolute discretion for all or part of the notice period to:

(A) exclude Employee from such of the premises of the Company and/or Group Company as the Board may direct;

2.6 instruct him not to communicate with suppliers, customers, employees, agents or representatives of the Company or Group Company; and/or

(A) instruct him to perform some only or none of his duties under this Agreement;

3. COMPENSATION

As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company shall pay to Employee the following compensation:

3.1 **Base Salary**

During his employment, the Company shall pay to Employee a base salary at the rate of $225,000 per annum ("**Base Salary**"), payable on the Company's regular payroll schedule. The Company shall deduct from the Base Salary paid to Employee the required federal, state and local withholding taxes, as well as any other authorized deductions. Such salary shall be reviewed (with the outcome of such review being at the absolute discretion of the Board) annually in each calendar year without commitment to increase.

3.1A **Options**

Employee shall be granted ninety thousand (90,000) options exercisable for the Company's Common Stock for each year of employment under this contract; such options to be vested at the end of each year of employment. The exercise price for the initial tranche of 90,000 Options is to be the closing price of the Company's stock on the AIM as recorded on the day of signing of this contract. The exercise price for option grants in succeeding years will be the closing price of the Company's common stock on the AIM (or other public market where the Company may be listed) on each annual anniversary of the signing of this contract. Options shall have an exercise period of seven years from the date of vesting.

3.2 **Bonus**

Employee may receive an annual bonus up to 25% of his Base Salary, plus stock options (in addition to those defined in 3.1A) as determined by the Company at the end of its fiscal year. Such bonus, if any, may be granted at the sole discretion of the Board and will be based on the achievement of financial targets and on other performance criteria to be established by the Board under its Equity Incentive Plan. Employee will not be entitled to any such bonus payment if he is not employed or is under notice to terminate employment from either party at the date that payment would ordinarily be made.

3.3 **Benefit Plans**

Except as provided more specifically herein, Employee shall be entitled to participate in the Company's employee benefit plans or programs available to regular full-time exempt employees of the Company and their families, provided that Employee meets all eligibility requirements under those plans or programs. Unless otherwise provided

herein, Employee's participation in the employee benefit plans or programs shall be subject to the terms and conditions of said plans or programs including, without limitation, the Company's right to amend, revise, terminate or replace the plans or programs at any time and without notice to participants. Any reduction, alteration or enhancement of the benefit plans and programs shall not be deemed to be a breach of this Agreement by the Company and it is agreed between the parties that the Company shall have no liability to pay any benefit to Employee (or any of his family members) unless it receives payment of the benefit from the insurer under the scheme and shall not be responsible for providing Employee (or any of his family members) with any benefit under any scheme in the event that the relevant insurer refuses for whatever reason to pay or provide or to continue to pay or provide that benefit to Employee (or any of his family members). Appendix B provides a summary of the Company's current benefit plan.

3.4 **Expense Reimbursement**

The Company shall reimburse Employee, subject to his compliance with the Company's then current guidelines relating to expenses, for all proper and reasonable expenses incurred by him in the performance of his duties hereunder, subject to his compliance with the Company's then current guidelines relating to expenses.

4. VACATION

4.1 Employee shall be entitled to twenty (20) working days' vacation (in addition to the normal public holidays) in each calendar year commencing on January 1 in each year and which shall accrue on a pro rata monthly basis. Vacation shall be taken at such times as the Board shall consider most convenient having regard to the requirements of the Company's business.

4.2 Save with the prior written consent of the Company, untaken vacation entitlement for any one calendar year which is not used may not be carried forward to any subsequent year.

4.3 On termination of Employee's employment (howsoever occasioned), if Employee has taken more or less than his annual vacation entitlement an appropriate adjustment shall be made to any payment of salary or benefits from the Company to Employee. In this event the calculation shall be made on the basis that each day of holiday is worth 1/260 of his Base Salary.

5. TERMINATION

5.1 **Death**

Upon the death of Employee, this Agreement shall automatically terminate and all rights of Employee and his heirs, executors and administrators to compensation and other benefits under this Agreement shall cease. Termination of benefits does not terminate paid-in pension plans, any and all options or other forms of equity that may have been vested and are owned by Employee.

5.2 **Disability**

The Company may, at its option, terminate this Agreement upon written notice to Employee due to Employee's disability. For purposes of this Agreement, "Disability" means Employee's incapacity due to physical or mental illness to substantially perform his duties on a full-time basis for at least twelve consecutive weeks or an aggregate period in excess of twenty-four weeks in any one fiscal year and, within 30 days after a notice of termination of this Agreement, Employee shall not have returned to the full-time performance of the duties hereunder. Upon such termination, all obligations of the Company hereunder shall cease. In the event of any dispute regarding the existence of Employee's incapacity hereunder, the matter shall be resolved by the determination of a physician to be mutually selected and agreed upon by the Company and Employee. In the absence of an agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians shall select a third physician who shall then make the determination as to disability. Employee agrees that he will submit to appropriate medical examinations for purposes of such determination.

5.3 **Termination by the Company**

The Company may terminate Employee's employment without notice or payment in lieu of notice at any time for Cause.

(A) "**Cause**" shall mean any one or more of the following:

(1) performance by Employee of his duties in a manner which is deemed consistently materially unsatisfactory by the Board in its sole and exclusive discretion;

(2) wilful and material failure or refusal by Employee to perform his duties under this Agreement (other than by reason of Employee's death or disability);

(3) Employee being guilty of any serious breach or non-observance of the provisions of this Agreement or directions of the Board of relevant rules and/or codes issued by or on behalf of any Recognised Stock Exchange or guilty of any continued or successive breaches or non-observance of any such provisions or directions in spite of written warning to the contrary by the Board.

(4) any intentional act of dishonesty, fraud or embezzlement by Employee or the admission or conviction of, or entering of a plea of nolo contendere by, Employee of any felony or any lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;

(5) any negligence, wilful misconduct or personal dishonesty of Employee resulting in the good faith determination of the Board, in a loss to the Company or any of its affiliates, successors or assigns, or in damage to the reputation of the Company or any of its affiliates, successors or assigns;

(6) any failure of Employee to comply with Company policies or procedures to a material extent;

(7) Employee commits any act of deliberate unlawful discrimination or harassment;

(8) Employee is adjudged bankrupt or enters into any composition or arrangement with or for the benefit of his creditors;

(9) Employee becomes of unsound mind or a patient for the purpose of any law relating to mental health;

(10) Employee becomes prohibited by law or is disqualified or is liable to be disqualified from being a director.

6. CONFIDENTIAL AND BUSINESS INFORMATION

6.1 Employee shall not (except for the purpose of performing his duties hereunder or unless ordered to do so by a court of competent jurisdiction) either during his employment or after its termination directly or indirectly use, disclose or communicate Confidential Information and he shall use his best endeavours to prevent the improper use, disclosure or communication of Confidential Information:

(A) concerning the business of the Company or any Group Company and which comes to Employee's attention during the course of or in connection with his employment with the Company or any Group Company from any source within the Company or any Group Company; or

(B) concerning the business of any person having dealings with the Company or any Group Company and which is obtained in circumstances in which the Company or any Group Company is subject to a duty of confidentiality in relation to that information.

6.2 For the purposes of clause 6.1, Confidential Information means:

(A) any information of a confidential nature (whether trade secrets, other private or secret information including secrets and information relating to corporate strategy, business development plans, product designs, intellectual property, business contacts, terms of business with customers and potential customers and/or suppliers, annual budgets, management accounts and other financial information); and/or

(B) any confidential report or research undertaken by or for the Company or any Group Company before or during the course of Employee's employment; and/or

(C) lists or compilations of the names and contact details of the individuals or clients and counterparts with whom the Company or any Group Company transacts business; and/or

(D) contact details of all employees and directors of the Company or any Group Company together with details of their remuneration and benefits; and/or

(E) information so designated by the Company or any Group Company or which to Employee's knowledge has been supplied to the Company or any Group Company subject to any obligation of confidentiality.

6.3 The restrictions contained in this clause 6 shall cease to apply with respect to any information which would otherwise have been Confidential Information but which comes into the public domain otherwise than through an unauthorised disclosure by Employee or a third party.

6.4 The obligations of Employee under this clause 7 shall continue to apply after the termination of Employee's employment (howsoever terminated) for a period of three years following termination.

7. NON COMPETITION

7.1 For the purposes of this clause the following expressions shall have the following meanings:

(A) "**Relevant Employee**" means any person employed by or who renders or rendered services to the Company or any Group Company in a Relevant Business and who has client responsibility or influence over a Relevant Customer and/or who is in possession of confidential information about a Relevant Customer of the Company or a Group Company and who in any such case was so employed or so rendered services during the period of twelve months before the termination of Employee's employment and had dealings with Employee during that period;

(B) "**Relevant Customer**" means a person, firm or company who:

(1) **at any time during the twelve months prior to the termination of this** Agreement was a customer of the Company or any Group Company (whether or not services were actually provided during such period) or intermediary of such customer or to whom at the termination of this Agreement the Company or any Group Company was actively and directly seeking to supply services in either case for the purpose of a Relevant Business; and

(2) with whom Employee or a Relevant Employee in a Relevant Business reporting directly to Employee had dealings at any time during the twelve months prior to the termination or about whom Employee or such Relevant Employee was in possession of any Confidential Information (as defined in clause 7) in the performance of his duties to the Company or any Group Company;

(C) "**Relevant Business**" means any business or part thereof howsoever carried on involving the supply of Restricted Goods and/or Services;

(D) "**Relevant Supplier**" means any person firm or company who is or was at any time during the twelve months preceding the termination of Employee's employment a supplier or procurer of goods and/or services to the Company or any Group Company as part of the trading activities within a Relevant Business;

(E) "**Restricted Services**" means science-based research and development services which have as a goal the improvement of the health and productivity of organisms subject to aquaculture production;

(F) "**Restricted Area**" means the entire planet.

