

MC2 CAPITAL - ROYALTY AGREEMENT

This Agreement is made between _____ (“**Company**”) and Canadian Centre for Aging & Brain Health Innovation Development Inc. (“**CABHI**”), each a “**Party**” and collectively the “**Parties**”.

BACKGROUND:

1. CABHI is an aging and brain health innovation hub working to promote excellence in aging and brain health for the benefit of the public and to facilitate the scaling and adoption of validated aging and brain health solutions and practices.
2. Company is an entity that has developed a validated aging and brain health solution (the “**Innovation**”). Company and the solution are more particularly described in Schedule “B”.
3. Company has determined that it needs to complete certain Milestones (as hereinafter defined, but which, for greater certainty, do not include the conduct of clinical trials) in order to advance the commercialization of the Innovation and that it cannot accomplish those Milestones without the receipt of certain funds (the “**Contributions**”).
4. CABHI is willing to make the Contributions to support the Milestones, subject to the terms and conditions set out in this Agreement.
5. Company agrees to repay the Contributions in the form of Royalty Payments to a total of the Royalty Payment Amount, as such terms are defined herein and in accordance with the terms in Schedule “C”.

NOW THEREFORE, recognizing the foregoing recitals and in consideration of the mutual promises set forth in this Agreement, the Parties agree as follows:

1. **Definitions and Interpretation.**

- (a) Capitalized terms used and not otherwise defined herein shall have the meanings attributed thereto in Schedule “A”.
- (b) The term “**including**” means including without limitation, and shall not be construed to limit any preceding general statement to the specific items or matters immediately following it.
- (c) Words expressed in the singular include the plural and vice versa and words in one gender include all genders.
- (d) The division of this Agreement into articles, sections, schedules and appendices and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Reference to a Section, Schedule or Appendix means the applicable section of or schedule or appendix to this Agreement.
- (e) The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article or Section or other portion hereof.

2. **Schedules.** The following schedules and appendices are attached to and form an integral part of this Agreement:

Schedule "A"	Definitions
Schedule "B"	Project Charter Appendix B-1 - Project Budget Appendix B-2 - KPIs
Schedule "C"	Royalty Terms
Schedule "D"	Representations, Warranties and Covenants Appendix D-1 - Mortgages, Deeds of Trust, Liens, Encumbrances and Security Interests on Company's Properties and Assets

3. **Term.** The term of this Agreement (the "**Term**") commences on the Start Date and ends on the Royalty Maturity Date.

4. **Right to Terminate.** Following notice to the other Party and a thirty (30) day period in which the defaulting Party shall have an opportunity to cure the default, this Agreement may be terminated by the Party indicated below in the event it determines that:

Circumstance	Party with Right to Terminate	
	CABHI	Company
(a) one or more Milestones cannot be met or have not been met within the timeframe set out in Schedule "B";	✓	
(b) the other Party has defaulted on any other of its obligations under this Agreement or the representations and warranties provided in this Agreement are found to have been incorrect in a material respect when made or when brought down pursuant to Section 3 of Schedule "D";	✓	✓
(c) in its discretion acting reasonably, termination is required to protect the health, safety or welfare of the patients, clients or employees involved in carrying out this Agreement or the Milestones. No cure period is required if the Party terminating considers it necessary to protect such patients, clients or employees; or	✓	✓
(d) upon the occurrence of an Insolvency Event in respect of the other Party.	✓	✓

5. **Consequences of Termination.** At the end of the Term or on termination for any reason, in addition to the other consequences and remedies provided herein and under Applicable Law:

- (a) all further Contributions by CABHI under this Agreement shall cease; and
- (b) CABHI shall have the right to recover an amount equal to all unspent Contributions made by CABHI under this Agreement to Company.

