

## PARTICIPATION AGREEMENT

### DISCLAIMER

This contract version constitutes solely an informal translation with no binding legal content whatsoever. In any cases of disputes regarding the rights and obligations of the parties under this contract and the interpretation of the contract only the German version is relevant.

Between

**SprinD GmbH**

Lagerhofstr. 4, 04103 Leipzig, Germany

- hereafter referred to as: "SprinD" -

and

(...)

- hereafter referred to as: "Participant" -

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## PREAMBLE

Since the industrial revolution, mankind has extracted and burned tremendous amounts of carbon in the form of oil, coal or natural gas. The greenhouse gases released in the process are dramatically changing the lives of people around the world. Weather extremes and their effects, such as droughts, floods or forest fires, have been increasing for years. They destroy livelihoods and threaten people's health, lives and well-being. The global community agrees that global warming must be limited to less than two degrees Celsius compared to pre-industrial levels of emissions. That is why countries like Germany have mapped out specific goals and steps on how they want to reduce greenhouse gas emissions in the coming years and decades. And indeed, progress is being made. Emissions are falling - but still much too slowly.

Climate experts agree that reducing CO<sub>2</sub> emissions alone will not suffice. We also must remove enormous amounts of greenhouse gases from the atmosphere and thus be able to reverse past emissions. By the middle of the century, several gigatonnes of CO<sub>2</sub> will have to be removed from the atmosphere every year. Scientists and innovators from all over the world have already shown that this is technically possible. However, these methods are too expensive, often very energy-intensive themselves and limited in their scalability.

Technological progress can help reduce the cost of removing CO<sub>2</sub> from the atmosphere. At present, however, it is uncertain whether these cost reductions will be enough to make CO<sub>2</sub> removal from the atmosphere economically viable on a gigatonne scale. However, we think it is the economic viability of technologies to remove CO<sub>2</sub> from the atmosphere that will be a basic prerequisite for achieving the target of contributing towards negative emissions. Therefore, the goal of the Challenge is to find ways to transform the removed CO<sub>2</sub> into products that store and bind carbon long-term. Our vision is, that the long-term utilization of C(O<sub>2</sub>) should represent an economic option for the use of sustainable carbon sources, which will enable the reduction of the atmosphere's CO<sub>2</sub> content and achieve our climate goals.

To this end, this Challenge supports approaches that implement a holistic concept, from the removal of atmospheric CO<sub>2</sub>, through conversion and further processing, and its transformation into new products and value chains.

The participant will have successfully demonstrated that it is able to participate in the Challenge. The basis of its participation is the following Participation Agreement:

## PART 1: PARTICIPATION IN THE CHALLENGE

### § 1 PARTICIPATION

- (1) The participant participates in a so-called pre-commercial procurement organized by SprinD pursuant to this Participation Agreement. The goal of the challenge is a  
*Breakthrough in the long-term and commercial use of atmospheric C(O<sub>2</sub>) in products through scalable processes.*
- (2) The challenge was preceded by the search for a solution based on a tender dated \_\_\_\_ and published on the homepage of SprinD. This Participation Agreement is based on the tender documents. The participant has joined this search for a solution by submitting its solution outline attached as Exhibit A "\_\_\_\_". Based on the decision of the jury of the challenge dated \_\_\_\_ and attached as Exhibit B, this solution outline was selected for participation in the challenge. The participant undertakes to implement the solution outlined in Exhibit A in accordance with this Participation Agreement.

### § 2 TIMELINE AND BASIS FOR THE CHALLENGE

- (1) The challenge shall take place in two stages:
  - **First stage "Concept Demonstration"**

During the first year the competitors develop their solution outline. The objective is to plan and begin the implementation of suitable steps that contribute to advancing the outlined solution.

The first year begins on 5/1/2022 and ends on 4/30/2023.

The maximum contract amount for this stage is € 600,000.

At least four and at most ten competitors will participate in the first stage.
  - **Second stage "Functional Expansion"**

In the second stage the practical implementation is to be expedited on the basis of the insights gained in the first year. Planned steps are to be implemented in order to expedite the solution.

The second stage is expected to last from 5/1/2023 to 9/30/2024.

