

## AGREEMENT FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

This Agreement for Scientific and Technological Cooperation (the "Agreement"), effective as of December, 15, 2011 (the "Effective Date"), is entered into by and between the State of São Paulo Research Foundation (hereinafter "FAPESP"), a public agency of the state of São Paulo, Brazil, having its principal office at Rua Pio XI, 1500, CEP 05468-901, São Paulo, SP, Brazil, and Microsoft Corporation (hereinafter "Microsoft"), a corporation organized and existing under the laws of the State of Washington, USA, having its principal office at One Microsoft Way, Redmond, Washington 98052, USA, hereinafter collectively referred to as the "parties".

### RECITALS

WHEREAS Microsoft and FAPESP desire to strengthen the collaborative research program, instituted as the "Microsoft Research - FAPESP Institute for IT Research", implemented through the previous agreement for the purpose of increasing research capacity in the Brazilian State of São Paulo;

WHEREAS Microsoft is interested in strengthening long-term collaborative ties and sustained relationship with researchers in the Brazilian state of São Paulo, Brazil;

WHEREAS one objective of the research program is to support high-quality fundamental research in information and communication technologies that is geared towards knowledge advancement and application in relevant research topics that, directly or indirectly, benefit society;

WHEREAS the parties intend that the Research Projects will serve to both advance the quest for fundamental understanding and for its applications;

WHEREAS the parties believe it is advantageous to increase and strengthen collaboration in advanced research endeavors between academic Principal Investigators in the Brazilian State São Paulo and researchers from Microsoft located in their units of research;

WHEREAS the parties desire that the Research Projects result in: published scientific papers, creation of new intellectual property, incubation of new small businesses, involvement of higher education students in the Research Projects, and generation of new funding by obtaining matching research funds from other agencies; and

WHEREAS Microsoft and FAPESP desire to keep an agreement under which the parties select and fund research projects, all pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the adequacy of which the parties hereby acknowledge, the parties agree as follows:

### AGREEMENT

#### 1. DEFINITIONS

**1.1 "Collaborating Research Institution"** means a research institution that is selected to receive funding to perform a Research Project as provided in Section 2.2 below.

**1.2 "Joint Steering Committee"** (or "JSC") means the six-member committee appointed by the parties in accordance with Section 2.1 below.

**1.3 "Principal Investigator"** means the person from each respective Collaborating Research Institution who is designated in a Research Proposal or other written notice to Microsoft and FAPESP as having the primary responsibility for supervising, managing, and overseeing a given Research Project on behalf of the Collaborating Research Institution.

**1.4 "Research Funding"** means that portion of a Project Budget that is identified in an approved Research Proposal as research funding to be provided by Microsoft and FAPESP.

**1.5 "Research Project"** means a research project that is documented in a Research Proposal and has been approved by the JSC to be funded and implemented under this Agreement.

**1.6 "Research Proposal" or "Proposal"** means a written proposal submitted to the JSC for a Research Project in response to a request for proposals, as described in Section 2.2 below.

## **2. GENERAL GOVERNANCE**

**2.1 Joint Steering Committee.** The parties will form a six-member Joint Steering Committee composed of three members appointed by each respective party. The JSC will have oversight responsibility for the overall strategic relationship between the parties and the Collaborating Research Institutions in accordance with this Agreement. The JSC will meet periodically to discuss research directions that may be of interest and benefit to the parties, review Research Proposals as provided hereunder, review ongoing Research Projects, define and approve changes in research direction and activities as may be appropriate, manage any differences that may arise between the parties, and make other decisions related to Research Projects under this Agreement. Meetings of the JSC may be by whatever means that the Parties may agree upon (e.g., face-to-face, telephone conference, and/or video conference). Either party may replace one or more of its JSC members at any time by providing written notice to the other party. Any information received by FAPESP regarding the selected proposals, including reports, cancellations and other correspondence, must be shared timely with the JSC.

### **2.2 Requests for Proposals; Research Proposals; Approval and Implementation.**

**(a) Requests for Proposals.** The JSC will work together to create requests for proposals ("RFPs") for research projects, and will publish and divulge such RFPs to researchers linked to higher education and research institutions, public or private, within the state of São Paulo.

**(b) Research Proposals.** Each RFP and its corresponding Research Proposal should focus on the objective of supporting high-quality fundamental research in information and communication technologies that are geared toward knowledge advancement and application in relevant research topics that, directly or indirectly, benefit society.

**(c) Content of Proposals.** The parties will require that each Proposal submitted in response to an RFP be in a standard format (to be decided by the parties), and contain certain basic information, including at least the following: (a) a detailed description of the proposed Research Project; (b) the amount of Research Funding requested; (c) a detailed budget for the proposed Research Project; (d) the identity and background of the Principal Investigator for the proposed Research Project, and the identity of other project participants; and (e) a proposed schedule for the performance of the proposed Research Project (including the proposed duration of the project).