6. **Contributions.**

- (a) Subject to the conditions in this Agreement, CABHI shall make the Contributions to Company in accordance with the schedule and associated milestones to be achieved by Company (the “**Milestones**”) detailed in Section 1 of Schedule “B”.
- (b) Company shall deliver a Milestone Report, in the form of the template provided by CABHI, prior to each scheduled Contribution being made. Ongoing payments by CABHI under the schedule in Section 1 of Schedule “B” are subject to CABHI’s written confirmation that the applicable Milestone has been achieved based on objective criteria. CABHI will use commercially reasonable efforts to provide such confirmation within thirty (30) days of receiving the Milestone Report and/or meeting with Company to discuss such Milestone Report. Each Contribution will be paid by CABHI to Company within thirty (30) days of such written confirmation.
- (c) Notwithstanding anything else in this Agreement, Company acknowledges and agrees that all Contributions to be made by CABHI, and CABHI’s obligations to make such Contributions, are conditional on, among the other conditions herein, CABHI receiving sufficient allocated government funding to enable it to make payment of any financial components thereof, and that CABHI may terminate such obligations, in whole or in part, at any time by giving written notice to Company should CABHI not receive or possess funds sufficient for such purposes.
- (d) The Contributions are to be used solely for the completion of the Milestones, in accordance with CABHI’s then-published eligible expense guideline(s), and the Project Budget.
- (e) Company is expected to account for its expenditure of the Contributions. Any overpayment or disallowed expenditure shall be repayable to CABHI. CABHI may deduct the said amount from any subsequent Contributions under this Agreement. Once returned, such amounts will not be considered part of the total Contributions. Disallowed expenditures will also create grounds for termination under Section 4(b).
- (f) If, at any time, in CABHI’s opinion, Company has not spent a significant portion of the Contributions provided by CABHI to that date, the Parties agree to meet and discuss Section 1 of Schedule “B” and CABHI may, in its sole discretion, modify the timing of the payment of future Contributions.

7. **Royalty.**

- (a) **Royalty Payments.** Company agrees that:
 - (i) Company shall pay to CABHI the Royalty Payment for each Royalty Payment Period within 45 days of the end of that period; and
 - (ii) if applicable, Company shall pay the remainder of the Royalty Payment Amount on the accelerated date set out in Section 3 of Schedule “C”.

Subject to Applicable Law, Company agrees that Royalty Payments are payable prior to any of its other expenses, subject to reasonable exceptions with the approval of CABHI.

- (b) **Royalty Statement and Certificate.** Thirty (30) days following each Royalty Payment Period Company shall deliver to CABHI a statement showing the calculation of the

Royalty Payment owing for such Royalty Payment Period and the amount of the Gross Revenue for such Royalty Payment Period, accompanied by a certificate of the chief financial officer (or another officer performing similar functions as a chief financial officer if Company does not have a chief financial officer) certifying, on behalf of Company, that the amount of the Royalty Payment for such Royalty Payment Period was determined in accordance with the terms of this Agreement.

- (c) **Late Payments.** Any amount due under Section 7(a) that is not paid on or before the date it is due shall bear interest at a rate per annum (expressed on the basis of a 365 day year or 366 days in the case of a leap year) equal to the Prime Rate plus the percentage specified in Section 3.1 of Schedule "B" per year; provided that such amount shall never exceed the amount permitted by Applicable Law. For greater certainty, the failure to pay any Royalty Payment due hereunder within thirty (30) days of the date it is due shall constitute grounds for termination under Section 4(b).
- (d) **Application of Payments.** All payments made to CABHI by or on behalf of Company on account of Royalty Payments, the Royalty Payment Amount or interest shall be applied by CABHI:
 - (i) firstly, in satisfaction of interest payable pursuant to Section 7(c), if any; and
 - (ii) secondly, in satisfaction of Royalty Payments or portions of the Royalty Payment Amount outstanding and payable under Section 7(a).

8. **Other Obligations.**

- (a) **Compliance with Laws.** During the Term, Company shall obtain and keep current any approvals, permits, licences, certificates, registrations, filings or other forms of authorization that are necessary for Company to complete the Milestones, and provide evidence of such approvals to CABHI within two (2) weeks of CABHI's written request therefor. Company is, and will be throughout the Term, in compliance with all Applicable Laws. Company shall promptly notify CABHI of any breach of its obligations under this Section 8(a), upon becoming aware of same.
- (b) **Payment of Taxes and Claims.** Company will file all tax returns required to be filed in any jurisdiction and pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on it to the extent such taxes or assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a lien on the property of Company, provided that Company need not pay any such tax or assessment or claim if: (i) the amount, applicability or validity thereof is contested by Company on a timely basis in good faith and in appropriate proceedings, and Company has established adequate reserves therefor in accordance with GAAP on the books of Company, or (ii) the nonpayment of all such taxes, assessments and claims in the aggregate could not reasonably be expected to have a material adverse effect on the financial condition of Company, the ability of Company to perform its obligations under this Agreement, or the validity and enforceability of this Agreement.

