CONFIDENTIAL

Contributing Third Party Agreement

for European Lead Factory Programmes

executed in the framework of the ESCulab* Grant.

This document has been provided to you for the purpose of assessing the opportunity to submit a Programme Proposal to the European Lead Factory for a screening programme within the framework of the ESCulab Grant.

Please make sure to involve your Technology Transfer Office, Legal and/or IP Department in time. Any questions related to this document can be directed to the Programme Office of the European Lead Factory.

After acceptance of your proposal, your organization will be requested to sign this Contributing Third Party Agreement in order to have your approved Programme executed.

European Lead Factory Programme Office
Programme@europeanleadfactory.eu

* This project has received funding from the Innovative Medicines Initiative 2 Joint Undertaking (JU) under grant agreement No 806948: *'ESCulab: European Screening Centre; Unique Library for Attractive Biology'*. The JU receives support from the European Union's Horizon 2020 research and innovation programme and EFPIA and Medicines for Malaria Venture.

Template Contributing Third Party Agreement – version 26 May 2020

This is a template for contracting Third Parties whose Programme proposal has been accepted by the Strategic Portfolio Management Team. In accordance with Clause 20.6 of the ESCulab Consortium Agreement, it may be modified only if necessary and upon agreement with the Compound Owners and other ESCulab Beneficiaries whose rights are affected, provided it does not conflict with the content of the ESCulab Consortium Agreement (including but not limited to the access rights, compensations and options to be granted and Clause 20).

Contributing Third Party Agreement
For Programme Screening under IMI2-ESCulab Project

THIS CONTRIBUTING THIRD PARTY AGREEMENT (the "**Agreement**") effective as of XX (the "**Effective Date**") is made **BETWEEN**:

(1) **Stichting Lygature**, duly organized and existing under the laws of The Netherlands, whose administrative offices are at Jaarbeursplein 6, 3521 AL, Utrecht, The Netherlands ("**Lygature**"), acting on its own behalf and on behalf of the Beneficiaries;

(2) **[Contributing Third Party]**, duly organized and existing under the laws of XX, whose administrative offices are at XX ("**Programme Owner**");

each a "**Party**" and, together, the "**Parties**". For the avoidance of doubt, each Beneficiary shall be considered a Party under this Agreement.

RECITALS

WHEREAS, after accepting the "ESCulab Website for Third Party Proposals Terms of Use", the Programme Owner has proposed its Programme to be screened on the ECC by executing a Statement of Interest (all as defined below).

WHEREAS, the Strategic Portfolio Management Team has accepted the Programme to be screened on the ECC.

WHEREAS, the Beneficiaries have authorized Lygature to execute this Agreement on their behalf.

WHEREAS, the Parties now wish to agree on the terms and conditions applicable to the screening of the Programme in ESCulab.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and for good and sufficient consideration, the sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

1. DEFINITIONS

Unless specifically set forth to the contrary under this Agreement, the following terms, whether used in singular or plural form, shall have the respective meanings set forth below.

1.1 "**Access Rights**" means rights to use Results, Background, or Programme IP under the terms and conditions laid down in this Agreement.

1.2 "**Affiliated Entity**" means any legal entity that is under the direct or indirect control of a Party, or under the same direct or indirect control as the Party, or that is directly or indirectly controlling a Party. Control may, in particular, take either of the following forms: (i) the direct or indirect holding of more than 50 % of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity; or (ii) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

1. The following relationships between legal entities shall not in themselves be deemed to constitute controlling relationships: (i) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50 % of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates; or (ii) the legal entities concerned are owned or supervised by the same public body.

1.3 "**Assay Results**" means Results pertaining to assay(s) developed by any Beneficiary in connection with the Programme.

1.4 "**Beneficiary**" means any participant to the Project which has signed up to the Grant Agreement and the Consortium Agreement. The Beneficiaries at the time of entry into this Agreement are listed in Schedule 1.

1.5 "**Background**" means any data, know-how or information, whatever its form or nature, tangible or intangible, including any rights such as intellectual property rights that:

a) are held by the Beneficiaries prior to their accession to the Grant Agreement,
b) which are needed to implement the Project or to exploit the Results of the Project, and
c) which are identified by the Beneficiaries in the Consortium Agreement.

1.6 "**Blocked Target List**" means, on a Compound Owner by Compound Owner basis, a list of one or more targets against which Compounds in the ECC contributed by such Beneficiary cannot be screened or evaluated under the Project.

1.7 "**Chemistry Background**" means "EFPIA Chemistry Background" and/or "Public Chemistry Background", as the context requires.

1.8 "**Chemistry SME Beneficiaries**" means the following Beneficiaries: Taros Chemicals GmbH & Co KG, Edelris S.A.S., Mercatorial BV, Syncom B.V, and Sygnature Discovery Limited.

1.9 **"Cluster"** means a group of one or more QHL Compounds that share a common Scaffold and identified either (i) by the Programme Clearance Team as such in the initial disclosure of the QHL or if not done so yet (ii) by an independent medicinal chemistry expert on behalf of the Programme Owner thereafter.

1.10 **"Compensation"** means any and all consideration, including upfront payments, milestone payments, royalty payments, stocks, bonds and other commercial paper received by a Programme Owner from a Third Party for the granting of rights or the transfer of ownership of a QHL Compound; a Derivative; Products containing a QHL Compound or a Derivative; and Diagnostics containing a QHL Compound or a Derivative.

1.11 **"Compensation Scheme"** means the compensation scheme as set out in Clauses 13.5 to 17.10.

1.12 **"Compound(s)**" means EFPIA Compound(s) and/or Public Compound(s), as the context requires, that are placed in the ECC.

1.13 **"Compound Background"** means "EFPIA Compound Background" and/or "Public Compound Background", as the context requires.

1.14 "**Compound Data**" means Compound data calculated by the Compound Owner or the Honest Data Broker Process using a standard set of protocols agreed by the relevant Beneficiaries.

1.15 "**Compound Owner**" means the Beneficiary(ies) that Controls the Compound prior to inclusion into the ECC.

1.16 "**Confidential Information**" means any and all written or oral information communicated between the Parties in the framework of this Agreement and clearly identified or marked as being confidential at the moment of its disclosure or identified as confidential in this Agreement. Whenever Confidential Information is communicated orally, its confidential nature shall be confirmed in writing by the disclosing Party within thirty (30) days after such disclosure.

1.17 "**Consortium Agreement**" means the consortium agreement entered into by the Beneficiaries, effective as of the same day as the effective date of the Grant Agreement.

1.18 "**Control**" or "**Controlled**" means, with respect to any Know-How, Patent Right or other Intellectual Property Right, the possession (whether by ownership or license or other authorization) by a Beneficiary or its Affiliated Entities of the right to grant to another Beneficiary access, ownership, a license or a sublicense as required herein to such Know-How, Patent Right, or other Intellectual Property Right without violating the terms of any agreement or other arrangement with any Third Party.

1.19 **"Derivative(s)"** means any compound which is not a QHL Compound and

(1) such compound:
   (a) demonstrates Threshold Activity on the Programme; and,
   (b) is within a Scaffold belonging to any QHL Compound of the QHL of the Programme; and,
   (c) was first synthesized by or on behalf of the Programme Owner within three (3) years after disclosure of the Qualified Hit List to the Programme Owner; or,

(2) any base form, metabolite, prodrug, ester, radiolabelled or salt form, racemate, stereoisomer, crystalline polymorph, hydrate or solvate of any of the QHL Compounds or a

compound defined in (1) above

1.20 "**Diagnostic**" means any product comprised of a QHL Compound or Derivative in any form or dosage form, for the diagnosis of disease in humans or animals (including as a companion diagnostic).

1.21 "**Direct Exploitation**" means to develop Results for commercialization, including through clinical trials, or to commercialize Results themselves. An example of Direct Exploitation is the preclinical or clinical development for commercialisation or the commercialisation itself of a Product or Diagnostic containing a QHL Compound or a Product or Diagnostic containing a Derivative. Another example of Direct Exploitation is the granting of licenses covering commercialisation of Results.

1.22 "**Dissemination**" means any public disclosure by the Programme Owner of its Results by any appropriate means (other than public disclosure from seeking protection for and/or exploiting such Results), including but not limited to by means of scientific publication (in any medium), press release, on a website, or by presentation at a scientific conference.

1.23 "**ESCulab Compound Collection**" or "**ECC**" means the combination of Compounds from the EFPIA Compound Collection and the Public Compound Collection.

1.24 "**EFPIA Beneficiaries**" mean the following members of the European Federation of Pharmaceutical Industries and Associations that are Beneficiaries to this Project: Bayer AG, AstraZeneca AB, Grünenthal GmbH, Janssen Pharmaceutica NV, Merck KGaA, Sanofi-Aventis Deutschland GmbH, Institut de Recherches Servier, and UCB Biopharma SPRL. For purposes of this Agreement, the term EFPIA Beneficiaries shall also include the Project's Associated Partner Medicines for Malaria Venture.

1.25 "**EFPIA Chemistry Background**" means Background pertaining to synthetic intermediates, synthetic routes and processes of manufacture of EFPIA Compounds, owned or Controlled by an EFPIA Beneficiary.

1.26 "**EFPIA Compound(s)**" means a chemical molecule which is (i) Controlled by an EFPIA Beneficiary prior to or at the effective date of the Project and which is (ii) contributed to the ESCulab Compound Collection.

1.27 "**EFPIA Compound Background**" means any Background that pertains to EFPIA Compounds that is structural information or analytical data that enables structural elucidation or physical characteristics that pertains to EFPIA Compounds.

1.28 "**EFPIA Compound Collection**" means the collection of all EFPIA Compounds contributed by the EFPIA Beneficiaries.

1.29 "**European Screening Centre**" means the following Beneficiaries: Lygature, University of Oxford, University of Dundee, Pivot Park Screening Centre BV and BioAscent Discovery Ltd. jointly.

1.30 "**Grant Agreement**" means the IMI2-JU grant agreement No 806948, (including its annexes and any amendments thereto), entered into between the Beneficiaries and the IMI2 JU for the undertaking by the Beneficiaries of the Project.

1.31 **"Honest Data Broker Process**" shall have the meaning set forth in Clause 5.1.

1.32 "**IMI2 JU**" means the IMI2 Joint Undertaking, a European Union body established by Council Regulation No. 557/2014 of 6 May 2014.

1.33 "**Intellectual Property Rights**" means Know-How, Patent Rights, copyrights, forms of industrial property rights, and design rights.

1.34 "**Know-How**" means any non-public, proprietary, technical and scientific information, results and data of any type whatsoever in any tangible written, documentary, electronic, digital form, or any other form now known or hereafter developed, including without limitation, instructions, skills, techniques, procedures, processes, compositions, materials, knowledge, formulae, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, specifications, data and results not generally known to the public (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical, analytical, pre-clinical, and manufacturing), in all cases, whether or not patentable.

1.35 **"Linked Third Parties"** shall mean any legal entity which has a legal link to a Beneficiary implying collaboration that is not limited to the Project as defined in Article 14 of the IMI's Model Grant Agreement.

1.36 "**Milestone Eligible Beneficiaries**" shall mean the European Screening Centre Beneficiaries and the Chemistry SME Beneficiaries.

1.37 "**Necessary**"

1.37.1 in the context of Background or Programme IP necessary for completing the Programme Plan means that without such Background or Programme IP, carrying out the Programme Plan would be impossible, significantly delayed, or require significant additional financial or human resources;

1.37.2 in the context of Results or Background necessary for exploiting a Qualified Hit List means that without such Results (QHL Results) or Background (QHL Background), further use of the Compounds listed on the QHL by the Programme Owner would be impossible, significantly delayed, or require significant additional financial or human resources.

1.38 "**Net Sales**" means the gross amount invoiced by a Programme Owner or its affiliates for sales of Products and Diagnostic, less the following to the extent applicable and actually granted or taken:

(i) sales allowances actually paid, granted, including trade, quantity and cash discounts;

(ii) rebates granted or given;

(iii) non-collectable receivables; taking into account that the invoicing Programme Owner guarantees and warrants that it and its affiliates involved in the sale will take all necessary measures to avoid any non-collectable receivable. Such Programme Owner will use all necessary and reasonable efforts to obtain such payments/receivables. The deduction of non-collectable receivables from the gross amount invoiced will not be

applicable if such Programme Owner desisted from taking reasonable efforts and measures in bad faith;

(iv) customs or excise duties, sales tax, value added tax, and other taxes (except income taxes).

