Schedule B to Gift Agreement

Virtuous Circle Agreement

[variables highlighted in yellow]

Date: This Agreement is effective as of XXX, 2027 (the "Effective Date").

Parties:

1. THE KIDNEY FOUNDATION OF CANADA ("KFOC")

-and-

2. THE A B C INSTITUTION ("Institution") [This template presumes Institution will own the IP. Researcher/PI to be added if it is a part owner, ab initio, of the IP that may arise, pursuant to any Institution/Researcher arrangement.]

-and-

3. THE HYATT FAMILY FOUNDATION ("Donor")

Background:

This Agreement is intended to affirm the parties' mutual commitment to advancing kidney related research in order to help people suffering from kidney related conditions around the world. The Institution has insufficient funds to finance the scientific research it wishes to fund including the Project (defined below). Donor wishes to support the Project. Donor has donated certain funds to KFOC. The donated funds, in addition to other KFOC funds (collectively the "Donation"), are awarded to Institution for the Project, subject to the terms hereof.

For good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto) the parties agree as follows.

Details:

1. Donation

Donor shall donate to KFOC an amount equal to the lesser of: a) C$300,000 or b) one half of the actual budget disbursements for the Project. KFOC shall provide matching funds, to fund the Project for the Purposes, each as defined below (the "Donation").

2. Purpose

The parties agree that the Donation shall be allocated to the research project entitled XXXX as described more specifically in Exhibit 1 (the "Project") at the Institution to achieve the milestones set out in Exhibit 1 (the "Purpose"). The commencement date of the Project shall be no later than one (1) month following receipt of the initial disbursement of funds. Donor acknowledges and agrees that the KFOC and the Institution are relying on the funding by Donor to help achieve the Purpose. KFOC acknowledges and agrees that the Donor and the Institution are relying on the funding by KFOC to help achieve the Purpose.

3. Recognition and Reporting

In recognition of the Donor's and KFOC's generosity, the Institution shall recognize Donor and KFOC as set out in Exhibit 2) re (the "Recognition"). Institution shall provide KFOC, a written activity report in conjunction with the project milestones every 12 months, regarding progress toward achieving the Purpose pursuant to the KFOC's policies on reporting and the attached as Exhibit 2, including information with sufficient detail to permit KFOC to assess whether the Project milestones have been met, reasons for any failure to meet milestones and concerns regarding the ability to achieve upcoming milestones.

4. Term

If one party fails to meet its commitment outlined in this Agreement, and does not remedy such failure within 30 days' written notice of same, then the other parties may terminate their (and either of them may terminate its) obligations to the defaulting party under this Agreement immediately by written notice to the party who did not meet its commitment. Upon termination, unless otherwise agreed in writing, each party's license to use the other party's Licensed Marks (as defined below) provided in connection with the Donation for the Purpose shall immediately terminate, and if the termination results from Donor's uncured unjustified failure to fund KFOC, so that KFOC cannot fully fund Institution, then any Recognition relating to said Donor with regard to the Donation may immediately be removed and/or ceased by the non-breaching party or parties. Ceasing to provide additional tranches of the Donation due to Project failing to achieve a milestone is not a breach.

5. Trade-Marks

During the Term, each party ("Licensor") licenses the other party ("Licensee") to use and display such of the trade-marks, logos, trade dress or copyright works of Licensor (or its licensors) pursuant to this Section 5 (collectively "Licensed Marks"). Licensee must obtain the prior written approval of Licensor before each use of the Licensed Marks. Every use or display by Licensee of the Licensed Marks will be to the benefit of Licensor (or its licensors), be in a form and style acceptable to Licensor and shall bear a notice of ownership thereof and such other markings as are reasonably necessary to preserve the goodwill in and validity of such Licensed Marks. This Agreement does not convey to Licensee any right, title or interest in the Licensed Marks. Licensee shall not take any action that would in any way impair the proprietary rights of Licensor (or its licensors) in the Licensed Marks. Licensor represents and warrants that it is the owner and/or authorized licensee of the Licensed Marks.

6. Variation of Purpose

(a) If changed circumstances should at some future time make it, in the view of KFOC, acting reasonably, impractical to continue to apply the Funds to support the Purpose, then KFOC, may redesignate the purpose.
(b) If the Project fails to achieve a milestone, KFOC may reallocate any funds remaining from a tranche already paid by Donor, but as yet unspent by Institution, to an alternative project conducted in Canada.