(c) **Reports and Monitoring.**

- (i) CABHI shall, on reasonable notice, have the right to conduct reviews of the Milestones including on-site inspections and/or audits of the records kept in accordance with Section 14. Company agrees to cooperate with CABHI and to provide CABHI with reasonably necessary documents in connection therewith. CABHI and its personnel will, when accessing Company's site, comply with all applicable policies and regulations of which they are made aware.
- (ii) Company agrees, during the Term and for the number of years specified in Section 4 of Schedule "B" thereafter, at CABHI's discretion, to:
 - (A) complete annual surveys for CABHI; and
 - (B) collect the key performance indicators described in Appendix B-2, which shall be used by CABHI to evaluate the success of its programs and may be reported to the Government of Ontario and the Government of Canada, respectively.
- (iii) Company shall provide prompt notice to CABHI of any fact or information which has or may have a material effect on the Innovation, the Milestones or the ability of Company to perform its obligations under this Agreement.
- (iv) Company shall attend the meetings and deliver to CABHI, at the timing specified in Section 4.8 of Schedule "B", audited financial statements (or review statements or notice to reader statements if Company does not have audited financial statements), of Company (including a balance sheet of Company and statements of income, retained earnings and change in cash flow of Company), prepared in accordance with GAAP (or other generally accepted accounting standards).

(d) **Publication and Recognition.**

- (i) Company shall attend the meetings and deliver the Required Reports in such form and with such content as specified by CABHI from time to time. CABHI shall own all of the Required Reports. Company shall ensure that it obtains all necessary waivers and rights from its staff, students, volunteers and collaborating organizations in order to grant ownership to CABHI of all such Required Reports.
- (ii) CABHI shall have the right to make the results and methods of the Milestones public. Company agrees to cooperate with CABHI and to provide CABHI with reasonably necessary documents and reports in connection therewith. Company hereby grants to CABHI a limited, non-exclusive and non-transferable licence to use the trademarks, trade names, logos, emblems, company descriptions and other distinctive brand elements of Company for use in reports and promotion of CABHI's programs.
- (iii) Company covenants and agrees to include the following acknowledgement and credit with respect to CABHI's financial support (and the financial support of the Government of Ontario or Canada, to the extent required) of the Milestones in all publications, communications and Innovations it offers or displays to the public that relate to the Milestones: "Funding provided by the Canadian Centre for Aging

+ Brain Health Innovation” (or such other acknowledgment or credit reasonably requested by CABHI).

9. **Confidentiality.**

- (a) A Party may disclose Confidential Information to the other Party to advance the completion and the performance of their obligations under this Agreement. Each Party agrees that such information will be safeguarded by it and only disclosed to persons with a need to know it within the receiving Party, or to its professional advisors or subcontractors who are bound by non-disclosure obligations at least as protective of the disclosing Party’s interests as those contained within this Agreement. Each Party will take such steps as a reasonably prudent commercial enterprise would take to protect such information from disclosure to third parties and shall use at least the same care as it takes to prevent the unauthorized disclosure of its own Confidential Information.
- (b) The obligation to keep Confidential Information confidential will not apply to information which:
 - (i) is already known at the time of disclosure to the Party to whom it is disclosed and that Party can prove by written records that it was already known;
 - (ii) is or becomes part of the public domain, other than as a result of a breach of this Agreement by the Party seeking to rely on this exclusion;
 - (iii) is obtained from a third party, so long as such third party is not, at the time of such disclosure, bound by a confidentiality agreement or otherwise prohibited from transmitting the information to the receiving Party by a contractual, legal or fiduciary obligation;
 - (iv) is authorized for release by the disclosing Party;
 - (v) is required to be disclosed by law or order of a court, governmental tribunal or governmental agency, but the Party subject to such requirement will promptly notify the disclosing Party and give the disclosing Party a reasonable opportunity to seek a confidentiality order or the like; or
 - (vi) is contained in any of the reports, including the Required Reports, or surveys to be delivered to CABHI pursuant to this Agreement or is provided by Company and disseminated by CABHI for the purpose of Section 8(d)(ii), with the exception of financial information about Company that is not directly related to the Milestones.
- (c) Notwithstanding the foregoing:
 - (i) Company agrees that CABHI may disclose Confidential Information to its funders, being the Government of Ontario and Government of Canada (or any of their Ministries or representative), including for the purpose of Section 14; and
 - (ii) either Party may publically disclose the general subject matter of this Agreement at any time.
- (d) This Section 9 will survive for a period of five (5) years after the end of the Term.

