

“PROPOSED APPLICATION FORM FOR YOUNG GENIUS FUNDING

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If you need funding for the development of a new idea which may lead to the creation of a breakthrough scientific and technological advancement capable of revolutionising the way we lead our lives and of driving prosperity and social well-being then read on.

Funding is available on the terms and conditions set out in this Application Form (“**Young Genius Funding**” or “**YGF**”) from the [Nation State] YGF Equity Guarantee Fund (“**YGF Ventures**”) where the primary field of action will concern [*example: the so-called “Internet of Things”, sensors, imaging, big data and related disciplines*] and is supported by your university or research institute.

To apply you will need:

- a qualification which is at level [], or a higher level, of the framework for higher education in [Nation State] or of the European Qualifications Framework;
- to complete this Application Form providing details of the Pathfinder Field of Action for which you require funding in section 2;
- to sign section 6 agreeing to the Terms and Conditions set out in section 8;
- the support of your primary university or research institution which must sign section 3 of this Application Form;
- the sponsorship of three individuals, one of whom should be from the Institution and in a position to comment on the merits of the Pathfinder Field of Action and the other two should be individuals who know you well for over ten years, one of whom should not be a member of your family; and

- a cheque for €250 to cover YGF Ventures administration costs.

On receipt of your Application Form YGF Ventures will carry out a preliminary assessment of your proposal. This will probably require an interview with a YGF Ventures representative.

If your proposal is considered potentially suitable then YGF Ventures will seek to pair you up with a member of its **Experienced Directors and Executives Network** with a view to that member acting as your mentor and guide in the development and commercialisation of the intellectual property rights (if any) which you create pursuant to the Pathfinder Field of Action.

If the Mentor approves your Pathfinder Field of Action and signs section 4 of this Application Form, then Young Genius Funding will be made available in accordance with the Terms and Conditions.

Young Genius Funding is unusual. It is not a grant, it is not a loan and nor is it a conventional venture capital investment.

It is an investment which takes the form of a direct payment of expenditure for your Pathfinder Field of Action whenever you raise, or jointly with your Host Institution, raise a Payment Order requesting such payment by YGF Ventures. Payment Orders can only be raised to the extent that, in aggregate, they do not exceed the limit of funding agreed with YGF Ventures and only if the expenditure is approved by your Mentor.

You will pay this investment back only if you are successful, but, for these purposes, success may come in a number of ways which are explained further below. If you are not successful then you will not have any obligation to repay the moneys which YGF Ventures spends on your Pathfinder Field of Action.

If you successfully create, alone or with others, some new scientific and technological advance and own or are entitled to ownership of a share of the Intellectual Property Rights or of shares in a Spin Out Company then YGF Ventures may require you to assign to YGF Ventures up to 50% (fifty percent) of your share of those IPR Rights and Spin Off Shares up to the Conversion Value as defined in Section 8.

YGF Ventures will only require such an assignment if it believes that the IPR Rights or Shares represent an attractive investment and YGF Ventures is not under any obligation to convert its rights into IPR Rights or Spin Off Shares.

If YGF Ventures does not convert its rights and you are successful in other ways than by the creation of valuable IPR Rights or the acquisition of Spin Off Shares – for example, if you become a high earning investment banker, captain of industry, lawyer or accountant – then, in return for its procurement of a mentor and its administration and monitoring generally of your Pathfinder Field of Action, for the next fifteen years you will be obliged to make deferred return payments to YGF Ventures equal to 50% (fifty percent) of any capital gains that you make, excluding gains on your primary residence or within any recognised pension scheme, up to the aggregate Conversion Value of Notes held by YGF Ventures which have not been Converted into IPR Rights or Spin Off Shares.

For the avoidance of doubt, you will be under no obligation to make return payments from your annual earnings.

If you would like to discuss any aspect of this Application Form, please contact [] at YGF Ventures on telephone number [].

Completed Application Forms should be submitted to [] together with a cheque for £250 made payable to [].