7. Compensation and Intellectual Property Rights

(a) The parties agree that the Institution will pay into a restricted account which KFOC administers for the DonorRA ("the RA") a portion of Compensation that the Institution receives from the commercialization of any intellectual property developed in carrying out the Purpose ("Project IP"), as more specifically described in this paragraph. The Institution will disclose to KFOC and the Donor in writing any Project IP conceived or reduced to practice in carrying out the Purpose. In this agreement, "Compensation" means total compensation (e.g., royalties, dividends, license fees, promises to pay, securities, and proceeds of disposition and any other form of compensation) (before any taxes, if any are then eligible) actually received or receivable by the Institution as consideration for and to the extent attributable to commercializing (or use of commercialized) Project IP, less all of the following direct expenses paid by the Institution reasonably and in good faith, and without double counting, for the commercialization of Project IP: (i) third party patenting and legal expenses; (ii) other non-legal bona fide third party expenses directly related to commercialization that would not normally be paid by the Institution in the normal course of business; and (iii) the cost of internal resources that directly replace or offset the cost of external legal resources that would normally be incurred in the course of commercialization (i.e. use of in-house counsel for patent application prosecution when external counsel had historically been used).

(b) For clarity, the parties acknowledge: (I) that the laboratory performing the research receives an annual budget. No part of that annual budget (except as set out in s.6 (a) (iii) above) shall be deducted to reduce Compensation; and (II) provision by the Institution of resources that are normally provided to laboratories in the normal course (e.g. space, equipment, administrative support etc.) shall not be deducted to reduce Compensation (except to the extent set out in (iii) above).

(c) For clarity, Compensation shall not include amounts received by the Institution to fund the carrying out of the Purpose, except to the extent it is received as consideration for use or acquisition of Project IP or an ownership interest in an entity commercializing the Project IP.

(d) Institution will pay twenty percent (20%) ("Designated Portion") of Compensation into the RA, (which percentage, for clarity, shall be calculated prior to distribution of any portion of the Compensation to Institution staff who created the Project IP). Institution will distribute the Designated Portion of Compensation to the RA as soon as is reasonably possible after receipt by Institution but no later than thirty (30) days after receipt. Wherever possible only cash consideration or liquid public securities shall be contributed to the Fund. Non-cash Proceeds shall be valued at the amount agreed to by the Parties or if they cannot agree by a valuator agreeable to them.

(e) The parties recognize that if the Institution receives non-cash payments, there may be some challenges in apportioning the Compensation and in deducting expenses from such Compensation. The following principles will apply:

- If the non-cash payment is divisible and transferable (such as securities), then Institution will transfer the Donor's portion to the Donor's RA as soon as practicable. If the Institution has qualifying expenses to deduct from Compensation, then:
    - If the securities can be objectively valued or if the parties otherwise agree on a valuation, Institution will retain a number of securities that are equal in value to the qualifying expenses and such securities will be excluded from Compensation, or if the parties agree, the Donor (or its RA) can provide cash equal to its pro rata portion of the Compensation and receive its additional pro rata share of the securities. The remaining securities will constitute Compensation and the Institution will give the RA 20% of such remaining securities.
    - If the securities cannot be objectively valued or if the parties cannot otherwise agree on a valuation, Institution will give the Donor's RA a credit for 20% of the amount of the qualifying expenses, which the Institution will obtain repayment of by deducting from future Compensation payments owing to the RA, as its sole recourse. If the credit has not been satisfied before the KFOC (allocated as capital to the RA) sells the securities, the KFOC will satisfy the credit from the proceeds of the sale of the securities (to the extent the proceeds cover the debt) but there is no recourse to the Donor.
- If the non-cash payment to Institution is not divisible or transferable (such as equipment or consumables), then whether the Institution chooses to apply all or less than all of the non-cash payment to the Project, Institution will make a cash payment that is equal to 20% of the fair market value of the non-cash payment to the RA, as soon as is reasonably possible, but no later than 18 months after the Institution receives the non-cash payment.

By way of illustrative examples only, assume Project IP is commercialized, and $10,000 was spent on an unrelated external law firm to patent Project IP.

Example 1: If the commercialization generates $100,000 of royalty income, the royalty income would be Compensation, and $90,000 ($100,000 - $10,000 legal fees) would be split between Institution and the KFOC administered RA, on a 80%-20% basis ($72k to Institution, $18k to the RA). Institution has complete freedom to decide whether any, or how much, of the $72k would be paid to its staff who created the Project IP.

