

## DEMOLA PARTNER AGREEMENT FOR INNOVATION PROJECTS

### 1. Parties

New Factory International (“**Demola Network Coordinator**”)

Business ID: FI24087016

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

and

Helsingin kaupunki, Kasvatuksen ja koulutuksen toimiala (“**Partner**”)

Business ID: FI02012566

Address: Töysänpätkäkatu 2 D, 00510 Helsinki

Hereinafter jointly referred to as “Parties” or “Party”, depending on the context.

### 1. Background and Purpose

- 1.1 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, local Demola operators and university partners are hereinafter jointly referred as “**Demola Network**”.
- 1.2 The Parties agree to co-operate, with the purpose of supporting Partner’s open innovation processes by organising an open innovation partnership (the “**Partnership**”). The Partnership shall consist of separate Demola Projects (the “**Projects**”); and the purpose of each such Project is to develop ideas, concepts, etc., as provided in detail under each Project Order (“Project Order”) respectively. Such Project Order can be executed also electronically.
- 1.3 To facilitate the Partnership, Demola Network Coordinator shall form a separate project group (“**Project Group**”) for each individual Project and administrate each Project (including but not limited to administering all needed agreements with the Project Group and the Demola Network). The Project Groups consist of students selected by Demola Network Coordinator and Partner. Demola Network Coordinator and Partner shall not be part of the Project Group.
- 1.4 Demola Network Coordinator shall agree with the Project Group on the division of intellectual property and other rights related to the Results of the Project in accordance with the purpose of the Agreement. The Demola Network Coordinator undertakes that it has, or that it has been appropriately granted the right to grant to Partner the License(s) to the Results, as specified in Section 5 and/or to transfer to Partner the rights to Results, as specified in Section 6.

### 2. Scope of the Agreement

- 2.1 This Agreement shall apply to the Partnership and Projects between the Demola Network Coordinator and the Partner, and any of its Affiliates (as defined below).
- 2.2 Definitions

“**Affiliates**” of a Party shall mean an entity which is i) directly or indirectly controlling such Party, ii) under the same direct or indirect ownership or control as such Party; or iii) directly or indirectly owned or controlled by such Party. For these purposes, an entity shall be treated as being controlled

by another if that other entity has fifty percent (50%) or more of the votes in such entity, is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

**"Agreement"** shall mean this Partnership Agreement, its Appendices and all related Project Order(s).

**"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 a 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 the Agreement).

**"Confidential Information"** shall mean all technical, financial or commercial information that is related to or influences the 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 trade secrets with "Confidential" or other similar markings.

**"Price List"** shall mean the list of applicable fees as amended from time to time by Demola Network Coordinator.

**"Results"** shall mean all materials in whatever form created by the Project Group in the Project (including but not limited to any report, document, data, design, invention and software including source code), as well as all rights related to such materials (such as proprietary rights and intellectual property rights including but not limited to utility models, trade secrets, copyrights and patent rights).

### 3. **Obligations of the Parties**

- 3.1 The Demola Network Coordinator shall take care of case design process and workshops, marketing for students and participant universities, agreements with Project Groups and Demola Network, team building, Demola process facilitation, round-up meetings to support participating Partner staff members and visibility as Demola Network partner.
- 3.2 Partner shall provide the Project with theme and description of the innovation topic and comments on the progress and the quality level of the Project, participate 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 Coordinator.

### 4. **Background Material and Third Party Material**

- 4.1 Partner shall not have any obligation to deliver or license any Background Material to the Demola Network Coordinator, Demola Network or the Project Group. If Partner delivers Background Material, no rights (including property and/or intellectual property) pertaining to the Background Material shall be transferred to or granted to the Demola Network Coordinator, Demola Network or the Project Group. In such case, the Demola Network Coordinator shall deliver the Background Material to the Project Group with a corresponding user right. Such Background Material may only be used during the Project for the implementation of the Project. Any other use must be agreed separately in writing. The Background Material shall be returned to Partner or destroyed after the end of the Project or earlier upon Partner's request.
- 4.2 If the Project Group intends to incorporate its own or its members' Background Material into the Results or the Results require the use of such Background Material, the use of Background Material shall be agreed separately and, if possible, before the beginning of the Project. Insofar as the Parties

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 Coordinator agrees to ensure that Partner shall receive, without separate compensation, the rights referred to in Section 5 also to such part of the Background Material that the Project Group has incorporated into the Results.