Joint Applications may be submitted. A separate Application Form should be submitted by each of the Joint Applicants and linked by appropriate cross referencing in section 1.

Words and phrases used in this Application Form with a capitalised first letter have special meanings which are defined in the Terms and Conditions in section 8.

About the [Nation State] YGF Equity Guarantee Fund

The [Nation State] YGF Equity Guarantee Fund has raised capital from high net worth investors, with the support of a guarantee, issued by [Nation State] institutions, to underwrite a proportion of losses recognised after YGF Ventures has been in existence for ten years.

This guarantee was awarded on a reverse auction basis to the high net worth private investor group willing to put up the most private sector capital in return for the lowest level of guarantee support.

As there is no obligation to pay out under the guarantee for ten years; the [Nation State] institutions can pursue a 'wait and see' strategy as to when to start provisioning for potential losses, should this become necessary.

In this way, the purchasing power of [Nation State] public money allocated for investment in deep science will be multiplied many times over as a guarantee structure is always far more cost effective than the provision of grant aid.

Most importantly, private money has been levered in from high net worth investors (who are at risk as to losses not covered by the guarantee) and put to work at an earlier and riskier stage of investment.

SECTION 1 – ABOUT YOU

NAME:

ADDRESS:

PHONE:

EMAIL:

PASSPORT NUMBER, DATE OF ISSUE AND EXPIRY

FACEBOOK NAME

LINKED IN NAME

QUALIFICATIONS:

SCHOOL:

UNIVERSITY:

POST GRADUATE

UCAS PERSONAL IDENTIFICATION NUMBER

CURRENT COURSE DETAILS

AWARDS/PRIZES/COMMENDATIONS

RESIDENCE STATUS

RELATIONSHIP STATUS

DEPENDENTS

PAPERS:

INTERESTS:

CURRENT FIELD OF research

IS THIS PART OF A JOINT APPLICATION?

Please name all Applicants of linked applications

SECTION 2 – YOUR PATHFINDER FIELD OF ACTION

TITLE:

UNDERLYING SCIENCE:

Describe the underlying science, highlighting the innovative features. Include an explanation of how your research has been funded, what questions remain to be answered. Are other research groups working on the subject area or are there other competing technologies that give the same outcome.

INTELLECTUAL PROPERTY:

Explain the intellectual property situation and include whether any intellectual property rights (including patents, copyright etc) exist or will be developed. Detail whether a patent search has been undertaken. Do any third parties have any rights over present or future intellectual property?

COMMERCIAL OPPORTUNITY:

Summarise why the innovative features of the idea/product/service have commercial potential. Include comment on the existing or potential market, competition (both existing and potential) and what needs to be done to bring the idea/product/service to market. Will it be developed through a licensing route, a joint venture or a spin out company?

RESEARCH TEAM

Briefly describe the background and experience of the research team.

OTHER FACTORS:

Are there any other factors of which we should be aware?

ADDITIONAL INFORMATION REQUIRED FOR INVESTMENTS ENHANCING THE VALUE OF INTELLECTUAL PROPERTY

Investment required – describe how much you need, what it is for and what you expect to achieve. Have you got commitments from elsewhere?

Purpose	When?	Milestone to be achieved	Amount (£)
		TOTAL	

SECTION 3 - YOUR PRIMARY UNIVERSITY OR RESEARCH INSTITUTION (“INSTITUTION”)

NAME:

ADDRESS:

CONTACT:

TELEPHONE:

EMAIL:

We, the Institution named above, agree to the following provisions, if this Application is accepted by YGF Ventures.

Agreement on a division of intellectual property rights:

1. We agree that Intellectual Property Rights created by the Applicant pursuant to the Pathfinder Field of Action and the proceeds of exploitation, net of all costs incurred pursuant to paragraph 2 and below shall be shared in the following proportions:

1.1 Institution: [] %

1.2 Applicant: [] %

1.3 Others: [] %

and we agree to the Applicant assigning up to [50] % their share of those Intellectual Property Rights to YGF Ventures in accordance with the Terms and Conditions and up to [10] % of its share of those Intellectual Property Rights to the Mentor.

