



ADDF Program-Related Investment Contracting Policy for For-Profit Entities

The Alzheimer's Drug Discovery Foundation (ADDF) seeks to fill the critical funding gap between basic research and later stage drug development by providing grants for high-risk drug discovery and development projects. This document describes certain key aspects of our granting policies for for-profit entities. We ask that you read this description of our granting policies and sign below to indicate your willingness to proceed with discussions about ADDF funding along the lines outlined here.

ADDF is a public charity and all grant funds must go specifically toward an approved scientific project which advances the ADDF's stated mission to accelerate discovery of a novel treatment for Alzheimer's disease and other related dementias. Grants to for-profit entities can be provided in the form of a program-related investment (PRI) which supports the mission of the ADDF. Under U.S. Treasury Department regulations, PRIs can be structured to enable the ADDF to receive a "return on investment" which is returned to the ADDF to increase its capacity to support more research in furtherance of its charitable mission.

The ADDF's PRIs in for-profit enterprises typically take the form of interest-bearing convertible notes with warrant coverage. The notes are structured so that interest is rolled into the principal and only due at the time of maturity. The convertibility feature allows the ADDF to convert the note into equity of the Company at the time of maturity or at the time of occurrence of some triggering event as determined in negotiations with the Grantee.

Please see next page.



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This form does not constitute an offer or promise of funding. If your proposed project is selected for funding, the ADDF will contact your organization for further discussion regarding contracting. By signing this form on behalf of your organization, you are confirming that your organization has read and understands the structure of the ADDF's grants to for-profit entities and wishes to proceed with the funding negotiation process should your project be selected for funding.

Sign

Name (Print/Type)

Title

Organization

Date

Please contact Adam Liebling, Senior Grants Manager, at (212) 901-8005 or aliebling@alzdiscovery.org with questions regarding this form or the application process.