The foregoing deductions under (i) and (ii) shall in no case exceed a total of ten per cent (10%) of the gross amount invoiced.

1.39 "**Other Results**" means any Results that are not (i) Assay Results, (ii) Screening Data Results, or (iii) QHL Results. An example of Other Results may be informatics tools, protocols or screening models developed by a Beneficiary under the Project.

1.40 "**Patent Rights**" means any and all (a) patents, (b) pending patent applications, including, all provisional applications, substitutions, continuations, continuations-in-part, divisions and renewals and all patents granted thereon, (c) all patents-of-addition, reissues, reexaminations and extensions or restorations by existing or future extension or restoration mechanisms, including, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, (e) any other form of government-issued right substantially similar to any of the foregoing and (f) all U.S. and foreign counterparts of any of the foregoing.

1.41 "**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

1.42 "**Product**" means a product comprised of a Compound or Derivative in any form or dosage form for pharmaceutical or preventive use in humans or animals.

1.43 "**Programme**" means the drug discovery programme of the Programme Owner, specifications of which are set forth in Schedule 2 (these shall include at a minimum: type of programme (type of screening: HTS or HCS, selection date, programme number, target (HTS), gene ID (HTS), Uniprot ID (if applicable) (HTS), mode of Action (HTS), or HCS relevant details).

1.44 "**Programme Dossier**" means the complete QHL (including Compound structures), the complete Programme application which was submitted to the Review Committee, as well as any other information and all relevant additional data under the Control of the Programme Owner that is material to the evaluation of the Programme and associated Compounds to enable an EFPIA Beneficiary to elect whether to submit a non-binding term sheet at the end of the Option Period.

1.45 "**Programme IP**" means any Intellectual Property Rights relating to the Programme and pre-existing to the date of this Agreement or developed independently from this Agreement and which are Necessary to implement the Programme Plan or to exploit the Results of the Project. Programme IP includes, but is not limited to, Know-How pertaining to [*include in the case of target focused screening*] the coding gene ID, the name of the receptor or enzyme, the enzyme or protein sequence or epitope targeted for

interaction, as well as its mechanism of action such as inhibition, agonism, or antagonism, as the case may be, and pre-existing assay(s) [*include in the case of target agnostic screening*] biological specimen, trigger, response of interest, and time and mode of its quantification. The Programme Owner will list the Programme IP in Schedule 3.

1.46 "**Programme Plan**" means the plan listing the activities to be carried out as part of ESCulab by the Public Beneficiaries in screening the Programme on the ECC as approved after signature of this Agreement by the Programme Team and the Programme Owner.

1.47 "**Programme Team**" shall have the meaning set forth in Clause 4.1.

1.48 "**Programme Clearance Team**" shall have the meaning set forth in Clause 4.6.

1.49 "**Project**" means the IMI2 JU ESCulab project organized under the Grant Agreement and the Consortium Agreement.

1.50 "**Public Beneficiaries**" means those Beneficiaries which receive cash funding from the IMI2 JU to carry out activities of the Project.

1.51 "**Public Chemistry Background**" means Background pertaining to synthetic intermediates, synthetic routes and processes of manufacture of Public Compounds.

1.52 "**Public Compound"** means a chemical molecule which is (i) Controlled by a Public Beneficiary prior to or at the effective date of the Project and which is (ii) contributed to the ESCulab Compound Collection.

1.53 "**Public Compound Background**" any Background that pertains to Public Compounds that is structural information or analytical data that enables structural elucidation or physical characteristics that pertains to Public Compounds.

1.54 "**Public Compound Collection**" means the screening collection of all Public Compounds together, contributed by Public Beneficiaries.

1.55 "**QHL Background**" means that part of Background contained within a specific Qualified Hit List which can consist of parts of (i) EFPIA Compound Background and/or (ii) Public Compound Background relating to the specific QHL Compounds on the respective Programme.

1.56 "**QHL Compound(s)**" means those ECC Compounds which, after having undergone the clearance process, become part of a QHL, on a per Programme basis. The QHL Compounds are no longer considered part of the ECC.

1.57 "**QHL Patent Application**" means: a PCT patent application claiming priority from a QHL Priority Patent Application.

1.58 "**QHL Priority Patent Application**" means a patent application filed in a state bound by the Paris Convention, where such patent application contains at least one (a) Markush formula claim encompassing a QHL Compound or Derivative thereof, or (b) an embodiment of the specification encompassing a QHL Compound or a Derivative thereof.

1.59 "**QHL Results**" means that part of Results contained within a specific Qualified Hit List which specifically is Screening Data Results relating to the specific QHL Compounds.

1.60 "**Qualified Hit List**" **or** "**QHL**" means for the Programme a list of compounds that are: a) a maximum of 0.01% of the Compounds screened in each screening set up to a total maximum of fifty (50) Compounds, that includes the Necessary Results and the Background that is Necessary to use such Results for such Compounds; b) Threshold Active Compounds or compounds that are structurally similar to the Threshold Active Compounds and that do not achieve the Threshold Activity ("**Inactive Compounds**"), whereby the structurally similar Inactive Compounds cannot make up more than 50% of the QHL; c) cleared by the Compound Owners; and d) accepted by the Programme Owner for the proposed further development against such Programme. The Qualified Hit List contains both Results (such as Screening Data Results) and Background Necessary to use such Results (such as Programme IP and structures of EFPIA Compounds or Public Compounds listed as QHL Compounds on such QHL).

1.61 "**Research Use**" means the use of Results (or Background necessary to use Results), for all purposes other than for completing the Project or for Direct Exploitation, and which includes but is not limited to the application of Results as a tool for research, including clinical research and trials, and which directly or indirectly contributes to the objectives set out in the societal challenges health, demographic change and well-being referred to in Regulation (EU) No 1291/2013 (establishing Horizon 2020).

1.62 "**Results**" means any tangible or intangible output of the Project such as data, knowledge, know-how or information that is generated in the Project, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights (such as copyright, design rights, patent rights, or similar forms of protection). Results shall not include any Sideground. Results shall jointly refer to the following subtypes of Results which exist within the Project and which are further defined hereafter: (i) Assay Results, (ii) Screening Data Results, (iii) QHL Results, and (iv) Other Results.

1.63 "**Review Committee**" means the Project committee responsible, among others, for the recommendation of the Programme.

1.64 "**Scaffold**" means the molecular framework that is obtained by pruning or removing all terminal side chains from a compound structure as used in Schuffenhauer, et al., The Scaffold Tree - Visualization of the Scaffold Universe by Hierarchical Scaffold, J. Chem. Inf. Model. 2007:(1)47-58.

1.65 "**Screening Data Results**" means blinded Compound identifiers (without structures) and biological data points in relation to the screening of the ECC for the Programme, provided to the Programme Team and Review Committee, as a result of the blind screening of the ECC by the European Screening Centre on the Programme and [*include in the case of target focused screening*] such information characterizes the modulation of such target by such Compound or [*include in the case of target agnostic screening*] such information constitutes the modulation of a response of stimulated biological specimen to such Compound.

1.66 "**Sideground**" means tangible or intangible output generated by a Beneficiary under the

Project, such as data, knowledge and information whatever their form or nature, whether or not they can be protected, but which are outside of the Project's objectives as defined in Annex 1 of the Grant Agreement and which therefore are not needed for implementing the Project or for Research Use of Results.

1.67 "**Statement of Interest**" means the statement of interest executed by the Programme Owner on [date] and the review of which has resulted in the Programme to be selected by the Strategic Portfolio Management Team.

1.68 "**Strategic Portfolio Management Team**" means the Project committee responsible, among others, for the selection of the Programme by the European Screening Centre.

1.69 "**Sub-Contractor**" means a Third Party that has entered into an arms-length agreement on business conditions with one or more Beneficiaries, in order to carry out at least part of the Programme Plan without the direct supervision of such Beneficiary and without a relationship of subordination with the Beneficiaries

1.70 "**Term**" shall have the meaning set forth in Clause 15.1.

1.71 "**Third Party**" means any legal entity which is not a Beneficiary or any of its Affiliated Entities or Programme Owner or any of its Affiliated Entities.

1.72 "**Threshold Active Compound**" means any small molecule compound from the ESCulab Compound Collection that is identified and demonstrated by a Beneficiary to have Threshold Activity against the Programme.

1.73 "**Threshold Activity**" means modulating the Programme at an IC50 or EC50 concentration of less than or equal to a molar concentration as set by the Programme Team prior to carrying out the screening for the Programme and is determined in a biochemical, yeast-based, cell-based, or cell-free-based assay.
2.

2. ROLE OF LYGATURE - PROGRAMME – PROGRAMME PLAN - FUNDING

2.1 Lygature, as the coordinator of the Project, has been authorized by the other Beneficiaries in the Consortium Agreement to enter into this Agreement on its own behalf and on behalf of the Beneficiaries. However, the identity of the Programme Owner, the Statement of Interest, the Programme specifications and the Programme Plan shall not be disclosed by Lygature to the Beneficiaries which do not have a need to know such information to perform activities under this Agreement, except if otherwise provided hereunder (for instance in relation to the EFPIA Option) and except if needed to exercise their rights or perform their obligations hereunder.

2.2 The European Screening Centre shall perform the screening activities for the Programme on the ECC in accordance with the Programme Plan and any and all applicable laws. The relevant Beneficiaries shall also perform the hit characterisation with the aim to provide the resulting data to the Programme Team and Programme Clearance Team.

2.3 A Qualified Hit List for the Programme shall be provided to the Programme Owner via the Honest Data Broker Process, if the data provide that such a QHL can be compiled.

2.4 The Programme Plan is being performed under this Agreement by the European Screening Centre and the Chemistry SME Beneficiaries with Project funding from the IMI2 JU. The Programme Owner shall cooperate with Lygature and provide any documentation reasonably necessary with respect to any requests from the IMI2 JU in relation to the use of such funding.

2.5 The Parties must process Personal Data under this Agreement in compliance with applicable EU and national laws on data protection (including, without being limited to, authorisation or notification requirements). The Programme Owner represents and warrants that any Personal Data required for use in the Programme that are obtained, handled or used by it will be obtained, generated, handled or used in accordance with all relevant laws and regulations (and where applicable, local ethics guidelines) regarding the collection, use, transport and subsequent disposal of Personal Data.

[*To be assessed on a Programme by Programme basis whether personal data will be transferred to ESCulab Beneficiaries. In such case, more detailed GDPR wording should be added.*]

3. ECC – COMPOUNDS – WITHDRAWAL RIGHTS

3.1 The Programme Owner accepts that there is no guarantee that the Compounds in the ESCulab Compound Collection (i) are not commercially available; (ii) have not been commercially available; and (iii) are not subject to Third Party patent or other proprietary rights.

3.2 [*to be included if the Programme is target focussed and if relevant*:]The Programme Owner accepts that Compounds of a Beneficiary that appeared on the Blocked Target List for the Programme will not be screened for the Programme.

3.3 Compound Withdrawal Rights. During the term of the Project, the Beneficiaries shall not be entitled to withdraw any Compounds from the ESCulab Compound Collection, unless otherwise provided in Clauses 3.4 to 3.6.

The withdrawal rights pursuant to Clauses 3.4 to 3.6 shall apply to all Compounds. Such rights may only be exercised for the period as provided for in such Clauses 3.4 to 3.6.

No Beneficiary who exercises any of its rights pursuant to Clauses 3.4 to 3.6shall be liable towards the Programme Owner for the exercise of such withdrawal rights, and the Programme Owner shall not be entitled to receive any damages from such withdrawing Beneficiary.

3.4 **Before any clearance request for taking up into QHL**. Prior to a Compound having shown up in a clearance request for being introduced in a QHL, each Compound Owner shall be entitled to withdraw any of its Compounds from the ECC, at its sole discretion. The Compound Owner withdrawing any of its Compounds shall inform Lygature via the Honest Data Broker Process of the specific Compounds withdrawn and Lygature will arrange with the European Screening Centre that such Compound will be electronically blocked so that it will not appear on any subsequent QHL. The Programme Owner has no right to question such withdrawal. Following exclusion of the respective Compound the Honest Data Broker Process shall mark in an appropriate manner that such Compound in the ECC database and the Compound Data of such

Compound is rendered inaccessible, the structure of such Compound shall no longer be disclosed to Programme Clearance Teams and that those Compounds shall not appear in further QHLs.