- 4.3 Inclusion of material belonging to third parties into the Background Material is only allowed with the consent of Partner. The Demola Network Coordinator undertakes to agree with the Project Group on the procedure that the Project Group will use to identify the said material for Partner and the terms applicable to its use so that Partner has the prerequisites to assess the effects of using the said material on the utilisation of the Results and especially on the License(s) referred to in Section 5.

## 5. License to Results

- 5.1 Partner shall have the right to assess the Results independently and decide within one (1) month from the termination of each Project whether to acquire a license to the Results for that Project. Partner shall not be obliged to acquire any license to the Results.
- 5.2 In the event that Partner desires to acquire a license to the Results, the Demola Network Coordinator shall grant to Partner, upon a due payment of the license acquisition fee (“**License Acquisition Fee**”) to the Demola Network Coordinator in accordance with the Price List, a royalty-free, perpetual, irrevocable, non-exclusive and global license to the Results to use and exploit the Results in all operations as Partner deems suitable, including research and development as well as commercial activities (“**License**”). The License shall include the right to further develop, modify, create derivative works 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, offer to sell and otherwise distribute to third parties any products or provide any services that utilize the Results or have been developed on the basis of the Results as well the right to sublicense the License to third parties.
- 5.3 The Demola Network Coordinator agrees not to, and agrees to ensure that the Project Group or Demola Network shall not, initiate legal actions against Partner, (including its Affiliates, customers, partners and contractors), if the intellectual property rights created by the grantor(s) of the License based on the Results overlap with Partner’s use or further development of the Results.
- 5.4 In addition, Partner shall have the right to utilize, without a separate compensation, the so-called residual information in accordance with the rights stated above in this Section 5, acknowledging the possible confidentiality obligations. Residual information shall include all information retained in the unaided memory of those employees of Partner and Affiliates of Partner who have worked with such information (including the Results) gained from the Demola Network Coordinator, 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.

## 6. Transfer of Rights to Results

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

- 6.2 If a patentable invention is created during the Project without a 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 Partner has the right to purchase the invention.
- 6.3 The Demola Network Coordinator shall inform the 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 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 Coordinator 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 Partner, 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 Partner shall pay Project Facilitation Fee to the Demola Network Coordinator. The Demola Network and Project Group must keep the created invention confidential until the patent application has been published.
- 6.4 Non-assertion. 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 Coordinator.
- 6.5 Other Results. With respect to Results other than inventions, in the event that Partner desires to acquire all intellectual property rights to all or some of the Results, Partner inform the Project Group of such and shall pay intellectual property rights transfer fee (“**Transfer Fee**”), subject to being separately agreed upon between the Parties. Upon payment of such Transfer Fee to the Demola Network Coordinator, and upon having secured to have obtained such consent(s) from the Project Group, all right, title and interest in and to all copyrights and other intellectual property rights to the Results shall vest in and be the sole and exclusive property of Partner excluding the Background Material, if any. In case Partner acquires all intellectual property rights, the Partner shall pay Project Facilitation Fee to the Demola Network Coordinator.

## 7. Prices and Terms of Payment

- 7.1 Participation Fee. 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 upon Partner having submitted related purchase order to Demola Network Coordinator.
- 7.2 License Acquisition Fee. In case the decision is made by Partner to acquire the License to the Results in accordance with Section 5, 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 Partner’s objective discretion. The Demola Network Coordinator shall invoice the License Acquisition Fee after Partner has decided upon acquiring the License and provided that the Demola Network Coordinator has delivered the Results to Partner.
- 7.3 Project Facilitation Fee. In case the decision is made by Partner to acquire the License to the Results in accordance with Section 5, or all intellectual property rights or any inventions in accordance with Section 6, 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. The Demola

Network Coordinator shall invoice the Project Facilitation Fee after the License has been granted to Partner.

