

TERMS OF REFERENCE

EIT Health Wild Card Projects

A. Parties and Definitions

A.1. Parties

KIC LE or EIT Health: EIT Health e.V., the legal entity under German law, with registered office at Mies-van-der-Rohe-Straße 1, 80807 München, Germany.

KIC Partners or EIT Health Partners: Higher education institutions, research organisations, companies and other stakeholders in the innovation process in the form of a strategic network based on joint mid-to long-term innovation planning to achieve the EIT challenges, in the field of health, comprising the EIT Health e.V and the KIC EIT Health Partners.

Team: All individuals selected as the winning team following the identification of challenges, the talent selection process, and the ideation tournament, identified in Annex A.

Incubator: Business incubator, part of the EIT Health network, supporting the Team with facilities, management and ecosystem support. Incubators are EIT Health Partners or affiliate entities of these Partners.

A.2. Definitions

Words beginning with a capital letter shall have the meaning defined either herein or in the FPA or SGA, including their respective Annexes. Additional definitions are:

EIT: The European Institute of Innovation and Technology

Affiliated Entity: a legal entity that is directly or indirectly Controlled by, or under common Control with or Controlling a Party, where "Control" means the direct or indirect

- ownership of more than 50% of the issued share capital of the entity or of more than 50% of the issued share capital entitling the holders to vote for the election of directors or persons performing similar functions in such entity, or
- right by any other means to elect or appoint managing board members of the entity (or persons performing similar functions) who together have a majority vote, while the status of Affiliated Entity lasts only as long as such Control exists, it being understood that common Control through government does not, in itself, create Affiliated Entity status.

Framework Partnership Agreement or “FPA”: The agreement establishing the long term cooperation (‘framework partnership’) between the EIT and the EIT Health e.V and the KIC EIT Health Partners, entered into force on the date of January 1, 2016.

Specific Agreement or “SGA”: The agreement concluded between the EIT and the KIC LE, if the EIT has decided to award a specific grant to the KIC EIT Health, in accordance with Article 2.2 of the FPA.

Individual: Any person, resident of the European Union or country associated to the Horizon 2020 programme at the moment of application, who applies to take part in the selection tournament as specified under “B. Talent Selection”.

B. Scope

Challenge Selection

EIT Health and its KIC Partners shall identify key specific challenges. Key specific challenges are challenges where solutions for said challenges would be major breakthroughs and could form the cornerstone of high-risk, innovative projects with transformative potential (hereinafter “the Challenges”).

EIT Health shall establish a process for the collection of Challenges to its KIC Partners which can be consulted at the KIC LE. The KIC Partners agree to subsequently endeavour to provide such key Challenges to EIT Health.

EIT Health shall provide a timeline and deadline for the Challenge Selection phase. Contributions by EIT Health Partners are understood as a contribution to the process described in this Term Sheet and they do not represent a formal legal commitment. The contribution to the challenge will be assessed by the EIT Health Management Board – potentially with the help of external expert – for suitability of being selecting for the call(s) for Talent Selection for Projects under this Term Sheet. Prior to any publication, the Management Board of EIT Health e.V. will obtain the approval from the contributing EIT Health Partner.

Talent Selection

Highly talented individuals and small groups of individuals will be selected to take part in a selection tournament, where the Challenges shall be presented and teams shall be formed and supported in their ideas to address them.

Only individuals who are resident of a country the European Union or country associated to the Horizon 2020 programme at the time of their application, can be accepted.

EIT Health agrees to promote and recruit such highly talented individuals – where appropriate with support of the KIC Partners.

EIT Health will select KIC Partners that agree to organize and/or provide all necessary support for said tournament.

EIT Health agrees to support, financially or otherwise, the KIC Partners in organizing said tournament.

A winning team shall be selected by a pitch competition at the end of said tournament (hereinafter "the Team").

Development

In the development phase the Team shall, and agrees to, further develop and design the winning concept, the proposed solutions and a prototype, if applicable, as well as a business case and business model, with the support of EIT Health and the EIT Health partners.

Such support can include, but is not limited to, rent of the necessary facilities, reasonable salaries as applied under standard HR policies for similar functions and living expenses, consumables, and general support.

The Team agrees to deliver, at the end of the development phase the following deliverables:

- Concept designs;
- Prototype (if applicable);
- Business model.

EIT Health and the Team agree to mutually define the key milestones to be achieved by the Team by the end of the Development phase. The Team agrees to commit itself to achieving these milestones.

EIT Health agrees to, if deemed necessary by EIT Health and the Team in mutual consent, provide employment to the individuals of the Team insofar and whilst the Team has not yet incorporated in a legal entity.

EIT Health and the Team agree to conclude an agreement detailing said support, payments and general terms and conditions (hereafter "Project Grant Agreement").

The Team and all other Parties to this Term Sheet agree to sign, at the start of the Development phase, a non-disclosure agreement regarding the Team's solutions, concepts and designs.

The Team agrees to and shall endeavour to complete the development phase as soon as possible, and in no longer than six (6) months.

Incubation

The Incubator and the Team agree that between the Incubator, EIT Health and the Team/Start-up a service agreement shall be concluded to allow the Team/Start-Up to be integrated in the facilities of the Incubator.

EIT Health agrees to provide financial support to the Incubator, the terms and conditions of which shall be detailed in a project grant agreement with the Incubator.

EIT Health and the EIT Health Partners agree to endeavour to provide Accelerator support to the Start-Up.

Incorporation

Upon completion of the development phase, including the defined deliverables, milestones and the conception of a viable business case, the Team and EIT Health agree to take all necessary steps to incorporate the Team and its developed concepts, designs and business model into a start-up business legal entity.

EIT Health and the Team agree to conclude the following agreements:

- Project Grant Agreement, providing financial support to the Team EIT Health and the Team, comprising all its individual members, agree that all rights and obligations, commitments and engagements of the Team under the Agreement shall be assigned to the start-up business legal entity after its incorporation.
- Profit Sharing Agreement, wherein the maximum grant of EIT Health in the start-up legal entity shall be set out, and wherein the Team and EIT Health will agree on a future profit-sharing arrangement.

The Profit Sharing Agreement shall take into account all financial support provided by EIT Health to the Team as provided in the Grant Agreement, which shall be reflected in EIT Health's profit share in the Start-up. For the avoidance of doubt, EIT Health will not seek IP ownership or equity in the start-up.