10. **Indemnity.** Each Party will indemnify and save harmless the other Party including its officers, directors, members, shareholders, employees, volunteers, students and agents from and against any and all suits, claims, demands, costs, damages, expenses, losses or injuries (including death) to persons or property, caused by: (a) any default or breach by the indemnifying Party of any of its obligations, representations or warranties under this Agreement; and (b) the willful or negligent act or omission of the indemnifying Party or its officers, directors, members, shareholders, employees, volunteers, students, and agents in the performance of or arising out of this Agreement or the Milestones.
11. **Limitation of Liability.** Notwithstanding any other term of this Agreement, no Party shall be liable to the other Party for loss of business or profit or for any special, indirect, punitive or consequential loss or damage, regardless of whether such loss or damage arises under contract, tort, or based upon strict liability or other theory of law or equity, where such loss or damage arose in connection with this Agreement. In no event shall CABHI's liability for damages arising under this Agreement exceed the total dollar value of the Contributions that CABHI is required to make hereunder.
12. **Insurance.** Company shall obtain and maintain, at its own expense, comprehensive general liability insurance of not less than two million Canadian dollars (CAD \$2,000,000.00) per occurrence and any other insurance as the circumstances warrant that a prudent person would deem necessary to cover any liabilities that may arise under this Agreement or in connection with the Innovation or Company. Each insurance policy or policies shall be written by responsible and recognized insurers qualified to do business in the jurisdiction(s) in which Company is located and shall name CABHI as an additional insured. Company shall provide a certificate of insurance to CABHI as evidence of such coverage if requested by CABHI. The general liability insurance policy shall include a cross liability clause, contractual liability coverage and a thirty (30)-day written notice period for cancellation, termination or material change.
13. **Dispute Resolution.** The Parties shall attempt to settle every dispute arising out of or in connection with this Agreement ("**Dispute**"), by following the dispute resolution process set forth below, to the extent permitted by Applicable Law.
 - (a) **Mutual Communications.** If any Dispute arises between the Parties in connection with, or arising out of, this Agreement, the Parties, shall within fifteen (15) Business Days attempt to settle such Dispute in the first instance by mutual communications between the Parties.
 - (b) **Arbitration.** Except where otherwise specifically provided, any Dispute arising out of or in connection with, this Agreement and not settled pursuant to Section 13(a) shall, at the option of any Party to the Dispute (each a "**Disputing Party**") exercisable by notice to the other Disputing Parties within fifteen (15) Business Days after a Disputing Party gives notice that the mutual discussions have failed to settle the Dispute, be submitted and resolved by binding arbitration pursuant to the provisions of the *Arbitration Act, 1991* (Ontario) (the "**Arbitration Act**"), as amended or any successor legislation thereto, and in accordance with the following provisions: (i) the reference to arbitration shall be to one (1) arbitrator if the Disputing Parties are able to agree to the appointment of same, or if the Disputing Parties cannot agree on the arbitrator within ten (10) Business Days of the date that a Party gives notice of arbitration, any Disputing Party may request an arbitrator to be appointed by the ADR Institute of Canada, Inc. (or any successor thereto); (ii) the award or decision of the arbitrator shall be binding upon the Disputing Parties; (iii) there shall be no appeal from any award or decision of the arbitrator and the costs of any such arbitration shall be shared equally between the Disputing Parties. Notwithstanding the above, if any

Disputing Party is not a Canadian entity, the arbitration shall be pursuant to the *International Commercial Arbitration Act, 2017* (Ontario).

- (c) The foregoing shall not preclude any Party from seeking injunctive relief.
14. **Records and Audit.** Company shall account for the Contributions and their use and shall keep good and valid records of such accounts at all times in accordance with GAAP. Company shall also retain all data relating directly to, or maintained in connection with, the calculation of the Royalty Payments. Company shall make such records, including all related financial statements, books, payrolls, accounts, invoices, receipts, as well as all other records and reports related to the Milestones, available, at all times upon reasonable notice, to CABHI, the governments of Ontario and Canada and their agents (including the Auditor General of Ontario) for inspection, auditing and making copies thereof. Such records shall be maintained by Company for a period of time no less than seven (7) years beyond the expiration of the Term.
15. **Choice of Law.** This Agreement will be governed by and construed in accordance with the laws in force in the Province of Ontario and the laws of Canada applicable therein, without recourse to their rules on conflicts of laws. The courts of Ontario shall have exclusive jurisdiction over all claims, disputes and actions related to this Agreement and the Parties hereby attorn to the jurisdiction of those courts.
16. **Paramountcy.** In the event of a conflict between the provisions of this Agreement, any parts thereof or any other document, the following shall be the order of paramountcy:
- (a) any Applicable Law;
 - (b) any funding agreement with the Government of Canada or the Government of Ontario regarding the funding of CABHI;
 - (c) CABHI's then-published eligible expense guideline(s); and
 - (d) this Agreement and within the Agreement:
 - (i) the main body of the agreement; and
 - (ii) all of the schedules
17. **Further Assurances.** The Parties will make, do, execute or cause to be made, done or executed, all such further and other lawful acts, deeds, things, conveyances, instruments and assurances whatsoever for the better implementation of the purpose and intent of this Agreement.
18. **No Waiver.** Except as otherwise expressly provided herein, the failure of a Party to exercise its rights herein upon the occurrence of any breach by the other Party of its obligations will not in any event constitute a waiver of such rights.
19. **Amendment.** Unless otherwise noted in this Agreement, including Section 6(f), this Agreement shall not be amended other than by an instrument in writing signed by both Parties.
20. **Assignment and Enurement.** This Agreement and all its rights and privileges hereunder may not be assigned by a Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, provided, however, that CABHI may assign this Agreement to an affiliate upon written notice to Company. This Agreement and everything herein contained will

