

## **BINDING TERM SHEET FOR SPONSORED RESEARCH AGREEMENT FOR LICENSING OF FUTURE INTELLECTUAL PROPERTY**

This term sheet ("Term Sheet") sets out the key terms of a proposed transaction for a Sponsored Research Agreement (SRA) including an exclusive license between [Organisation 2], a Swiss incorporated entity, acting as a service provider for [Organisation 1] (a decentralized autonomous organization) to facilitate banking and legal transactions ("Sponsor"), and [xxx] ("Recipient"). Each of Recipient and Sponsor are referred to herein as a "Party" and collectively, as the "Parties".

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|--------------------------------|--|
| <b>1) Sponsor</b>              | [Organisation 2]   |
| <b>2) Patent and IP Rights</b> | Any know-how, results, information and inventions that arise from or is based on the performance of the research related to [xxx], as developed during the period of the SRA (see appendix for project plan) funded by Sponsor ("Inventions"). |
| <b>3) Type</b>                 | Exclusive License to Inventions  |
| <b>4) Territory</b>            | Worldwide  |
| <b>5) Field</b>                | Any and all Fields   |
| <b>6) Upfront</b>              | Sponsor shall pay no upfront fees  |
| <b>7) Royalty Payments</b>     | Royalties shall cover Licensed Products, defined as any product that is developed based on the Inventions made by a member of the [xxx] lab.   |

Sponsor will pay Recipient Royalties on Licensed Product(s) as follows:

- 2.0% of that portion of annual aggregate Net Sales of licensed Products less than or equal to 500M USD
- 1.5% of that portion of annual aggregate Net Sales of licensed Products from \$500M to \$1B USD
- 1.0% of that portion of annual aggregate Net Sales of licensed Products exceeding \$1B USD

Royalties would be payable on a country by country and Licensed Product by Licensed Product basis with respect to Licensed Products covered by a valid claim (as defined in the License Agreement) in the applicable country until the expiration of the last Valid Claim within Recipient's Patent Rights covering the sale of such Licensed Product in such country.

If Sponsor, its affiliate or sublicensee is required to pay a third party amounts with respect to a Licensed Product under agreements for intellectual property rights of such third party, Sponsor will have the right to deduct fifty percent (50%) of the amounts paid to such third party from

the amounts owing to Recipient for such Licensed Product; provided that in no event would amount to be paid to Recipient with respect to such Licensed Product be so reduced to less than fifty percent (50%) of the amount that would otherwise be due to Recipient. The License Agreement will also include customary procedures to adjust royalties payable if a Licensed Product is sold as part of a combination product.

- 8) Sublicensing** Sponsor shall have the right to unlimited sublicense, at its sole discretion, to any 3<sup>rd</sup> parties. This licensee shall be contracted to pay the Recipient the same royalties and carry the same obligations as Sponsor.
- 9) IP-NFT** Sponsor may, at its sole discretion, list its ownership rights in the project as an IP-NFT to be freely exchanged. This requires approval of the [xxx]DAO community, and for certain non-confidential information to be presented. A non-confidential data room and presentation shall be provided to Sponsor for this purpose of community diligence.
- 10) Patent Prosecution and Enforcement** Sponsor will have the first right to control prosecution and maintenance of Recipient's Patent Rights. Sponsor will keep Recipient informed and will consider in good faith and incorporate Recipient's comments with respect to such activities.
- Sponsor will have the first right to control the enforcement and defense of Recipient's Patents. The License Agreement will include reasonable provisions to permit Recipient to be kept reasonably informed with respect to such matters.
- Sponsor will assume all future patent costs.
- In the event Sponsor desires to no longer control prosecution or enforce Recipient's Patent Rights, Recipient shall have the right to maintain and enforce the Patent Rights.
- 11) Miscellaneous** Sponsor will be permitted to terminate the License Agreement without cause upon reasonable advance notice to Recipient.
- 12) Confidentiality** This Term Sheet is delivered to Recipient with the understanding and on the condition that neither it nor its substance, nor the fact that discussions are or have been taking place with the Sponsor, will be disclosed publicly or privately except with the written consent of the Sponsor. All public announcements about this transaction by one party will require the prior approval of the other party.
- 13) Governing Law** This Term Sheet and any dispute or claim relating to it or its subject matter (including non-contractual claims) is governed by Swiss law and on acceptance the parties submit to the non-exclusive jurisdiction of the courts of Switzerland.
- 14) Expiration Date** This Term Sheet shall expire if not countersigned by Recipient before

[xxx].

Signed by: \_\_\_\_\_

Date: \_\_\_\_\_

Name: [xxx] on behalf of **Sponsor**

Signed by: \_\_\_\_\_

Date: \_\_\_\_\_

Name: [xxx] on behalf of **Recipient**

## **APPENDIX**

### **Project plan**