At least two and at most five competitors will participate in the second stage.
- (2) With the jury decision (Exhibit 1.3b), the participant was invited to participate in the first stage. With the signature of this Agreement the participant agrees to participate in the challenge pursuant to this Agreement.
- (3) The participant shall not acquire any claim to participate in the second stage of the challenge on the basis of its participation in the first stage or on the basis of this Participation Agreement. Nor shall the participant acquire any claims to implementation of additional stages. Whether the execution of the second stage is appropriate or not shall be decided by the jury empaneled by SprinD, among other things on the basis of

the submitted competitive contributions. SprinD will not implement the challenge as such or any additional stages in particular if

- the minimum number of participants is not reached;
  - SprinD does not have sufficient funds for budgetary or other financial reasons to implement the second stage in a proper manner;
  - the goal of the challenge is reached with an earlier result of a participant or the development has reached the point where any further implementation does no longer constitute research and development funding.
- (4) If SprinD decides to implement the second stage, the participants selected by the jury will be requested to participate in the second stage. In that case SprinD and the participant will agree in writing on participation in the second stage. In case the participant is selected to participate, the participant shall be free to participate in the second stage. SprinD shall be free to make changes to the provisions of this Agreement with regard to the second stage of the challenge. If the participant is selected and agrees to participate in the second stage, this Agreement shall apply to the second stage subject to future changes.

## § 3

### COMPENSATION OF THE PARTICIPANT

- (1) The participant shall receive a compensation based on its offer - and/or based on its applications for the second stage of the challenge - plus value added tax if applicable. This compensation shall be in lieu of all expenses necessary for the provision of the deliverables. No after-the-fact changes shall be allowed. The financial risk shall be borne by the participant.
- (2) The participant shall be granted 25% of the compensation for the first stage at the start of the challenge. The remaining 75% for this stage shall be disbursed in three equal installments within three, six and nine months after the start of the challenge. The participant may indicate a different payment schedule for the first stage in its bid or its application for participation if such is justified for factual or other reasons. The participants shall send the respective invoices to buchhaltung@sprind.org.
- (3) For the second stage, the compensation shall be disbursed to the participant in advance in five equal installments. The participants shall send the respective invoices to buchhaltung@sprind.org. The first installment shall be paid at the start of the second stage, the additional installments in each case within three months. The participant may indicate a different payment schedule in its bid or its application for participation in the additional stages if such is justified for factual or other reasons.
- (4) If the participant deviates materially from the calculated compensation indicated in its application, it must notify SprinD accordingly. Corresponding invoices are to be sent by the participant to buchhaltung@sprind.org. SprinD may deviate from the above payment plans in favour of the participants and arrange for payments to the participant earlier on the basis of credit notes.
- (5) SprinD reserves the right to specify a price ceiling for the second stage of the challenge.

## § 4 INTELLECTUAL PROPERTY

- (1) The intellectual property developed during the challenge ("Results") shall be owned by the participant and SprinD pursuant to the following dispositions:
  1. The participant shall have the right to apply for intellectual property rights regarding the results of the challenge. The participant must inform SprinD immediately if copyrightable results are developed or if applications are submitted.
  2. The participant shall have the right but not the obligation to publish the results in scientific journals. In case of publication, a proper reference to the SprinD subsidy must be included.
  3. SprinD must be granted a no-charge, unrestricted non-exclusive beneficial use right to all results. SprinD may in particular further develop the results also with third parties and do the needed research or have it done by a third party. SprinD shall also have the right to exploit the results commercially with third parties pursuant to the following Point 4.
  4. The participant undertakes as an obligation towards SprinD and by way of a genuine contract in favor of any third party, to grant to any third party non-exclusive licenses for the commercial exploitation of the results at customary market conditions and on a non-discriminatory basis. This obligation ceases if the SprinD grants to the participant in writing the right to issue exclusive licenses to one or more third parties. SprinD will only grant this right if it is certain that with the granted exclusive license SprinD and the participant do not infringe any provisions of state aid law.
- (2) A result within the meaning of the above paragraph is any intellectual property even if it was developed mainly during the challenge and if the result is based overall on the results of the challenge. The portion of the work of the participant that took place after the challenge may be considered when determining the customary market conditions pursuant to the above Paragraph 1 No. 4.
- (3) The participant must consider the above dispositions regarding the results in case of contracts with third parties. The participant undertakes in particular not to sign any contracts with third parties that violate the above regulations or limit, hinder or frustrate the implementation of the resulting rights of third parties or SprinD. SprinD shall have the right to notify third parties of the obligation of the participant to grant licenses pursuant to the above Paragraph 1 No. 4.
- (4) The participant shall apply for copyrightable intellectual property rights at its own expense. If the participant decides against submitting an application, it must inform SprinD accordingly, including the considerations that led to the decision. SprinD may require that the participant apply for intellectual property rights unless the participant has a legitimate interest not to do so. This shall apply also if the application requires a third-party action within the meaning of the Employee Invention Act.