2. We agree that YGF Ventures shall have exclusive full power and authority to all do such acts and transactions as it may think are necessary or desirable for the administration, protection and exploitation of those Intellectual Property Rights and the collection of all royalties and other fees which may be derived therefrom in what it regards to be the best commercial interests of all owners of those Intellectual Property Rights.
3. A monitoring fee shall be payable to YGF Ventures monthly in advance at the rate of £ [] plus VAT per annum commencing and accruing due from [] such fee to be increased annually in line with the consumer price index or such equivalent index as YGF Ventures may deem appropriate.

Agreement on a division of shares in spin out companies

4. If, after consultation with the Mentor, YGF Ventures decides that Intellectual Property Rights created by the Applicant pursuant to the Pathfinder Field of Action should be commercialised by the development of a business then we agree:
 - 4.1 to join with the Applicant in assigning their share of those Intellectual Property Rights on an exclusive worldwide basis to one or more new companies formed for these purposes (each a "Newco") in return for the shareholding in Newco as shown in paragraph 5 below;
 - 4.2 to the Applicant receiving a shareholding in Newco as shown below and to the assignment of up to 50% of that shareholding to YGF Ventures in accordance with the Terms and Conditions and up to [10] % of that shareholding to the Mentor.

5. The shareholdings in Newco shall be as follows:

5.1 Institution: []%

5.2 Applicant: []%

5.3 Others []%

6. We agree that YGF Ventures shall have exclusive full power and authority to all do such acts and transactions as it may think are necessary or desirable for the establishment of Newco and, in consultation with the Mentor and us, the appointment of an appropriate board of directors of Newco subject to paragraphs 9 and 10 below.
7. A monitoring fee shall be payable by Newco to YGF Ventures monthly in advance at the rate of £[] plus VAT per annum commencing and accruing due from [] such fee to be increased annually in line with the consumer price index or such equivalent index as YGF Ventures may deem appropriate.
8. We shall be entitled to receive monthly management accounts within 4 weeks of the month-end and Audited accounts within 5 months of the financial year-end.
9. We shall be entitled to appoint a non-executive director of Newco whose reasonable fees and expenses shall be met by Newco. We shall also be able to appoint an observer (the Observer”) who can attend and speak at Board meetings but shall be unable to vote. Fees and costs attributable to the Observer shall be our responsibility.
10. So long as we retain a shareholding of at least [5]%, Newco shall not without our written consent:
- 10.1 invest in any other company or partnership or dispose of any such investment with a value equal to 20% or more of the net asset value of the Company;
 - 10.2 * give any financial guarantee or provide any credit (other than normal trade credit);
 - 10.2 outside the ordinary course of business, acquire or dispose of or grant any licence of any patent, trademark, registered design, know-how or other intellectual property right;
 - 10.3 * enter into any material contract which is not on an arm’s length basis;
 - 10.4 enter into any transaction outside the ordinary course of business;
 - 10.5 pay compensation for loss of office to a director which exceeds his contractual entitlement, except as may be ordered by a court or tribunal;
 - 10.6 enter into a service or any other agreement with a value of £70,000 or more with any director or person connected with any director, or materially change such an agreement;

- 10.7 * appoint a director
 - 10.8 grant any option or other right to subscribe for any of its shares;
 - 10.9 redeem any of its shares or enter into a contract to purchase any of its own shares;
 - 10.10 issue any share capital;
 - 10.11 increase or reduce its authorised share capital or reduce its issued share capital; or
 - 10.12 alter its memorandum of association or articles of association.
- 11 We will not unreasonably withhold or delay consent (or make it subject to unreasonable conditions) in respect of the matters referred to in those sub-clauses paragraph 10 marked with an asterisk (*) but otherwise we shall have complete and unfettered discretion as to whether or not to give or withhold any consent.