- 7.4 Partner shall not be obligated to pay any other fees or other compensation than the fees specified in this Section 7 on the grounds of this Agreement to the Demola Network Coordinator. For the avoidance of doubt, Partner shall not be obliged to pay any fees or other compensations on the grounds of this Agreement to the Project Group.
- 7.5 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.
- 7.6 The Partner shall pay the fees within 14 days after receiving the invoice.
- 7.7 If Partner is overdue with any payment due under this Agreement, then the Demola Network Coordinator may request interest on the overdue amount at an annual rate equal to five (5) percent above the 1 month Euribor (Euro Interbank Offered Rate) as quoted by Financial Times on the date of the due date or the maximum rate permitted by the applicable law, whichever is the higher, which interest shall accrue on a daily basis from the date payment becomes overdue until the Demola Network Coordinator has received payment of the overdue amount.

## **8. Confidentiality**

- 8.1 In connection with the Project, Partner may disclose to the Demola Network Coordinator Confidential Information and the Demola Network Coordinator shall undertake to restrict the use and further disclosure of such Confidential Information.
- 8.2 The Demola Network Coordinator agrees not to disclose Partner 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. Partner reserves all rights to the Confidential Information disclosed to the Demola Network Coordinator.
- 8.3 The Demola Network Coordinator shall have the right to provide Partner Confidential Information to its personnel and, subject to Section 8.4, to the Project Group and Demola operators only to the extent necessary for carrying out the tasks agreed by the Parties.
- 8.4 The Demola Network Coordinator 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.
- 8.5 The confidentiality obligations set forth in this Agreement shall bind the Demola Network Coordinator for a period of five (5) years from the date of receipt of Confidential Information. In addition, Partner may require that the Demola Network Coordinator commits to confidentiality with a separate confidentiality agreement.
- 8.6 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.

## 9. Publication

- 9.1 After the Project has ended, the Project Group may publish the Results (except the Results to which Partner desires to acquire all intellectual property rights to) as they see fit after Partner has reviewed all information related to 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. 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. Partner may require a new review process before granting the final publication permission. The publication permission shall not be refused without an acceptable reason.
- 9.2 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. Partner will also be highlighted as Demola Network Corporate partner in general Demola Network communications.
- 9.3 All theses made in connection with the Project shall be public. Confidential Information of Partner shall not be included in the theses. The author of a thesis must get a permission from Partner or the person(s) appointed by 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 Partner. The abovementioned review process shall be applied before publishing the thesis.

## 10. Limitations of Liability

- 10.1 Neither Party shall under any circumstances be liable towards each other for any indirect, incidental, consequential, special or punitive damages, including but not limited to loss of profits, benefits and/or revenue, whether in contract, tort, or otherwise, except for injury to persons, breach by the Section 8 Confidentiality or in cases of intentional misconduct or gross negligence.

## 11. Term

- 11.1 The Agreement shall enter into force when it has been executed 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. The Agreement shall remain in force for an initial term of one (1) year (“**Initial Term**”). If not terminated by any of the Parties by written notice at least three (3) months before the end of the Initial Term, the Agreement shall remain in force upon six (6) months written notice to the other Party.
- 11.2 The Parties shall have the right to terminate the Agreement and 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 Terms 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.

- 11.3 The licenses granted to Partner based on this Agreement shall, however, remain in force even if Partner decides not to continue in the Projects.
- 11.4 Terms of the Agreement, which by their nature should survive the termination or expiration of the Agreement, shall continue to apply following such termination or expiration.

## 12. Miscellaneous

- 12.1 Any changes to the Agreement shall be agreed in writing, and the Parties shall approve the changes with their signatures to become valid and binding on the Parties.
- 12.2 A failure of a Party to insist upon the performance of any or more of the terms or Terms of the Agreement or a waiver of any term or Term of the Agreement will not be deemed to be a waiver of any rights or remedies the Party may have in subsequent similar situations.

## 13. Governing Law and Disputes

- 13.1 The Agreement is governed by and shall be construed in accordance with the laws of Finland excluding its choice of law provisions.
- 13.2 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or validity thereof shall be primarily settled in good-faith negotiations between the Parties. Should the Parties fail to settle the dispute this way within thirty days, it shall be settled by the Helsinki District Court.

## 14. Signatures

In witness whereof the Parties hereto have caused this Agreement to be signed by their duly authorized representatives as of the date of last signature below.

DEMOLA NETWORK COORDINATOR  
NEW FACTORY INTERNATIONAL

PARTNER  
HELSINGIN KAUPUNKI

Name:

Name:

Title:

Title:

Date:

Date: