
SUMMARY OF TERMS WITH RESPECT TO THE EIT HEALTH WILD CARD PROGRAMME

This term sheet (the “**Term Sheet**”) outlines the principal terms and conditions with respect to the EIT Health Wild Card Project, i.e. the selection of a winning Team and its solutions to a challenge identified by the EIT Health Partners and EIT Health Management Board, as well as the support, incubation and acceleration of the Team into a start-up business.

This Term Sheet contains, non-exhaustively, the principal terms and conditions of the EIT Health Wild Card Project contemplated and is not intended to constitute a binding contract, save as provided for the provisions under “C. Legal Commitments”.

The obligation of the signing parties to implement the EIT Health Wild Card Project is subject to the conditions precedent set forth below.

A. Parties and Definitions

A.1. Parties

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.
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 EIT Health Partners.
Team :	All individuals selected in the talent selection process who continue to participate in the Wild Card program.
Start-up :	The incorporated Team, and it’s developed concepts, designs and business model, into a start-up business legal entity.
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 herein Additional definitions are:

EIT :	The European Institute of Innovation and Technology
Affiliated Entity :	<p><i>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</i></p> <ul style="list-style-type: none"> - 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 EIT, EIT Health e.V and the EIT Health Partners, entered into force on the date of January 1, 2016.
Specific Agreement or “SGA”	The agreement concluded between EIT and EIT Health, if EIT has decided to award a specific grant to 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 program at the moment of application, who applies to take part in the selection hackathon as specified under “B. Talent Selection”.
B. Scope	
Challenge Selection	EIT Health and EIT Health 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**”).

Talent Selection

Highly talented Individuals and small groups of Individuals in remote evaluation will be selected to take part in a selection hackathon, where teams shall be formed and supported in their ideas to address the Challenges.

Only Individuals who are a 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 EIT Health Partners.

All Individuals and teams have read and accepted the provisions of this Term Sheet, and commit to comply with the terms and conditions as set out in this Term Sheet by participating in this Wild Card program.

Acceleration

Up to six winning teams shall be selected at the end of said hackathon to continue to the Acceleration phase.

The teams selected at the selection hackathon shall participate in a ten-week Acceleration program, to test their hypotheses, validate and develop value propositions and identify appropriate business models.

In the Acceleration phase the Team shall, and agrees to, further develop and design their 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.

EIT Health and the Team can agree mutually and in writing, if deemed necessary by EIT Health and the Team, to include during the Acceleration phase new members to the Team with a skill-set identified as missing by the judging panel of the aforementioned selection hackathon in their evaluation. A Team shall be allowed to suggest to EIT Health team members to be added to the Team during the Business Validation Phase or choose amongst hackathon participants suggested by EIT Health.

EIT Health and the Team can agree mutually and in writing, if deemed necessary by EIT Health and the Team, agree if such newly included members to the Team shall have or not have the right to participate as a partner or founder in the prospect project and/or business venture, as it is the case for the original members of the Team selected in the aforementioned selection hackathon. By default, any such newly included members to the Team can be hired as employees at a later time.

In the Acceleration phase, the Teams will receive mentoring and coaching from experienced commercialization experts and investors, as well as regular feedback on their progress. The program will challenge the Teams to better understand their stakeholders' needs, the problems to be solved and buying dynamics. The Team agrees to deliver, at the end of the business validation phase the following deliverables:

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

The Teams agree to define the key project milestones to be achieved and agree to commit to achieving these milestones.

A winning team shall be selected by a pitch competition after this Acceleration phase.

Incorporation

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 (hereinafter: "the Start-up").

EIT Health and the Start-up agree to conclude the following agreements:

- (a) a **Project Grant Agreement**, providing financial support to the Team. Under this Project Grant Agreement, the Wild Card Project will be further implemented.

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.

(b) an **Option Agreement**, wherein the economic and legal terms of the participation of EIT Health in the start-up are set out. The key terms of the Option Agreement are as follows:

- EIT Health will participate via options in the total amount of up to 25 % on a fully diluted basis if EIT Health provided the start-up with the maximum amount of €2 million.
- If EIT Health is providing lesser amounts, the participation of EIT Health will be reduced proportionally;
- EIT Health will only profit economically from its options in an exit-event;
- EIT Health will not hold equity in the start-up and will not have control rights
- EIT Health shall have a seat in the advisory board of the start-up
- EIT Health will not seek IP ownership in the start-up.

Details of the Option Agreement will be set out between EIT Health and the Team and in **Appendix B** to this Term Sheet.