Provision of Resources

- 12 We agree to provide the following resources in connection with the Pathfinder Field of Action:
- 12.1 [laboratory/premises];
 - 12.2 [equipment];
 - 12.3 [consumables];
 - 12.4 [internet, telephony, workstation],

SIGNED ON BEHALF OF THE INSTITUTION NAMED ABOVE IN AGREEMENT TO THE TERMS IN THIS SECTION 3 BY

.....
Director of Research & Innovation

Date:

SECTION 4 – YOUR MENTOR

This section of your Application Form does not need to be completed when it is first submitted as, in the ordinary course, YGF Ventures would expect to introduce you to one or more Mentors which it selects from its Experienced Director and Executive Network but YGF Ventures will consider working with a Mentor whom you know already and introduce to YGF Ventures. If you know of someone who you would regard as a suitable Mentor and you would like YGF Ventures to consider his or her appointment in this role, then please do complete this section of the Application Form with details of your proposed Mentor. A Mentor will be required to sign this section of the Application Form prior to acceptance of your Application by YGF Ventures and, in particular, this means that the Mentor will need to agree to be bound by the Mentoring Provisions set out below.

NAME:

ADDRESS:

CONTACT:

TELEPHONE:

EMAIL:

FACEBOOK NAME

LINKED IN NAME

QUALIFICATIONS:

SCHOOL:

UNIVERSITY:

POST GRADUATE

EMPLOYMENT HISTORY

MENTORING PROVISIONS

1. My appointment as a Mentor to the Applicant shall commence on the date when this Application Form is accepted by YGF Ventures in section 7 and may be terminated by either the Applicant, or YGF Ventures or me at any time with immediate effect or on a date specified by the Applicant, YGF Ventures or me by a notice in writing. My appointment does not confer any right to hold office of any entity for any period nor give me the right to compensation if I cease to be a Mentor.
2. Whilst I am a Mentor I agree to act as a mentor of the Applicant in relation to the Pathfinder Field of Action to the best of my abilities during the expected timetable for the Pathfinder Field of Action providing such help, assistance and encouragement as I may (in my discretion) deem appropriate and as my other commitments allow and to bring independent judgment to bear on issues of strategic direction and development, leadership, resources and commercial exploitation of the fruits of the Pathfinder Field of Action and provide such other support and assistance as may be expressly set out in or otherwise reasonably commensurate with the Pathfinder Field of Action.
3. I will act in relation to the Applicant as a fiduciary and do such acts and things as may reasonably be calculated to promote the success of the Pathfinder Field of Action for the benefit of the Mentor, YGF Ventures and the Institution on such basis as appears to me to be fair and reasonable and, in doing so, having regard (amongst other matters) to the likely consequences of any decision in the long term.
4. I will avoid situations in which I have, or can have a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Mentor, YGF Ventures and the Institution in the Pathfinder Field of Action and, in particular, I agree that whilst I am a Mentor and for 12 months thereafter I will not be or become a director, employee, consultant, mentor, partner or professional adviser of any person or entity whose research or business may be competitive with the constituent elements of the Pathfinder Field of Action.
5. I understand that if Intellectual Property Rights are created by the Applicant pursuant to the Pathfinder Field of Action which are exploited by their assignment or licensing to third parties or if one or more companies are established for the purposes of creating a business based on or incorporating those Intellectual Property Rights each of the Applicant, the Institution and YGF Ventures shall assign to me a pro rata percentage of their rights or, as the case may be, of their Newco shares which any two of them may decide to be fair and reasonable in recognition for my past and, as may be the case, my continuing services as a Mentor to the Applicant; it being acknowledged that, except in exceptional circumstances, that percentage is unlikely to be greater than 10% of their rights or, as the case may be of their Newco shares. I shall not be entitled to any other fee or benefit from the Applicant, YGF Ventures or the Institution.
6. I will not, for my own benefit or for that of any party, (other than the Applicant, the Institution and YGF Ventures) at any time make use of any information which is divulged to me as a Mentor and which is described by the party divulging it as being of a confidential nature and/or which by reason of its nature or the circumstances or manner in which it comes to my knowledge is apparently of such a confidential nature, or, save as may be required by law or any Nation Stateal or regulatory body, disclose such information to any

other person or entity, other than with the authority of YGF Ventures, provided always that information shall not be or shall cease to be confidential if and to the extent that it comes to be in the public domain other than as a result of my act or default.

