

DEMOLA PROJECT AGREEMENT



1. Parties

Polytechnic Institute of Bragança ("**Local Demola operator**")

Business ID: PT600013758

Address: Campus de Santa Apolonia – 5300-253 Bragança, PORTUGAL

Contact person: Joao Sobrinho Teixeira, +351 273 303 200, ipb@ipb.pt

Demola Global Oy ("**Demola Network Coordinator**")

Business ID: FI24087016

Address: Team Finland House, Porkkalankatu 1, 00180 Helsinki, FINLAND

Contact person: Joonas Kemppainen, joonas@demola.net, +358 50 5291845

and

Bragança City Council ("**Project Partner**")

Business ID: 506215547

Address: Câmara Municipal de Bragança Divisão de Ambiente, Águas e Energia Forte S. João de Deus 5300-263 Bragança, Portugal

Contact person: Orlando Gomes

Hereinafter jointly referred to as "**Parties**" or "**Party**", depending on the context

2. Background and Purpose

Demola is an open innovation platform for businesses, public sector and universities. Demola Network Coordinator produces the services in co-operation with local Demola operators and university partners. Demola Network Coordinator and local Demola Operator are hereinafter jointly referred to as "**Demola Network**".

With this Demola Project Agreement ("**Agreement**"), the Parties agree to co-operate on the further development of the idea, concept, etc. defined in Section 3, for which purpose the Demola Network shall form a separate project group ("**Project Group**") and administrate the project ("**Project**") as well as administer all agreements with the Project Group. The Project Group consists of students selected by the Demola Network.

The Demola Network shall agree with the Project Group on the division of intellectual property and other rights related to the results of the Project ("**Results**") in accordance with the purpose of this Agreement.

Project Partner shall provide the Project with theme and description of the innovation topic and participate actively in the co-creation process during the Project and provide the Project Group with special development tools, if any, which shall be subject to separately agreed by Partner and Demola Network.

3. Scope of Agreement

The Project that is the subject to the Agreement is defined in more detail in Appendix 1 to the Agreement.

Project title: *Keep the Algae Out!*

The Parties may add projects to this Agreement with a separate appendix regarding such project.

4. Project Schedule

The Project shall commence on March 9th 2018 and terminate by June 29th 2018.

5. Rights to Results and Background Material

5.1 Results

The Results of the Project shall include all material created by the Project Group in the Project (such as reports, inventions and software including source codes), as well as all rights related to such material (such as proprietary rights and intellectual property rights including but not limited to utility models, copyrights and patent rights). The Demola Network undertakes to ensure that it has, or that it has been appropriately granted, the right to grant to the Project Partner the license to the Results, as specified in Section 5.2.

5.2 License and Transfer of Rights

The Project Partner shall have the right to assess the Results independently and decide within one (1) month from the termination of the Project whether to acquire a License to the Results. The Project Partner shall not be obliged to acquire any license to the Results.

Upon a due payment of the Project Fee to the Demola Network Coordinator in accordance with Section 6, Demola Network Coordinator shall grant the Project Partner a non-exclusive license to the Results to use the Results in all operations as the Project Partner deems suitable, including research and development as well as commercial activities ("**License**"). The License shall be royalty-free, perpetual, irrevocable, non-exclusive and global. The License shall include the right to further develop, modify and complement the Results and to use the outcomes so achieved. The License shall also include the right to copy the Results and to manufacture, have manufactured, sell and otherwise distribute to third parties any products that utilize the Results or have been developed on the basis of the Results as well the right to license the License to third parties.

In the event that the Project Partner desires to acquire all intellectual property (and other) rights to the Results, the Project Partner shall pay an additional intellectual property rights transfer fee ("**Transfer Fee**"), subject to being separately agreed upon. Upon payment of such Transfer Fee the Demola Network Coordinator (for avoidance of doubt, upon having secured such rights from the Project Group to facilitate a corresponding transfer of rights by the Demola Network Coordinator to the Project Partner) shall transfer to the Project Partner all intellectual property (and other) rights to the Results capable of being transferred (including but not limited to the right to make modifications and to transfer any such rights to third parties). In case Project Partner obtains the rights to the invention, the Partner shall pay Project Facilitation Fee to the Demola Network Coordinator.

The Demola Network agrees not to, and agrees to ensure that the Project Group shall not, initiate legal actions against the Project Partner, (including its affiliated companies, customers and partners), if the intellectual property rights created by the grantor of the License based on the Results overlap with the Project Partner's use or further development of the Results.