7.2 In order to safeguard the legitimate business interests of the Company and any Group Company and particularly the goodwill of the Company and any Group Company in connection with its clients, suppliers and employees Employee hereby undertakes with the Company (for itself and as trustee for each Group Company) that, and so that each undertaking below shall constitute an entirely separate, severable and independent obligation of Employee, he will not (except with the prior written consent of the Company) directly or indirectly:

(A) during his employment or for a period of 12 months after the termination of his employment entice or solicit or endeavour to entice or solicit away from the Company or any Group Company any Relevant Employee;

(B) during his employment or for a period of 12 months after the termination of his employment employ or otherwise engage any Relevant Employee;

(C) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area solicit or endeavour to supply Restricted Services to any Relevant Customer;

(D) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area supply Restricted Services to any Relevant Customer;

(E) during his employment or for a period of 12 months after the termination of his employment carry on or be concerned in any Relevant Business within the Restricted Area in competition with the business of the Company or any Group Company;

(F) during his employment or for a period of 12 months after the termination of his employment to the detriment of the Company or any Group Company, persuade or endeavour to persuade any Relevant Supplier to cease doing business or materially reduce its business with the Company or any Group Company.

7.3 For the purposes of clause 8 Employee is concerned in a business if (without limitation):-

(A) he carries it on as principal or agent; or

(B) he is a partner, director, employee, secondee, consultant, investor, shareholder or agent in, of or to any person who carries on the business;

(C) disregarding any financial interest of a person in securities which are listed or dealt in on any Recognised Investment Exchange if that person, Employee and any person connected with him are interested in securities which amount to less than five per cent. of the issued securities of that class and which, in all circumstances, carry less than five per cent. of the voting rights (if any) attaching to the issued securities of that class.

7.4 Employee shall not (except with the prior written consent of the Company) at any time after the termination of his employment represent himself to be connected with or interested in the business of or employed by the Company or any Group Company or use for any purpose the name of the Company or any Group Company or any name capable of confusion therewith.

7.5 Employee shall not during his employment whether during or outside office hours undertake any steps of any kind to promote or establish (or assist therein) any business which in the reasonable opinion of the Company is or is intended to be or may become in competition with any business operated by the Company or any Group Company.

7.6 Employee shall not at any time (whether during or after the termination of his employment) make whether directly or indirectly any untrue, misleading or derogatory oral or written statement concerning the business, affairs, officers or employees of the Company or any Group Company.

7.7 Employee agrees to enter into the restrictions in this clause 8 in consideration for the Company employing him on the terms set out herein.

7.8 While the restrictions in this clause 8 are considered by Employee and the Company to be reasonable in all the circumstances, it is recognised that such restrictions may fail for reasons unforeseen and, accordingly, it is hereby declared and agreed that if any of the restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but that they would be valid if part of the wording thereof were deleted and/or if the periods (if any) specified therein were reduced and/or the areas dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective.

8. ARBITRATION

Any dispute or controversy between the Company and Employee, whether arising out of or relating to this Agreement, Employee’s employment with the Company, the termination of such employment, or otherwise (except as provided below), shall be

submitted to binding arbitration before a single arbitrator selected under the then-current employment dispute resolution rules of the American Arbitration Association, and the arbitration shall be conducted under such rules and in the Commonwealth of Massachusetts. The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any court having jurisdiction thereof. The arbitrator shall give written notice to the parties stating his or her determination, and shall furnish to each party a signed copy of such determination. The expenses of arbitration shall be borne equally by the Employee and the Company. Notwithstanding the foregoing, the Company shall not be required to seek or participate in arbitration regarding any breach of the Employee's confidentiality, non-solicit and non-compete obligations contained in Clauses 7 and 8, but may pursue its remedies for such breach in a court of competent jurisdiction in the Commonwealth of Massachusetts Any arbitration or action pursuant to this Clause 9 shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State.

9. NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (i) delivered personally or by overnight courier to the following address of the other party hereto (or such other address for such party as shall be specified by notice given pursuant to this Section) or (ii) sent by facsimile to the following facsimile number of the other party hereto (or such other facsimile number for such party as shall be specified by notice given pursuant to this Section), with the confirmatory copy delivered by overnight courier to the address of such party pursuant to this Section:

If to the Company, to:

Aqua Bounty Technologies, Inc.
935 Main Street
Waltham, MA 02451

Attention: Chief Executive Officer

If to Employee, to:

Ronald Stotish
117 Gwyn Lynn Dr
Ivyland, PA 18974

10. SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the

validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and pre-empts any prior understandings, agreements or representations by or between the parties, written or oral which may have related in any manner to the subject matter hereof.

12. SUCCESSORS AND ASSIGNS

This Agreement is personal to Employee and shall not be assignable by Employee. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns; the Company may assign and transfer its rights and obligations under this Agreement, by operation of law or otherwise, to any successor to all or substantially all of its equity ownership interests, assets or business by dissolution, merger, consolidation, transfer or assets, or otherwise as permitted under the Company's Articles of Incorporation. Except as stated herein, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement.

13. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws.

14. REPRESENTATIONS AND WARRANTIES

Employee represents, warrants and agrees that he has all right, power, authority and capacity, and is free to enter into this Agreement; that by doing so, Employee will not violate or interfere with the rights of any other person or entity; and that Employee is not subject to any contract, understanding or obligation that will or might prevent, interfere or conflict with or impair the performance of this Agreement by Employee. Employee further represents, warrants, and agrees that he will not enter into any agreement or other obligation while this Agreement is in effect that might conflict or interfere with the operation of this Agreement or his obligation hereunder. Employee agrees to indemnify and hold the Company harmless with respect to any losses, liabilities, demands, claims, fees, expenses, damages and costs (including attorneys' fees and costs) resulting from or arising out of any claim or action based upon Employee's entering into this Agreement.

15. WAIVER

No waiver of any breach of any term of this Agreement shall be construed to be, nor shall be, a waiver of any breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

16. MODIFICATION

Neither this Agreement nor the provisions contained herein may be extended, renewed, amended or modified other than by a written agreement executed by Employee and a representative of the Company other than Employee.

17. CONSTRUCTION

The rule that a contract is construed against the party drafting the contract is hereby waived, and shall have no applicability in construing this Agreement or the terms hereof. Any headings and captions used herein are only for convenience and shall not affect the construction or interpretation of this Agreement.

18. LEGAL REPRESENTATION

The parties understand that this is a legally binding contract and acknowledge and agree that they have had a reasonable opportunity to consult with legal counsel of their choice prior to execution.

19. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same original instrument.

IN WITNESS HEREOF, the parties hereto execute and effectuate this Agreement as of the last date stated below.

Dated: April 1, 2006

By: /s/ Elliot Entis
Elliot Entis

Aqua Bounty Technologies Inc.

Dated: April 1, 2006

By: /s/ Ronald Stotish
Ronald Stotish

APPENDIX B

Summary of Employee Benefits

GENERAL BENEFITS:

1. HOLIDAY'S The Company will observe the following holidays: New Years Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving and the Day after Thanksgiving, Christmas Eve Day and Christmas Day.
2. VACATION ALLOWANCE. for the first three years of employment, 2 weeks paid vacation for staff and 3 weeks paid vacation for management. From the fourth year and onward, 3 weeks paid vacation for staff and 4 weeks paid vacation for management. Vacations may not be accrued from year to year without approval of the CEO.
3. SICK LEAVE. 10 sick days per calendar year plus 3 personal days per calendar year. Sick leave is not accrued from year to year.
4. HEALTH AND DENTAL INSURANCE 100% paid for by employer. Current plan is through Blue Cross.
5. PENSION PLAN . The Company intends to establish a uniform 401K plan for all employees as soon as possible following a successful financing.

Other Items Specific for Dr. Stotish:

1. Equipment Purchases. Dr. Stotish may, at his discretion and within a budget to be approved by the CEO purchase office supplies and equipment as he deems necessary.
2. Vacation: Dr. Stotish is to have 4 weeks of paid vacation as of the effective date of this agreement

EXHIBIT 10.12

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of the date executed below by and between Aqua Bounty Technologies, Inc. (the "**Company**"), a Delaware corporation, and David Frank ("**Employee**").and is deemed effective on the date signed below.

1. EMPLOYMENT AND TERM

The Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement. The parties agree that this Agreement commences shall remain in effect unless and until terminated in accordance with the terms and conditions set forth in this Agreement.

2. POSITION AND DUTIES

2.1 The Company shall employ Employee as Chief Financial Officer; provided, however, that Employee may have such other titles in addition to or in lieu thereof as the Company determines in its sole discretion. Employee shall report to the CEO and the Board of Directors of the Company ("**the Board**"). Employee shall have such responsibilities as may, from time to time, be duly authorized or directed by the CEO and by the Board. A basic description of duties and responsibilities is included in Appendix A. During his employment, Employee shall perform faithfully and loyally and to the best of his abilities the duties assigned to him hereunder. Employee shall act at all times in the best interests of the Company. Employee shall devote his full business time, attention and effort to the affairs of the Company and shall not, at any time during his employment, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Board. The foregoing is not intended to restrict Employee's ability to engage in charitable, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder and are notified in writing to the Company.

2.2 Employee shall immediately upon the Company's request supply any and all information which the Company or any Group Company may reasonably require in order to be able to comply with any statutory or regulatory provision or stock exchange rule or requirement, including for the avoidance of doubt the Rules for AIM Companies published by the London Stock Exchange.

2.3 Employee shall comply with the provisions of the code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of the adoption of such a code, with the provisions of the Model Code set out in the Listing Rules published by the UK Listing Authority and Employee shall not (subject always to his fiduciary duties as a director of the Company) do or omit to do anything which could result in the Company being in breach of the Rules for AIM Companies published by the London Stock Exchange.

3. NOTICE

3.1 The employment of Employee shall be at will until January 1, 2008. Thereafter, subject to the provisions of clause 6, employment shall continue unless and until terminated by:

(A) The Company giving to Employee not less than three (3) months' notice during the first full year of employment beginning January l, 2008; six (6) months notice during the second full year of employment, nine (9) months notice during the third full year of employment, and twelve (12) months notice thereafter;

(B) Employee giving to the Company not less than three (3) months' notice during the first full year of employment beginning January 1, 2008; six (6) months notice during the second full year of employment, nine (9) months notice during the third full year of employment, and twelve (12) months notice thereafter;

3.2 The Company reserves the right at any time, in its absolute discretion, to terminate Employee's employment by paying to Employee a sum equal to his basic salary and benefits for the relevant period of notice which shall be subject to deductions for taxes as appropriate. Employee agrees to accept any such payment in lieu of notice as being in full and final settlement of any claim he may have for wages, salary or compensation arising out of his employment, its termination and/or the resignation of any directorship.