7. I agree to provide to YGF Ventures and the Institution such information as they may require from time to time in relation to the Pathfinder Field of Action which is in my possession and control.

SIGNED BY ABOVE NAMED MENTOR IN AGREEMENT TO THE TERMS OF THIS SECTION 4

.....

DATE:

SECTION 5 – YOUR SPONSORS

Your Application must be sponsored by three individuals, one of whom should be an Institutional Sponsor, a professor or other senior academic from your Institution who is in a position to comment on the merits of the Pathfinder Field of Action and the other two should be Personal Sponsors, individuals who have known you well for over ten years, one of whom should not be a member of your family. Your Sponsors will be required to sign this section of the Application Form prior to acceptance of your Application by YGF Ventures and, in particular, this means that your Personal Sponsors will need to provide a personal reference and also agree to be bound by the Personal Sponsoring Provisions set out below.

INSTITUTIONAL SPONSOR

A professor or other senior academic from your Institution in a position to comment on the merits of the Pathfinder Field of Action

NAME:

ADDRESS:

PHONE:

EMAIL:

INSTITUTION:

POSITION:

COMMENTS ON THE PATHFINDER FIELD OF ACTION

SIGNED BY THE ABOVE NAMED INSTITUTIONAL SPONSOR

.....

DATE:

PERSONAL SPONSOR 1

A person who has known you well for over ten years and who is not a member of your family

NAME:

ADDRESS:

PHONE:

EMAIL:

FACEBOOK NAME

LINKED IN NAME

PERSONAL REFERENCE FOR THE APPLICANT:

PERSONAL SPONSOR 2

A person who has known you well for over ten years and who may be a member of your family

NAME:

ADDRESS:

PHONE:

EMAIL:

FACEBOOK NAME

LINKED IN NAME:

PERSONAL REFERENCE FOR THE APPLICANT:

PERSONAL SPONSORING PROVISIONS

If YGF Ventures should lose contact with the Applicant, for whatever reason, we agree to provide to YGF Ventures on request with such information as YGF Ventures may require and is in our possession or control concerning the last known address and contact details of the Applicant.

SIGNED BY THE ABOVE NAMED PERSONAL SPONSOR 1

.....

DATE:

SIGNED BY THE ABOVE NAMED PERSONAL SPONSOR 1

.....

DATE:

SECTION 6 – YOUR APPLICATION AND ACCEPTANCE OF THE TERMS AND CONDITIONS

I hereby apply to YGF Ventures for its participation in arrangements for the creation of Intellectual Property pursuant to the Pathfinder Field of Action described in section 2.

I believe that it is reasonable to assume that within 10 years it will be possible to exploit Intellectual Property Rights derived from the Pathfinder Field of Action and/or to establish a business which results from new or improved products, processes or services utilising those Intellectual Property Rights.

I agree to be bound by the Terms and Conditions set out in Section 8 if this Application is accepted by YGF Ventures.

SIGNED BY THE ABOVE NAMED APPLICANT

.....

DATE:

SECTION 7 – ACCEPTANCE OF THE APPLICATION BY YGF Ventures

We agree to finance expenditure in relation to the Pathfinder Field of Action in the aggregate sum of:

£

and to:

- use our reasonable endeavours to arrange Mentoring Services; and
- provide commercial and administration services

in accordance with and in consideration of the Terms and Conditions set out in Section 8.

SIGNED ON BEHALF OF YGF Ventures

.....

DATE:

SECTION 8 – THE TERMS AND CONDITIONS

1. Definitions

In this document the following terms shall have the following meanings:

“Application” means this document in its entirety, including sections 1-8.