**(d) Review and Selection of Winning Proposals.** The JSC will discuss the various proposals submitted in response to RFPs, and will choose the winning proposals to be funded. Both parties must agree on which proposals are to be funded. The JSC may invite third-party experts to be part of an advisory board to evaluate and comment upon proposals, or to act as ad-hoc reviewers, but all decisions regarding the selection of winning proposals will be made solely by the JSC.

**(e) Modifications.** If FAPESP, Microsoft, or the principal investigator wish to make a change to a Research Project, that party will submit a written request to FAPESP, with the modified research proposal. FAPESP will send this request to the JSC along with recommendation made by FAPESP relevant Coordination for the meritocratic analysis. The JSC will review, discuss, and promptly decide upon such requests and notify the Principal Investigator of the relevant Collaborating Research Institution of its decision of whether to agree to the change or not.

**2.3 Workshops.** The JSC will organize, plan, and execute one workshop each year, the content and agenda of the workshops will be focused on technical subjects related to the research pursuits of the supported Research Projects. The members of the JSC may delegate these duties to their agent and contractors, and the workshop will be funded from the combined FAPESP and Microsoft funding described in Section 3 below, as directed by the JSC. The workshop attendees will consist of the various Principal Investigators and their teams, and other interested faculty members (regardless of their geographic affiliations).

**2.4 Collaborating Research Institution Agreement.** As a condition of receiving funds under this Agreement, FAPESP will require each Principal Investigator, the respective Collaborating Research Institution and Microsoft, to enter into a FAPESP Grant Award Agreement according to the terms attached hereto as Annex I between FAPESP, the Principal Investigator, the Collaborating Research Institution and Microsoft. The FAPESP Grant Award Agreement will cover such issues as the handling of the funding for the Research Project, progress reports, conduct of the project, and the intellectual property.

**2.5 Publicity.** The parties will consult with each other before making public announcements or press releases about this Agreement or the status of Research Projects, and will coordinate such announcements or press releases.

### **3 RESEARCH FUNDING**

**3.1 Microsoft's Contribution.** Microsoft will contribute funds toward Research Projects duly approved by the JSC in accordance with this Agreement. In the first year of the Term, Microsoft will contribute US\$ 250,000.00 (two hundred fifty thousand US dollars) toward approved Research Projects. Subsequent funding will be accomplished by an annual addendum to this agreement signed by the parties.

**3.1.a** The remaining financial resources from Microsoft, from the Agreement established between FAPESP and Microsoft in 15/12/2006, will be transferred for utilization during the present Agreement.

**3.2 FAPESP's Contribution.** FAPESP will contribute the equivalent of US\$ 250,000.00 (two hundred fifty thousand US dollars) in matching funds to researchers in São Paulo toward approved Research Projects in the first year, and will match, dollar for dollar, additional amounts that Microsoft provides in the succeeding two years of the agreement.

**3.2.a** The remaining financial resources from FAPESP, from the Agreement established between FAPESP and Microsoft in 15/12/2006, will be transferred for utilization during the present Agreement.

**3.3 Management of Funding.** Microsoft will transfer to FAPESP Microsoft's Research Funding contribution for Research Projects approved by the JSC and FAPESP will manage the disbursement of the Research Funding to the various Collaborating Universities chosen through the selection process outlined above. FAPESP will communicate to the recipients of project funds that Microsoft has co-funded the project, and request that Principal Investigators reference that their research is equally supported by FAPESP and Microsoft.

**3.4 Payment.** All payments by Microsoft to FAPESP hereunder will be made in U.S. dollars, by check payable to and delivered to the names and addresses set forth below or to such other address as the FAPESP may designate in writing:

Recipient:

Fundação de Amparo à Pesquisa do Estado de São Paulo

Rua Pio XI, 1500 - São Paulo - Brasil - CEP 05468-901

Telefone: (+55) 11 3838 4198 Fax: (+55) 11 3645 2421

Destinatary Bank: Banco do Brasil S.A. – São Paulo – Brasil

Swift: BRASBRJSBO

Conta: 0011897X0000110000

Through: Banco do Brasil S.A. – New York Branch

Swift: BRASUS33

ABA: 026003557

#### 4 REPORTING

**4.1 Periodic Progress Reports.** FAPESP will provide to the members of the JSC written summary reports of the progress on each Research Project in a timely manner to allow the JSC to review progress and results. The timing and frequency of such reports will be as agreed by the JSC, but not less often than once every six (6) months. Such progress reports should include information on the progress of the research, an update on the use of

Research Funding and the Project Budget, and a description of any research results (e.g. data from tests and experiments, code, demos, prototypes, publications, intellectual property).