In addition, the Project Partner shall have the right to utilize, without compensation, the so-called residual information in accordance with the rights stated above in this Section 5.2, acknowledging the possible confidentiality obligations. Residual information shall include all information retained in the unaided memory of those employees of the Project Partner who have worked with such information (including the Results) gained from the Demola Network and/or the Project Group. Information shall be considered "residual information" if (i) using such information does not require the use of documents containing the information in question; (ii) such information has not

been acquired in a manner that involves purposeful memorizing of the information in question; or (iii) such information is not based on notes made on the information in question.

5.3 Use of Background Material

Background material shall mean all kinds of material such as information, methods, solutions, devices, substances, inventions, software and the related intellectual property rights that are in the possession of the Party or the Project Group before signing this Agreement or that the Party or the Project Group has independently developed or acquired outside the Project during the validity of this Agreement ("**Background Material**").

The Project Partner shall not have any obligation to deliver any Background Material to the Demola Network or the Project Group. If the Project Partner delivers Background Material, no rights (including property and/or intellectual property) pertaining to the Background Material shall be transferred to the Demola Network or the Project Group. In this case, the Demola Network shall deliver the Background Material to the Project Group with a corresponding user right. Such Background Material may only be used during the Project and for the implementation of the Project. Any other use must be agreed separately in writing. The Background Material will be returned to the Project Partner after the end of the Project or upon the Project Partner's request.

If the Project Group intends to incorporate its own or its researchers' Background Material into the Results or the Results requires the use of such Background Material, the use of Background Material must be agreed separately and, if possible, before the beginning of the Project. Insofar as the Demola Network and the Project Partner have not expressly agreed of the use of such Background Material and the special terms related to the use before the beginning of the Project, the Demola Network agrees to ensure that the Project Partner shall receive, without separate compensation, the rights referred to in Section 5.2 also to such part of the Background Material that the Project Group has incorporated into the Results or that is needed for utilizing the Results.

Inclusion of material belonging to third parties into the Background Material is only allowed with the consent of the Project Partner. The Demola Network undertakes to agree with the Project Group on the procedure that the Project Group will use to identify the said material for the Project Partner and the terms applicable to its use so that the Project Partner has the prerequisites to assess the effects of using the said material on the utilisation of the Results and especially on the licenses referred to in Section 5.2.

5.4 Inventions

If a patentable invention is created during the Project having a Project Partner representative as one of the inventors ("Joint Invention"), the Project Partner has the right to purchase the invention.

If a patentable invention is created during the Project without a Project Partner representative as one of the inventors ("Project Group Invention"), and the Project Group does not intend to patent or otherwise utilise such invention within six (6) months of creating the invention, the Project Partner has the right to purchase the invention.

The Demola Network shall inform the Project Partner without delay of any invention reports and other results. The right to purchase shall be valid for three (3) months after Partner has received the invention report. In case Project Partner obtains the rights to the invention, all right, title and interest in and to the invention shall vest in and be the sole and exclusive property of Partner upon payment to the Demola Network for invention an invention reward agreed between the Parties. The average invention reward is EUR 3,000-10,000. If, the invention is of significant economical value to Project Partner, Project Partner and the inventor(s) shall start negotiations in good faith about an additional lump sum reward. Such payment(s) shall constitute the only compensation to be paid for such invention and the transfer or rights to Partner. In case Partner obtains the rights to

the invention, the Project Partner shall pay Project Facilitation Fee to the Demola Network. The Demola Network and Project Group must keep the created invention confidential until the patent application has been published.

Project Partner commits not to assert any of its patents based on Joint Inventions or other inventions created by the Project Group against the Project Group or any of its members, or the Demola Network.

6. Prices and Terms of Payment

"Price List" shall mean the list of applicable fees as defined in more detail in Appendix 2 to the Agreement.

Participation Fee. Project Partner shall pay to the Demola Network Coordinator a participation fee ("Participation Fee"), as set forth under the Price List. The Demola Network Coordinator shall invoice the Participation Fee after signing the agreement.

License Acquisition Fee. In case the decision is made by Project Partner to acquire the License to the Results in accordance with Section 5.2, Project Partner shall pay to the Demola Network Coordinator a license acquisition fee ("License Acquisition Fee"). The criteria for the compensation and the respective License Acquisition Fee to be paid is set forth in the Price List. The determination whether the Project merits a level I, II or III payment shall be at Project Partner's objective discretion. The Demola Network Coordinator shall invoice the License Acquisition Fee after Project Partner has decided upon acquiring the License.

Project Facilitation Fee. In case the decision is made by Project Partner to acquire the License to the Results in accordance with Section 5.2, or all intellectual property rights or any inventions in accordance with Section 5.2 or 5.4, Project Partner shall pay to the Demola Network Coordinator a project-specific fixed project facilitation fee ("Project Facilitation Fee"), as set forth under the Price List. Demola Network Coordinator shall invoice the Project Facilitation Fee after the Project Partner has decided upon acquiring the License according to Section 5.2.