Example 2: If the commercialization involves a spinout by Institution of an entity (Newco) with 1,000 common shares being issued to Institution as consideration for a license of the Project IP, then prior to any dilutive financing, the shares issued would be Compensation, allocated on an 80%-20% basis (800 to Institution, 200 to the RA). Ideally, Institution would require Newco to pay the $10,000 in patenting fees or reimburse the Institution such amount (if the Institution has already paid the fees). However, if Newco does not pay or reimburse such fees, then the patent expense will be eligible to be excluded from the calculation of Compensation. If the shares can be objectively valued or if the parties otherwise agree on a valuation, then Institution will retain a number of shares that are equal in value to the patenting fees ($10,000) and such shares will be excluded from Compensation (or Donor may elect to contribute an additional $2,000 being 20% of the $10,000 expense and then 2/10th of the shares that were to be excluded shall instead be allocated as capital to Donor's the RA). The remaining shares will constitute Compensation and the Institution will give the RA 20% of such remaining shares (in which case, if the Donor was permitted to contribute the additional $2,000 cash it would end up with over 20% in total). If the shares cannot be objectively valued or if the parties cannot otherwise agree on a valuation, then Institution will give the Donor's RA a credit for 20% of the amount of the patent fees ($2,000), which the Institution will deduct from future Compensation payments owing to the RA. If the credit has not been satisfied before the KFOC sells the shares (allocated as capital to the RA), the KFOC will satisfy the credit from the proceeds of the sale of the shares. Institution has complete freedom to decide whether any, or how much, of the 800 shares it receives would be issued to its staff who created the Project IP. However, in no case will there be recourse against Donor beyond the Compensation due to Donor's RA (i.e., in no case will recourse be had to the Donor).

8. <u>Dilution of Compensation</u>

The Institution may enter into agreements with third parties relating to Project IP, including agreements that require the Institution to share a portion of Compensation with third parties in exchange for additional funding (in cash or kind). Institution shall have absolute discretion to enter into such agreements and absolute discretion over the terms of such agreements, so long as, if Institution agrees to share a portion of Compensation with such third parties (other than Institution staff involved in the Project), the dilution shall be borne pro rata by Institution, the Institution staff and the KFOC administered RA.

By way of illustrative example only, assume that after certain milestones are reached, two additional funders are found. Funder 2 is a med tech seed stage VC, that agrees to provide $1,000,000 in 2026, and wants 10% of the subsequent Compensation from IP commercialization. Funder 3 is a government agency providing $1,000,000 that does not require that it share any Compensation. Prior to the new funding, assume the proportions were 80% Institution, 20% RA. After the donations, the proportions would be 72% Institution, 10% Funder 2, 18% RA, 0% Funder 3 (government).

9. <u>Method and Audit</u>

Within 120 days of the completion of the Institution's fiscal year, it shall deliver a report to the Donor and Kidney FoC, setting out the total amount of Compensation realized by Institution in such completed fiscal year (with reasonable documentary support therefore) and the portion thereof that constitutes the Designated Portion. Such report shall set out how the Compensation and the Designated Portion were calculated and be certified as being correct by the Chief Financial Officers of Organization. (The Designated Portion for any year and all interest thereon is the "**Annual Designated Portion**"). Donor shall have the right, at its own cost, to audit the calculation of Compensation and the Designated Portion. If the Donor's audit reveals an underpayment, Institution shall forthwith: i) reimburse Donor's audit fees, and ii) contribute the underpayment to the RA.

10. <u>Confidentiality</u>

a) Pursuant to this Agreement, the parties may disclose information of a confidential and/or proprietary nature ("Confidential Information") to each other. Each party that discloses Confidential Information is hereinafter referred to as a Disclosing Party and each party that receives Confidential Information is hereinafter referred to as a Receiving Party. Receiving Party shall at all times keep and use Disclosing Party's Confidential Information in confidence, shall only use such Confidential Information to implement this Agreement (which includes the review of Project IP), shall not directly or indirectly, deal with, use, exploit such Confidential Information or disclose it to any third party, and shall not reverse engineer such Confidential Information. Receiving Party shall ensure that Disclosing Party's Confidential Information is used only by and shared only with its employees and agents who have a need to know and who are bound by similar obligations of confidentiality in writing and only as required to accomplish the purposes of this Agreement. For greater certainty, the parties hereto agree that the Confidential Information includes, without limitation, details of this Agreement, including the intellectual property rights and percentages but shall not include the existence of this Agreement, Donor name, or Donation amount. Confidential Information shall not include information that is in the public domain; information that was obtained by Receiving Party from a third party; information that was developed independently by Receiving Party without reliance on Disclosing Party's Confidential Information; and information that was already in Receiving Party's possession prior to receipt of Disclosing Party's Confidential Information. Notwithstanding the above, Institution may disclose the details of this Agreement, including the intellectual property rights and percentages exclusively to prospective licensees and in commercialization activities with third parties who are under confidentiality provisions in favour of the Institution, Donor and KFOC as administrator of the RA at least as protective as these.