enure to the benefit of and be binding upon the Parties and upon their respective heirs, estate trustees, personal representatives, successors and permitted assigns.

21. **Relationship.** The Parties' relationship under this Agreement is one of independent contractors and the Parties are not, will not be considered to be, and will not represent themselves to be, joint venturers, partners or agents of each other.
22. **Time of the Essence.** Time is of the essence of this Agreement and of each and every term and condition hereof.
23. **Entire Agreement.** This Agreement and the documents referenced herein constitute the entire agreement between the Parties pertaining to the Milestones and the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof whether oral or written.
24. **Notice.** All notices under this Agreement shall be in writing and shall be duly given if delivered personally or sent by mail or e-mailed to the addresses of the Parties as follows:

To: Centre for Aging + Brain Health Innovation
3560 Bathurst Street
Toronto, ON M6A 2E1
Attention: Ryan A. Webster, Director of Finance & Performance
E-mail: RWebster@cabhi.com

To: [Company]
<@>
<@>
Attention: <@>
E-mail: <@>

Any notice given by mail shall be deemed to have been received by the Party to whom the same is addressed on the fifth Business Day following the day upon which such notice has been deposited in a post office with postage prepaid. Any notice delivered personally or given by e-mail shall be deemed to have been received by the Party to whom such notice is so delivered on the following Business Day. A Party may change its address for notice at any time by delivering notice to that effect to the other Party.

25. **Force Majeure.** In the event that a Party is prevented or delayed from fulfilling any of its obligations herein by acts of God, war, terrorism, strikes, riots, storms, fires, floods, epidemics, governmental orders or governmental restrictions, then that Party will be excused from such performance to the extent that it is necessarily prevented or delayed during the continuance of such happening or event, but financial payment obligations which have accrued prior to, or after, such cause will not be so excused.
26. **Obligations upon Termination.** Upon termination of this Agreement, all rights and obligations of the Parties under this Agreement shall cease except any provision that expressly or by its nature is intended to survive termination, including Section 5, Section 6(e), Section 7, Section 8(c)(iii), Section 8(d), Section 9, Section 10, Section 11, Section 13 and Section 14, shall continue in full force and effect.
27. **Counterparts.** This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same

instrument. For all purposes of this Agreement and all other documents contemplated hereby, the signature of a Party, evidenced by a telecopy showing such signature or other electronically transmitted version of such signature (including by way of PDF), shall constitute conclusive proof for all purposes of the signature of such Party to such document, to the same extent and in all respects as a copy of such document showing the original signature of such Party.

28. **Disclaimer.** All decisions and actions taken by Company in connection with its business or otherwise that may be based upon any information, advice or suggestion received from CABHI, its affiliates or any of their employees, contractors, or agents (collectively, “**CABHI Personnel**”) are solely the responsibility of Company. Company acknowledges that any information, advice or suggestions provided by CABHI Personnel are for educational purposes only and do not constitute financial, business or legal opinions of any kind. Company must not rely on any of that information, advice or suggestions without obtaining its own independent financial, business and legal advice.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have duly executed this Agreement the ____ day of _____, 20____.

**CANADIAN CENTRE FOR AGING &
BRAIN HEALTH INNOVATION
DEVELOPMENT INC.**

<COMPANY>

Name: Allison Sekuler
Title: President and Chief Scientist
I have the authority to bind the Corporation

Name:
Title:
I have the authority to bind the Corporation.

Name: Ryan Webster
Title: Director, Finance & Performance
I have the authority to bind the Corporation.

Name:
Title:
I have the authority to bind the Corporation.

SCHEDULE “A”

DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following respective meanings:

“**Agreement**” means the agreement to which this Schedule is attached and includes all Schedules attached thereto, which Schedules form an integral part of this Agreement.

“**Applicable Law**” means all laws, statutes, regulations, treaties, judgments, rules, decrees and by laws enacted or adopted by a government authority as well as all policies, practices, guidelines, authorizations, and directives of any government authority or body, whether or not having the force of law, that are applicable to this Agreement or the Milestones, or any portion thereof.