3.3 The Company may make a payment pursuant to clause 3.2 regardless of whether or by whom notice under clause 3.1 has been given and in respect of the whole or the balance of the notice period which would otherwise be required under that clause.

3.4 For the avoidance of doubt, the right of the Company to make a payment in lieu of notice does not give rise to any right of Employee to demand such payment.

3.5 After notice of termination has been given by either party or if Employee seeks to resign without notice or by giving shorter notice than is required under this clause 3, provided that the Company continues to pay Employee his Base Salary and to provide all contractual benefits until his employment terminates in accordance with the terms of this Agreement, the Company has absolute discretion for all or part of the notice period to:

(A) exclude Employee from such of the premises of the Company and/or Group Company as the Board may direct;

(B) instruct him not to communicate with suppliers, customers, employees, agents or representatives of the Company or Group Company; and/or

(C) instruct him to perform some only or none of his duties under this Agreement.

4. COMPENSATION

As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company shall pay to Employee the following compensation:

4.1 **Base Salary**

During his employment, the Company shall pay to Employee a base salary at the rate of $185,000 per annum, such salary to be increased to $200,000 per annum as of January 1, 2008 ("**Base Salary**"), payable on the Company's regular payroll schedule. The Company shall deduct from the Base Salary paid to Employee the required federal, state and local withholding taxes, as well as any other authorized deductions. Such salary shall be reviewed (with the outcome of such review being at the absolute discretion of the Board) annually in each calendar year without commitment to increase.

4.2 **Bonus**

Employee may receive an annual bonus up to 25% of his Base Salary, plus stock options as determined by the Company at the end of its fiscal year. Such bonus, if any, may be granted at the sole discretion of the Board and will be based on the achievement of financial targets and on other performance criteria to be established by the Board under its Equity Incentive Plan. Employee will not be entitled to any such bonus payment if he is not employed or is under notice to terminate employment from either party at the date that payment would ordinarily be made.

4.3 **Benefit Plans**

Except as provided more specifically herein, Employee shall be entitled to participate in the Company's employee benefit plans or programs available to regular full-time exempt employees of the Company and their families, provided that Employee meets all eligibility requirements under those plans or programs. Unless otherwise provided herein, Employee's participation in the employee benefit plans or programs shall be subject to the terms and conditions of said plans or programs including, without limitation, the Company's right to amend, revise, terminate or replace the plans or programs at any time and without notice to participants. Any reduction, alteration or enhancement of the benefit plans and programs shall not be deemed to be a breach of this Agreement by the Company and it is agreed between the parties that the Company shall have no liability to pay any benefit to Employee (or any of his family members) unless it receives payment of the benefit from the insurer under the scheme and shall not be responsible for providing Employee (or any of his family members) with any benefit under any scheme in the event that the relevant insurer refuses for whatever reason to pay or provide or to continue to pay or provide that benefit to Employee (or any of his family members). The Employee Handbook provides a summary of the Company's current benefit plans. For the first twelve months following employment, employee will receive "payment in lieu" of medical/dental benefits in an amount not to exceed $1300 per month.

4.4 **Expense Reimbursement**

The Company shall reimburse Employee, subject to his compliance with the Company's then current guidelines relating to expenses, for all proper and reasonable expenses incurred by him in the performance of his duties hereunder, subject to his compliance with the Company's then current guidelines relating to expenses.

5. VACATION

5.1 Employee shall be entitled to paid vacation in accordance with the schedule in the Employee Handbook (in addition to the normal public holidays) in each calendar year commencing on January 1 in each year and which shall accrue on a pro rata monthly basis. Vacation shall be taken at such times as the Board shall consider most convenient having regard to the requirements of the Company's business.

5.2 Save with the prior written consent of the Company, untaken vacation entitlement for any one calendar year which is not used may not be carried forward to any subsequent year.

5.3 On termination of Employee's employment (howsoever occasioned), if Employee has taken more or less than his annual vacation entitlement an appropriate adjustment shall be made to any payment of salary or benefits from the Company to Employee. In this event the calculation shall be made on the basis that each day of holiday is worth 1/260 of his Base Salary.

6. TERMINATION

6.1 **Death**

Upon the death of Employee, this Agreement shall automatically terminate and all rights of Employee and his heirs, executors and administrators to compensation and other benefits under this Agreement shall cease. Termination of benefits does not terminate paid-in pension plans, any and all options or other forms of equity that may have been vested and are owned by Employee.

6.2 **Disability**

The Company may, at its option, terminate this Agreement upon written notice to Employee due to Employee's disability. For purposes of this Agreement, "Disability" means Employee's incapacity due to physical or mental illness to substantially perform his duties on a full-time basis for at least twelve consecutive weeks or an aggregate period in excess of twenty-four weeks in any one fiscal year and, within 30 days after a notice of termination of this Agreement, Employee shall not have returned to the full-time performance of the duties hereunder. Upon such termination, all obligations of the Company hereunder shall cease. In the event of any dispute regarding the existence of Employee's incapacity hereunder, the matter shall be resolved by the determination of a physician to be mutually selected and agreed upon by the Company and Employee. In the absence of an agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians shall select a third physician who shall then make the determination as to disability. Employee agrees that he will submit to appropriate medical examinations for purposes of such determination.

6.3 **Termination by the Company**

The Company may terminate Employee's employment without notice or payment in lieu of notice at any time for Cause.

(A) "**Cause**" shall mean any one or more of the following:

(1) performance by Employee of his duties in a manner which is deemed consistently materially unsatisfactory by the Board in its sole and exclusive discretion;

(2) wilful and material failure or refusal by Employee to perform his duties under this Agreement (other than by reason of Employee's death or disability);

(3) Employee being guilty of any serious breach or non-observance of the provisions of this Agreement or directions of the Board of relevant rules and/or codes issued by or on behalf of any Recognised Stock Exchange or guilty of any continued or successive breaches or non-observance of any such provisions or directions in spite of written warning to the contrary by the Board.

(4) any intentional act of dishonesty, fraud or embezzlement by Employee or the admission or conviction of, or entering of a plea of nolo contendere by, Employee of any felony or any lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;

(5) any negligence, wilful misconduct or personal dishonesty of Employee resulting in the good faith determination of the Board, in a loss to the Company or any of its affiliates, successors or assigns, or in damage to the reputation of the Company or any of its affiliates, successors or assigns;

(6) any failure of Employee to comply with Company policies or procedures to a material extent;

(7) Employee commits any act of deliberate unlawful discrimination or harassment;

(8) Employee becomes of unsound mind or a patient for the purpose of any law relating to mental health;

(9) Employee becomes prohibited by law or is disqualified or is liable to be disqualified from being a director.

7. CONFIDENTIAL AND BUSINESS INFORMATION

7.1 Employee shall not (except for the purpose of performing his duties hereunder or unless ordered to do so by a court of competent jurisdiction) either during his employment or

after its termination directly or indirectly use, disclose or communicate Confidential Information and he shall use his best endeavours to prevent the improper use, disclosure or communication of Confidential Information:

(A) concerning the business of the Company or any Group Company and which comes to Employee's attention during the course of or in connection with his employment with the Company or any Group Company from any source within the Company or any Group Company; or

(B) concerning the business of any person having dealings with the Company or any Group Company and which is obtained in circumstances in which the Company or any Group Company is subject to a duty of confidentiality in relation to that information.

7.2 For the purposes of clause 7.1, Confidential Information means:

(A) any information of a confidential nature (whether trade secrets, other private or secret information including secrets and information relating to corporate strategy, business development plans, product designs, intellectual property, business contacts, terms of business with customers and potential customers and/or suppliers, annual budgets, management accounts and other financial information); and/or

(B) any confidential report or research undertaken by or for the Company or any Group Company before or during the course of Employee's employment; and/or

(C) lists or compilations of the names and contact details of the individuals or clients and counterparts with whom the Company or any Group Company transacts business; and/or

(D) contact details of all employees and directors of the Company or any Group Company together with details of their remuneration and benefits; and/or

(E) information so designated by the Company or any Group Company or which to Employee's knowledge has been supplied to the Company or any Group Company subject to any obligation of confidentiality.

7.3 The restrictions contained in this clause 7 shall cease to apply with respect to any information which would otherwise have been Confidential Information but which comes into the public domain otherwise than through an unauthorised disclosure by Employee or a third party.

7.4 The obligations of Employee under this clause 7 shall continue to apply after the termination of Employee's employment (howsoever terminated) for a period of three years following termination.

8. NON COMPETITION

8.1 For the purposes of this clause the following expressions shall have the following meanings:

(A) "**Relevant Employee**" means any person employed by or who renders or rendered services to the Company or any Group Company in a Relevant Business and who has client responsibility or influence over a Relevant Customer and/or who is in possession of confidential information about a Relevant Customer of the Company or a Group Company and who in any such case was so employed or so rendered services during the period of twelve months before the termination of Employee's employment and had dealings with Employee during that period;

(B) "**Relevant Customer**" means a person, firm or company who:

(1) at any time during the twelve months prior to the termination of this Agreement was a customer of the Company or any Group Company (whether or not services were actually provided during such period) or intermediary of such customer or to whom at the termination of this Agreement the Company or any Group Company was actively and directly seeking to supply services in either case for the purpose of a Relevant Business; and

(2) with whom Employee or a Relevant Employee in a Relevant Business reporting directly to Employee had dealings at any time during the twelve months prior to the termination or about whom Employee or such Relevant Employee was in possession of any Confidential Information (as defined in clause 7) in the performance of his duties to the Company or any Group Company;

(C) "**Relevant Business**" means any business or part thereof howsoever carried on involving the supply of Restricted Goods and/or Services;

(D) "**Relevant Supplier**" means any person firm or company who is or was at any time during the twelve months preceding the termination of Employee's employment a supplier or procurer of goods and/or services to the Company or any Group Company as part of the trading activities within a Relevant Business;

(E) "**Restricted Services**" means science-based research and development services which have as a goal the improvement of the health and productivity of organisms subject to aquaculture production;

(F) "**Restricted Area**" means the entire planet.

