

# NexTerra Challenge Competition

## TERMS AND CONDITIONS FOR PARTICIPATION

### 1. INTRODUCTION

1.1. [Terralab VC, Limited Partnership] (“**Terralab**”) operates a technological incubator in Yokneam under license from the Israel Innovation Authority (the “**IIA**”) pursuant to Incentive Program No. 3 – Technological Incubators (“**Program No. 3**”), focusing on investing in early stage companies in selected sectors (the “**Incubator**”).

1.2. During the dates specified below Terralab will sponsor a public contest for startups in order to seek entrepreneurs and innovators developing innovative products and/or technologies, working on scalable solutions in fields that address critical environmental, health and societal challenges, addressing the global market and filling an unmet need, in Terralab’s fields of interest (relevant fields of interest, may be aligned with the United Nations’ “Sustainable Development Goals” (SDGs); Contenders are encouraged to visit the NexTerra Challenge and Terra website from time to time to obtain the most up to date information regarding Terralab’s relevant fields of interest). (the “**Contest**”).

1.4. The submitting company, team or individual (each, an “**Applicant**”) whose idea/invention may be selected, will be entitled to receive an investment offer from Terralab and/or any of its affiliates in an amount of up to US\$ 1,000,000 in accordance with and subject to the terms set forth below.

### 2. PARTICIPATION CRITERIA: WHO CAN PARTICIPATE?

In order to participate in the Contest an Applicant must qualify with all of the following criteria:

- An Applicant may be an individual, a group of individuals, a private company, a partnership, TTO and research institution registered under the laws of the State of Israel.
- The Applicant has a new idea/invention in a field that is relevant to the fields of interest listed in the NexTerra Challenge Website page (the “**Invention**”).
- The Applicant owns all rights and title in the Invention which it submits as part of its application.
- The Applicant’s Invention must represent and may only include the original work of the Applicant, to which the Applicant has all rights and title.
- The Applicant did not receive previous funding from the IIA other than as part of the “Tnufa”, “Nofar”, or “Kamin” incentive programs, or Innovation Lab Program Incubators (Program No. 29).
- An Applicant which is currently or has been in the past incubated in any incubator under the IIA Technological Incubators Program (Program No. 3) is not eligible to participate in the Contest.
- As of the date of submission of the application the Applicant raised no more than US\$ 500,000 with respect to its Invention. An Applicant which has previously secured an equity financing arrangement (of any kind), with respect to the Invention as set forth in its application, in an amount exceeding US\$ 500,000, is not eligible to participate in the Contest.

### 3. GENERAL GUIDELINES

Submissions of applications into the Contest by Applicants are to be made pursuant to the following general guidelines:

3.1. An Applicant who wishes to register to the Contest may register and submit its application through the Contest website: <https://www.oktopuscloud.com/nexterra> (the “**NexTerra Challenge Website page**”)

3.2. The application form and all other required documents and information (as detailed below) must be received by June 30, 2020, or other date as may be stated on the NexTerra Challenge Website page.

Each Applicant must choose a primary contact person for the Applicant by providing a name, e-mail address, mailing address and phone number in the application form (the “**Representative**”). All communications between the Applicant and Terralab as part of the Contest shall be made through the Representative.

3.3. As part of its registration for the Contest, an Applicant should fill in and submit the Application Form at the NexTerra Challenge Website page, and should include non-confidential information only. Applications must conform with the terms herein, including the terms set forth in Section 6 – Confidentiality.

3.4. Without derogating from the above, Terralab may request, at any time, additional information and/or documents from an Applicant in order to evaluate its application.

3.5 By applying to the Contest, the Applicant agrees to be subject to the Terms herein.

#### **4. REVIEW AND EVALUATION**

4.1. A selected group of judges (the “Judges”) will review Applicants’ submissions (as set forth below). The nomination of the Judges, as well as their number and identity, shall be made at Terralab’s sole discretion.

4.2. Neither the Judges nor Terralab are required to provide feedback to the Applicants at any stage of the process.

4.3. The review and evaluation of each of the applications and the Inventions will be based on technology, market need, market assessment, IP assessment, business case and the ability of the Applicant to present ideas/inventions and prototypes in the relevant fields which: (i) address a real need in the market; (ii) could be commercialized for large markets; and (iii) are expected to represent a sustainable competitive advantage in the respective field and market, in addition to the professionalism and experience of the team.

4.4. The Judges may also consider Applicants that don’t necessarily fulfill all criteria as set forth above.

4.5. The submitted applications and Applicants will be reviewed and evaluated according to the following stages:

##### Stage 1:

Initial screening – narrowing down the applications will be performed by Terralab’s representatives. No more than 10 applications will be selected according to Terralab Representatives’ feedback at the end of Stage 1 (each, a “**Top-10 Finalist**”).

##### Stage 2:

The applications of the Top-10 Finalists selected at the end of Stage 1 shall be reviewed and evaluated by the Judges. On July 16, 2020, or such other date as shall be noted on the NexTerra Challenge Website page the Top-10 Finalists will be invited to perform live short presentations and answer questions of the Judges at Terralab’s offices or other location, as decided at Terralab’s sole discretion. No more than 3 applications will be selected according to the Judges’ feedback at the end of Stage 2 (each, a “**Final Candidate**”).