3.5 **During QHL clearance process**. During the clearance process pursuant to Clause 4.7, each Compound Owner shall be entitled to withdraw any Compounds it provided to the ECC, only for the specific reasons stated below.

A withdrawal in such situation is permitted for the following reasons: (a) Third Party contractual obligations of the Compound Owner or an Affiliated Entity (b) the Compound has become part of an active research programme of the Compound Owner or one of its Affiliated Entities (c) Patent Rights claiming the Compound was filed by or on behalf of the Compound Owner or its Affiliated Entity.

The Compound Owner withdrawing any of its Compounds shall inform Lygature via the Honest Data Broker Process of the Compounds withdrawn and the type of withdrawal reason. Beyond the type of withdrawal reason, the Programme Owner is not entitled to additional motivation. The withdrawal reason is considered Confidential Information of the Compound Owner and such reason may not be further disclosed beyond Lygature. The withdrawal process shall proceed as outlined in Clause 3.4 above.

3.6 **After QHL clearance approval**. After clearance of a Compound for inclusion into a QHL, each Compound Owner shall be entitled to withdraw its Compound only for the sole reason that the Compound Owner has identified a contractual obligation of it or an Affiliated Entity towards a Third Party (which were in effect prior to the date of disclosure of the finalized QHL to the Programme Owner) which prevents such Compound from remaining in the QHL and/or its use as contemplated by this Agreement. For the avoidance of doubt, such withdrawal right does not include the right to withdraw a Compound that would infringe or whose use would infringe Third Party Intellectual Property Rights (other than pursuant to a contract between the Compound Owner and such Third Party).

3.7 In such case, the Compound Owner shall immediately inform the Programme Owner regarding such Compound withdrawal, either directly or via Lygature (using the Honest Data Broker Process) and provide to the Programme Owner either (i) written evidence or (ii), when confidentiality obligations do not allow so, a legal opinion via an agreed upon outside counsel, for such Compound withdrawal on a confidential basis without prejudice to the rights of the Programme Owner to claim damages. The Compound Owner and Programme Owner agree to negotiate in good faith about a solution reasonably taking into account the interests of the affected parties.

3.8 Where any Chemistry Background or Compound Background was associated with the Compounds that were withdrawn from the ECC according to Clauses 3.4 to 3.6, any Access Rights to such Chemistry Background or Compounds Background shall also be automatically terminated.

4. PROGRAMME TEAM AND PROGRAMME CLEARANCE TEAM

4.1 The Programme shall be governed by a programme team being composed and having the roles and responsibilities as set out below (the "**Programme Team**").

4.2 The Programme Team shall: [*adapt based on whether Programme is HTS/HCS*]

4.2.1 approve the plan listing the activities to be carried out by the Public Beneficiaries as part of the Project in screening the Programme on the ECC;
4.2.2 develop an acceptable HTS/HCS assay (if relevant) for the Programme;
4.2.3 plan and finalize the actual screening, including reagent production and purchase of consumables for the Programme;
4.2.4 after taking into account the limitations of compound supply and human resources at this stage, outline for the Programme post HTS/HCS activities (if relevant) such as confirmation testing, testing with multiple doses, variations of reagent concentrations or incubation times and selection of appropriate triage assays to obtain the best data possible for decision making;
4.2.5 if relevant, review HTS/HCS results using the Compound Data of the Compounds using data analytics and machine learning methods;
4.2.6 request the Programme Clearance Team to request via the Honest Data Broker Process the structures of up to 0.2 percent (%) of the compounds screened, such structures shall not to be shared with the Programme Team;
4.2.7 with respect to the Programme, discuss options for post Project activities and potential strategies for funding such activities.

4.3 The Programme Team shall be composed of:

4.3.1 *[In case of HTS:]* At least one (1) delegate selected by Pivot Park Screening Centre BV, which may reside on programme teams from other programmes as well. The Programme Owner and Pivot Park Screening Centre BV may select additional Pivot Park Screening Centre BV delegates to join the Programme Team;
4.3.2 [*In case of HCS*:] At least one (1) delegate selected by University of Dundee, which may reside on programme teams from other programmes as well. The Programme Owner and University of Dundee may select additional University of Dundee delegates to join the Programme Team;
4.3.3 At least one (1) delegate selected by BioAscent Discovery Ltd., which may reside on programme teams from other programmes as well; and
4.3.4 A least one (1) delegate selected by the Programme Owner.

4.4 Lygature represents and warrants that each of the above members (other than the Programme Owner) has acknowledged the existing confidentiality and non-use obligations of their employers under the Consortium Agreement to which they have to adhere to. These confidentiality and non-use obligations are at least equivalent to the confidentiality and non-use obligations provided for in Clause 7. The representative of the Programme Owner shall be required to enter into a confidentiality agreement with Lygature prior to its first participation in a meeting of the Programme Team.

4.5 The Programme Team shall take its decisions by consensus. In case no consensus can be reached, Lygature shall have the final say.

4.6 The Programme shall be governed by a programme clearance team being composed and having the roles and responsibilities as set out below (the "**Programme Clearance**

Team").

4.7 The Programme Clearance Team shall:

4.7.1 Provide a request according to the Honest Data Broker Process for disclosure of structures of up to 0.2 percent (%) of the Compounds screened in a screening set, such structures to be provided only to the selected individuals of the Programme Clearance Team. Multiple requests for smaller numbers of Compounds can be made, but the total number of structures provided per Programme will not be greater than 0.2 percent (%) of the Compounds screened per screening set. The overall compliance with the 0.2 percent (%) limit shall be monitored electronically and supervised by Lygature. The Compound Owner information will not be provided at this stage;

4.7.2 Analyse the screening data in relation to the structures of the 0.2 percent (%) of Compounds screened in a screening set and select a list of up to 0.01 percent (%) of Compounds (or up to a maximum of fifty five (55) Compounds total for the Programme, whichever is greater) for submission to the Honest Data Broker Process for clearance;

4.7.3 Where needed request the Programme Team to organize certain hit confirmation or quality control activities on selected Threshold Active Compounds;

4.7.4 For the Compounds selected in subsection (ii) above, the Programme Clearance Team shall provide the Compound clearance request via the Honest Data Broker Process, which sends an electronic request to each Compound Owner to initiate the legal review. Each Compound Owner will designate the status of each of their compounds as restricted or cleared pursuant to Clause 5.4.3;

4.7.5 After receipt of the designation of the status of each Compound, the Honest Data Broker will provide the list of cleared Compounds to the Programme Clearance Team. The Programme Clearance Team will finally attribute a maximum of fifty (50) Compounds in total for the Programme via the Honest Date Broker Process, on the actual QHL. The QHL list will then be formalized and provided in its final form to the delegate of the Programme Owner only, with chemical structure and Compound Owner identity number of the cleared Compounds added to it.

4.8 The Programme Clearance Team shall be composed of two or three individuals employed by PPSC and/or BioAscent and selected by the European Screening Centre.

4.9 Lygature represents and warrants that each of the above members has acknowledged the existing confidentiality and non-use obligations of their employers under the Consortium Agreement to which they have to adhere to. These confidentiality and non-use obligations are at least equivalent to the confidentiality and non-use obligations provided for in Clause 7.

4.10 The Programme Clearance Team shall take its decisions unanimously.

5. HONEST DATA BROKER PROCESS

5.1 A computer system (further referred to as "**Honest Data Broker System**" or "**HDB System**") and related processes (together the "**Honest Data Broker Process**") has been established in the Project to ensure confidentiality of the Intellectual Property Rights and other information pertaining to the Compounds and to handle the process of

clearance of Compounds with the Compound Owners of such Compounds, as well as other aspects of the interaction between the Beneficiaries, authorized third parties and the Compound Owners.

5.2 The Honest Data Broker Process shall perform the following tasks:

5.2.1 Coding of the information regarding the Compounds (either EFPIA Compounds or Public Compounds);

5.2.2 Storage of the coded information pursuant to (a) above and enabling a de-coding when so requested by the Programme Clearance Team per Clause 3;

5.2.3 De-coding of the information pursuant to (a) with respect to specific Compounds notified via the Honest Data Broker Process by the Programme Clearance Team per Clause 3;

5.2.4 Contacting the Compound Owners of the proposed QHL Compounds notified by the Programme Clearance Team for release as set out in Clause 5.4.2;

5.2.5 Receiving notices from Compound Owners that certain Compounds should be withdrawn from the ECC and providing such information to the European Screening Centre.

5.3 For any of tasks (a)-(e) above in Clause 4.2, an auditing trail will be generated by the Honest Data Broker System that will be monitored by Lygature. Lygature shall be responsible for the generation of an audit trail report that will be provided to the Programme Owner, together with the QHL. An audit trail report will be provided to a Compound Owner upon request. For the avoidance of doubt, such audit trial reports shall comply with confidentiality clauses as defined in this Agreement and, for example, not disclose any Programme Owner in an audit trail report sent to a Compound Owner.

5.4 The following rules apply to the Honest Data Broker Process for the interaction with the Programme Clearance Team:

5.4.1 The Honest Data Broker Process shall be set up to provide the molecular structures for up to 0.2 percent (%) of the number of Compounds screened in a screening set, provided that the Compound Owners shall not be disclosed;

5.4.2 Following the analysis of the molecular structures of up to 0.2 percent (%) of the number of Compounds screened in a screening set by the Programme Clearance Teams, a selection of up to 0.01 percent (%) of the number of Compounds screened in a screening set (up to a maximum of fifty five (55) Compounds for each Programme) will be notified by the Programme Clearance Team for Compound clearance with the Compound Owners through the Honest Data Broker Process. At this stage the Compound Owners may withdraw Compounds in accordance with Clauses 3.3 to 3.8;

5.4.3 The Compound Owners will respond to such request within forty-five (45) days via the Honest Data Broker Process whether the respective Compound can be released and included in a QHL;

5.4.4 The Honest Data Broker Process has to be set up to assemble all Compounds approved to be included in the QHL and will provide those Compound structures and the identity of the Compound Owners to the Programme Clearance Teams who will include such information in the QHL to be provided to the Programme Owner;

5.4.5 Following inclusion of the respective Compound in a QHL the Honest Data Broker Process has to mark such Compound in the ECC such that the Compound Data of such Compound is rendered inaccessible, the structure of such Compounds is no longer disclosed to Programme Clearance Teams and that those Compounds cannot appear in further Project hit lists (including QHLs, screening results lists, preliminary hit lists, and refined hit lists).

6. LIABILITY

General

6.1 **Disclaimers.** Without limiting the respective rights and obligations of the Parties expressly set forth herein, the Beneficiaries specifically disclaim any guarantee that the activities carried out under this Agreement shall be successful, in whole or in part. The Programme Owner specifically disclaims any guarantee that its Programme or any aspect of development or commercialisation of any product hereunder shall be successful, in whole or in part. The failure of any Party to successfully identify, develop, or synthesise any Compound for inclusion in a QHL or any Derivative or a Product or Diagnostic containing a QHL Compound or a Derivative shall not, of itself, constitute a breach of any representation or warranty under this Agreement.

Except as otherwise expressly provided in this Agreement, the Parties make no representations and extend no warranty of any kind, either express or implied, with respect to any Patent Rights, Know-How, including warranties of validity or enforceability of any Patent Rights, title, quality, merchantability, fitness for a particular use or purpose, performance, and noninfringement of any Third Party Patent Rights or other Third Party Intellectual Property Rights.

6.2 **No Consequential Damages.** Notwithstanding anything in this Agreement or otherwise, no Party shall be liable to the other Party with respect to any subject matter of this Agreement for any indirect, punitive, special or consequential damages (including lost profits), even if such Party has been informed or should have known of the possibility of such damages. This Clause 6.2 does not limit or exclude a Party's indemnification obligations under Clauses 6.3 to 6.5.