8.2 In order to safeguard the legitimate business interests of the Company and any Group Company and particularly the goodwill of the Company and any Group Company in connection with its clients, suppliers and employees Employee hereby undertakes with the Company (for itself and as trustee for each Group Company) that, and so that each undertaking below shall constitute an entirely separate, severable and independent obligation of Employee, he will not (except with the prior written consent of the Company) directly or indirectly:

(A) during his employment or for a period of 12 months after the termination of his employment entice or solicit or endeavour to entice or solicit away from the Company or any Group Company any Relevant Employee;

(B) during his employment or for a period of 12 months after the termination of his employment employ or otherwise engage any Relevant Employee;

(C) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area solicit or endeavour to supply Restricted Services to any Relevant Customer;

(D) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area supply Restricted Services to any Relevant Customer;

(E) during his employment or for a period of 12 months after the termination of his employment carry on or be concerned in any Relevant Business within the Restricted Area in competition with the business of the Company or any Group Company;

(F) during his employment or for a period of 12 months after the termination of his employment to the detriment of the Company or any Group Company, persuade or endeavour to persuade any Relevant Supplier to cease doing business or materially reduce its business with the Company or any Group Company.

8.3 For the purposes of clause 8 Employee is concerned in a business if (without limitation):

(A) he carries it on as principal or agent; or

(B) he is a partner, director, employee, secondee, consultant, investor, shareholder or agent in, of or to any person who carries on the business;

(C) disregarding any financial interest of a person in securities which are listed or dealt in on any Recognised Investment Exchange if that person, Employee and any person connected with him are interested in securities which amount to less than five per cent of the issued securities of that class and which, in all circumstances, carry less than five per cent of the voting rights (if any) attaching to the issued securities of that class.

8.4 Employee shall not (except with the prior written consent of the Company) at any time after the termination of his employment represent himself to be connected with or interested in the business of or employed by the Company or any Group Company or use for any purpose the name of the Company or any Group Company or any name capable of confusion therewith.

8.5 Employee shall not during his employment whether during or outside office hours undertake any steps of any kind to promote or establish (or assist therein) any business which in the reasonable opinion of the Company is or is intended to be or may become in competition with any business operated by the Company or any Group Company.

8.6 Employee shall not at any time (whether during or after the termination of his employment) make whether directly or indirectly any untrue, misleading or derogatory oral or written statement concerning the business, affairs, officers or employees of the Company or any Group Company.

8.7 Employee agrees to enter into the restrictions in this clause 8 in consideration for the Company employing him on the terms set out herein.

8.8 While the restrictions in this clause 8 are considered by Employee and the Company to be reasonable in all the circumstances, it is recognised that such restrictions may fail for reasons unforeseen and, accordingly, it is hereby declared and agreed that if any of the restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but that they would be valid if part of the wording thereof were deleted and/or if the periods (if any) specified therein were reduced and/or the areas dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective.

9. ARBITRATION

Any dispute or controversy between the Company and Employee, whether arising out of or relating to this Agreement, Employee's employment with the Company, the termination of such employment, or otherwise (except as provided below), shall be submitted to binding arbitration before a single arbitrator selected under the then-current employment dispute resolution rules of the American Arbitration Association, and the arbitration shall be conducted under such rules and in the Commonwealth of Massachusetts. The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any court having jurisdiction thereof. The arbitrator shall give written notice to the parties stating his or her determination, and shall furnish to each party a signed copy of such determination. The expenses of arbitration shall be borne equally by the Employee and the Company. Notwithstanding the foregoing, the Company shall not be required to seek or participate in arbitration regarding any breach of the Employee's confidentiality, non-solicit and non-compete obligations contained in Clauses 7 and 8, but may pursue its remedies for such breach in a court of competent jurisdiction in the Commonwealth of Massachusetts Any arbitration or action pursuant to this Clause 9 shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State.

10. NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (i) delivered personally or by overnight courier to the following address of the other Party hereto (or such other address for such party as shall be specified by notice given pursuant to this Section) or (ii) sent by facsimile to the following facsimile number of the other Party hereto (or such other facsimile number for such Party as shall be specified by notice given pursuant to this Section), with the confirmatory copy delivered by overnight courier to the address of such party pursuant to this Section:

If to the Company, to:

Aqua Bounty Technologies, Inc.
935 Main Street
Waltham, MA 02451

Attention: Chief Executive Officer

If to Employee, to:

David Frank
27 Hayes Road
Concord, MA 01742
(508) 904-4432

11. SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and pre-empts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

13. SUCCESSORS AND ASSIGNS

This Agreement is personal to Employee and shall not be assignable by Employee. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns; the Company may assign and transfer its rights and obligations under this Agreement, by operation of law or otherwise, to any successor to all or substantially all of its equity ownership interests, assets or business by dissolution, merger, consolidation, transfer or assets, or otherwise as permitted under the Company's Articles of Incorporation. Except as stated herein, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement.

14. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws.

15. REPRESENTATION AND WARRANTIES

Employee represents, warrants and agrees that he has all right, power, authority and capacity, and is free to enter into this Agreement; that by doing so, Employee will not violate or interfere with the rights of any other person or entity; and that Employee is not subject to any contract, understanding or obligation that will or might prevent, interfere or conflict with or impair the performance of this Agreement by Employee. Employee further represents, warrants, and agrees that he will not enter into any agreement or other obligation while this Agreement is in effect that might conflict or interfere with the operation of this Agreement or his obligation hereunder. Employee agrees to indemnify and hold the Company harmless with respect to any losses, liabilities, demands, claims, fees, expenses, damages and costs (including attorneys' fees and costs) resulting from or arising out of any claim or action based upon Employee's entering into this Agreement.

16. WAIVER

No waiver of any breach of any term of this Agreement shall be construed to be, nor shall be, a waiver of any breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

17. MODIFICATION

Neither this Agreement nor the provisions contained herein may be extended, renewed, amended or modified other than by a written agreement executed by Employee and a representative of the Company other than Employee.

18. CONSTRUCTION

The rule that a contract is construed against the party drafting the contract is hereby waived, and shall have no applicability in construing this Agreement or the terms hereof. Any headings and captions used herein are only for convenience and shall not affect the construction or interpretation of this Agreement.

19. LEGAL REPRESENTATION

The parties understand that this is a legally binding contract and acknowledge and agree that they have had a reasonable opportunity to consult with legal counsel of their choice prior to execution.

20. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same original instrument.

IN WITNESS HEREOF, the parties hereto execute and effectuate this Agreement as of the last date stated below.

Date: Oct. 1, 2007

By: /s/ Elliot Entis
Elliot Entis
Aqua Bounty Technologies Inc.

Date: Oct. 1, 2007

By: /s/ David Frank
David Frank

APPENDIX A

Aqua Bounty Technologies

CHIEF FINANCIAL OFFICER

Job Description & Responsibilities

Primary Function: Responsible· for the establishment and maintenance of an effective accounting process for the purpose of internal management control and external statutory reporting requirements for taxation and public reporting.

Reports To: The Chief Executive Officer of Aqua Bounty Technologies (ABT).

Subordinates: All accounting and administrative personnel of ABT.

Other Key Relationships: The Board of Directors; the Audit Committee Chairman; the external service providers of ABT, including the Auditors, the Legal Advisors, and the Public Market Advisors; the

Responsibilities:

Accounting. Maintain an efficient and effective accounting system; provide prompt reporting of monthly financial results; ensure the accuracy of the company's financial accounts; direct the annual accounting audit in conjunction with the company's auditors.

Professional knowledge. The CFO is required to stay current on the following matters, as they apply to U.S. Incorporated companies (Delaware law) and the London stock exchange: Accounting policies & procedures; Government regulation (statutory reporting requirements); Codes of practice.

The CFO should develop and maintain a thorough knowledge of the company and its business economics.

Controls & risk management. Ensure that effective controls are developed and maintained to protect the integrity of the accounting system and the safeguarding of company assets. Ensure compliance with published internal control procedures. Ensure compliance with the company's delegation of authority.

Financial reporting. Provide internal management reports to the senior management team and the board of directors, including information to interpret the financial results. Provide advice as to appropriate corrective action. Provide external financial reports as required for statutory public reporting and taxation. Ensure the timely reporting of all significant accounting, financial, legal and control issues to the board of directors as soon as they become evident.

External liaison. Maintain communication and on-going relationships with the company's third-party service providers: auditors; legal advisors; public market advisors Maintain communication and on-going relationships with the company's investors.

Business planning. The CFO Is Responsible For The Preparation Of The Financial Projections Of The Company, Which Encompass The Following: Strategic Plan; Annual Budget; Short-Term Forecasts; Project Projections

Strategic thinking The CFO should provide financial and strategic advise in support of the strategic plan and the annual budget, as they relate to issues of: Company Structure, Investment Proposals, including M&A activities; Operational Plans, Product Development, Distribution, Supply and Manufacturing

Legal Provide financial and strategic advise on all legal matters: Company Structure; External Agreements; Issues related to Corporate Governance. Work with the company's external legal advisors to ensure that agreements are structured in accordance with the company's governance requirements and strategic objectives.

Human Resources. Manage issues relating to the following human resource activities: Compensation, Company Benefit Plans, Hiring and Termination Issues

Company Secretary. As secretary of ABT - prepare minutes of the meetings of the board.

General: Contribute to discussions on strategic and/or financial issues as a member of the senior management committee.

DOCUMENT REVIEW This Job Description should be reviewed annually to appraise job performance and to discuss appropriate alterations to its terms.

EXHIBIT 10.13

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of the date executed below by and between Aqua Bounty Technologies, Inc. (the "**Company**"), a Delaware corporation, and Henry Clifford ("**Employee**").and is deemed effective as of the date signed.