Researcher Service Fee. In case the use of dedicated researchers' work is separately agreed by the Parties, the Project Partner shall pay to the Demola Network Coordinator the Research Expertise Fee ("Researcher Service Fee"), as set forth under the Price List.

Project Partner shall not be obligated to pay any other fees or other compensation than the fees specified in this Section 6 on the grounds of this Agreement to the Demola Network Coordinator.

For the avoidance of doubt, Project Partner shall not be obliged to pay any fees or other compensations on the grounds of this Agreement to the Project Group.

All amounts payable are gross amounts but exclusive of any value added tax, use tax, sales tax or similar tax. If any such tax is or will be chargeable, Partner shall pay the tax to the Demola Network Coordinator and the Demola Network Coordinator shall provide Partner with a tax invoice that meets all Terms necessary to allow Partner to reclaim such tax.

The Project Partner shall pay the fees within 14 days after receiving the invoice. If Project Partner is overdue with any payment due under this Agreement, interest on delayed payments is 10,5 % until the Demola Network Coordinator has received payment of the overdue amount.

All invoices shall be send electronically to the address provided by the Project Partner.

7. Confidentiality

7.1 In connection with the Project, the Parties and the Project Group may disclose Confidential Information. The Parties shall undertake to restrict the use and further disclosure of such Confidential Information.

In this Agreement, "**Confidential Information**" shall mean all technical, financial or commercial information that is related to or influences the Results or the Project Partner's or its Affiliates' operations, including computer files, passwords and IT system details, regardless of the manner or format in which the information is disclosed to the recipient, or that has been marked as Confidential Information with "Confidential" or other similar markings.

The Demola Network agrees not to disclose Project Partner's Confidential Information to third parties as well as to take all necessary precautions to preserve the confidentiality of such Confidential Information and not to use Confidential Information for any purposes other than fulfilling the obligations under the Agreement. The Project Partner reserves all rights to the Confidential Information disclosed to the Demola Network.

The Partner agrees not to disclose Confidential Information to third parties as well as to take all necessary precautions to preserve the confidentiality of such Confidential Information and not to use Confidential Information for any purposes other than fulfilling the obligations under the Agreement.

The Demola Network shall have the right to provide Partner Confidential Information to its personnel and to the Project Group and Demola operators only to the extent necessary for carrying out the tasks agreed by the Parties.

The Demola Network agrees to ensure that the Project Group and Demola operators are bound by corresponding confidentiality obligations before any Confidential Information of Partner is disclosed to the Project Group.

The confidentiality obligations set forth in this Agreement shall bind the Parties for a period of five (5) years from the date of receipt of Confidential Information. The confidentiality obligations related to the Results shall bind the Project Partner until the Project Partner has acquired rights to the Results as set forth in this Agreement.

The confidentiality obligations shall not apply to any information which

- a) has been publicly available before the beginning of the negotiations or later becomes publicly available in manner other than due to negligence or neglect or other action in violation of this Agreement on the part of the receiving Party or its personnel; or
- b) the receiving Party can demonstrate to have been in its possession before receiving such information from the disclosing Party; or
- c) has been received from third parties who have had a right to disclose such information; or
- d) the receiving Party has independently developed; or
- e) the Party must make public on the grounds of an act, decree or other judicial or governmental order.

8. Publication

After the Project has ended, the Project Group may publish the Results as they see fit after the Project Partner has reviewed all information related to the Project Partner. However, all parts that are considered to be confidential or prevent the patenting of an invention created during the Project (novelty requirement) must be removed from all Results and other material intended for publication. For avoidance of doubt, it is stated that Project descriptions and team blogs that do not include confidential information shall be public for the entire duration of the Project. The Project Partner shall provide a written response within thirty (30) days from receiving the publication permission request that clearly states the changes that are necessary for granting the publication permission. The Project Partner may require a new review process before granting the final

publication permission. The publication permission shall not be refused without an acceptable reason.

All theses made in connection with the Project shall be public. The Project Partner's Confidential Information shall not be included in theses. The author of a thesis must get a permission from the Project Partner or the person(s) appointed by the Project Partner already at the beginning of his/her work to write the thesis on a topic related to the Project so that it can be ensured that the thesis in question will be made and published without revealing any Confidential Information of the Project Partner. The above-mentioned review process shall be applied before publishing the thesis.

9. Responsibilities and Limitations of Liability

Unless otherwise agreed by the Parties regarding certain material included in the Results, no Confidential Information belonging to third parties or material protected by intellectual property rights, such as copyrighted material, belonging to third parties can be included in the Results, and the utilisation of the Results shall not require, to the best of the Demola Network's knowledge, the use of material protected by intellectual property rights belonging to third parties.