Indemnification for Third Party Claims

6.3 Each Party ("**Indemnitor**") shall indemnify each other Party and their Affiliated Entities ("**Indemnitees**") from and against any and all loss, damage, liability, cost, expense, or injury (including reasonable attorneys' fees and expenses) (individually a "**Loss**" and collectively, "**Losses**") incurred by an Indemnitee resulting from any claim, complaint, investigation, demand, proceeding or cause of action brought by a Third Party ("**Third Party Claims**") alleging or arising from (x) the material breach of any representation, warranty or covenant made by the Indemnitor hereunder (y) gross

negligent or wilful misconduct on the part of the Indemnitor in performing its obligations under this Agreement, or (z) the development or commercialisation by Indemnitor or any other Party of QHL Compounds or Derivatives or Products or Diagnostics containing such QHL Compounds or Derivatives; provided always that the foregoing obligation to indemnify shall not extend to claims for indirect or consequential loss or damage, including but not limited to loss of profit, revenue or contracts, and provided, however, that an Indemnitor shall not be obligated to indemnify an Indemnitee for any Losses to the extent such Losses arise as a result of (i) the material breach of any representation, warranty or covenant made by the Indemnitee under this Agreement or (ii) any gross negligence or wilful misconduct on the part of any Indemnitee. Nothing in this Agreement may be construed to limit (i) the right of any Party to bring an action for damages against any Third Party, including claims for indirect, special or consequential damages, based on any acts or omissions of such Third Party or (ii) the liability of a party for wilful misconduct, personal injury or death resulting from the negligence of such party or its employees, officers, directors, agents, or representatives (as applicable).

6.4 Notice of Claim. All indemnification claims provided for in Clause 6.3 shall be made solely by such Indemnitee by promptly providing written notification to the Indemnitor (an "**Indemnification Claim Notice**") of any Losses or the discovery of any fact upon which the Indemnitee intends to base a request for indemnification under Clause 6.3, but in no event shall the Indemnitor be liable for any Losses that result from any delay in providing such notice. Each Indemnification Claim Notice must contain a description of the claim and the nature and amount of such Loss (to the extent that the nature and amount of such Loss is known at such time). The Indemnitee shall furnish promptly to the Indemnitor copies of all papers and official documents received in respect of any Losses and Third Party Claims.

6.5 The Indemnitor shall have the right to select defence counsel and to direct the defence or settlement of any claim which is the subject of this indemnity. The Indemnitee shall reasonably co-operate with the Indemnitor and its legal representatives in the investigation and defence of any such claim. The Indemnitee shall refrain from making any admission of liability or any attempt to settle the claim without the Indemnitor's prior written consent. The Indemnitee may obtain representation by separate legal counsel, at its own expense.

Non-Asserts granted to Programme Owners

6.6 To the extent legally permissible, each Compound Owner and their Affiliated Entities agree that with respect to any Patent Rights, which it Controls or will Control at some future date, and relating to a QHL Compound that such Compound Owner and their Affiliated Entities provided to the ECC it will not assert such Patent Rights against a Programme Owner, its Affiliated Entities, and Subcontractors carrying out activities Necessary for the Direct Exploitation of such QHL Compound; in particular, it will not assert any claims of infringement based upon the manufacture, use, have used, sell, offer for sale, import or export of any QHL Compound or product containing a QHL Compound made, sold, or offered for sale by such Programme Owner, its Affiliated Entities and Sub-Contractors in carrying out such activities of the Programme during the term of such Patent Rights, including any patent term extension and supplemental protection certificate or similar extension of patent term.

This obligation of non-assertion shall only apply, however, to Patent Rights and to claims of patents that are directed specifically to inventions relating to the QHL Compound thereof including uses, formulations, manufacturing, and composition of matter thereof.

6.7 The non-assertion obligations set forth above of any Compound Owner and its Affiliated Entities with respect to any of its Patent Rights shall run in favour of any person or legal entity that is a successor, licensee or assignee of the Programme Owner and its Affiliates. The Compound Owner and its Affiliated Entities that Controls the Patent Rights subject to the obligations of Clause 6.6 shall ensure that any agreements executed with a subsequent owner or exclusive licensee of such Patent Rights will contain the non-assertion obligations set forth in Clause 6.6.

7. CONFIDENTIALITY

7.1 No Confidential Information disclosed by one Party ("**Disclosing Party**") to another Party ("**Recipient Party**") under this Agreement may be disclosed by the Recipient Party to any Third Party other than in those circumstances permitted below; provided that, in such permitted circumstances, it shall nevertheless be a condition of disclosure that such Third Party shall, as appropriate, be made aware of the confidential nature of the information disclosed and shall be bound to comply with confidentiality provisions no less onerous than those provided in this Agreement. Any disclosure of Confidential Information to an Affiliated Entity of a Party shall be regarded as a disclosure to that Party. The Recipient Party shall be responsible to the Disclosing Party for any disclosure by any such Third Party which is inconsistent with the terms of this Agreement. Permitted disclosure under this Clause shall be as follows:

7.1.1 to those Beneficiaries who are involved in the work under this Agreement and/or enjoy access rights under this Agreement.

7.1.2 to employees, Affiliated Entities, agents, officers, directors, auditors, advisers, partners, consultants, licensees, sub-licensees, students, subcontractors of the Recipient Party requiring the Confidential Information for the purposes of this Agreement;

7.1.3 if the Recipient Party is required to do so by or in connection with any laws, regulations or legal processing, or court of competent jurisdiction, provided that such disclosure is subject to all applicable governmental, regulatory or judicial protection available and immediate written notice of such requirement is given to the Disclosing Party with a view to agreeing the timing and the content of such disclosure.

Any Recipient Party disclosing information under this Clause 7 must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the same.

7.2 No Confidential Information of the Disclosing Party may be used by the Recipient Party for any purpose other than the performance of the Recipient Party 's obligations or the

exercise of the Recipient Party 's (or the other Beneficiaries') rights under this Agreement.

7.3 The provisions of this Clause 7 shall not apply to Confidential Information which:

7.3.1 is, at the time of communication, in the public domain;

7.3.2 after the communication, becomes part of the public domain by publication or otherwise, except by breach of this Agreement by the Recipient Party;

7.3.3 is obtained from a Third Party not in breach of any obligation of confidentiality;

7.3.4 is known by the Recipient Party prior to the date of the communication; or

7.3.5 was in the Recipient Party's possession before receipt hereunder and/or was independently developed by any student, employee, agent, officer, auditor, advisor, partner, consultant, licensee, sub-licensees or Sub-contractor of the Recipient Party who had no access to the Confidential Information and where the independent development can be proven.

7.4 The Recipient Party shall return to the Disclosing Party all documents or other materials containing any of the Disclosing Party's Confidential Information which are in its possession, power or control or in the possession, power or control of persons who have received such Confidential Information from it pursuant to this Clause, whenever requested to do so by the Disclosing Party, where such Confidential Information is not required by the Recipient Party (or the other Beneficiaries) for the use or exercise of the rights or licences contemplated in this Agreement.

7.5 The provisions of this Clause 7 will survive the expiry or earlier termination (for whatever reason) of this Agreement for a period of ten (10) years from the expiry or termination of the Project, provided that with respect to Confidential Information comprising Background of a Beneficiary, such period shall last until such Confidential Information becomes part of the public domain through no fault, wilful act or negligence of a Recipient Party.

7.6 As to confidentiality in Clauses 7.1 through 7.6 represents the entire and integrated agreement between the Parties with respect to the subject matter of confidentiality regarding this Agreement and supersedes all prior negotiations, representations or agreements, either written or oral, regarding confidentiality.

8. PROGRAMME IP

8.1 The Programme Owner represents and warrants that, subject to Clause 8.2, it owns or otherwise fully controls all rights on the Programme and on any Programme IP needed for the Beneficiaries to perform the Programme Plan (including among others assay development, [*include in the case of target focussed screening*] target validation, screening on the ECC, and evaluation of hits) and to grant all the rights and licenses it is required to grant under this Agreement, including but not limited to the Access Rights to perform the Programme Plan, for Research Use, and Direct Exploitation.

8.2 The Programme Owner has listed in Schedule 3 any Third Party limitations to the granting of Access Rights under this Agreement. The Programme Owner shall be responsible and use reasonable endeavours, to obtain and maintain any research licence or other rights to access or use of any Third Party Intellectual Property Rights as is necessary for the performance of the Programme Plan.

8.3 The Programme Owner shall be solely responsible to ensure that it has all the necessary rights on the Programme and the Programme IP to effectively exercise its rights under this Agreement.

9. OWNERSHIP OF RESULTS

9.1 Unless otherwise provided in Clause 9.2, Results generated under this Agreement shall belong to the Beneficiary which generated it under the Project (or on who's behalf it was generated by a subcontractor or Linked Third Party).

9.2 In the event that for jointly owned Results any of the ownership assignments in Clauses 9.3 to 9.5 would be invalid or cannot be enforced fully or in part due to any applicable mandatory rules, each such co-owning Beneficiary shall immediately following generation of the Results for which the ownership is to be assigned to the Programme Owner pursuant to Clauses 9.3 to 9.5 grant to the Programme Owner a worldwide, exclusive, fully paid-up, royalty-free (except if otherwise provided for in Clauses 9.3 to 9.5), transferable, perpetual, irrevocable licence to use such Results for Research Use and Direct Exploitation, including the right to grant sub-licenses to its Affiliated Entities and to Third Parties without the need to inform said co-owning Beneficiary or the other Beneficiaries. Grant of such licence shall become effective upon the signature of the present Agreement.

9.3 Assay Results. Any Assay Results shall be jointly owned by the respective Beneficiaries generating such Assay Results and the Programme Owner, and each Beneficiary generating such Assay Results shall immediately following generation of such Assay Results automatically and in full transfer that part of its ownership rights, title and interests in such Assay Results to achieve the aforementioned co-ownership.

(only include this paragraph in case the Programme is target focussed) In addition to the rights granted under Clause 9.1, with respect only to Assay Results directly relating to an assay used in the Programme which is not directed to the Target of the Programme, the Programme Owner shall grant the Beneficiaries generating such Assay Results a non-exclusive, world-wide, fully paid-up, royalty-free, perpetual, irrevocable licence, with the right to sublicense, under its interest in such Assay Results to make, have made, and use such Assay Results for Direct Exploitation, including the right to grant non-exclusive sub-licences for Direct Exploitation to its Affiliated Entities and to Third Parties, without the need to inform the Programme Owner.

9.4 Screening Data Results. Unless it concerns screening data regarding QHL Compounds, any Screening Data Results shall be jointly owned by the Beneficiary having generated it and the Programme Owner.

9.5 QHL Results. Any QHL Results regarding a QHL for the Programme shall be jointly owned by the Programme Owner and the Beneficiary(ies) having generated such Results. Immediately following generation of the QHL, each such (co-)owning

Beneficiary automatically and in full transfers to the Programme Owner any of its ownership rights, title and interest in such QHL Results. In consideration of this assignment upon creation, the Compensation Scheme pursuant to Clause 13.5 applies.

9.6 **Ownership of Subcontracted/Linked Third Party Activities**. Where a Beneficiary in accordance with the Grant Agreement and/or the Consortium Agreement, has sub-contracted any part of such Beneficiary's work in the Programme Plan or involved Linked Third Parties, such Beneficiary shall ensure that any Results arising thereunder is owned by such Beneficiary in accordance with Clause 9.1.

9.7 **Transfer of Ownership**. Where a Programme Owner transfers ownership of Results, it must pass on its obligations specified under this Agreement to the transferee and notify Lygature of the transfer.

Confidentiality related to transfers

Disclosure of Confidential Information in relation to an envisaged transfer under this Clause shall be allowed if an appropriate confidentiality agreement is put in place between the Programme Owner and the transferee, unless it concerns a transfer to an Affiliated Entity, where such additional confidentiality agreement shall not be required.

Such disclosures of Confidential Information in the framework of this Clause shall not be considered prohibited Dissemination as provided for under Clause 14.2 of this Agreement. However, where such permitted disclosure concerns Confidential Information related to the Programme and its QHL, the Programme Owner shall always, prior to disclosure, ensure that the rights of the EFPIA Beneficiaries under the EFPIA Option according to Clause 13.10 relating to the Programme and its QHL have been fully satisfied, in which case only the conditions of Clause 14.2 no longer apply. Therefore, for as long as such Option rights under Clause 13.10 apply, such disclosure of Confidential Information shall not be possible in the framework of this Clause 9.7, and hence no transfer can yet effectively occur in relation to such Results impacting the rights of the EFPIA Beneficiaries under the EFPIA Option pursuant to Clause 13.10.