1. EMPLOYMENT AND TERM

The Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement. The parties agree that this Agreement commences shall remain in effect unless and until terminated in accordance with the terms and conditions set forth in this Agreement.

2. POSITION AND DUTIES

2.1 The Company shall employ Employee as VP of Sales & Marketing; provided, however, that Employee may have such other titles in addition to or in lieu thereof as the Company determines in its sole discretion. Employee shall report to the COO and through him to the CEO. Employee shall have such responsibilities as may, from time to time, be duly authorized or directed by the COO and by the CEO. A basic description of duties and responsibilities is included in Appendix A. During his employment, Employee shall perform faithfully and loyally and to the best of his abilities the duties assigned to him hereunder. Employee shall act at all times in the best interests of the Company. Employee shall devote his full business time, attention and effort to the affairs of the Company and shall not, at any time during his employment, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Board. The foregoing is not intended to restrict Employee's ability to engage in charitable, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder and are notified in writing to the Company,

2.2 Employee shall immediately upon the Company's request supply any and all information which the Company or any Group Company may reasonably require in order to be able to comply with any statutory or regulatory provision or stock exchange rule or requirement, including for the avoidance of doubt the Rules for AIM Companies published by the London Stock Exchange.

2.3 Employee shall comply with the provisions of the code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of the adoption of such a code, with the provisions of the Model Code set out in the Listing Rules published by the UK Listing Authority and Employee shall not do or omit to do anything which could result in the Company being in breach of the Rules for AIM Companies published by the London Stock Exchange.

3. NOTICE

3.1 The employment of Employee shall, subject to the provisions of clause 6, continue unless and until terminated by:

(A) The Company giving to Employee not less than three (3) months' notice during the first full year of employment beginning June 1, 2005; six (6) months' notice during the second full year of employment; nine (9) months' notice during the third full year of employment; and twelve (12) months' notice thereafter;

(B) Employee giving to the Company not less than three (3) months' notice during the first full year of employment beginning June 1, 2005; six (6) months' notice during the second full year of employment; nine (9) months' notice during the third full year of employment; and twelve (12) months' notice thereafter.

3.2 The Company reserves the right at any time, in its absolute discretion, to terminate Employee's employment by paying to Employee a sum equal to his basic salary and benefits for the relevant period of notice which shall be subject to deductions for taxes as appropriate. Employee agrees to accept any such payment in lieu of notice as being in full and final settlement of any claim he may have for wages, salary or compensation arising out of his employment, its termination and/or the resignation of any directorship.

3.3 The Company may make a payment pursuant to clause 3.2 regardless of whether or by whom notice under clause 3.1 has been given and in respect of the whole or the balance of the notice period which would otherwise be required under that clause.

3.4 For the avoidance of doubt, the right of the Company to make a payment in lieu of notice does not give rise to any right of Employee to demand such payment.

3.5 After notice of termination has been given by either party or if Employee seeks to resign without notice or by giving shorter notice than is required under this clause 3, provided that the Company continues to pay Employee his Base Salary and to provide all contractual benefits until his employment terminates in accordance with the terms of this Agreement, the Company has absolute discretion for all or part of the notice period to:

(A) exclude Employee from such of the premises of the Company and/or Group Company as the Board may direct;

(B) instruct him not to communicate with suppliers, customers, employees, agents or representatives of the Company or Group Company; and/or

(C) instruct him to perform some only or none of his duties under this Agreement.

4. COMPENSATION

As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company shall pay to Employee the following compensation:

4.1 **Base Salary**

During his employment, the Company shall pay to Employee a base salary at the rate of $200,000 per annum ("**Base Salary**"), payable on the Company's regular payroll schedule. The Company shall deduct from the Base Salary paid to Employee the required federal, state and local withholding taxes, as well as any other authorized deductions. Such salary shall be reviewed (with the outcome of such review being at the absolute discretion of the Board) annually in each calendar year without commitment to increase.

4.2 **Bonus**

Employee may receive an annual bonus, plus stock options as determined by the Company at the end of its fiscal year. Such bonus, if any, may be granted at the sole discretion of the Board and will be based on the achievement of financial targets and on other performance criteria to be established by the Board under its Equity Incentive Plan. Employee will not be entitled to any such bonus payment if he is not employed or is under notice to terminate employment from either party at the date that payment would ordinarily be made.

4.3 **Benefit Plans**

Except as provided more specifically herein, Employee shall be entitled to participate in the Company's employee benefit plans or programs available to regular full-time exempt employees of the Company and their families, provided that Employee meets all eligibility requirements under those plans or programs. Unless otherwise provided herein, Employee's participation in the employee benefit plans or programs shall be subject to the terms and conditions of said plans or programs including, without limitation, the Company's right to amend, revise, terminate or replace the plans or programs at any time and without notice to participants. Any reduction, alteration or enhancement of the benefit plans and programs shall not be deemed to be a breach of this Agreement by the Company and it is agreed between the parties that the Company shall have no liability to pay any benefit to Employee (or any of his family members) unless it receives payment of the benefit from the insurer under the scheme and shall not be responsible for providing Employee (or any of his family members) with any benefit under any scheme in the event that the relevant insurer refuses for whatever reason to pay or provide or to continue to pay or provide that benefit to Employee (or any of his family members). Appendix B provides a summary of the Company's current benefit plan.

4.4 **Expense Reimbursement**

The Company shall reimburse Employee, subject to his compliance with the Company's then current guidelines relating to expenses, for all proper and reasonable expenses incurred by him in the performance of his duties hereunder, subject to his compliance with the Company's then current guidelines relating to expenses.

5. VACATION

5.1 Employee shall be entitled to paid vacation in accordance with the schedule in Appendix B (in addition to the normal public holidays) in each calendar year commencing on January 1 in each year and which shall accrue on a pro rata monthly basis. Vacation shall be taken at such times as the Board shall consider most convenient having regard to the requirements of the Company's business.

5.2 Save with the prior written consent of the Company, untaken vacation entitlement for any one calendar year which is not used may not be carried forward to any subsequent year.

5.3 On termination of Employee's employment (howsoever occasioned), if Employee has taken more or less than his annual vacation entitlement an appropriate adjustment shall be made to any payment of salary or benefits from the Company to Employee. In this event the calculation shall be made on the basis that each day of holiday is worth 1/260 of his Base Salary.

6. TERMINATION

6.1 **Death**

Upon the death of Employee, this Agreement shall automatically terminate and all rights of Employee and his heirs, executors and administrators to compensation and other benefits under this Agreement shall cease. Termination of benefits does not terminate paid-in pension plans, any and all options or other forms of equity that may have been vested and are owned by Employee.

6.2 **Disability**

The Company may, at its option, terminate this Agreement upon written notice to Employee due to Employee's disability. For purposes of this Agreement, "Disability" means Employee's incapacity due to physical or mental illness to substantially perform his duties on a full-time basis for at least twelve consecutive weeks or an aggregate period in excess of twenty-four weeks in any one fiscal year and, within 30 days after a notice of termination of this Agreement, Employee shall not have returned to the full-time performance of the duties hereunder. Upon such termination, all obligations of the Company hereunder shall cease. In the event of any dispute regarding the existence of Employee's incapacity hereunder, the matter shall be resolved by the determination of a physician to be mutually selected and agreed upon by the Company and Employee. In the absence of an agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians shall select a third physician who shall then make the determination as to disability. Employee agrees that he will submit to appropriate medical examinations for purposes of such determination.

6.3 **Termination by the Company**

The Company may terminate Employee's employment without notice or payment in lieu of notice at any time for Cause.

(A) **"Cause"** shall mean any one or more of the following:

(1) performance by Employee of his duties in a manner which is deemed consistently materially unsatisfactory by the Board in its sole and exclusive discretion;

(2) wilful material failure or refusal by Employee to perform his duties under this Agreement (other than by reason of Employee's death or disability);

(3) Employee being guilty of any serious breach or non-observance of the provisions of this Agreement or directions of the Board of relevant rules and/or codes issued by or on behalf of any Recognised Stock Exchange or guilty of any continued or successive breaches or non-observance of any such provisions or directions in spite of written warning to the contrary by the Board.

(4) any intentional act of dishonesty which materially impacts the Company, fraud or embezzlement by Employee or the admission or conviction of, or entering of a plea of nolo contendere by, Employee of any felony or any lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;

(5) any negligence, wilful misconduct or personal dishonesty of Employee resulting in the good faith determination of the Board, in a loss to the Company or any of its affiliates, successors or assigns, or in damage to the reputation of the Company or any of its affiliates, successors or assigns;

(6) any failure of Employee to comply with Company policies or procedures to a material extent;

(7) Employee commits any act of deliberate unlawful discrimination or harassment;

(8) Employee becomes of unsound mind or a patient for the purpose of any law relating to mental health;

(9) Employee becomes prohibited by law or is disqualified or is liable to be disqualified from being a director.

7. CONFIDENTIAL AND BUSINESS INFORMATION

7.1 Employee shall not (except for the purpose of performing his duties hereunder or unless ordered to do so by a court of competent jurisdiction) either during his employment or after its termination directly or indirectly use, disclose or communicate Confidential Information and he shall use his best endeavours to prevent the improper use, disclosure or communication of Confidential Information:

(A) concerning the business of the Company or any Group Company and which comes to Employee's attention during the course of or in connection with his employment with the Company or any Group Company from any source within the Company or any Group Company; or

(B) concerning the business of any person having dealings with the Company or any Group Company and which is obtained in circumstances in which the Company or any Group Company is subject to a duty of confidentiality in relation to that information.

7.2 For the purposes of clause 7.1, Confidential Information means:

(A) any information of a confidential nature (whether trade secrets, other private or secret information including secrets and information relating to corporate strategy, business development plans, product designs, intellectual property, business contacts, terms of business with customers and potential customers and/or suppliers, annual budgets, management accounts and other financial information); and/or

(B) any confidential report or research undertaken by or for the Company or any Group Company before or during the course of Employee's employment; and/or

(C) lists or compilations of the names and contact details of the individuals or clients and counterparts with whom the Company or any Group Company transacts business; and/or

(D) contact details of all employees and directors of the Company or any Group Company together with details of their remuneration and benefits; and/or

(E) information so designated by the Company or any Group Company or which to Employee's knowledge has been supplied to the Company or any Group Company subject to any obligation of confidentiality.