b) Disclosure or use of the Confidential Information by Receiving Party in breach of this Agreement may cause Disclosing Party irreparable harm for which damages may not be an adequate remedy, and Disclosing Party may therefore seek injunctive relief in addition to any other remedies available to Disclosing Party at law. Disclosing Party makes represents and warrants that it has acted, and will act during the term, reasonably and in good faith to provide, to the best of its knowledge, accurate and complete information necessary for the reasonable implementation of this Agreement.

c) Nothing herein shall be construed as providing Receiving Party with any ownership in Disclosing Party's Confidential Information. Upon request, Receiving Party shall return to Disclosing Party all copies of Confidential Information received by Receiving Party from Disclosing Party, and shall not retain any copies of such Confidential Information in any form or on any media; provided that Receiving Party may retain one archival copy of Confidential Information in a secure location solely for the purpose of establishing the rights of non-disclosure hereunder.

d) The foregoing obligation of non-disclosure shall not apply to that Confidential Information which is required by law to be disclosed (including by statue, regulation, court order or order of a regulatory authority). Any party required by law to disclose the other party's Confidential Information will promptly notify the other party to allow it reasonable time to oppose the process before disclosing the Confidential Information.

e) Notwithstanding any termination or expiration of the Agreement, the obligations set out herein will survive and continue to bind the parties, their successors and assigns.

11. <u>Publicity</u>

The parties have a common interest in increasing the funding of scientific research. The parties shall work together, reasonably and in good faith, to publish a mutually agreed upon press release, discuss distribution, and endeavor to arrange additional coverage of the donation and the need for innovative structures to increase basic research funding, without revealing the structure used in this donation.

12. <u>General Provisions</u>

(a) No party may assign, amend or modify this Agreement without the prior written consent of the other parties.

(b) The Donation may be granted from the KFOC directly to the Institution or by KFOC to the DAFRA and from the DAFRA to the Institution.

(c) This Agreement shall be binding upon and shall be to the benefit of the parties to this Agreement and their respective heirs, administrators, legal personal representatives, successors and permitted assigns. The Donor is a charitable foundation. No liability of any of the parties for breach of this Agreement shall extend to its directors, officers, members, trustees, administrators or employees in their personal capacity.

(d) Any notice, request, consent or other communication which is required to be given pursuant to this Agreement will be in writing and will be sufficiently given or made if delivered or given, to the registered head office of the party or such other address as the relevant party may from time to time advise.

(e) This Agreement and the rights and obligations and relations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party hereto does hereby attorn to the jurisdiction of courts located in the City of Toronto.

(f) This Agreement shall constitute the entire agreement between the three parties with respect to the subject matter hereof and shall replace all prior promises or understandings, oral or written between the three parties.

(g) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute a single instrument. Execution and delivery of this Agreement may be evidenced by facsimile transmission or by email in portable document format (.pdf) and for all purposes be treated as if delivered containing an original manual signature.

The remainder of this page is intentionally left blank

IN WITNESS WHEREOF the parties have executed this Agreement as of the Effective Date.

THE HYATT FAMILY FOUNDATION

Per: ______________________________
Vanessa Hyatt
Authorized Signing Officer

THE KIDNEY FOUNDATION OF CANADA

Per: ______________________________
Elizabeth Myles
National Executive Director
Authorized Signing Officer

[insert INSTITUTION name]

Per: ______________________________
BBB
Authorized Signing Officer

Exhibit 1

Project Description and Milestones

Exhibit 2

A. KFOC's policies on Reporting; Institution Recognition of Donor

[KFOC to include reporting policies applicable to the award winner]

B. Institution's policies on Recognition of KFOC and Donor

[Institution to include recognition policies applicable to the award winner]