“Conversion Notice” means a notice served by YGF Ventures pursuant to clause 6.

“Call Value” means the value of IPR Rights or Spin Off Shares Owned by the Applicant as at the date of the Conversion Notice which is agreed with the Applicant or, in default of agreement, determined by a reputable firm of accountants nominated by the Institution.

“Conversion Value” means a value equal to CV in the formula

$$CV = P \times (1+r)^n$$

where:

P = the amount paid by YGF Ventures pursuant to a Payment Order;

r = 1.88%

n = the number of months or part thereof which have elapsed since the date of the payment made by YGF Ventures and the date of the Call Notice not exceeding [60]

Provided However that where YGF Ventures has made payments pursuant to more than one Payment Order then the Conversion Value shall be the aggregate of all of the values calculated using this formula in relation to each such payment.

“Institution” means the institution named in Section 3 of this Application.

“Institutional Sponsor” means the person named in Section 5 of this Application.

“Intellectual Property”	means copyrights (including all such rights in computer software) , moral rights, related rights, patents, utility models, registered and unregistered trademarks, trade or business names, service marks, design rights (registered or unregistered), utility models database rights, rights in unfair competition, rights in undisclosed or confidential information (such as know-how, trade secrets and inventions) (whether patentable or not), domain names and website content, rights protecting goodwill and reputation, rights under licenses and consents in relation to these things and other similar intellectual property rights (whether registered or not) and applications for such rights as may exist anywhere in the world.
“IPR Rights”	means Intellectual Property which is Owned by the Applicant and derived in whole or in part (directly or indirectly) from the Pathfinder Field of Action.
“Mentor”	means the person named in Section 4 of this Application or any substitute.
“Mentoring”	means the coaching of the Applicant by the Mentor in accordance with the Mentoring Provisions.
“Mentoring Provisions”	means the mentoring provisions set out in Section 4 of this Application.
“Note”	means the Application Form and all Payment Orders pursuant to which YGF Ventures has made payments to finance expenditure incurred in accordance with the Pathfinder Field of Action.
“Owned”	means the right of or any and all claims to beneficial ownership now or in the future (and whether or not contingent on the occurrence of some other event or act) of IPR Rights or Spin Off Shares or of any economic benefit which may now or in the future be derived from IPR Rights or Spin Off Shares.
“Pathfinder Field of Action”	means the Pathfinder Field of Action set out in Section 2 of the Application as may be amended and agreed in writing by the Applicant, the Mentor, the Institution and YGF Ventures from time to time.
“Payment Order”	means a notice in writing received by YGF Ventures from the Institution and the Applicant which directs YGF Ventures to pay for expenditure to be incurred or to reimburse expenditure already incurred for the purposes

of the Pathfinder Field of Action and which encloses a note from the Mentor approving that expenditure.

“Personal Sponsors”

means the persons named in Section 5 of this Application.

“Return Period”

means the period specified in clause 16.

“Return Payments”

means payments made by the Applicant to YGF Ventures pursuant to and in accordance with clause 13.

“Spin Off Shares”

means shares Owned by the Applicant in the capital of any body corporate to which Intellectual Property derived in whole or in part (directly or indirectly) from the Pathfinder Field of Action is assigned or licensed.