7.3 The restrictions contained in this clause 7 shall cease to apply with respect to any information which would otherwise have been Confidential Information but which comes into the public domain otherwise than through an unauthorised disclosure by Employee or a third party.

7.4 The obligations of Employee under this clause 7 shall continue to apply after the termination of Employee's employment (howsoever terminated) for a period of three years following termination.

8. NON COMPETITION

8.1 For the purposes of this clause the following expressions shall have the following meanings:

(A) **"Relevant Employee"** means any person employed by or who renders or rendered services to the Company or any Group Company in a Relevant Business and who has client responsibility or influence over a Relevant Customer and/or who is in possession of confidential information about a Relevant Customer of the Company or a Group Company and who in any such case was so employed or so rendered services during the period of twelve months before the termination of Employee's employment and had dealings with Employee during that period;

(B) **"Relevant Customer"** means a person, firm or company who :

(1) **at any time during the twelve months prior to the termination of this** Agreement was a customer of the Company or any Group Company (whether or not services were actually provided during such period) or intermediary of such customer or to whom at the termination of this Agreement the Company or any Group Company was actively and directly seeking to supply services in either case for the purpose of a Relevant Business; and

(2) with whom Employee or a Relevant Employee in a Relevant Business reporting directly to Employee had dealings at any time during the twelve months prior to the termination or about whom Employee or such Relevant Employee was in possession of any Confidential Information (as defined in clause 7) in the performance of his duties to the Company or any Group Company;

(C) **"Relevant Business**" means any business or part thereof howsoever carried on involving the supply of Restricted Goods and/or Services;

(D) **"Relevant Supplier**" means any person firm or company who is or was at any time during the twelve months preceding the termination of Employee's employment a supplier or procurer of goods and/or services to the Company or any Group Company as part of the trading activities within a Relevant Business;

(E) **"Restricted Services**" means science-based research and development services which have as a goal the improvement of the health and productivity of organisms subject to aquaculture production;

(F) **"Restricted Area**" means the entire planet.

8.2 In order to safeguard the legitimate business interests of the Company and any Group Company and particularly the goodwill of the Company and any Group Company in connection with its clients, suppliers and employees Employee hereby undertakes with the Company (for itself and as trustee for each Group Company) that, and so that each

undertaking below shall constitute an entirely separate, severable and independent obligation of Employee, he will not (except with the prior written consent of the Company) directly or indirectly:

(A) during his employment or for a period of 12 months after the termination of his employment entice or solicit or endeavour to entice or solicit away from the Company or any Group Company any Relevant Employee;

(B) during his employment or for a period of 12 months after the termination of his employment employ or otherwise engage any Relevant Employee;

(C) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area solicit or endeavour to supply Restricted Services to any Relevant Customer;

(D) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area supply Restricted Services to any Relevant Customer;

(E) during his employment or for a period of 12 months after the termination of his employment carry on or be concerned in any Relevant Business within the Restricted Area in competition with the business of the Company or any Group Company;

(F) during his employment or for a period of 12 months after the termination of his employment to the detriment of the Company or any Group Company, persuade or endeavour to persuade any Relevant Supplier to cease doing business or materially reduce its business with the Company or any Group Company.

8.3 For the purposes of clause 8 Employee is concerned in a business if (without limitation):-

(A) he carries it on as principal or agent; or

(B) he is a partner, director, employee, secondee, consultant, investor, shareholder or agent in, of or to any person who carries on the business;

(C) disregarding any financial interest of a person in securities which are listed or dealt in on any Recognised Investment Exchange if that person, Employee and any person connected with him are interested in securities which amount to less than five per cent. of the issued securities of that class and which, in all circumstances, carry less than five per cent. of the voting rights (if any) attaching to the issued securities of that class.

8.4 Employee shall not (except with the prior written consent of the Company) at any time after the termination of his employment represent himself to be connected with or interested in the business of or employed by the Company or any Group Company or use for any purpose the name of the Company or any Group Company or any name capable of confusion therewith.

8.5 Employee shall not during his employment whether during or outside office hours undertake any steps of any kind to promote or establish (or assist therein) any business which in the reasonable opinion of the Company is or is intended to be or may become in competition with any business operated by the Company or any Group Company.

8.6 Employee shall not at any time (whether during or after the termination of his employment) make whether directly or indirectly any untrue, misleading or derogatory oral or written statement concerning the business, affairs, officers or employees of the Company or any Group Company.

8.7 Employee agrees to enter into the restrictions in this clause 8 in consideration for the Company employing him on the terms set out herein.

8.8 While the restrictions in this clause 8 are considered by Employee and the Company to be reasonable in all the circumstances, it is recognised that such restrictions may fail for reasons unforeseen and, accordingly, it is hereby declared and agreed that if any of the restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but that they would be valid if part of the wording thereof were deleted and/or if the periods (if any) specified therein were reduced and/or the areas dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective.

9. ARBITRATION

Any dispute or controversy between the Company and Employee, whether arising out of or relating to this Agreement, Employee's employment with the Company, the termination of such employment, or otherwise (except as provided below), shall be submitted to binding arbitration before a single arbitrator selected under the then-current employment dispute resolution rules of the American Arbitration Association, and the arbitration shall be conducted under such rules and in the Commonwealth of Massachusetts. The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any court having jurisdiction thereof. The arbitrator shall give written notice to the parties stating his or her determination, and shall furnish to each party a signed copy of such determination. The expenses of arbitration shall be borne equally by the Employee and the Company. Notwithstanding the foregoing, the Company shall not be required to seek or participate in arbitration regarding any breach of the Employee's confidentiality, non-solicit and non-compete obligations contained in Clauses 7 and 8, but may pursue its remedies for such breach in a court of competent jurisdiction in the Commonwealth of Massachusetts Any arbitration or action pursuant to this Clause 9 shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State.

10. NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (i) delivered personally or by overnight courier to the following address of the other party hereto (or such other address for such party as shall be specified by notice given pursuant to this Section) or (ii) sent by facsimile to the following facsimile number of the other party hereto (or such other facsimile number for such party as shall be specified by notice given pursuant to this Section), with the confirmatory copy delivered by overnight courier to the address of such party pursuant to this Section:

If to the Company, to:

Aqua Bounty Technologies, Inc.
935 Main Street
Waltham, MA 02451

Attention: Chief Executive Officer

If to Employee, to:

Henry Clifford
13584 Millpond Way
San Diego, CA 92129

11. SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and pre-empts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

13. SUCCESSORS AND ASSIGNS

This Agreement is personal to Employee and shall not be assignable by Employee. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns; the Company may assign and transfer its rights and obligations

under this Agreement, by operation of law or otherwise, to any successor to all or substantially all of its equity ownership interests, assets or business by dissolution, merger, consolidation, transfer or assets, or otherwise as permitted under the Company's Articles of Incorporation. Except as stated herein, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement.

14. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws.

15. REPRESENTATIONS AND WARRANTIES

Employee represents, warrants and agrees that he has all right, power, authority and capacity, and is free to enter into this Agreement; that by doing so, Employee will not violate or interfere with the rights of any other person or entity; and that Employee is not subject to any contract, understanding or obligation that will or might prevent, interfere or conflict with or impair the performance of this Agreement by Employee. Employee further represents, warrants, and agrees that he will not enter into any agreement or other obligation while this Agreement is in effect that might conflict or interfere with the operation of this Agreement or his obligation hereunder. Employee agrees to indemnify and hold the Company harmless with respect to any losses, liabilities, demands, claims, fees, expenses, damages and costs (including attorneys' fees and costs) resulting from or arising out of any claim or action based upon Employee's entering into this Agreement.

16. WAIVER

No waiver of any breach of any term of this Agreement shall be construed to be, nor shall be, a waiver of any breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

17. MODIFICATION

Neither this Agreement nor the provisions contained herein may be extended, renewed, amended or modified other than by a written agreement executed by Employee and a representative of the Company other than Employee.

18. CONSTRUCTION

The rule that a contract is construed against the party drafting the contract is hereby waived, and shall have no applicability in construing this Agreement or the terms hereof. Any headings and captions used herein are only for convenience and shall not affect the construction or interpretation of this Agreement.

19. LEGAL REPRESENTATION

The parties understand that this is a legally binding contract and acknowledge and agree that they have had a reasonable opportunity to consult with legal counsel of their choice prior to execution.

20. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same original instrument.

IN WITNESS HEREOF, the parties hereto execute and effectuate this Agreement as of the last date stated below.

Dated: Nov. 28, 2007

By: /s/ Elliot Entis
Elliot Entis
Aqua Bounty Technologies Inc.

Dated: Oct. 4, 2007

By: /s/ Henry Clifford
Henry Clifford (Employee)

APPENDIX A

EMPLOYEES DUTIES

Henry Clifford, Vice President Sales & Marketing, is responsible for overseeing and managing all aspects of sales and marketing for the Company's Health and Productivity Products. As part of his duties employee will supervise others working in marketing, interact directly with customers, have ultimate responsibility for product promotion, participate in contracting and licensing with the COO and CEO and develop an annual budget for his unit's activities.

APPENDIX B

Summary of Employee Benefits

GENERAL BENEFITS:

1. HOLIDAY'S The Company will observe the thirteen (13) holidays outlined in the ADP Employee Handbook.
2. VACATION ALLOWANCE. For the first five years of employment, 3 weeks paid vacation, and thereafter 4 weeks paid vacation. Vacations may not be accrued from year to year without approval of the CEO.
3. SICK LEAVE. 10 sick days per calendar year plus 3 personal days per calendar year. Sick leave is not accrued from year to year.
4. HEALTH AND DENTAL INSURANCE 75% paid for by employer. Current plan is through ADP Total Source.
5. PENSION PLAN . Participation in the Company-sponsored 401K plan.