##### Stage 3:

The Final Candidates selected at the end of Stage 2 may be invited to perform presentations to the Judges and live audience at a final event which will take place at a location which shall be announced by TerraLab, on July 23rd, 2020 or at any other place or date to be determined by Terralab at its sole discretion (the “**Final Event**”). Terralab will choose the winner of the Contest from the Final Candidates (the “**Winner**”).

The selection and announcement of the Winner will take place during the Final Event and shall be at Terralab’s sole discretion. Terralab also reserves the right to choose to announce the Winner only after the Final Event, by publishing the Applicant’s name on the NexTerra Challenge Website page or by providing the Winner with a written notice.

In addition, Terralab shall be entitled, but not required, to announce the Winner at a press release and generate press coverage for the Contest.

## **5. THE PRIZE**

### **5.1 OFFER FOR INVESTMENT AND JOINING THE TERRALAB INCUBATOR**

5.1.1 Terralab, at its sole discretion, may select to offer the Winner an opportunity to join Terralab's Incubator as a "Project Company", and receive an investment of up to US\$ 1,000,000 (such amount to include a state funding grant from the IIA) (the "Offer").

5.1.2. Applicants hereby acknowledge that the execution of the Offer by Terralab (if any) will be made only by investing in an Israeli registered private company, to be incorporated by the Winner (to the extent such Winner is not already an Israeli registered company) and to which the Winner has assigned and transferred all of its rights and title in its Invention (the "**Designated Company**"). If the Winner is already an Israeli registered private company than the Winner shall be referred to as the Designated Company).

5.1.3. In addition, such investment by Terralab in a Designated Company, shall be subject to the fulfillment of all of the following conditions:

- The finalization and execution of definitive agreements and commercial terms between Terralab and its affiliates and the Designated Company (to be negotiated at Terralab's and its affiliates' sole discretion).
- The completion of a due diligence process by Terralab, to its complete satisfaction.
- The Applicant's consent and acknowledgment that the investment shall be made by Terralab in its capacity as an Incubator operating under Program No. 3 of the IIA, and the full cooperation of the Winner (or the Winner's individuals) in preparing and submitting to the IIA an application to approve the Designated Company as a "Project Company" of the Incubator.
- The approval by the IIA of the Designated Company and the applicable Invention as a "Project Company" of the Incubator (pursuant to the abovementioned request) and the IIA's commitment to provide the Designated Company with a state funding grant.
- The Winner's and/or the Winner's individuals' and the Designated Company's willingness to perform and act as a "Project Company" of the Incubator throughout the duration of the "Commitment Period" (as shall be determined in the IIA's approval).

### **5.2 Winner's Package**

5.2.1 In addition to a possible investment as described in sub-Section 5.1 above, the Winner shall be granted, subject to the Terms herein, an unconditional prize package valued at \$45,000, which shall include a \$5,000 cash reward as well as professional services from the following service providers (respectively the "**Competition Sponsors**" and the "**Services**"):

5.2.1.1 Taga will provide the Winner with in-kind credit in the amount of \$5,000. The Winner may utilize this credit towards industrial design, digital user experience and user interface design (UI/UX) and consultation regarding the above.

5.2.1.2 The Reinhold Cohn Group (RCIP) will provide the Winner with a package in the amount of \$5,000. The Winner may utilize this credit towards services including an initial patent search and devising of an IP strategy at no cost, as well as drafting and filing of a patent application at 50% discount. In addition, Reinhold Cohn Group will offer the 4 runners-up (places 2-5) a free initial IP consultation meeting.

5.2.1.3 Shibolet & Co. Law Firm will provide the Winner with in-kind credit in the amount of \$5,000. The Winner may utilize this credit towards legal services offered by the firm.

5.2.1.4 Oktopus Digital Marketing Agency will provide the Winner with in-kind credit in the amount of \$5,000. The Winner may utilize this credit towards the following Digital Branding & Marketing services: **[Are these aggregated or to choose from?]**

- Design investor pitch deck
- Build and design startup website including storage for one year

- 10 hours of digital marketing consulting

5.2.1.5 Aran will provide the Winner with in-kind credit in the amount of \$5,000. The winner may utilize this credit towards product development services offered by Aran and, depending on the nature of the winning project, possible additional services such as parts production.

5.2.1.6 Rimon Cohen & Co., which specializes in communication strategy and PR, will provide the Winner a consultation package worth \$5,000 for the Israeli and international market.

5.2.1.7 Amazon Web Services (AWS) will be offering the Winner, along with the other Top-10 Finalists, AWS Activate Credits in the amount of \$10,000, and an extended package of 6 consulting hours with AWS business and technical specialists.

In addition, AWS will be offering eligible startup contestants \$5,000 in Activate Credits and \$10K in Activate Credits for the Top-10 Finalists plus one 30 minutes office hour with a Solutions Architect and one 30 minutes office hour with a Business Development Manager.