1. The Applicant undertakes to YGF Ventures to diligently pursue the aims and objectives of the Pathfinder Field of Action and to do such acts and things and consult and cooperate with the Mentor and YGF Ventures to an extent which is commensurate with a good workmanlike approach to the work to be undertaken in accordance with the Pathfinder Field of Action.
2. YGF Ventures shall use its reasonable endeavours to facilitate the relationship between the Mentor and the Applicant for all the purposes expressed within the Pathfinder Field of Action and to act generally as the administrator of the Pathfinder Field of Action and, at the cost of the Institution, shall have full power and authority to do such acts and things on behalf of the Applicant, the Institution and the Mentor as may be necessary and desirable to register and protect the Intellectual Property created pursuant to the Pathfinder Field of Action the costs of which shall be borne by the Institution.
3. If the appointment of the Mentor is terminated in accordance with the Mentoring Provisions YGF Ventures shall use its reasonable endeavours to procure a suitable replacement.
4. Subject to clause 5, YGF Ventures promises to pay to the joint order of the Institution and the Applicant the aggregate sum Nation Stated Section 7 of the Application in one tranche or in multiple tranches of €10,000 against expenditure incurred or to be incurred in accordance with the Pathfinder Field of Action and as specified in a Payment Order.
5. YGF Ventures’s obligation to pay is conditional upon the approval of the Mentor to the expenditure to be financed by and the amount of the Payment Order.
6. YGF Ventures shall have the right, at any time, to call upon the Applicant by the service of a notice in writing, to require the Applicant to assign and transfer to YGF Ventures a proportion of the IPR Rights or Spin Off Shares which are Owned by the Applicant.

7. Subject to clause 9, the proportion that may be called for assignment and transfer shall be IPR Rights or Spin Off Shares with a Call Value which is less than or corresponds with the Conversion Value of this Note or, if less, with the amount of the Conversion Value of this Note which YGF Ventures specifies in its Conversion Notice.
8. If the Call Value is less than the Conversion Value of this Note then YGF Ventures shall have a continuing right to call for an assignment and transfer of IPR Rights or Spin Off Shares Owned by the Applicant with a Call Value which is less than or corresponds with the residual Conversion Value of this Note after deducting the Call Value of all previous IPR Rights or Spin Off Shares which are assigned or transferred to YGF Ventures as at the date of the Conversion Notice which called for that previous assignment or transfer.
9. YGF Ventures shall not be entitled to serve a Conversion Notice which calls for an assignment or transfer of IPR Rights or Spin Off Shares which would exceed 50% of the IPR Rights or Spin Off Shares which would otherwise be Owned by the Applicant if no Conversion Notices are served.
10. The Applicant shall not dispose of, encumber, or deal with or amend or modify IPR Rights and Spin Off Shares or consent to any alteration or proposal which has the effect of reducing their value without the consent of YGF Ventures.
11. An assignment or transfer of IPR Rights or Spin Off Shares shall be executed as soon as practicable following the service of a Conversion Notice or, if later, the date on which the Call Value is determined.
12. The Applicant hereby grants to YGF Ventures an irrevocable power of attorney to execute in the name of the Applicant and on his behalf such acts and things as may in the opinion of YGF Ventures be necessary or desirable for the purposes of effecting an assignment or transfer and which are approved by the Institution or the Mentor as being fair and reasonable as between the Applicant and the Institution. For the purposes this Note between the Applicant and YGF Ventures shall take effect as a deed.
13. If the Applicant is successful otherwise than by the creation of valuable IPR Rights or Spin Off Shares – for example, if the Applicant becomes a successful investment banker, captain of industry or accountant, success being a measure of wealth in excess of the threshold referred to below – then, in consideration for YGF Ventures’s services in arranging and facilitating the services of the Mentor, the Applicant shall make Return Payments to YGF Ventures equal to [50]% of any capital gains, excluding gains in respect of the Applicant’s primary residence or any benefits (in the form of pensions or otherwise) payable on the termination of service or retirement and to which the Applicant or his or her dependents may be entitled. For the avoidance of doubt the Applicant shall be under no obligation to make Return Payments from his or her annual emoluments.
14. Return Payments shall be payable to YGF Ventures in such manner and on such basis as to their calculation as YGF Ventures shall reasonably specify.
15. The Applicant shall voluntarily provide to YGF Ventures all material information which is relevant for YGF Ventures’s calculation of Return Payments and, in any event, shall provide

such information in this regard to YGF Ventures forthwith on being requested by YGF Ventures to do so.