## PART 2: OBJECTIVES AND STAGES OF THE CHALLENGE

### § 5 GOAL OF THE CHALLENGE

- (1) The paramount goal of this Challenge is to find new ways in which captured CO<sub>2</sub> from the atmosphere can be put to further use in products, where it is bound for as long as possible. In this way, the long-term use of atmospheric CO<sub>2</sub> should create new commercialisation options that make it possible to reduce the CO<sub>2</sub> content of the atmosphere economically and to achieve our climate goals. To achieve this, the approaches of the Challenge teams must be able to make a significant contribution to capturing several gigatonnes of CO<sub>2</sub> from the atmosphere each year in the future. In achieving this goal, the primary objective is not to establish a C(O<sub>2</sub>) circular economy, but to achieve negative CO<sub>2</sub> emissions. To achieve this goal, the proposed products must have a negative CO<sub>2</sub> footprint.
- (2) The proposed solutions of the teams will be tested at the end of the challenge by demonstrating the proposed procedure in a prototype implementation with realistic complex problems in the addressed application environment and thus fully proving the technical feasibility in the current application area.

### § 6 OBJECTIVES AND REPORTS REGARDING THE INDIVIDUAL STAGES

- (1) The following objectives are established for the stages:
  - At the end of the first stage the participant has developed and demonstrate their scalable technology to a Technology Readiness Level (TRL) of 3 or 4.
  - At the end of the second stage the participant teams have developed and demonstrated their technology to a TRL of 6.
- (2) A report regarding the completed stage must be submitted at the end of each stage. The report must include
  - an explanation as to whether the objective of the respective stage described in the application has been achieved,
  - a description of all the work performed and a summary description of the results,
  - a list of the intellectual property developed in the process (know-how, data, inventions etc.)
  - if applicable, a list of publications.

Furthermore, the following shall apply:

- The report on the first stage shall contain data demonstrating the general feasibility through laboratory tests or an independent prototype construction with implementation and testing as well as integration of the technical elements. The report on the first stage also must contain a suggestion for the final test under § 5 of this Participation Agreement, including the reason and explanation for its selection.
- The final report must contain a test protocol pursuant to § 5 of this Participation Agreement as well as an interpretation of the results.

- (3) The structure and content of the report for the first stage shall be due irrespective of whether the participant decides to apply for participation in the second stage.
- (4) The report must be submitted in digital form to SprinD one month before the end of the respective stage. SprinD will provide the participant with other requirements in terms of form or content and with templates for the report in a timely fashion.

## § 7

### SELECTION FOR THE SECOND STAGE

- (1) If the participant decides to apply for participation in the second stage of the challenge, the report for the preceding stage must be accompanied by the following:
  - a detailed work schedule and indication of a project-specific objective for the second stage,
  - a declaration as to whether and to what extent the team composition has changed or will change,
  - a price bid for the second stage.
- (2) The selection will be made on the basis of the selection criteria and procedures specified in the tender documents of the challenge. SprinD will advise the participants of the detailed conditions regarding the application for the second stage in a timely fashion.

## PART 3: RIGHTS AND OBLIGATIONS DURING THE PARTICIPATION

## § 8

### COACHING

- (1) The coach will assist SprinD by providing help to the participants and the jury in their decision-making. The coach will provide the jury with a written assessment regarding the participant at each stage of the challenge, including information about the development of the proposed solution, its economic viability and team competence.
- (2) The coach advises the participant regarding the organization and performance of experiments. The coach supports the participant in negotiating subcontracts, investments and in setting up cooperation agreements. If possible and desirable, the coach provides assistance with any spin-off from the academic environment, with patenting strategy, with liquidity management and with the recruitment of suitable employees.
- (3) The participant undertakes to work with the coach, but the coach shall not have any command authority over the participant. The participant shall not have any claims to the provision of coaching services.

## § 9 COOPERATION

- (1) SprinD shall have the right to observe the progress of the work and inspect all documents necessary for this purpose, including notes about materials and work performed, and to monitor compliance with the technical specifications.
- (2) If SprinD provides suggestions, recommendations and other contributions (e.g. inventions) to the participant in order to further participation in the challenge, the participant must take these into consideration, if possible.

## § 10 WITHDRAWAL OF THE PARTICIPANT DURING A STAGE

If the participant does not complete a stage of the challenge or does not or no longer participate in the stage even though it issued the respective declaration, the participant must inform SprinD immediately. A stage is considered as not completed if the report due under § 6 has not been submitted at all, only in part or not on time.

## § 11 CONFLICTING INTELLECTUAL PROPERTY RIGHTS AND APPLICATIONS FOR INTELLECTUAL PROPERTY RIGHTS

The participant must immediately notify SprinD of any intellectual property rights or applications for intellectual property rights that are in conflict with the exploitation of the research and development results, unless they are already mentioned in the tender documents. In conflict are such intellectual property rights or applications for intellectual property rights of third parties as are required for any exploitation of the research and development results. The participant must indicate the conditions under which, in its opinion, such use is still expected to be possible.