EXHIBIT 10.14

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of the date executed below by and between Aqua Bounty Technologies, Inc. (the "**Company**"), a Delaware corporation, and Alejandro Rojas ("**Employee**").and is deemed effective on the date signed below.

1. EMPLOYMENT AND TERM

The Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement. The parties agree that this Agreement commences and shall remain in effect unless and until terminated in accordance with the terms and conditions set forth in this Agreement.

2. POSITION AND DUTIES

2.1 Commencing on 1 February 2014 the Company shall employ Employee as Chief Operating Officer of its AquaBounty Farms Division; provided, however, that Employee may have such other titles in addition to or in lieu thereof as the Company determines in its sole discretion. Employee shall report to the CEO of the Company. Employee shall have such responsibilities as may, from time to time, be duly authorized or directed by the CEO. A basic description of duties and responsibilities is included in Appendix A. During his employment, Employee shall perform faithfully and loyally and to the best of his abilities the duties assigned to him hereunder. Employee shall act at all times in the best interests of the Company. Employee shall devote his full business time, attention and effort to the affairs of the Company and shall not, at any time during his employment, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Company. The foregoing is not intended to restrict Employee's ability to engage in charitable, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder and are notified in writing to the Company.

2.2 Employee shall immediately upon the Company's request supply any and all information which the Company or any Group Company may reasonably require in order to be able to comply with any statutory or regulatory provision or stock exchange rule or requirement, including for the avoidance of doubt the Rules for AIM Companies published by the London Stock Exchange.

2.3 Employee shall comply with the provisions of the code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of the adoption of such a code, with the provisions of the Model Code set out in the Listing Rules published by the UK Listing Authority and Employee shall not (subject always to his fiduciary duties as an officer of the Company) do or omit to do anything which could result in the Company being in breach of the Rules for AIM Companies published by the London Stock Exchange.

3. NOTICE

3.1 The employment of Employee shall, subject to the provisions of clause 6, continue unless and until terminated by:

(A) The Company giving to Employee not less than twelve (12) months' notice; or

(B) Employee giving to the Company not less than one (1) months' notice.

3.2 The Company reserves the right at any time, in its absolute discretion, to terminate Employee's employment by paying to Employee a sum equal to his basic salary and benefits for the relevant period of notice which shall be subject to deductions for taxes as appropriate. Employee agrees to accept any such payment in lieu of notice as being in full and final settlement of any claim he may have for wages, salary or compensation arising out of his employment, its termination and/or the resignation of any directorship.

3.3 The Company may make a payment pursuant to clause 3.2 regardless of whether or by whom notice under clause 3.1 has been given and in respect of the whole or the balance of the notice period which would otherwise be required under that clause.

3.4 For the avoidance of doubt, the right of the Company to make a payment in lieu of notice does not give rise to any right of Employee to demand such payment.

3.5 After notice of termination has been given by either party or if Employee seeks to resign without notice or by giving shorter notice than is required under this clause 3, provided that the Company continues to pay Employee his Base Salary and to provide all contractual benefits until his employment terminates in accordance with the terms of this Agreement, the Company has absolute discretion for all or part of the notice period to:

(A) exclude Employee from such of the premises of the Company and/or Group Company as the Company may direct;

(B) instruct him not to communicate with suppliers, customers, employees, agents or representatives of the Company or Group Company; and/or

(C) instruct him to perform some only or none of his duties under this Agreement.

4. COMPENSATION

As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company shall pay to Employee the following compensation:

4.1 Base Salary

During his employment, the Company shall pay to Employee a base salary at the rate of $200,000 per annum ("**Base Salary**"), payable on the Company's regular payroll schedule. The Company shall deduct from the Base Salary paid to Employee the required federal, state and local withholding taxes, as well as any other authorized deductions. Such salary shall be reviewed (with the outcome of such review being at the absolute discretion of the Company) annually in each calendar year without commitment to increase.

4.2 Bonus

Employee may receive an annual bonus up to 50% of his Base Salary, plus stock options as determined by the Company at the end of its fiscal year. Such bonus, if any, may be granted at the sole discretion of the Company and will be based on the achievement of financial targets and on other performance criteria to be established by the Company under its Equity Incentive Plan. Employee will not be entitled to any such bonus payment if he is not employed or is under notice to terminate employment from either party at the date that payment would ordinarily be made.

4.3 Benefit Plans

Except as provided more specifically herein, Employee shall be entitled to participate in the Company's employee benefit plans or programs available to regular full-time exempt employees of the Company and their families, provided that Employee meets all eligibility requirements under those plans or programs. Unless otherwise provided herein, Employee's participation in the employee benefit plans or programs shall be subject to the terms and conditions of said plans or programs including, without limitation, the Company's right to amend, revise, terminate or replace the plans or programs at any time and without notice to participants. Any reduction, alteration or enhancement of the benefit plans and programs shall not be deemed to be a breach of this Agreement by the Company and it is agreed between the parties that the Company shall have no liability to pay any benefit to Employee (or any of his family members) unless it receives payment of the benefit from the insurer under the scheme and shall not be responsible for providing Employee (or any of his family members) with any benefit under any scheme in the event that the relevant insurer refuses for whatever reason to pay or provide or to continue to pay or provide that benefit to Employee (or any of his family members). Appendix B provides a summary of the Company's current benefit plan.

4.4 Expense Reimbursement

The Company shall reimburse Employee, subject to his compliance with the Company's then current guidelines relating to expenses, for all proper and reasonable expenses incurred by him in the performance of his duties hereunder, subject to his compliance with the Company's then current guidelines relating to expenses.

5. VACATION

5.1 Employee shall be entitled to paid vacation in accordance with the schedule in Appendix B (in addition to the normal public holidays) in each calendar year commencing on January 1 in each year and which shall accrue on a pro rata monthly basis. Vacation shall be taken at such times as the Company shall consider most convenient having regard to the requirements of the Company's business.

5.2 Save with the prior written consent of the Company or the then current guidelines of the Company's vacation policy, untaken vacation entitlement for any one calendar year which is not used may not be carried forward to any subsequent year.

5.3 On termination of Employee's employment (howsoever occasioned), if Employee has taken more or less than his annual vacation entitlement, an appropriate adjustment shall be made to any payment of salary or benefits from the Company to Employee. In this event the calculation shall be made on the basis that each day of vacation is worth 1/260 of his Base Salary.

6. TERMINATION

6.1 Death

Upon the death of Employee, this Agreement shall automatically terminate and all rights of Employee and his heirs, executors and administrators to compensation and other benefits under this Agreement shall cease. Termination of benefits does not terminate paid-in pension plans, any and all options or other forms of equity that may have been vested and are owned by Employee.

6.2 Disability

The Company may, at its option, terminate this Agreement upon written notice to Employee due to Employee's disability. For purposes of this Agreement, "Disability" means Employee's incapacity due to physical or mental illness to substantially perform his duties on a full-time basis for at least twelve consecutive weeks or an aggregate period in excess of twenty-four weeks in any one fiscal year and, within 30 days after a notice of termination of this Agreement, Employee shall not have returned to the full-time performance of the duties hereunder. Upon such termination, all obligations of the Company hereunder shall cease. In the event of any dispute regarding the existence of Employee's incapacity hereunder, the matter shall be resolved by the determination of a physician to be mutually selected and agreed upon by the Company and Employee. In the absence of an agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians shall select a third physician who shall then make the determination as to disability. Employee agrees that he will submit to appropriate medical examinations for purposes of such determination.

6.3 Termination by the Company

The Company may terminate Employee's employment without notice or payment in lieu of notice at any time for Cause.

(A) "**Cause**" shall mean any one or more of the following:

(1) performance by Employee of his duties in a manner which is deemed consistently materially unsatisfactory by the Company in its sole and exclusive discretion;

(2) wilful and material failure or refusal by Employee to perform his duties under this Agreement (other than by reason of Employee's death or disability);

(3) Employee being guilty of any serious breach or non-observance of the provisions of this Agreement or directions of the Company of relevant rules and/or codes issued by or on behalf of any Recognised Stock Exchange or guilty of any continued or successive breaches or non-observance of any such provisions or directions in spite of written warning to the contrary by the Board.

(4) any intentional act of dishonesty, fraud or embezzlement by Employee or the admission or conviction of, or entering of a plea of nolo contendere by, Employee of any felony or any lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;

(5) any negligence, wilful misconduct or personal dishonesty of Employee resulting in the good faith determination of the Company, in a loss to the Company or any of its affiliates, successors or assigns, or in damage to the reputation of the Company or any of its affiliates, successors or assigns;

(6) any failure of Employee to comply with Company policies or procedures to a material extent;

(7) Employee commits any act of deliberate unlawful discrimination or harassment;

(8) Employee becomes of unsound mind or a patient for the purpose of any law relating to mental health;

(9) Employee becomes prohibited by law or is disqualified or is liable to be disqualified from being an employee.

7. CONFIDENTIAL AND BUSINESS INFORMATION

7.1 Employee shall not (except for the purpose of performing his duties hereunder or unless ordered to do so by a court of competent jurisdiction) either during his employment or after its termination directly or indirectly use, disclose or communicate Confidential Information and he shall use his best endeavours to prevent the improper use, disclosure or communication of Confidential Information:

(A) concerning the business of the Company or any Group Company and which comes to Employee's attention during the course of or in connection with his employment with the Company or any Group Company from any source within the Company or any Group Company; or

(B) concerning the business of any person having dealings with the Company or any Group Company and which is obtained in circumstances in which the Company or any Group Company is subject to a duty of confidentiality in relation to that information.

7.2 For the purposes of clause 7.1, Confidential Information means:

(A) any information of a confidential nature (whether trade secrets, other private or secret information including secrets and information relating to corporate strategy, business development plans, product designs, intellectual property, business contacts, terms of business with customers and potential customers and/or suppliers, annual budgets, management accounts and other financial information); and/or

(B) any confidential report or research undertaken by or for the Company or any Group Company before or during the course of Employee's employment; and/or

(C) lists or compilations of the names and contact details of the individuals or clients and counterparts with whom the Company or any Group Company transacts business; and/or

(D) contact details of all employees and directors of the Company or any Group Company together with details of their remuneration and benefits; and/or

(E) information so designated by the Company or any Group Company or which to Employee's knowledge has been supplied to the Company or any Group Company subject to any obligation of confidentiality.