9.8 **Employee Rights**. If employees or any Third Party (or any of its employees) working on behalf of a Beneficiary are entitled to claim rights to Results, the Beneficiary shall as far as legally possible ensure that it is possible to exercise those rights in a manner compatible with its obligations under this Agreement.

9.9 **Inventorship and Patents**. Subject to other conflicting regulations under applicable law, the inventorship of any invention under this Agreement (including those relating to Derivatives) shall be determined by the owning Beneficiary in accordance with the patent laws and practices of the (i) United States of America and (ii), where applicable, according to the requirements of local laws.

9.10 **Compliance with Grant Agreement**. The Programme Owner shall comply, or allow the Beneficiaries to comply, with the Grant Agreement with respect to the Results it owns, in particular:

a. Each Beneficiary must examine the possibility of protecting its Results and must adequately protect them — for an appropriate period and with appropriate territorial coverage — if: (a) the results can reasonably be

expected to be commercially or industrially exploited and (b) protecting them is possible, reasonable and justified (given the circumstances). When deciding on protection, the Beneficiary must consider its own legitimate interests and the legitimate interests (especially commercial) of the other Beneficiaries

b. If a Beneficiary intends not to protect its results, to stop protecting them or not seek an extension of protection, the JU may — under certain conditions — assume ownership to ensure their (continued) protection

c. Applications for protection of Results (including patent applications) filed by or on behalf of a Beneficiary must — unless the JU requests or agrees otherwise or unless it is impossible — include the following: "*The project leading to this application has received funding from the Innovative Medicines Initiative 2 Joint Undertaking (JU) under Grant Agreement No 806948. The JU receives support from the European Union's Horizon 2020 research and innovation programme and EFPIA and Medicines for Malaria Venture*".

d. Each Beneficiary must — up to four years after 30 November 2024 — take measures aiming to ensure 'exploitation' of its Results by: (a) using them in further research activities (outside the Project); (b) developing, creating or marketing a product or process; (c) creating and providing a service, or (d) using them in standardisation activities. In addition, the Beneficiaries must — up to four years after 30 November 2024 — comply with the additional exploitation obligations set out in the Project.

e. If Results are incorporated in a standard, the Beneficiary concerned must — unless the JU requests or agrees otherwise or unless it is impossible — ask the standardisation body to include the following statement in (information related to) the standard: "*Results incorporated in this standard received funding from the Innovative Medicines Initiative 2 Joint Undertaking (JU) under grant agreement No 806948. The JU receives support from the European Union's Horizon 2020 research and innovation programme and EFPIA and Medicines for Malaria Venture*".

f. Unless it goes against their legitimate interests, each Beneficiary must — as soon as possible — 'disseminate' its Results by disclosing them to the public by appropriate means (other than those resulting from protecting or exploiting the Results), including in scientific publications (in any medium). In addition, the Beneficiaries must comply with the additional dissemination obligations set out in the Project. This does not change the obligation to protect results in a., b. and c. above, confidentiality obligations, the security obligations or the obligations to protect personal data, all of which still apply. A Beneficiary that intends to disseminate its results must give advance notice to the other Beneficiaries of — unless agreed otherwise — at least 45 days, together with sufficient information on the Results it will disseminate. Any other Beneficiary may object within — unless agreed otherwise — 30 days of receiving notification, if it can show that its legitimate interests in relation to the Results or background would be significantly harmed. In

such cases, the dissemination may not take place unless appropriate steps are taken to safeguard these legitimate interests. If a Beneficiary intends not to protect its results, it may — under certain conditions — need to formally notify the JU before dissemination takes place.

g. Each Beneficiary must ensure open access (free of charge online access for any user) to all peer-reviewed scientific publications relating to its Results. In particular, it must: (a) as soon as possible and at the latest on publication, deposit a machine-readable electronic copy of the published version or final peer-reviewed manuscript accepted for publication in a repository for scientific publications; Moreover, the Beneficiary must aim to deposit at the same time the research data needed to validate the Results presented in the deposited scientific publications. (b) ensure open access to the deposited publication — via the repository — at the latest: (i) on publication, if an electronic version is available for free via the publisher, or (ii) within six months of publication (twelve months for publications in the social sciences and humanities) in any other case. (c) ensure open access — via the repository — to the bibliographic metadata that identify the deposited publication. The bibliographic metadata must be in a standard format and must include all of the following: (i) the terms "Innovative Medicines Initiative 2 Joint Undertaking", "European Union (EU)", "Horizon 2020" and "EFPIA" and "Medicines for Malaria Venture"; (ii) the name of the Project, acronym and grant number; (iii) the publication date, and length of embargo period if applicable, and (iv) a persistent identifier.

h. Unless the JU requests or agrees otherwise or unless it is impossible, any dissemination of Results (in any form, including electronic) must: (a) display the JU logo, the logo of EFPIA and of Medicines for Malaria Venture and (b) display the EU emblem and (c) include the following text: "*This project has received funding from the Innovative Medicines Initiative 2 Joint Undertaking (JU) under grant agreement No 806948. The JU receives support from the European Union's Horizon 2020 research and innovation programme and EFPIA and Medicines for Malaria Venture*". When displayed together with another logo, the logos and the EU emblem must have appropriate prominence. For the purposes of their obligations under this Clause, the Beneficiaries may use the logos and emblem without first obtaining approval from the JU, the Commission or the JU Members and associated partners. This does not however give them the right to exclusive use. Moreover, they may not appropriate the logos or the EU emblem or any similar trademark or logo, either by registration or by any other means.

i. Any dissemination of Results must indicate that it reflects only the author's view and that the JU is not responsible for any use that may be made of the information it contains.

10. ACCESS RIGHTS – GENERAL PRINCIPLES

10.1 Unless otherwise agreed, all Access Rights granted pursuant to this Agreement shall be granted on a worldwide and non-exclusive basis.

10.2 Results, Background, and Programme IP shall be used only for the purposes for which Access Rights to the same have been granted and only for so long as is Necessary for those purposes.

10.3 Access Rights under Clauses 11 and (to the extent granted on Royalty-Free Conditions) 12 are hereby requested in writing by the Beneficiaries by means of signature of this Agreement. Such Access Rights are hereby granted by the Programme Owner by means of signature of this Agreement.

10.4 All Access Rights (i) to be granted under Fair and Reasonable Conditions and (ii) sought under Clause 13 shall be submitted as a written request to the Programme Owner. Any such Access Rights may only be granted subject to a separate written agreement, aimed at ensuring that Access Rights setting forth material rights and obligations of the Beneficiaries, including, use only for the intended purpose and that appropriate confidentiality obligations are in place.

10.5 Request for Access Rights in accordance with Clause 10.4 can be made until fifteen (15) years after completion of the Project.

10.6 A Beneficiary who enjoys Access Rights pursuant to Clauses 11 and 12 may authorize another legal entity, for instance an Affiliated Entity, to exercise those rights on the Beneficiary's behalf, provided that the following conditions are fulfilled:

a) the Beneficiary that enjoys Access Rights is liable for the acts of the other legal entity as if those acts had been performed by the Beneficiary; and

b) Access Rights granted to the other legal entity do not include the right to sub-license.

11. ACCESS RIGHTS TO BENEFICIARIES FOR IMPLEMENTATION OF THE PROGRAMME

A. Results

11.1 Subject to the provisions of this Agreement (including Clauses 7 and 10), during the Term, the Programme Owner grants Access Rights on the Results it owns pursuant to this Agreement to the Beneficiaries solely and to the extent Necessary to undertake the Programme Plan or for their Sub-contractors to perform the Programme Plan.

11.2 Such Access Rights are granted under Clause 11.1 on Royalty-Free Conditions

11.3 While such Access Rights do not include any right to sub-license, such Access Rights may be sub-contracted to Third Parties and Affiliated Entities only for the purpose of performing the sub-contracted aspects of the Programme Plan in accordance with Clause 10.6.

B. Programme IP

11.4 Subject to the provisions of this Agreement (including Clauses 7 and 10), the Programme Owner grants Access Rights under its Programme IP to the other Beneficiaries solely and to the extent Necessary to undertake the Programme Plan. The Programme Owner has identified any limitation to the granting of Access Rights to Programme IP or of any other restriction that might substantially affect the granting of Access Rights to such Programme IP in Schedule 3.

11.5 Access Rights under Clause 11.4 are granted on Royalty-Free Conditions.

11.6 While Access Rights under Clause 11.4 do not include any right to sub-license, such Access Rights may be sub-contracted to Third Parties and Affiliated Entities for the purpose of performing the sub-contracted aspects of the Programme Plan in accordance with Clause 10.6.

12. ACCESS RIGHTS TO THE BENEFICIARIES AND AFFILIATED ENTITIES AND THE PROGRAMME OWNER FOR RESEARCH USE

A. Results

12.1 Subject to the provisions of this Agreement (including Clauses 7, 10, and 12) and during and after the Project, the Programme Owner grants to Beneficiaries and their Affiliated Entities Access Rights to its Results, solely and to the extent Necessary for the purposes of Research Use.

12.2 Such Access Rights to Results for the purposes of Research Use are granted under Clause 12.1 subject to the following terms:

12.2.1 On Assay Results: on Royalty-Free Conditions.

12.2.2 On Screening Data Results: on Royalty-Free Conditions.

12.2.3 On QHL Results: on Fair and Reasonable Conditions (as referred to hereafter in Clause 12.8).

12.3 Any Research Use of the Results pursuant to this Clause 12 shall acknowledge the (sole or joint) ownership of the Programme Owner and shall identify the Project as the source thereof.

12.4 Subject to the provisions of this Agreement (including Clauses 7, 10, and 12) and during and after the Project, the Programme Owner is hereby granted, by the relevant Beneficiaries with whom it jointly owns any Assay Results and Screening Data Results, Access Rights to such Results on Royalty-Free Conditions, solely and to the extent Necessary for the purposes of Research Use.

B. Programme IP to use Results

12.5 Subject to the provisions of this Agreement (including Clauses 7 and 10) and Schedule 3 and during and after the Project, each Beneficiary and its Affiliated Entities is hereby granted Access Rights to the Programme IP solely and to the extent Necessary for the

purposes of Research Use of Results.

12.6 Such Access Rights to Programme IP for the purposes of Research Use of Results are granted under Clause 12.5:

12.6.1 On Programme IP for Research Use of Assay Results: under Fair and Reasonable Conditions.

12.6.2 On Programme IP for Research Use of QHL Results: under Fair and Reasonable Conditions (as referred to hereafter in Clause 12.8).

12.7 The Beneficiaries hereby waive all Access Rights to the Programme IP (solely and to the extent Necessary for the purposes of Research Use of Results) to the extent such Access Rights are not explicitly provided under Clause 12.6.

C. Fair and Reasonable Conditions for Research Use of QHL Results and Programme IP Necessary for Research Use of QHL Results

12.8 Fair and Reasonable Conditions with respect to Research Use Access Rights referred to in Clauses 12.5 and/or 12.6.2 shall be subject to a separate agreement between the Programme Owner and the requesting Beneficiary (herein after referred to as the "**Research Use Access Agreement**") which shall only be possible after the following sequence of triggering events:

12.8.1 In case the option under Clause 13.10 has been successfully exercised, three (3) years after the QHL has been generated and disclosed to the Programme Owner and, in case the option under Clause 13.10 has not been successfully exercised, at the earliest at unsuccessful completion of the option process under Clause 13.10 and at the latest after three (3) years after the QHL has been generated and disclosed to the Programme Owner (the "**Exclusivity Period**"), the Programme Owner shall provide the following limited information regarding the QHL to Lygature:

a. Programme Name (for Target Focused Programmes: target, gene ID and mechanism of action; for Target Agnostic Programmes: biological specimen, trigger, response of interest, and time and mode of its quantification), and

b. Name of Compound Owners of respective QHL Compounds.

12.8.2 Lygature shall disseminate the information referred to in Clause 12.8.1 to the other Beneficiaries but without mentioning the name of the Programme Owner, unless informed otherwise by the Programme Owner.

12.8.3 Each Beneficiary interested in receiving additional information on said QHL (the "**Requesting Beneficiary**") shall request such information in writing to Lygature who will relay such request to the Programme Owner. The overall request process for additional information on QHL under this clause shall take not more than fifteen (15) days.