5.2.2 Terralab reserves the right to update the above list of Competition Sponsors by posting notice on its website. Applicants are encouraged to visit the NexTerra Challenge Website from time to time to obtain the most up to date information regarding the Competition.

5.2.3 The Winner may be required to execute the Competition Sponsors' standard services agreements in order to draw on the in-kind credit. The in-kind credit is offered towards the Competition Sponsors' standard quotes/hourly rates. The Competition Sponsors shall be entitled to set the terms of the prizes set forth herein. If a certain prize is not applicable to the Winner, such Competition Sponsor shall be entitled, at its sole discretion, to offer the Winner an alternative prize, or, if no such service is applicable, then such Competition Sponsor may offer its prize to the next finalist in line.

5.2.4 In no event will Terralab be responsible for or liable towards the Winner in connection with the provision of the Services, the services rendered, work product, or any deliverables rendered and/or provided, by the Competition Sponsors and/or the actions or omissions of the latter.

## **6. CONFIDENTIALITY**

6.1. As a matter of convention and practicality, Terralab, its affiliates, and/or anyone on its behalf will not sign confidentiality agreements as part of the Contest. The individuals who will have access to the applications will be Terralab's representatives and the other Judges. These representatives are largely professionals who regularly deal with confidential and proprietary information over the course of their work and may be involved in the creation of intellectual property for their respective organizations.

6.2. Without derogating from the above, even if an Applicant marks its information (including its ideas, presentations, Prototype and plans submitted throughout the process) as "confidential," there will be no confidentiality obligation by Terralab's representatives and the Judges.

6.3. No proprietary or confidential information should be included in the submitted materials as part of the application, which the Applicant would not want disclosed to potential investors.

## **7. INTELLECTUAL PROPERTY**

7.1. By submitting an application, the Applicant and/or any member thereof represents and warrants to Terralab that it has all right, title and/or interest in the application submitted and that the information it contains is accurate and complete, and that by submitting the application it is not and will not be violating any contract, law or third party's rights including any patent, copyright, trade secret, proprietary or confidential information, trademark, publicity or privacy right.

7.2. The Applicant agrees to indemnify and defend Terralab, its affiliates, and anyone on their behalf (including the Judges) against any claims or lawsuits, including attorneys' fees, that arise from or result from such Applicant's submission.

7.3. Terralab is not claiming ownership rights to any Applicants' application or the information/intellectual property it may contain (including the Invention). However, by submitting an application, each Applicant grants Terralab an irrevocable, royalty-free, worldwide right and license to use, review, assess, test and otherwise

analyze such Applicant's application and all its content in connection with the Contest and feature such Applicant's application (and certain information/data contained in it) in connection with the marketing, sale, or promotion of the Contest.

## **8. NO WARRANTY; LIABILITY**

8.1. TERRALAB AND ITS AFFILIATES MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE CONTEST AND/OR THE OFFER, WHETHER EXPRESS OR IMPLIED. IN NO EVENT SHALL TERRALAB, ITS DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AND AFFILIATES BE LIABLE FOR ANY ADVICE, INFORMATION OR DECISIONS MADE AS PART OF THE CONTEST OR FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGES OR DAMAGES TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER TERRALAB SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING.

8.2. By submitting an application each Applicant and/or any member thereof voluntarily releases Terralab, its affiliates, representatives, and/or anyone on its behalf from any liabilities, responsibilities and accountabilities arising from participation in Contest and/or its activities.

## **9. PUBLICITY**

9.1. Applicants hereby give their consent and approval that some of the information provided by them during the stages of the Contest (including, but not limited to, during the application process the evaluation process and as part of the Final Event), including names of entrepreneurs, names of the startups, images and photos of the Applicants, their Inventions taken during the Final Event, and the abstract description of their enterprises (or any part thereof), may be used by Terralab in public documentation related to the Contest and for advertising and publicity purposes. It is the responsibility of the Applicant to ensure that the abstract description does not include any confidential information.

9.2. Each Applicant agrees that it will not use any names, trademarks, logos or other copyrighted information of Terralab or any variation, adaptation or abbreviation thereof, or of any of its officers, employees, agents, or any trademark or trade name of the above or any affiliate thereof in any advertising or publicity without the prior written permission of such parties.

## **10. MISCELLANEOUS**

10.1. Any reference to Terralab shall mean any person, company, partnership, or other entity which manages or is managed, controls or is controlled by, or is under common control, directly or indirectly, by Terralab.

10.2. Terralab reserves the right to cancel, change or suspend the Contest for any reason and at any time.

10.3. Terralab considers a variety of projects, plans, ideas and products as research ideas, product development and investment opportunities, and Terralab and/or its affiliates, and/or anyone on their behalf, are not under any obligation to compensate an Applicant and/or anyone on its behalf for any submission, regardless of whether Terralab's, and/or its affiliates and/or anyone on their behalf pursue a similar or identical plan, idea, product or service in the future.

10.4. This Contest will be governed by the laws of the State of Israel, and each Applicant consents to the exclusive jurisdiction and venue of the courts of the State of Israel in Tel Aviv-Jaffa for any disputes arising out of this Contest.