## PART 4: MISCELLANEOUS PROVISIONS

### § 12

#### CONTRACT TERMINATION AND CONTRACT TERM

- (1) The contract term of this Participation Agreement begins on 05/01/2022 and ends on 04/30/2023 unless the Parties agree to its application in the second stage. The expiration of the Participation Agreement for any reason shall not affect the regulation in § 4 of this Participation Agreement.
- (2) SprinD may terminate the Agreement without notice for important reasons. An important reason is present in particular if
  - it turns out that the participant gave incorrect information or if the conditions or requirements specified in the tender are not or no longer present or cannot or no longer be satisfied;
  - the opening of bankruptcy proceedings regarding the assets of the participant or one of its subcontractors has been requested and this request is not withdrawn within six weeks, or if a provisional bankruptcy trustee has been appointed or if the opening of the bankruptcy proceedings was ordered but dismissed for lack of assets;
  - in the events of § 10 of this Participation Agreement;
  - the participant fails to issue a notice pursuant to § 10 but still withdraws from the challenge;
  - the participant fails to issue a notice pursuant to § 3 Para. 4 or if the deviations planned by the participant are material enough to fear that the objective of the respective stage cannot be achieved;
  - the participant does not fulfill its obligation for the issuance of reports;
  - the participant seriously or repeatedly violated any of the obligations specified in this Agreement or its Exhibits or does not provide the services indicated in the respective applications without the consent of SprinD, or materially changes them without the consent of the SprinD;
  - the participant accepts subsidies from the Federal Republic of Germany in addition to SprinD for the same project and the work processes indicated in its bid/applications, in particular from the Federal Ministry of Education and Research.
- (3) If SprinD terminates the Agreement for an important reason, the participant must reimburse the funds already received for the respective stage unless the participant is not responsible for the existence of the important reason. SprinD shall be entitled to the results obtained by the participant in the respective stage up to the notice of termination in full and without taking into account the regulation provided in § 4 of this Participation Agreement. The participant shall immediately surrender all results, records, data and information about its research work in the respective stage. If the participant is able to document that the deliverables furnished in the respective stage before the extraordinary termination are not worthless to SprinD, the participant shall be entitled to the compensation due on the not-worthless part. These deliverables are not worthless in particular if they can be used by other participants in the challenge.
- (4) If the participant is not responsible for the important reason, § 648a BGB [German Civil Code] shall apply.

## § 13 LEGAL LIABILITY

SprinD shall not be legally liable for any losses incurred by the participant or third parties which arise from their participation in the challenge. The participant must hold SprinD harmless if SprinD is held liable for such losses. Sentence 1 shall not apply if SprinD caused such losses willfully.

## § 14 ADDITIONAL ASSIGNMENTS

When awarding additional development assignments, SprinD will invite the participant to participate in the challenge. However, under this Participation Agreement participation in the challenge does not create a legal claim of the participant for being granted such assignments, nor will the participant, in case of being awarded an additional assignment, enjoy any preferential treatment when providing the finished product or finished service in commercial volumes to a public client in the respective Member State.

## § 15 DISPUTES

- (1) In case of disputes regarding technical or scientific issues or regarding questions as to whether and to what extent the material conditions for being granted a user or beneficial use right are present, two arbitrators shall be appointed, of which SprinD and the participant shall nominate one each. If no agreement is reached between the two arbitrators, they shall select jointly a third party as chairman. If the arbitrators do not reach an agreement within one month after an arbitrator nominated a person as chairman for the first time, the President of the ICC Leipzig shall designate a chairman. The arbitrator committee then shall make a decision with a two-thirds majority; if no majority emerges, the chairman shall cast the deciding vote. The provisions of the Code of Civil Procedure shall apply to the settlement of the costs of the arbitration accordingly.
- (2) In all other disputes an amicable settlement shall be sought before involving a court of law. The right of the Parties to enter into arbitration agreements shall not be abridged.

## § 16 WRITTEN FORM, LEGAL VENUE, CHOICE OF LAW, CONTRACT LANGUAGE, SEVERABILITY CLAUSE

- (1) Changes to this Agreement and its Exhibits shall require the written form.
- (2) If admissible under the law, Leipzig shall be the legal venue. This Agreement shall be governed by the laws of the Federal Republic of Germany without the possibility of recourse to the UN Convention on the International Sale of Goods. The accompanying English version of this Agreement is only for information purposes and carries no legal obligation.
- (3) In the event that an individual provision of this Agreement is invalid or unenforceable, such provision shall not affect the validity of the Agreement as a whole. Such invalid or unenforceable provision shall be replaced by a valid and enforceable provision whose

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economic effect is closest to the effect of the invalid or unenforceable provision. The above shall also apply if this Agreement turns out to contain omissions.