12.8.4 Upon receipt of the request under Clause 12.8.3 and within a period of maximum fifteen (15) days the Programme Owner shall enter into a non-use and

confidentiality agreement (the "**CDA**") with the Requesting Beneficiary which will allow the Programme Owner to share such additional information on QHL in order for the Requesting Beneficiary to assess whether he wants to exercise its Research Use Access Rights referred to in Clauses 12.5 and/or 12.6.2. Such additional information shall include the entire QHL, the structures of the QHL Compounds and any other information related to the QHL that the Programme Owner and Requesting Beneficiary will have agreed to be included within the scope of the CDA.

12.8.5 Requesting Beneficiary shall confirm its interest to exercise its Research Use Access Rights as referred to in Clauses 12.5 and/or 12.6.2 within a period of maximum three (3) months after receiving the additional information referred to in Clause 12.8.4 after which the Programme Owner and the Requesting Beneficiary shall enter into good faith negotiations to determine the Fair and Reasonable Conditions on which the Research Use Access Rights are granted and shall establish the Research Use Access Agreement thereto.

Such Fair and Reasonable Conditions to be further defined in the Research Use Access Agreement shall include:

a. At the discretion of the Programme Owner, a delay for the Requesting Beneficiary to exercise its Research Use Access Rights. Such delay shall not exceed three (3) years from confirmation of interest by the Requesting Beneficiary as set out in Clause 12.8.5.

b. A description of the intended Research Use activities (i.e. scope of Research Use) and a justification as to why such QHL Results or Programme IP to use QHL Results is Necessary for such activities.

c. An option right for the Programme Owner on any result arising from the Research Use of such Results (or Programme IP) generated by the Requesting Beneficiary. Such option right shall be valid for a period of three (3) months starting from the notification by the Requesting Beneficiary of such result and process for exercising such option right shall be further defined in the Research Use Access Agreement.

12.8.6 For the avoidance of a doubt, the Requesting Beneficiary will not be able to exercise its Research Use Access Rights as referred to in Clauses 12.5 and/or 12.6.2 before the execution of the Research Use Access Agreement.

13. ACCESS RIGHTS FOR DIRECT EXPLOITATION AND COMPENSATION FOR OWNERSHIP TRANSFER

13.1 Beneficiaries specifically agree that the Programme Owner(s) shall be the sole party(ies), whether alone or in collaboration with Affiliated Entities or Third Parties, permitted to exclusively perform any Direct Exploitation of the Programme and the QHL it owns together with the associated QHL Results.

Whether or not a Programme Owner conducts further research, development, or

commercialisation of the Programme or one or more QHL Compounds, or actually uses QHL Results or not, shall be entirely at the Programme Owner's discretion.

Where a Programme Owner conducts activities, including further research, development or commercialisation activities, directed towards Direct Exploitation of its own Results (including its own Programmes and associated QHL), it shall be entitled to subcontract or collaborate with an Affiliated Entity or Third Party for any such activities.

Disclosure of Confidential Information to a Third Party subcontractor or collaborator, in preparing or negotiating for such activities towards Direct Exploitation, shall be allowed if an appropriate confidentiality agreement is put in place between the Programme Owner and the Third Party to whom the activity is subcontracted or collaborated with.

A Programme Owner is entitled to disclose Confidential Information to a non-commercial Third Party funder ("**Funding Body**") in order to secure funds for further research development. The Beneficiaries acknowledge that there is a general understanding that any such Funding Body will keep information submitted to it confidential, and the Programme Owner shall mark any of the disclosure of Confidential Information as "confidential", but the Beneficiaries accepts that the Programme Owner may be unable to impose any specific obligations upon such bodies, although the Programme Owner will use reasonable efforts to ensure that such Funding Body is bound by minimal confidentiality obligations safeguarding the interests of the other Beneficiaries.

Such permitted disclosures of Confidential Information in the framework of this Clause 13.1 shall not be considered prohibited Dissemination.

However, where such permitted disclosure concerns Confidential Information related to the Programme and its QHL, the Programme Owner shall always, prior to disclosure, ensure it can comply with the EFPIA Option Rights according to Clause 13.10. Therefore, for as long as EFPIA Option rights under Clause 13.10 apply, such disclosure of Confidential Information shall only be possible in the framework of this Clause 13.1, if there is no impact whatsoever on the Option rights granted to the EFPIA Beneficiaries and the envisaged subcontracting or collaboration does not constitute a grant of commercial license, in which Clause 9.7 would apply.

Unless the disclosure of Confidential Information is to an Affiliated Entity, for any such activities of the Programme Owner directed towards Direct Exploitation of its own Results (including its own Programmes and associated QHL), including further research, development or commercialisation activities, to be performed with a Third Party subcontractor or collaborator, an appropriate written agreement shall be put in place first with such Third Party subcontractor or collaborator, (i) enabling the Results owner or Programme Owner to continue to meet all of its obligations under this Agreement (including those related to milestones and rights under the EFPIA Option), and (ii) whereby such Third Party subcontractor or collaborator shall be bound to confidentiality at least as stringent as the confidentiality terms provided for in this Agreement.

For clarity, where a Programme Owner, for whatever reason, intends to transfer its Results (including its Programme or QHL) to an Affiliated Entity or a Third Party, such transfer shall be governed by Clause 9.7 and not this Clause 13.1.

13.2 Subject to Clause 13.3, where Direct Exploitation by the Programme Owner requires a license, including, Access Rights to Results (other than those solely owned by the Programme Owner) and Background necessary to use Results, that are owned or Controlled by a Beneficiary, such license, including the Access Rights, shall be negotiated between the Beneficiary(-ies) and the Programme Owner as they see fit.

B. Access Rights in relation to Direct Exploitation of Chemistry Background and Compound Background necessary to use Results

13.3 **Chemistry Background and Compound Background**. Subject to Clauses 6.6 and 6.7, each respective Compound Owner hereby grants to the Programme Owner, its Affiliated Entities, Sub-Contractors and licensees, worldwide Access Rights for Direct Exploitation of Products and Diagnostics to (i) such Compound Owner's Chemistry Background, except for any Patent Rights, necessary to use Results and (ii) such Compound Owner's Compound Background, except for any Patent Rights, necessary to use Results, with respect only to the QHL Compounds contained in a QHL from the Programme of the Programme Owner.

13.4 Subject to the terms of this Agreement, and in return for (a) the Access Rights granted in Clauses 13.3 (Chemistry Background and Compound Background) and (b) the transfer of ownership according to Clause 9, the Beneficiaries that own or Control the Background or Results that are subject to above mentioned transfer of certain rights or ownership, as the case may be, shall be entitled, insofar as conditions below are met to:

13.4.1 where it concerns a Product: (i) the option rights granted to it by the Programme Owner under Clause 13.10, and (ii) to the Compensation Scheme for Products granted to it by the Programme Owner under Clause 13.6; and,

13.4.2 where it concerns a Diagnostic: (i) the option rights granted to it by the Programme Owner under Clause 13.10, and (ii) to the Compensation Scheme for Diagnostics granted to it by the Programme Owner under Clause 13.6.

Such option rights and the Compensation Scheme shall be all inclusive (apart from VAT), and be the sole consideration owed by the Programme Owner, as a compensation for all the obligations of and rights granted or transfer of ownership, as the case may be, in relation to Direct Exploitation.

For the avoidance of doubt, the use of a QHL Compound or Derivative as a biomarker in a clinical trial is considered Research Use, and not Direct Exploitation, and hence this Clause 13 does not apply to such use of QHL Compounds or Derivatives.

C. Compensation Scheme

13.5 Concept of Milestone Payments

Each Programme Owner shall have sole discretion to decide on the possible further research, development, or commercialisation of a QHL Compound, a Derivative

thereof, or a Product or Diagnostic containing such.

Unless agreed otherwise, the relevant EFPIA and Milestone Eligible Beneficiary(ies) shall be entitled to the Milestone Payments set forth in Clause 13.6 upon the achievement of any of the below defined milestones when triggering events are reached subsequently to development of QHL Compounds or Derivatives from QHL Compounds into a Product or Diagnostic ("**Milestone Events**").

The payments defined in Clause 13.6 in relation to such Milestone Events shall be referred as "**Milestone Payments**".

For the avoidance of doubt, the automatic transfer of any Results in accordance with Clause 9 does not affect the eligibility of Compound Owners for any payments from the Compensation Scheme.

13.6 Milestone Events and Payments [*amend if a Programme qualifies as a neglected disease programme with the same exceptions as provided for in the Consortium Agreement*]

The Programme Owner shall make one-time single Milestone Payments indicated in Clauses 13.6.1 to 13.6.4 to Lygature, for distribution to the relevant Milestone Eligible Beneficiaries in accordance with the terms of the Consortium Agreement, upon the first achievement of each Milestone Event as set forth herein. For avoidance of doubt, if a QHL Compound or Derivative on the Programme is dropped from development and replaced by the Programme Owner with another QHL Compound or Derivative for the same Programme ("**Back-up Compound**"), the Programme Owner shall not repeat any of the Milestone Payments pursuant to Clause 13.6.2(a) already made for the Programme which would become due for such Back-up Compound.

13.6.1 Patent Milestone Event and Milestone Payments

a. Patent Milestone Event: a patent milestone event shall occur upon the publication of every first filing of a QHL Patent Application including QHL Compound(s) or Derivative(s) or a combination thereof ("**Patent Milestone Event**").

The total of Milestone Payments resulting from Patent Milestone Events shall not exceed six (6) in the aggregate.

For the avoidance of doubt, (i) one QHL Patent Application can only trigger one Milestone Payment, irrespective of the number of QHL Compounds or Derivatives claimed or described in such QHL Patent Application; and (ii) a Patent Milestone Event is not achieved by the publication of an additional QHL Patent Application covering the same QHL Compound or Derivative thereof for which the Patent Milestone Event was previously achieved, for example combination Product(s) or Diagnostic containing such a QHL Compound or Derivative.

b. Milestone Payment

Upon the achievement of the publication of a QHL Patent Application filing that satisfies Clause 13.6.1(a) (Patent Milestone Event) the Programme Owner shall have the following options (except in case the

Programme was successfully licensed, transferred, or otherwise assigned to an EFPIA Beneficiary pursuant to Clause 13.10, in which cases always option (i) shall apply):

(i) make a single, one-time payment of fifty-five thousand Euros (€ 55,000) to be paid within the time frame set forth in Clause 13.8; or,

(ii) for those Programmes for which option (i) above does not automatically apply, at the earliest seventeen (17) months following the filing of the relevant QHL Priority Patent Application and at the latest eighteen (18) months following the filing of the relevant QHL Priority Patent Application, notify Lygature that it will not make a single one-time payment as set forth in (i) above, but instead a payment of ten percent (10 %) of the Compensation that such Programme Owner receives or, in case the Programme Owner commercializes a Product or Diagnostic itself or through its affiliates, a royalty of one per cent (1%) of Net Sales of such a Product or Diagnostic (the "**Compensation Payment**"). In case no such notification is made at the latest eighteen (18) months of the relevant QHL Priority Patent Application, option (i) shall apply by default. The Compensation Payment is without prejudice to any further Milestone Payment which are or may become due pursuant to Clauses 13.6.2 and 13.6.4, however, any payment of such further Milestone(s) shall be deducted when calculating the Compensation.

For the avoidance of doubt, the Compensation Payment will only apply after a written notification within the aforementioned timeframe by the Programme Owner to Lygature that it wishes to select option (ii), and will not be a fall-back or default position in the event that a Programme Owner fails to give proper notice to the Lygature of the achievement of a Patent Milestone Event according to Clause 13.7.