7.3 The restrictions contained in this clause 7 shall cease to apply with respect to any information which would otherwise have been Confidential Information but which comes into the public domain otherwise than through an unauthorised disclosure by Employee or a third party.

7.4 The obligations of Employee under this clause 7 shall continue to apply after the termination of Employee's employment (howsoever terminated) for a period of three years following termination.

8. NON COMPETITION

8.1 For the purposes of this clause the following expressions shall have the following meanings:

(A) "**Relevant Employee**" means any person employed by or who renders or rendered services to the Company or any Group Company in a Relevant Business and who has client responsibility or influence over a Relevant Customer and/or who is in

possession of confidential information about a Relevant Customer of the Company or a Group Company and who in any such case was so employed or so rendered services during the period of twelve months before the termination of Employee's employment and had dealings with Employee during that period;

(B) "**Relevant Customer**" means a person, firm or company who :

(1) **at any time during the twelve months prior to the termination of this** Agreement was a customer of the Company or any Group Company (whether or not services were actually provided during such period) or intermediary of such customer or to whom at the termination of this Agreement the Company or any Group Company was actively and directly seeking to supply services in either case for the purpose of a Relevant Business; and

(2) with whom Employee or a Relevant Employee in a Relevant Business reporting directly to Employee had dealings at any time during the twelve months prior to the termination or about whom Employee or such Relevant Employee was in possession of any Confidential Information (as defined in clause 7) in the performance of his duties to the Company or any Group Company;

(C) "**Relevant Business**" means any business or part thereof howsoever carried on involving the supply of Restricted Goods and/or Services;

(D) "**Relevant Supplier**" means any person firm or company who is or was at any time during the twelve months preceding the termination of Employee's employment a supplier or procurer of goods and/or services to the Company or any Group Company as part of the trading activities within a Relevant Business;

(E) "**Restricted Services**" means science-based research and development or production services which have as a goal the improvement of the health and productivity of organisms subject to aquaculture production;

(F) "**Restricted Area**" means the entire planet.

8.2 In order to safeguard the legitimate business interests of the Company and any Group Company and particularly the goodwill of the Company and any Group Company in connection with its clients, suppliers and employees Employee hereby undertakes with the Company (for itself and as trustee for each Group Company) that, and so that each undertaking below shall constitute an entirely separate, severable and independent obligation of Employee, he will not (except with the prior written consent of the Company) directly or indirectly:

(A) during his employment or for a period of 12 months after the termination of his employment entice or solicit or endeavour to entice or solicit away from the Company or any Group Company any Relevant Employee;

(B) during his employment or for a period of 12 months after the termination of his employment employ or otherwise engage any Relevant Employee;

(C) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area solicit or endeavour to supply Restricted Services to any Relevant Customer;

(D) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area supply Restricted Services to any Relevant Customer;

(E) during his employment or for a period of 12 months after the termination of his employment carry on or be concerned in any Relevant Business within the Restricted Area in competition with the business of the Company or any Group Company;

(F) during his employment or for a period of 12 months after the termination of his employment to the detriment of the Company or any Group Company, persuade or endeavour to persuade any Relevant Supplier to cease doing business or materially reduce its business with the Company or any Group Company.

8.3 For the purposes of clause 8 Employee is concerned in a business if (without limitation):-

(A) he carries it on as principal or agent; or

(B) he is a partner, director, employee, secondee, consultant, investor, shareholder or agent in, of or to any person who carries on the business;

(C) disregarding any financial interest of a person in securities which are listed or dealt in on any Recognised Investment Exchange if that person, Employee and any person connected with him are interested in securities which amount to less than five per cent. of the issued securities of that class and which, in all circumstances, carry less than five per cent. of the voting rights (if any) attaching to the issued securities of that class.

8.4 Employee shall not (except with the prior written consent of the Company) at any time after the termination of his employment represent himself to be connected with or interested in the business of or employed by the Company or any Group Company or use for any purpose the name of the Company or any Group Company or any name capable of confusion therewith.

8.5 Employee shall not during his employment whether during or outside office hours undertake any steps of any kind to promote or establish (or assist therein) any business which in the reasonable opinion of the Company is or is intended to be or may become in competition with any business operated by the Company or any Group Company.

8.6 Employee shall not at any time (whether during or after the termination of his employment) make whether directly or indirectly any untrue, misleading or derogatory oral or written statement concerning the business, affairs, officers or employees of the Company or any Group Company.

8.7 Employee agrees to enter into the restrictions in this clause 8 in consideration for the Company employing him on the terms set out herein.

8.8 While the restrictions in this clause 8 are considered by Employee and the Company to be reasonable in all the circumstances, it is recognised that such restrictions may fail for reasons unforeseen and, accordingly, it is hereby declared and agreed that if any of the restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but that they would be valid if part of the wording thereof were deleted and/or if the periods (if any) specified therein were reduced and/or the areas dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective.

9. ARBITRATION

Any dispute or controversy between the Company and Employee, whether arising out of or relating to this Agreement, Employee's employment with the Company, the termination of such employment, or otherwise (except as provided below), shall be submitted to binding arbitration before a single arbitrator selected under the then-current employment dispute resolution rules of the American Arbitration Association, and the arbitration shall be conducted under such rules and in the Commonwealth of Massachusetts. The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any court having jurisdiction thereof. The arbitrator shall give written notice to the parties stating his or her determination, and shall furnish to each party a signed copy of such determination. The expenses of arbitration shall be borne equally by the Employee and the Company. Notwithstanding the foregoing, the Company shall not be required to seek or participate in arbitration regarding any breach of the Employee's confidentiality, non-solicit and non-compete obligations contained in Clauses 7 and 8, but may pursue its remedies for such breach in a court of competent jurisdiction in the Commonwealth of Massachusetts Any arbitration or action pursuant to this Clause 9 shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State.

10. NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (i) delivered personally or by overnight courier to the following address of the other party hereto (or such other address for such party as shall be specified by notice given pursuant to this Section) or (ii) sent by facsimile to the following facsimile number of the other party hereto (or such other facsimile number for such party as shall be specified by notice given pursuant to this Section), with the confirmatory copy delivered by overnight courier to the address of such party pursuant to this Section:

If to the Company, to:

AquaBounty Technologies, Inc.
Two Clock Tower Place, Ste 395
Maynard, MA 01754
Attention: Chief Financial Officer

If to Employee, to:

Alejandro Rojas
4312 West Beach Park Drive
Tampa
Florida, 33609

11. SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and pre-empts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

13. SUCCESSORS AND ASSIGNS

This Agreement is personal to Employee and shall not be assignable by Employee. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns; the Company may assign and transfer its rights and obligations under this Agreement, by operation of law or otherwise, to any successor to all or substantially all of its equity ownership interests, assets or business by dissolution, merger, consolidation, transfer or assets, or otherwise as permitted under the Company's Articles of Incorporation. Except as stated herein, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement.

14. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws.

15. REPRESENTATIONS AND WARRANTIES

Employee represents, warrants and agrees that he has all right, power, authority and capacity, and is free to enter into this Agreement; that by doing so, Employee will not violate or interfere with the rights of any other person or entity; and that Employee is not subject to any contract, understanding or obligation that will or might prevent, interfere or conflict with or impair the performance of this Agreement by Employee. Employee further represents, warrants, and agrees that he will not enter into any agreement or other obligation while this Agreement is in effect that might conflict or interfere with the operation of this Agreement or his obligation hereunder. Employee agrees to indemnify and hold the Company harmless with respect to any losses, liabilities, demands, claims, fees, expenses, damages and costs (including attorneys' fees and costs) resulting from or arising out of any claim or action based upon Employee's entering into this Agreement.

16. WAIVER

No waiver of any breach of any term of this Agreement shall be construed to be, nor shall be, a waiver of any breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

17. MODIFICATION

Neither this Agreement nor the provisions contained herein may be extended, renewed, amended or modified other than by a written agreement executed by Employee and a representative of the Company other than Employee.

18. CONSTRUCTION

The rule that a contract is construed against the party drafting the contract is hereby waived, and shall have no applicability in construing this Agreement or the terms hereof. Any headings and captions used herein are only for convenience and shall not affect the construction or interpretation of this Agreement.

19. LEGAL REPRESENTATION

The parties understand that this is a legally binding contract and acknowledge and agree that they have had a reasonable opportunity to consult with legal counsel of their choice prior to execution.

20. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same original instrument.

IN WITNESS HEREOF, the parties hereto execute and effectuate this Agreement as of the last date stated below.

Dated: December 30, 2013

By: /s/ David A. Frank
David A. Frank, Chief Financial Officer
AquaBounty Technologies Inc.

Dated: December 30, 2013

By: /s/ Alejandro Rojas
Alejandro Rojas

APPENDIX A

EMPLOYEES DUTIES

The Chief Operating Officer of AquaBounty Farms is responsible for:

The management, coordination, planning and successful execution of the Company’s U.S. production operations, so that productivity of the firm increases and production targets are met in time. The COO has the responsibility of overseeing the production process, managing the budget, ensuring the supply of raw materials and monitoring the quality of the products. He is responsible for the effective management of the human resources and material resources.

APPENDIX B

Summary of Employee Benefits

GENERAL BENEFITS :

1. HOLIDAY'S: The Company will observe the following holidays: New Years Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving and the Day after Thanksgiving, Christmas Eve Day and Christmas Day.
2. VACATION ALLOWANCE.
3. SICK LEAVE.
4. HEALTH AND DENTAL INSURANCE.
5. 401K RETIREMENT PLAN .

EXHIBIT 21.1

List of Subsidiaries of AquaBounty, Inc.

The following is a list of subsidiaries of AquaBounty, Inc., the names under which such subsidiaries do business, and the state or country in which each was organized:

Name	Jurisdiction of Organization
AquaBounty Canada, Inc.	Canada
AquaBounty Panama, S. de R.L.	Panama
AquaBounty Farms Chile Limitada	Chile