“**Bring-Down Certificate**” has the meaning ascribed to it in Section 3 of Schedule “D”.

“**Business Day**” means any day other than a Saturday, a Sunday or a statutory or civic holiday observed in Toronto, Ontario.

“**CABHI**” has the meaning given to this term on page 1 of the main body of this Agreement.

“**Calendar Quarter**” means each period of three (3) consecutive months in a year beginning on January 1, being January 1 to March 31; April 1 to June 30; July 1 to September 30; and October 1 to December 31.

“**Change of Control**” means (i) the acquisition, directly or indirectly, by any person or any persons acting jointly or in concert (as determined in accordance with the *Securities Act* (Ontario)) of voting securities of Company which, together with all other voting securities of Company held by such person or persons, constitute, in the aggregate, more than fifty percent (50%) of all outstanding voting securities of Company, (ii) any reorganization, merger or consolidation of Company, other than a transaction or series of related transactions in which the holders of the voting securities of Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of Company.

“**Confidential Information**” means non-public information that is disclosed by a Party relating to that Party’s business or activities that is marked confidential or which the recipient should reasonably know to be confidential given the nature of the information and the circumstance of disclosure, including financial information about Company that is not directly related to the Milestones, whether contained in Company’s audited financial statements, statements and certificates delivered in accordance with Section 7(b) of the main body of this Agreement, the Bring-Down Certificate or any Required Report.

“**Insolvency Event**” in respect of a Party, means that the Party (i) has become bankrupt or insolvent or made an assignment for the benefit of creditors, (ii) had its property seized or attached in satisfaction of a judgment; (iii) had a receiver appointed; (iv) without the consent of the other Party, made or entered into an agreement to dispose of all or substantially all of its assets; or (v) has taken action with a view to its winding up, dissolution or liquidation;

“**IPO**” means (i) any offering or offerings under a receipted prospectus under the *Securities Act* (Ontario), as amended, or similar document filed under other applicable securities laws in Canada or the United States, pursuant to which common shares in the capital of Company are offered for sale and sold to the public and

pursuant to which the common shares are listed or quoted on the Toronto Stock Exchange, the TSX Venture Exchange, the Nasdaq National Market or the New York Stock Exchange, or any other reputable and established stock exchange or organized shares market (each of the foregoing being a “**recognized stock exchange**”), or (ii) the completion of a reverse takeover, statutory merger or amalgamation, arrangement, share exchange, or similar transaction involving Company and a reporting issuer in Canada, which, in all cases, results in a class of shares of the issuer resulting from such transaction being listed (the “**Resulting Issuer**”) on a recognized stock exchange and the shareholders of Company receiving such listed securities of the Resulting Issuer in exchange for their shares of Company;

“**GAAP**” means Generally Accepted Accounting Principles applicable to Company for financial reporting in Canada as most recently recommended and approved by the Chartered Professional Accountants of Canada, or its successor, in its handbook.

“**Gross Revenue**” means the total amount of sales recognized by Company for a reporting period prior to any deductions.

“**Innovation**” has the meaning given to it on page 1 of the main body of this Agreement.

“**Company**” has the meaning given to it on page 1 of the main body of this Agreement.

“**Liquidity Event**” means a Change of Control or IPO.

“**Milestones**” has the meaning given to it in Section 6(a) of the main body of this Agreement. For greater certainty, the Milestones do not include and will not constitute a clinical trial.

“**Prime Rate**” for any day means the rate of interest in effect on the first day of the month in which such date falls, expressed as a rate per annum that the National Bank establishes at its head office in the City of Toronto as the reference rate of interest that it will charge on that day for Canadian dollar demand loans to its customers in Canada and which it at present refers to as its prime rate.

“**Project Budget**” means the detailed expenses, for which the Contributions will be utilized to achieve the Milestones, and are outlined in Appendix B-1.

“**Required Reports**” means the reports that must be delivered by Company to CABHI and are outlined in Section 4 of Schedule “B”.

“**Royalty**” means the percentage of Gross Revenue specified in Section 4 of Schedule “C”.

“**Royalty Maturity Date**” has the meaning given to it in Section 2 of Schedule “C”.

“**Royalty Payment Period**” means, initially, the remainder of the current Calendar Quarter beginning on the Start Date, and each full Calendar Quarter thereafter until the Royalty Maturity Date.

“**Royalty Payment**” means the payment of the Royalty during the Royalty Payment Period.