16. The Applicant shall be obliged to make Return Payments in respect of all capital gains to which the Applicant becomes entitled within the period commencing on the second anniversary of the date of this Application and ending on the [fifteenth] anniversary of this application. Accordingly, the Applicant shall have no obligation to make Return Payments in respect of capital gains to which the Applicant first becomes entitled after the expiry of the Return Period.
17. The Applicant shall have no obligation to make Return Payments if and to extent that YGF Ventures has called for an assignment or transfer of IPR Rights and/or Spin Off Shares with an aggregate Call Value equal to the Conversion Value of this Note and which have been assigned and transferred. Accordingly, the Applicant shall only be obliged to make Return Payments in aggregate which equal the extent to which the Conversion Value of this Note exceeds the Call Value of IPR Rights and/or Spin Off Shares which have been assigned and/or transferred to the Applicant.
18. The Applicant confirms that to the best of the Applicant's knowledge and belief, the information the Applicant has provided is honestly believed to be true and complete in all material respects. If it is not, the Applicant understands that the Applicant may not receive support, any support the Applicant has received may be withdrawn and the Applicant could be prosecuted.
19. The Applicant agrees to give YGF Ventures any information YGF Ventures requires to process the Application and agree to tell YGF Ventures immediately if the Applicant's circumstances change in any way that might affect the Applicant's entitlement to raise Payment Orders pursuant to this Note. The Applicant understands that if the Applicant does not do this, the Applicant may not be entitled to raise further Payment Orders and may have to repay the expenditure financed by YGF Ventures pursuant to Payment Orders already raised.
20. The Applicant agrees that in the event of receiving an overpayment of a Payment Order, the Applicant is obliged to repay this in full.
21. The Applicant understands that if the Applicant has provided details of the Applicants [Nation State] passport, YGF Ventures will verify those details with the [Nation State] Passport Office.
22. The Applicant irrevocably agrees that the [Nation State] Courts shall have non-exclusive jurisdiction to hear any action or proceedings arising out of or in connection with these terms and conditions and the Applicant irrevocably submits to the jurisdiction of those courts, provided that this shall not limit YGF Ventures's right to take proceedings against the Applicant in any other court of competent jurisdiction.
23. The Applicant agrees that if the Applicant leaves [Nation State] to reside outside [Nation State] or for that or any other reason the Applicant is outside the UK tax system, the Applicant undertakes to provide YGF Ventures with the Applicant's new and any subsequent contact details until the Applicant has satisfied all obligations to assign or transfer IPR Rights or Spin Off Shares or to make Return Payments.

24. If the Applicant has broken the terms of this contract the Applicant agrees that YGF Ventures, the Institution, the Mentor and the Personal Sponsors may share information held about the Applicant and with each other and with any person, including the Nation State or a Nation State agency of another country, who may assist in establishing the Applicant's whereabouts and/or in taking action to enforce these terms and conditions.
 25. The Applicant shall hold in trust and pay over to YGF Ventures as soon as possible all benefits of any description to which the Applicant becomes entitled following the date of a Conversion Notice in respect of the Call Value of IPR Rights or Spin Off Shares which are to be assigned or transferred to YGF Ventures but which arise before the assignment or transfer of such IPR Rights or Spin Off Shares has been completed and notice therefore given to all third parties from whom benefits in respect thereof may be received.
 26. If and to the extent that YGF Ventures suffers any foreseeable loss or incurs costs and/or expenses directly or indirectly as a result of the Applicant failing to promptly notify any change in the Applicant's circumstances which is relevant to a determination of whether an obligation to make Return Payments has arisen or to the calculation of the amount of such Return Payments then the Applicant shall pay to YGF Ventures such additional amounts as YGF Ventures might fairly and reasonably demand in compensation for such loss, costs and/or expenses.
 27. If YGF Ventures should lose contact with the Applicant, for whatever reason, the Applicant agrees that the Institutional Sponsor and the Personal Sponsors may provide to YGF Ventures on request with such information as YGF Ventures may require and is in their possession or control concerning the last known address and contact details of the Applicant."
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