If the Programme Owner has notified Lygature pursuant to this Clause 13.6.1(b)(ii) that it wishes to apply option (ii) it will maintain and prosecute in good faith the respective QHL Patent Application. In case the Programme Owner (a) intends to abandon such QHL Patent Application or (b) within five (5) years after the filing of the QHL Patent Application has not entered into an agreement with respect to the Programme providing for a Compensation to the Programme Owner, it shall either (i) make a Patent Milestone Payment(s) of seventy-five thousand Euro (€ 75,000) or (ii) offer the QHL Patent Application to the respective Compound Owners for assignment by providing a written notice to the applicable Compound Owner(s) who would normally be entitled to have received this Patent Milestone Payment. If these Compound Owner(s) agree with such transfer, the Programme Owner shall assign the respective QHL Patent Application and any associated rights to the respective Compounds, to the Compound

Owners free of charge. Further details regarding the assignment shall be agreed upon between the respective parties upon acceptance of the offer by the Compound Owners. For the avoidance of doubt, any access rights or other rights any of the other Beneficiaries may enjoy under this Agreement, on such QHL Patent Application, prior to the assignment, shall continue to exist after such assignment. If the Compound Owners are not interested in taking Control of the QHL Patent Application the Programme Owner may abandon the QHL Patent Application. The acceptance/rejection decision should be taken within six (6) weeks after notification by the Programme Owner. Should the Programme Owner not receive any answer to his notice within six (6) weeks it is (x) free to abandon the QHL Patent Application, and (y) released from payment to these Compound Owners of this Milestone Payment for this Patent Milestone Event. When the Programme Owner does receive a positive answer to his notice, and the QHL Patent Application is effectively transferred to the Compound Owner(s), it is also released from maintaining the QHL Patent Application, and the Milestone is also no longer due in relation to the assigned QHL Patent Application. An effective assignment of the QHL Patent Application shall considered to have been occurred if all the appropriate assignment documents have been fully signed.

In case option (ii) above was selected and the Programme is licensed or transferred to an Affiliated Entity of the Programme Owner, including a university spin-out, for the purpose of this Clause 13.6.1(b)(ii) any and all terms as contained in this Clause 13.6.1(b)(ii) shall apply to such transferee as if it was the Programme Owner, and the Programme Owner shall procure that such transferee shall comply with such terms. For the avoidance of doubt, a subsequent license or transfer of the Programme to a Third Party shall trigger the application of Clause 13.6.4.

c. The Programme Owner shall notify Lygature at the latest thirty (30) days after the achievement of the relevant Patent Milestone Event of such achievement.

Should the Programme Owner fail to give such notice, it shall immediately upon detection that it reached such Patent Milestone Event inform Lygature and, where eligibility conditions are met, pay any outstanding Patent Milestone Payment, and in addition pay a remedy fee as follows:

(i) if the Programme Owner is within a delay of six months but less than thirty (30) months from the Patent Milestone Event, a fee of ten thousand Euros (€ 10,000); or

(ii) if the Programme Owner is within a delay of more than thirty (30) months from the Patent Milestone Event, a fee of twenty five thousand Euros (€ 25,000).

A Compound Owner that is of the opinion that a Programme Owner should have given notice pursuant to Clause 13.8 to Lygature of a Patent Milestone Event for one of its Compounds, should send a defaulting notice to Lygature after publication of the respective QHL Patent Application and the above conditions (1) and (2) shall apply if eligibility conditions are met.

After such defaulting notice, the respective Compound Owner and the Programme Owner shall reasonably discuss the eligibility of (i) such Patent Milestone and (ii) applicable remedy fee, if any. Any disputes in this regard shall be resolved according to Clause 16.

13.6.2 Clinical Milestone Events and Milestone Payments

The Milestone Payments below shall be payable only once per Programme regardless of the number of indications and combination products, unless explicitly defined in Clause 13.6.2(b) below.

a. For a Product containing a QHL Compound or Derivative:

Milestone Event	Milestone Payment in Euros
The first IND Approval	Two hundred fifty thousand (€ 250,000)
Dosing of 5th Patient in the first Phase II trial for a first indication	Seven hundred fifty thousand (€ 750,000)
Dosing of 5th Patient in the first Phase III trial for a first indication	Two million five hundred thousand (€ 2,500,000)

Clinical trials which qualify for the Milestone Events above have to be performed according to the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) Guidelines.

b. Potential for More than One Clinical Milestone Event and Payment

The achievement of a clinical Milestone Event in Clause 13.6.2(a) shall trigger more than one Milestone Payment in the event that for the Programme the following conditions are met:

(i) the Programme Owner, or any party acting on its behalf, is pursuing an active development program on a QHL Compound, or a Derivative, or a Product containing such Compound, which already triggered one or more Milestone Events under Clause 13.6.2(a), and

(ii) the Programme Owner, or any party acting on its behalf, is pursing at the same time as the Programme, an active development of another QHL Compound or Derivative that (a) is

different than the Compound identified in Clause 13.6.2(b)(i), (b) is not a Back-up Compound and (c) is contained in a separate Cluster from the QHL Compound or a Derivative identified in Clause 13.6.2(b)(i).

13.6.3 Diagnostic Milestone Events and Milestone Payments

For a Diagnostic containing a QHL Compound or Derivative:

Milestone Event	Milestone Payment in Euros
The first market launch in the United States of America, a member state of the European Union, the United Kingdom, China, Brazil, India or Japan.	Two hundred fifty thousand (250,000)

13.6.4 Change of Ownership or Control Milestone

The Programme Owner shall inform Lygature within thirty (30) days after the Programme has been licensed or transferred to a Third Party.

Lygature shall issue a pro forma invoice to the Programme Owner. The Programme Owner shall have forty-five (45) days from receipt of such invoice to make a single one-time Milestone Payment of:

a. Two hundred and fifty thousand Euros (€ 250,000) in case the license or transfer of the Programme takes place before IND Approval; or,

b. One million Euros (€ 1,000,000) in case the license or transfer of the Programme takes place after IND Approval;

only in case where such license or transfer was made to a party other than a Beneficiary or an Affiliated Entity thereof.

For the avoidance of doubt, following the licensing or transfer of the Programme, the Programme Owner shall remain responsible for payment of all future Milestone Payments with respect to such Programme.

D. Payment & Recipient of Compensations

13.7 Notification & Invoicing Procedure

The Programme Owner shall notify Lygature promptly of the achievement of each Milestone, at latest thirty (30) days after the achievement of said Milestone Events.

All Milestone Payments (including payments pursuant to Clause 13.6.1(c)) shall be paid to Lygature.

Lygature shall promptly issue a pro-forma invoice for the respective Milestone Payment (or payment pursuant to Clause 13.6.1(c)) to be sent by registered mail and addressed to the registered office of the Programme Owner, with copies to the Legal and IP

departments, and requesting payment to Lygature.

13.8 Payment

Each of the Milestone Payments is payable by the Programme Owner within forty-five (45) days of receipt by the Programme Owner of a pro-forma invoice from Lygature on behalf of the relevant Milestone Eligible Beneficiaries and EFPIA Beneficiaries, and such payments when owed or paid are non-refundable and non-creditable and not subject to set-off.

13.9 No additional compensations due

In addition to what is provided for in Clause 13.6, the Milestone Payments made by a Programme Owner under this Compensation Scheme shall fully satisfy any compensation owed to an individual inventor under any applicable law. Any specific payment owed to an inventor by the relevant Milestone Eligible Beneficiary or EFPIA Beneficiary (i.e. the employer of such inventor) has to be settled between the relevant Milestone Eligible Beneficiary or EFPIA Beneficiary and such inventor. For the avoidance of doubt, the Programme Owner has no obligation under this Agreement to compensate any individual inventor employed by such Milestone Eligible Beneficiary or EFPIA Beneficiary.

E. Access Rights in relation to Direct Exploitation of Programme Background or Programme Results

13.10 The Programme Owner grants to each of the EFPIA Beneficiaries the right to first submit a bid to exercise an Option for Direct Exploitation of the Programme according to the terms provided here below (the "**EFPIA Option**" and the process the "**EFPIA Option Process**").

13.10.1 At any time after the disclosure to the Programme Owner of the QHL for the Programme, but at the latest (i) if a QHL Priority Patent Application has been filed, three (3) months following the filing of a QHL Priority Patent Application relating to such Programme; and (ii) if no QHL Priority Patent Application has been filed, three (3) years after disclosure of the QHL for the Programme to the Programme Owner, the Programme Owner must provide notice to the EFPIA Beneficiaries for optioning its Programme, which notice will include the complete QHL (without structures) and the "rationale" section as well as the "why should ESCulab screen this" section of the Programme application which was submitted to the Review Committee (the "**Option Notice**"). Within forty-five (45) calendar days following the receipt of the Option Notice, any EFPIA Beneficiary interested in entering EFPIA Option discussions shall provide notice of its desire to so enter into such discussions to the Programme Owner (the "**Diligence Notice**"). The Programme Owner shall provide each interested EFPIA Beneficiary with a Programme Dossier within forty-five (45) days of receipt of the last Diligence Notice by the Programme Owner. Upon receipt of the Programme Dossier, any EFPIA Beneficiary which is of the opinion that the Programme Dossier is not including all information required under the definition of "Programme Dossier" may request that the Programme Dossier be supplemented with such required information. The Programme Owner shall promptly respond to such request. An EFPIA Beneficiary may indicate its

election to exercise an Option with respect to such Programme by providing a non-binding term sheet to the Programme Owner within sixty (60) calendar days of EFPIA Beneficiary's receipt of the Programme Dossier (the "**Option Period**"). The Programme Owner shall negotiate diligently and in good faith for at least nine (9) months with any EFPIA Beneficiary that has provided a non-binding term sheet on the below mentioned rights.

The rights to be offered under the Option Notice by the Programme Owner shall minimally include the following:

i. a non-exclusive, worldwide license on the Programme for use for any purpose; and

ii. an exclusive, worldwide license on all the rights it has on the associated QHL (including the right to prepare further Derivatives and to screen and evaluate other compounds on the Programme) for use for any purpose and the passing on of the right of non-assert under Clause 6.6 it enjoys from the respective Compound owners of the Compounds into the QHL; and

iii. an exclusive, worldwide license on the associated Results to the Programme for use for any purpose; and

iv. a non-exclusive worldwide license on any other Programme IP (owned or controlled by the Programme Owner or its Affiliated Entities) Necessary to perform Direct Exploitation of (i), (ii) and (iii); and

In addition, to the extent not limited by contractual obligations towards Third Parties, it shall include the right to use and receive samples of all required biological and chemical materials (such as assay and target materials, proteins, compound samples, as appropriate), to allow the licensee to carry out further research, development and commercialisation of Products or Diagnostics in relation to the Programme.

13.10.2 Should the EFPIA Beneficiaries not have provided at least one (1) non-binding term sheet to the Programme Owner prior to the end of the Option Period, the Programme Owner may offer the Programme to any Third Party.

13.10.3 During the nine (9) months period provided in Clause 13.10.1, the Programme Owner shall not negotiate with any Third Party on the grant of rights similar to the ones as provided for in Clause 13.10.1.

13.10.4 Protection of commercial value during the Option Period: In consideration of the efforts the ECC will invest in the Programme, and the rights granted to the Programme Owner, the Programme Owner will not enter into any agreement with any Third Party granting Direct Exploitation Access Rights on the Programme. In addition, the Programme Owner shall not identify, develop or commercialize other compounds active against the same Programme on which EFPIA Option rights are granted to the EFPIA Beneficiaries.

For the avoidance of doubt, the last sentence in the preceding paragraph shall not apply: (i) to research agreements and subcontracting agreements with Third

Parties or to grant agreements with Third Party funding agencies, (ii) where the Programme Owner retains Control of the results of such activities, and (iii) would not grant back any license on the results to a Third Party other than a non-exclusive research use only license.

The obligation for the Programme Owner as defined in the above paragraphs of this Clause 13.10.4 will expire upon completion of the EFPIA Option process for the Programme.

For the avoidance of doubt, where the Programme Owner is a not-for-profit entity such as an academic institute or university, then the obligation in the last sentence of the first paragraph of this Clause 13.10.4, shall be limited to the specific research department (including its members of staff) which contributed the specific Programme. In case such specific research department of such not-for-profit entities consists of more than two hundred fifty (250) members (including direct employees and Ph.D. students as long as they perform research directly on the premises of such specific research department) at the time it intends to enter into an agreement with a Third Party, the obligation in the last sentence of the first paragraph of this Clause 13.10.4 shall only apply on an organisational level that corresponds to the research group of the principal investigator directly leading the research group which submitting the Programme, and includes all such principal investigator's research group team members, students, Ph.D.'s, post-docs and other researchers directly collaborating in such principal investigator's research group. The obligation shall therefore not apply to the other research groups belonging to a higher level in the research department to which the research group belongs.

In no event shall the above paragraph restrict any non-for-profit entity to carry out non-commercial research activities and/or academic teaching.