The Parties shall not be liable for any possible indirect damages that it may cause to the other Party, such as loss of profit, benefit and/or revenue.

The limitations of liability agreed in this Section shall not apply to damages caused by breach of confidentiality, intentional misconduct or gross negligence.

10. Term

This Agreement shall enter into force when it has been duly signed by the Parties or, if the Parties have taken actions to implement the Project before signing the Agreement, on the starting date of such actions, and this Agreement shall remain in force in accordance with Section 4.

The Parties shall have the right to terminate the Agreement or the Project with immediate effect if the implementation of the Project has been interrupted otherwise than temporarily for at least fourteen (14) days or if the other Party commits a substantial breach of the terms and conditions of the Agreement or, where applicable, the confidentiality agreement, and fails to remedy such breach within thirty (30) days after receiving a written notice in respect of the matter.

The licenses granted to the Project Partner based on this Agreement will, however, remain in force even if the Project Partner decides not to continue in the Project.

Sections 5, 7, 8, 9 and 11.3 of the Agreement as well as any other Sections that by their nature should survive the termination or cancellation of the Agreement shall be deemed to survive.

11. Miscellaneous

The appendices to this Agreement shall form an integral part of this Agreement. In the event of any conflict between the Agreement and its appendices, the terms of this Agreement shall prevail.

Any changes to this Agreement shall be agreed in writing, and the Parties shall approve the changes with their signatures to become valid and binding on the Parties.

A failure of a Party to insist upon the performance of any or more of the terms or conditions of this Project Agreement or a waiver of any term or condition of this Project Agreement will not be deemed to be a waiver of any rights or remedies the Party may have in subsequent similar situations.

12. Governing Law and Disputes

This Agreement is governed by and shall be construed in accordance with the laws of Finland excluding its choice of law provisions. The Parties agree to adhere to all applicable legislation in all of its operations.

Any possible disputes arising out of or relating to this Agreement shall be primarily settled by negotiations between the Parties. If any dispute under this Agreement cannot be solved otherwise, it shall be settled in arbitration by one (1) arbitrator. The arbitrator shall be appointed by the Arbitration Institute of the Finland Central Chamber of Commerce, and the rules of the said Institute are to be followed in the arbitration.

13. Signatures

The Parties acknowledge that copies of this Agreement (including, without limitation, copies of any signatures) that are reproduced or transmitted electronically, by email, facsimile or otherwise, will be equivalent to original documents until such time (if any) as original documents are completely executed.

Demola Network Coordinator

DocuSigned by:

E76A0A9EAB044C9...

Name: Ville Kairamo

Title: CEO

Date signed: April 19, 2018 | 14:27 EEDT

Local Demola Operator



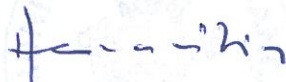
Name: Joao Sobrinho Teixeira

Title: President of IPB

Date signed:



Bragança City Council



Hernâni Dinis Venâncio Dias

President

Date signed:

APPENDICES:

- 1) Project description
- 2) Price List



APPENDIX 1) Project description

Keep the Algae Out!

The brief

It is summer time, and the algae at the Fervença river are back! Fish don't like it, people don't like it. What can we do to return the river to its users?

The problem

Whatever the action by the City Council, algae always come back! This causes a decrease in the oxygen availability, thus leading to unfriendly conditions to fish and other regular habitants of this ecosystem. Also, complaints by the city citizens increase due to the bad looks of the river, that hinder them from enjoying a nice stroll along the area. How can this be dealt with? How can we ensure the health of the river and give it back to its inhabitants and users?

The background

The growth of algae is a recurrent issue at the Fervença river, caused by the low water renewal and warm temperatures. So, during summer time the river turns green and unfriendly to most of its ecosystem life. The City Council has been dealing with this for a long time and already tried a variety of possible solutions.

APPENDIX 2) Price List**Fees agreed for Demola Projects**

Description	Fees
Participation Fee	0 € per Project including participation of one Project Partner staff member. Participation fee for additional staff members 0 € per person.
License Acquisition Fee	Level I: 2500 € for Project, where project and process outcomes are valuable for Partner. Partner is willing to utilize the outcomes. Level II: 5000 € for Project, where the overall implementation is of high quality, and there are some highly interesting new ideas to improve the concept, implementation, user experience or business potential. Level III: 7500 € for Project, with exceptional Results, e.g. novel concept ideas with clear business value with very high quality implementation.
Project Facilitation Fee	1000 € per Project
Researcher Service Fee	to be separately agreed by the Parties