“**Royalty Payment Amount**” means, unless provided otherwise herein, the total Contributions made by CABHI, plus the percentage specified in Section 5 of Schedule “C”.

“**Start Date**” has the meaning given to it in Section 1 of Schedule “C”.

“**Term**” has the meaning given to this term in Section 3 of the main body of this Agreement.

SCHEDULE “B”

PROJECT CHARTER

The Parties agree to the following terms and conditions:

- 1. Milestones, Contributions and Royalty Payment Amount.** The Milestones and related Contributions are as follows:

	Milestone	Expected Completion Date	Contributions to be made after Milestones are met and CABHI confirmation is provided (Amount in CAD)
1.1	Project start	Start Date	\$<@>
1.2	<@>, Including Milestone Report and Milestone Financial Report	<@>	\$<@>
1.3	<@>, Including Milestone Report and Milestone Financial Report	<@>	\$<@>
1.4	<@>, Including Milestone Report and Milestone Financial Report and Submission of Final Report including Final Financial Report	<@>	\$<@>
1.5	Maximum Total Contribution		\$<@>
1.6	Maximum Royalty Payment Amount		\$<@>

- 2. Other Information**

2.1	Description of Company	<i>[Include jurisdiction of incorporation, type of corporation (e.g. not-for-profit, charitable)]</i>
2.2	Description of the Innovation	<i>[e.g. Company has developed an App that monitors users' daily interactions with their phone to detect symptoms of Alzheimer's.]</i>
2.3	Company Lead	
2.4	CABHI Lead	

- 3. Interest.**

3.1	Interest in addition to Prime Rate	5%
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4. **Required Reports.** The Required Reports, and their deadlines, are as follows:

	Report	Timing
4.1	Status Meeting	15 days following the end of each Calendar Quarter during the Term of this Agreement
4.2	Quarterly KPI Report	30 days following the end of each Calendar Quarter during the Term of this Agreement, and on the second anniversary of Royalty Maturity Date.
4.3	Bring-Down Certificate, and Royalty Statement and Certification	30 days following the end of each Royalty Payment Period.
4.4	Milestone Report and Milestone Financial Report	30 days following the completion of each Milestone
4.5	Final Report including Final Financial Report (in the format to be provided by CABHI)	60 days following the completion of the final Milestone
4.6	Audited Financial Statements (or review statements or notice to reader statements if Company does not have Audited Financial Statements)	Annually, within 30 days of completion of audited (or review or notice to reader) financial statements
4.7	Annual Surveys	Each year, during the Term of this Agreement, and for 5 years following the Royalty Maturity Date

APPENDIX B-1
PROJECT BUDGET

APPENDIX B-2

KEY PERFORMANCE INDICATORS

SCHEDULE "C"

ROYALTY TERMS

1.	Start Date	<@>
2.	Royalty Maturity Date	The earlier of the date that is: (i) the day that the total amount paid under Section 7(a)(i) of the main body of this Agreement is equal to the Royalty Payment Amount; (ii) the day that a Liquidity Event occurs; (iii) the third (3 rd) anniversary of the Start Date; and (iv) the day that this Agreement is terminated, except if the Agreement is terminated by Company in accordance with Section 4(b).
3.	Acceleration of Royalty Payments	If the Royalty Maturity Date arises as a result of the circumstances set out in Section 2(ii), Section 2(iii), or Section 2(iv) of this Schedule "C", any portion of the Royalty Payment Amount not yet paid shall be due and payable on the Royalty Maturity Date.
4.	Royalty	5%
5.	Royalty Payment Amount: The amount of the Contributions made plus:	The greater of (x) 20% and (y) the maximum amount of interest that may be charged per year without exceeding the legal limit for interest under applicable law.

SCHEDULE “D”
REPRESENTATIONS, WARRANTIES AND COVENANTS

1. *Company Representations and Warranties.*

Company represents and warrants to CABHI and acknowledges that CABHI is relying on such representations and warranties in making the Contributions that:

