



2024 PARTICIPATION AGREEMENT

INTRODUCTION

The Next 36 program (the “N36 Program”) is offered by NEXT Canada (“NEXT Canada”), a charitable organization. The N36 Program is designed to provide candidates with the academic foundation, practical skills, role models and networks to become part of Canada’s next generation of entrepreneurial leaders.

Candidates who enrol in and successfully complete the N36 Program will receive a certificate of completion issued from NEXT Canada.

PARTICIPATION AGREEMENT

This Participation Agreement outlines the objectives of the N36 Program and describes, among other things, your obligations as a candidate enrolled in the N36 Program.

By accepting enrolment in the N36 Program, you agree to participate in the N36 Program in accordance with the terms and conditions set out in this Participation Agreement and also in the Entrepreneurship and Venture Handbooks that will be provided to you upon commencement of the program

For more information about NEXT Canada, the N36 Program or this Participation Agreement, please contact:

Alexandra McGregor, Chief Program Officer
alexandra@nextcanada.com

INSTITUTE OUTLINE

2024 Program Components

The N36 Program consists of the following components:

- **Entrepreneurship Institute Phase I**

As a N36 Founder, you will identify and recruit cross-disciplinary co-founders for your company (in this Participation Agreement, each company is referred to as a “**Venture**”) and, prior to May 2024, for Phase II of the Entrepreneurship Institute, you will work with those co-founders throughout the N36 Program to launch your new business in a high growth category. Your co-founders and your Venture will receive resources, mentorship and other resources (based on performance) to help you build a business that is capable of attracting outside investment while at the same time completing the N36 Program.

- **Entrepreneurship Institute Phase II – In Toronto**
(May 2024 – August 2024)

Phase II of the Entrepreneurship Institute consists of approximately 100 hours of instruction from internationally acclaimed faculty, Canadian business leaders and other professionals. This instruction will be available to all N36

Founders. Some instruction will also be available to your co-founders. As noted above, you and your co-founders will continue to actively work to build your Venture’s business during this time.

THE ENTREPRENEURSHIP INSTITUTE

This section provides more information about the Entrepreneurship Institute and describes your obligations as a N36 Founder.

Your Venture will be tasked with creating and launching, for commercial use, a unique product or service focused on an untapped need in a current or future large market.

Incorporation and Organizational Matters

As a condition to your participation in the N36 Program, your Venture will be required to incorporate. NEXT Canada will provide N36 Founders with detailed instructions with respect to the incorporation procedure upon each N36 Founder’s acceptance to the N36 Program. In addition, NEXT Canada may require that, as a condition precedent to any funding transaction effected while you are a participant in the N36 Program, the relevant Venture and its participants enter into standard legal agreements, including customary intellectual property assignment and confidentiality agreements (in favour of the Venture, in the form made available by NEXT Canada).

NEXT Canada expects that many of the Ventures established during the N36 Program will continue to carry on business following the end of the program. Certain Ventures that demonstrate clear potential will be directly introduced to Next Canada’s corporate partners, including its legal and accounting sponsors, to address various organizational needs following completion of the N36 Program.

Each N36 Founder who does not remain actively involved with their Venture throughout the N36 Program agrees to forfeit any founder equity he or she may have had in respect of the applicable Venture. Each N36 Founder agrees that the legal agreements used in connection with issuing shares in respect of the applicable Venture will include provisions that set out a standard four year “reverse vesting” mechanism with a one-year cliff. Moreover, each N36 Founder agrees to sign a customary intellectual property assignment and confidentiality agreement in favour of each venture in which he or she participates during the N36 Program.

Finally, you and your Venture may be required to, as a condition to your continued participation in the N36 Program, deliver to NEXT Canada certain information in order for NEXT Canada to comply with its reporting obligations and each N36 Founder agrees to comply with any such reasonable requests.

NEXT Canada SAFE

Shortly following incorporation, as a condition to your continued participation in the N36 Program, your Venture will be required to enter into a SAFE (*Simple Agreement for Future Equity*) with NEXT Canada (a “**SAFE**”). The SAFE will provide NEXT Canada with the ability to convert such security into such number of voting common shares in the capital of your Venture representing 2.5% of the capital of your Venture on a fully-diluted and as-converted basis. The shares that are ultimately issued to NEXT Canada will be of the same

class/series of shares issued to you and your co-founders. This SAFE will act as partial consideration for NEXT Canada's role in the growth and development of your Venture.

Intellectual Property

As a condition of participating in the N36 Program, each N36 Founder and any co-founder of the Venture agrees to enter into an assignment agreement with your Venture pursuant to which each such individual will, among other things: (i) assign to the Venture all intellectual property (including inventions, discoveries, improvements, computer software, designs or other works subject to copyright, data, know-how and trademarks) ("IP") that such individual creates relating (directly or indirectly) to the Venture's business and such individual's participation in the N36 Program; and (ii) waive moral rights in and to such IP.

It is important that each Venture's undertaking be unique and original work. You should ensure that your IP is not subject to any rights of other parties, such as your home university or employer, if any, and you should carefully consider the implications of incorporating external code. Rights of others, or obligations associated with open-source software, may affect your Venture's ability to implement its business plan.

Confidential Information

You may receive confidential information while participating in the N36 Program. You will be expected not to disclose, and to use reasonable efforts to keep confidential, any confidential information of which you become aware as a result of your participation in the N36 Program and to use such confidential information only for the purpose for which it is disclosed to you.

ACADEMIC POLICIES AND INFORMATION

Performance Measurement

Individual performance in the N36 Program will be measured by:

- performance in course assignments and class contribution, as determined by professors and instructors;
- performance in building your Venture, as determined by your mentors, NEXT Canada's management and third party investors; and
- overall performance in the N36 Program, as determined by program management and by the NEXT Canada CEO.

Participation and Attendance

N36 Founders are required to contribute actively to the development of their respective Venture (including participation in all mentor meetings) between January 2024 and August 2024. N36 Founders are also required to perform well in all academic courses while enrolled in the N36 Program. Candidates must attend all classes through the summer and participate fully during this period of time. Exceptions are only granted in extreme circumstances.

During the Entrepreneurship Institute Phase II, N36 Founders may not register in other classes, engage in salaried employment or work on other business ventures. N36

Founders are expected to fully engage in the N36 program and work seven days per week throughout that period of time. Candidates are encouraged to devote as much time as possible to the program during both Phase I and Phase II (i.e., between January 2024 and August 2024).

N36 Founders who fail to meet the N36 Program's minimum requirements, who commit an act that would reasonably be expected to constitute grounds for termination (for cause) of a person's employment (whether or not the person is actually an employee) or who are unable to demonstrate to NEXT Canada his or her continued meaningful and valuable contribution to the relevant Venture, may be removed from the N36 Program at NEXT Canada's sole discretion.

Participation Agreement

I confirm that I have read and understood this Agreement and agree to abide by it should I become a candidate of, and enrolled in, the N36 Program.

Michael Yu

November 13th 2023

Name (Printed)

Date

Signature