14. DISSEMINATION

14.1 Dissemination of Results. Subject to the remainder of this Clause 14, the Programme Owner shall Disseminate the Results it owns per the terms of this Agreement as soon as possible, unless such Dissemination goes against its legitimate interests (for instance, because the Results have not yet been protected, the Results concern trade secrets, or disclosing the Results would infringe on applicable personal data protection, security related, or other applicable obligations). For the avoidance of doubt, this Clause 14 shall not be interpreted as an obligation to Disseminate any and all information, including each single data point. It is up to the Programme Owner to use best judgement of what is relevant for dissemination and what is the most appropriate manner to do this. Subject to Clause 14.2, the rules for Dissemination of Results shall be as follows:

14.1.1 In case the Programme Owner is wishing to Disseminate its Results it shall submit a proposed Dissemination in writing to Lygature at least fifty (50) days before the envisaged Dissemination. Lygature shall forward such proposed Dissemination to the Publication Approval Committee within five (5) days.

14.1.2 The Publication Approval Committee shall have fifteen (15) days from the

notification by Lygature to evaluate any proposed Dissemination submitted to it for review. If the Publication Approval Committee unanimously decides that such proposal for Dissemination will severely hamper value generation for the Project as a whole, or at this point in time, it shall demand from the Programme Owner to delay the proposed Dissemination or to arrange with the authors for a modification of the proposed Dissemination, and resubmit such revised proposed Dissemination to the Publication Approval Committee pursuant to Clause 14.1.1.

14.1.3 In the absence of a unanimous decision by the Publication Approval Committee to delay the Dissemination pursuant to Clause 14.1.2, the proposed Dissemination shall be promptly circulated to all Beneficiaries.

14.1.4 Any Beneficiary may, by giving written notice within thirty (30) days after circulation, object to such proposal. An objection to prevent dissemination may only be based on the following limitative grounds:

a. protection of the objecting Beneficiary's Results would be adversely affected by the proposed Dissemination;
b. proposed Dissemination contains Confidential Information from the objecting Beneficiary; or
c. other legitimate interests of the objecting Beneficiary in relation to the Results or Background it Controls would be harmed; or
d. objecting Beneficiary expresses interest in the subject matter included in the proposed Proposal for licensing.

The proposed Dissemination may be delayed (i) in case of a. for a period of ninety (90) days to enable the objecting Beneficiary to evaluate the patentability and to file a patent application for the respective Results, (ii) in case of b. until the Confidential Information is removed from the proposed Dissemination; (iii) in case of c. until the legitimate interests have been solved; and (iii) in case of d. until the objecting Beneficiary has entered into a licence or collaboration agreement subject to the conditions as outlined in this Agreement, including Clause 13.10 but in no case later than six (6) months after the proposed Dissemination was first circulated to the Beneficiaries.

14.1.5 If no objection is received in writing within the period mentioned in Clause 14.1.4, the Beneficiary seeking Dissemination will be free to publish the Dissemination substantially as submitted to the other Beneficiaries.

14.2 Dissemination of QHL.

14.2.1 This Clause 14.2 concerns Dissemination of the QHL to Third Parties. For the avoidance of doubt, with respect to disclosure of QHL to Beneficiaries, see Clauses 12.8.1 to 12.8.6 above.

14.2.2 There shall be no Dissemination to Third Parties of QHL Results or QHL Background during the Exclusivity Period (as defined in Clause 12.8.1). Thereafter Dissemination of QHL Results may occur and should occur either (i) if the EFPIA Option results in an agreement on Direct Exploitation, at the discretion of the EFPIA Beneficiary in accordance with the Grant Agreement;

or (ii) if the EFPIA Option does not result in an agreement on Direct Exploitation, at the discretion of the Programme Owner, as soon as possible after such becomes apparent.

14.2.3 Dissemination of QHL Results shall occur by completing the Dissemination procedure as outlined in Clause 14.1.

14.2.4 For the avoidance of doubt, there is no obligation to Disseminate the QHL Background or any Programme IP.

14.3 The Programme Owner may not Disseminate Results Controlled by another Beneficiary or any Background of such other Beneficiary, even if such Results or Background is amalgamated with the Programme Owner's Results, without the Beneficiary's prior written approval.

14.4 Nothing in this Agreement shall be construed as conferring rights to use in advertising, publicity or otherwise the name of the Beneficiaries or any of their logos or trademarks without their prior written approval.

14.5 Where Dissemination concerns a peer-reviewed scientific publication, the Programme Owner shall comply with Clause 9.10 g.

14.6 Unless the IMI2 JU requests or agrees otherwise or unless it is impossible, any type of Dissemination of Results by the Programme Owner shall include the logos, emblems, and text provided for in Clause 9.10 h.

14.7 Details of any Dissemination and an electronic copy of the published version must be provided to Lygature within forty-five (45) days following publication and Lygature shall provide this electronic copy of the published version to the IMI2 JU without undue delay.

15. TERM & TERMINATION

15.1 This Agreement shall be effective on the Effective Date and remain in effect until the Programme Plan has been completed (the "**Term**"), unless terminated earlier in accordance with the terms hereof.

15.2 This Agreement shall terminate automatically in case the Project is terminated, as of the same day.

15.3 Each Party may terminate this Agreement with immediate effect upon material breach by the other Party which is not able for cure or which remains uncured for sixty (60) days after the date of written notice of such material breach to such other Party.

15.4 Termination or expiration of this Agreement for any reason shall not relieve a Party from obligations and duties which (i) by their nature extend beyond the expiration or termination of this Agreement and (ii) that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, the following provisions shall expressly survive any such expiration or termination: Clauses 1, 2, 6, 7, 9.7, 9.10, 10 to 16, 18.

16. GOVERNING LAW AND DISPUTE RESOLUTION

16.1 This Agreement shall be governed by and interpreted in accordance with the law of Belgium, excluding its conflict of law provisions.

16.2 All disputes or differences arising in connection with this Agreement which cannot be settled amicably initially between the Parties shall be finally settled by arbitration in Brussels by thee (3) arbiters under the rules of WIPO. The arbitration shall be in English. The award of such alternative dispute resolution will be final and binding upon the Parties concerned.

16.3 The Parties concerned may, rather than resolve their dispute under Clause 16.2, instead elect to resolve their dispute by mediation. Such election shall be by unanimous written consent of the Parties involved in the dispute.

16.4 During the course of any dispute resolution process under this Clause 16, the Parties shall continue to perform all contractual duties of this Agreement except those submitted to dispute resolution.

16.5 Nothing in this Agreement shall limit the Parties' right to seek injunctive relief in any applicable competent court.

17. ANTI-BRIBERY AND ANTI-CORRUPTION

17.1 Each Party shall sufficiently inform its personnel about its anti-bribery and anti-corruption obligations and provide its personnel the appropriate support to enable such Party to comply with its obligations under this Clause 17.

17.2 Each Party shall comply fully at all times with all applicable anti-bribery and anti-corruption laws, including but not limited to, all applicable anti-bribery and anti-corruption laws of the territory in which that Party conducts business with the other Party.

17.3 Any breach of this Clause 17 shall be a material breach which is not able of cure.

18. MISCELLANEOUS

18.1 Beneficiaries. Each Beneficiary shall be considered as a Party to this Agreement and has the right to enforce the terms and conditions hereof directly against the Programme Owner.

18.2 Authority. Each Party represents and warrants to the other as of the Effective Date that it has the legal right and power to enter into this Agreement, to extend the rights and licenses granted or to be granted to the other in this Agreement, and to fully perform its obligations hereunder.

18.3 Entire Agreement. This Agreement constitutes the entire agreement between the Parties

in respect of the Programme, and supersede all previous negotiations, commitments and writings.

18.4 Amendments. Amendments or changes to this Agreement may be made only by written instrument signed by an authorised signatory of each of the Parties.

18.5 Notices. Any notice to be given under this Agreement shall be in writing and delivered to the other Party at its address stated above. Any such notice shall be deemed to have been served when personally delivered or delivered by internationally recognized courier service or, if transmitted by fax, electronic or digital transmission, at the time of such transmission, provided that such transmission is confirmed by receipt of a successful transmission report and thereafter confirmed by surface/air mail or delivered by internationally recognized courier service within three (3) working days.

18.6 Assignment. No Party may assign any interest in this Agreement to any Third Party without the prior written consent of the other Party.

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The Parties have executed this Agreement in two (2) originals by their duly authorized representatives.

STICHTING LYGATURE

(in its own name and in the name of each Beneficiary)

By: _____

Name:_____

Title:_____

Date: _____

[PROGRAMME OWNER]

By: _____

Name:_____

Title:_____

Date: _____

Schedule 1

Beneficiaries

The below lists the Beneficiaries as of the date of signature of this Agreement. If new participants accede to the Grant Agreement and the Consortium Agreement after the date of signature of this Agreement, they shall automatically become part of this Agreement as a Party.

(1) **Stichting Lygature (Lygature**), whose administrative offices are at, Jaarbeursplein 6, 3521 AL, Utrecht, The Netherlands;

(2) **Pivot Park Screening Centre BV (PPSC)**, whose administrative offices are at Kloosterstraat 9, 5349 AB Oss, the Netherlands;

(3) **BioAscent Discovery Ltd. (BioAscent)**, whose administrative offices are at Bo'ness Road, Newhouse, ML15UH, UK;

(4) **Taros Chemicals GmbH & Co KG (Taros)**, whose administrative offices are at Emil-Figge-Str. 76a, 44227 Dortmund, Germany;

(5) **The Chancellor, Masters and Scholars of the University of Oxford (UOXF)**, whose administrative offices are at University Offices, Wellington Square , Oxford, OX12JD, United Kingdom;

(6) **Edelris S.A.S. (Edelris)**, whose administrative offices are at Avenue Lacassagne 115, 69003 Lyon, France;

(7) **Sygnature Discovery Limited (Sygnature)**, whose administrative offices are at Pennyfoot Street, NG1 1GR Nottingham, United Kingdom;

(8) **Syncom BV (SCM)**, whose administrative offices are at Kadijk 3, 9747 AT Groningen, The Netherlands;

(9) **Mercatorial BV (MTR),** whose administrative offices are at Kerkenbos 1013, 6546 BB Nijmegen, The Netherlands;

(10) **Mercaleads BV (MLD),** whose administrative offices are at Kerkenbos 1013, 6546 BB Nijmegen, The Netherlands;

(11) **University of Dundee (UNIVDUN)**, whose administrative offices are at Nethergate, Dundee DD1 4HN, United Kingdom;

(12) **Bayer AG (Bayer)**, whose administrative offices are at Kaiser-Wilhelm-Allee 1, 51373 Leverkusen, Germany;

(13) **AstraZeneca AB (AstraZeneca)**, a company incorporated in Sweden under no. 556011-7482 with its registered office at SE-151 85 Södertälje, Sweden and with offices at SE-431 83 Mölndal, Sweden;

(14) **Grünenthal GmbH** (**GRT**), a company organized and existing pursuant to the laws of the Federal Republic of Germany and having its registered office in at Zieglerstrasse 6, 52078 Aachen, mailing address: 52099 Aachen, Germany;

(15) **Janssen Pharmaceutica NV (Janssen)**, whose administrative offices are at Turnhoutseweg 30, 2340 Beerse, Belgium;

(16) **Merck KGaA (Merck)**, whose administrative offices are at Frankfurter Strasse 250, 64293 Darmstadt, Germany;

(17) **Sanofi-Aventis Deutschland GmbH (SAD)**, whose administrative offices are at Industriepark Hoechst, 65926 Frankfurt am Main;

(18) **Institut de Recherches Servier (Servier),** whose administrative offices are at 3 rue de la République, 92150 Suresnes, France;

(19) **UCB Biopharma SPRL (UCB)**, whose administrative offices are at 60 Allée de la Recherche, 1070 Brussels, Belgium; and

(20) **MMV Medicines for Malaria Venture (MMV)**, whose administrative offices are at Route de Pre Bois 20, Geneve, CH1215, Switzerland.

Schedule 2

Programme

Schedule 3

Programme IP

Programme IP	**Type of Programme IP**	**Owner of Programme IP (+ details on license if Contributing Third Party is not the owner)**	**Is there any legal or pre-existing contractual third party restriction to the use of the Programme IP, for performance of the Programme Plan, for Research Use or for Direct Exploitation**
[describe the needed Programme IP]	[add type]	[add type]	[describe third party limitations on use or other restrictions imposed by appl. law]