- (a) Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted. Company is duly qualified and is authorized to do business and is in good standing in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary.
- (b) The execution, delivery and performance by Company of this instrument is within the power of Company and has been duly authorized by all necessary actions on the part of Company. This Agreement constitutes a legal, valid and binding obligation of Company, enforceable against Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors’ rights generally and general principles of equity. To the knowledge of Company, it is not in violation of (i) its formation documents or by-laws, (ii) any material statute, rule or regulation applicable to it or (iii) any material indenture or contract to which it is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the financial condition of Company, the ability of Company to perform its obligations under this Agreement, or the validity and enforceability of this Agreement.
- (c) The performance and consummation of the transactions contemplated by this Agreement by Company do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to it; (ii) result in the acceleration of any material indenture or contract to which it is a party or by which it is bound; or (iii) result in the creation or imposition of any lien upon any of its property, assets or revenue or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to it, its business or operations.
- (d) No consents or approvals are required to be obtained by Company in connection with the performance of its obligations under this Agreement, other than those which it has obtained.
- (e) Company is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation would materially and adversely affect the business, assets, liabilities, financial condition or operations of Company.
- (f) Company is not in violation or default of any term of its articles of incorporation or articles of amendment (if applicable) or bylaws, or of any provision of any mortgage, indenture or contract to which it is a party and by which it is bound or of any judgment, decree, order or writ. The execution, delivery and performance of this Agreement, and the consummation

of the transactions contemplated by this Agreement will not result in any such violation or be in conflict with, or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, decree, order or writ or an event that results in the creation of any lien, charge or encumbrance upon any assets of Company or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization or approval applicable to Company, its business or operations or any of its assets or properties.

- (g) There is no action, suit, proceeding, claim, arbitration, or investigation pending or, to Company's knowledge, threatened against Company or its business, properties or assets or that questions the validity, seeks to restrict or seeks to prevent the execution and delivery by Company of this Agreement and the performance of its obligations under this Agreement.
- (h) Company owns or possesses sufficient legal rights to all patents, patent applications, trademarks, trademark applications, service marks, tradenames, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights, software, source code and processes ("**Intellectual Property**") as are necessary to the conduct of its business as now conducted and as presently proposed to be conducted without any known conflict with, or infringement of, the rights of others. Neither Company nor its officers or directors have knowledge that (i) Company lacks any rights or licenses to use all Intellectual Property necessary and material for the conduct of its business, or (ii) of any pending or threatened action, suit, proceeding or claim by any other person challenging the validity or enforceability of any Intellectual Property owned or licensed by Company. To the extent Company uses any "open source" or "copyleft" software or is a party to "open" or "public source," community source code, or similar licenses, Company is in compliance with the terms of any such licenses.
- (i) Except as disclosed in Appendix D-1, Company owns its properties and assets free and clear of all mortgages, deeds of trust, liens, encumbrances and security interests except for statutory liens for the payment of current taxes that are not yet delinquent and liens, encumbrances and security interests which arise in the ordinary course of business and which do not affect material properties and assets of Company.

2. *Company Covenants.*

For as long as this Agreement remains in effect, Company covenants and agrees:

- (a) not violate or breach any of the terms or conditions of this Agreement;
- (b) to duly and punctually pay each sum payable by Company under each this Agreement in the manner specified in this Agreement;
- (c) to notify CABHI promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto, including any breach of any representation or warranty in this Agreement;
 - (ii) the details of any material claims or litigation affecting Company; and
 - (iii) any material loss of or damage to assets of Company;

- (d) to use the proceeds from the Contribution(s) in accordance with the terms of this Agreement;
- (e) to promptly deliver all reports set forth in Section 4 of Schedule B to this Agreement in accordance with the terms therein, and, upon request by CABHI, provide CABHI with a reasonable opportunity to meet with management of Company on a timely basis to discuss the contents of such reports;
- (f) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Company as and when the same become due and payable;
- (g) to carry on and conduct its business in a proper and efficient manner and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Company's business; and
- (h) to deliver to CABHI from time to time promptly upon request:
 - (i) all financial statements prepared by or for Company regarding Company's business;
 - (ii) all policies and certificates of insurance relating of Company; and
 - (iii) such information concerning Company or Company's business and affairs as CABHI may reasonably request.

Upon receipt of written notice from CABHI that Company has breached a covenant or covenants set forth in this Section 2 (a "**Default Notice**"), which Default Notice must contain details of such breach or breaches, Company shall have ten (10) days following receipt of such Default Notice (the "**Cure Period**") to cure the breach or breaches specified therein. CABHI may in its sole discretion, acting reasonably, determine whether a breach or breaches specified in a Default Notice have been cured.

3. *Bring-Down Certificates.*

Company agrees to deliver a certificate of an officer of Company in accordance with the timeline specified in Section 4 of Schedule "B", confirming that, as of the date of such certificate, all representations and warranties of Company set forth in this Agreement are true and correct in all respects as of such date and Company has complied with and continues to comply with all its covenants under this Agreement, including those set out in Section 2 of this Schedule "D", in all respects.

APPENDIX D-1

**MORTGAGES, DEEDS OF TRUST, LIENS, ENCUMBRANCES AND SECURITY INTERESTS
ON COMPANY'S PROPERTIES AND ASSETS**