For the avoidance of doubt, EIT Health will not seek IP ownership or equity in the start-up.

Incubation

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

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 (PGA) with the Incubator.

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

C. Legal Commitments

Parties' engagement

All Parties agree to honor and implement the commitments under "B. Scope" of this Term Sheet in good faith and to the best of their abilities, and commit to negotiate and conclude all legally binding agreements contemplated by this Term Sheet.

All Parties agree to expeditiously implement the whole EIT Health Wild Card Project, and to participate in all its phases as described under "B. Scope" in good faith and to the best of their abilities.

All Parties agree that all legally binding agreements hereby contemplated will be concluded within the framework and requirements provided by the FPA and SGA.

Intellectual property (IP) :

Results generated by the Team in the execution of the EIT Health Wild Card Project under this Term Sheet are owned by the Team.

The intellectual property created and developed by the Team (hereinafter "IP") shall be the sole property the Team, up and until the incorporation of the start-up legal entity. The Team, including all its individual members and additional members added during the Business Validation Phase, agree to assign and transfer ownership of all results generated by the Team to the start-up legal entity.

After incorporation of a start-up legal entity by EIT Health and the Team, all results generated in the execution of the EIT Health Wild Card Project shall be owned by said start-up legal entity.

Any dissemination of results by the Team, additional members added during the Business Validation Phase, and/or the start-up legal entity shall be subject to the prior written approval of EIT Health, such approval not be unreasonably withheld or delayed.

Nothing in this term sheet shall be construed as effecting any pre-existing intellectual property rights.

Nothing in this Term Sheet shall be construed as conferring rights to use in advertising, publicity or otherwise the name of EIT Health and/ or EIT Health Partners or any of their logos or trademarks without their prior written approval.

The Team and the start-up legal entity shall have the right to use the EIT Brand and the EIT Health logo, in accordance with the instructions from EIT Health.

Confidentiality :

The Parties will keep strictly confidential the existence and the terms of this Term Sheet and shall not disclose or use the same without the prior consent of each other until the date of effective closing of all legally binding agreements contemplated hereby, except in case such disclosure would be legally required.

In case no closing will occur, confidentiality will remain in full force during a period of two years following the date of execution of this Term Sheet.

Liability :

No Party shall be responsible to any other Party for any indirect or consequential loss or similar damage such as, but not limited to, loss of profit, loss of revenue or loss of contracts, provided such damage was not caused by a wilful act or by a breach of confidentiality.

Each Party shall be solely liable for any loss, damage or injury to third parties resulting from the performance of the said Party's obligations by it or on its behalf under this Term Sheet. The terms of this Term Sheet shall not be construed to amend or limit either Party's statutory liability.

Good faith:

The Parties agree to work in good faith expeditiously towards the implementation of the EIT Health Wild Card Programme.

Visibility:

The Start-up undertakes that, for a period expiring on [DATE], in case of external communication, engaging, directly or indirectly into any discussions or negotiations with any third party with respect to a project, will mention the award of Wild Card Project and support received in frame of EIT Health Wild Card programme, by including EIT Health Wild Card logo and the following sentence: "[Start-up's name] was created and receives support under the umbrella of EIT Health

Wild Card programme. EIT Health is supported by the EIT, a body of the European Union.”

Legal fees and other expenses : Parties will pay their own legal and other necessary and reasonable fees relating to the EIT Health Wild Card Project.

Timing : The signatories hereby intend to negotiate and execute all required legal documentation by [DATE] for closing not to occur later than [DATE].

In absence of an unanimous agreement and executed legal documentation by the signatories of this Term Sheet by [DATE] the signatories wishing to proceed with the consummation of the transactions contemplated hereby, shall have the right to do so, without any compensation for damages resulting from such action; neither can the party not wishing to proceed be held responsible for any damage resulting from its departure. Notwithstanding the above this Term Sheet shall automatically expire in case the signatories hereto fail to execute the legal documentation contemplated hereby by [DATE].

Governing law : This Term Sheet and all other agreements that result from this Term Sheet shall be governed by [Belgian] law. Any disputes arising from and in connection with the present Term Sheet, which cannot be solved by amical settlement, will be exclusively handled by the courts of law in [Brussels, Belgium].

Signed in ... original copies, of which each Party declares to have received one (1) original.

Confirmed and accepted in [PLACCE] on the [DATE] by

[Signatures]

LIST OF APPENDICES

Appendix A – The Team

Appendix B – Provisions for Option Agreement