**4.2 Financial Report.** Every three (3) months during the Term, FAPESP will provide Microsoft with complete and accurate written account and budget reports for all Research Projects funded under this Agreement setting forth the details of all funds received by Microsoft and expended during the previous three (3) month period.

## 5 TERM AND TERMINATION

**5.1 Term.** Unless earlier terminated pursuant to this Section 5, the term of this Agreement will commence on the Effective Date and remain in effect until three (3) years thereafter (the "Term").

**5.2 Termination.** Either party may terminate this Agreement by written notice at any time if the other party is in material breach of any material warranty, term, condition or covenant of this Agreement. Termination under this Section 5.2 will specify the nature of the breach and will become effective thirty (30) calendar days following delivery of the notice to the breaching party unless the breaching party cures the breach during said thirty (30) calendar days period. Each party can also terminate this Agreement without cause at each anniversary date of the Effective Date of this Agreement provided that it has notified the other party of such intent in writing at least three (3) months prior to such anniversary date, or any Research Project thereof without cause, upon notice to the other party of such intent in writing at least two (2) months prior to the proposed termination of such Research Project.

**5.3 Effect of Termination.** If Microsoft terminates this Agreement pursuant to Section 5.2 above, and upon such termination there is Microsoft Research Funding that remains unused, within sixty (60) days of termination, FAPESP will promptly refund such unused Research Funding to Microsoft; provided that FAPESP will be entitled to retain funds to cover previously-made financial commitments that may not be cancelled without liability to FAPESP, which FAPESP will use reasonable efforts to minimize.

**5.4 Survival.** Sections 5.3, 6, and 7 hereof shall survive and remain in full force and effect after any termination or expiration of this Agreement this section.

## 6 REPRESENTATIONS, WARRANTIES, DISCLAIMERS, LIMITATIONS OF LIABILITY

**6.1 FAPESP's Representations and Warranties.** FAPESP hereby represents and warrants to Microsoft as follows:

(a) FAPESP is duly organized, validly existing and in good standing under the laws of the State in which it is organized. FAPESP has been granted all requisite power and authority to enter into and perform under this Agreement.

(b) FAPESP shall observe and comply with all applicable laws and regulations regarding the subject matter of this Agreement.

(c) There is no pending or threatened litigation involving FAPESP that would have any material effect on this Agreement or on FAPESP's ability to perform its obligations hereunder; further, FAPESP is not aware of any indenture, contract, or agreement to which FAPESP is a party or by which FAPESP is bound that prohibits or would prohibit the execution and delivery by FAPESP of this Agreement or the performance or observance by FAPESP of any term or condition of this Agreement.

**6.2 Microsoft, Representations and Warranties.** Microsoft hereby represents and warrants to FAPESP as follows:

(a) Microsoft is duly organized, validly existing and in good standing under the laws of the State of Washington. Microsoft has been granted all requisite power and authority to enter into and perform under this Agreement.

(b) Microsoft will observe and comply with all applicable laws and regulations regarding the subject matter of this Agreement.

**6.3 WARRANTY DISCLAIMER.** THE ABOVE WARRANTIES ARE THE ONLY WARRANTIES MADE BY THE PARTIES HEREUNDER. ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, ORAL OR WRITTEN, ARE HEREBY DISCLAIMED.

**6.4 LIMITATION OF LIABILITY.** IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY OR LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**6.5 LIABILITY CAP/SOLE REMEDY.** EACH PARTY'S TOTAL LIABILITY, IN THE AGGREGATE, FOR ANY CLAIMS OR DAMAGES WHATSOEVER RELATING TO OR ARISING OUT OF A PARTICULAR RESEARCH PROJECT CONDUCTED UNDER THIS AGREEMENT, WHETHER IN CONTRACT OR TORT, WILL BE LIMITED TO THE TOTAL AMOUNTS PAID TO FAPESP BY MICROSOFT UNDER THIS AGREEMENT.

## **7 MISCELLANEOUS**

**7.1 Assignment.** Except as expressly provided in this Agreement, neither Microsoft nor FAPESP will have the right to assign, delegate and transfer at any time to any party, in whole or in part, any or all of the rights, duties and interest herein granted without first obtaining the written consent of the other to such assignment.

**7.2 Compliance with Law and Export Controls.** In carrying out this Agreement, the parties will comply with all local, state, and federal laws and regulations. The parties further acknowledge and agree that the transfer of certain commodities and technical data is subject to United States laws and regulations controlling the export of such commodities and technical data, including the Export Administration Regulations of the United States Department of Commerce. These laws and regulations, among other things, prohibit or

require a government license for the export of certain types of technical data to certain specified countries. The parties hereby agree that they will comply with all United States laws and regulations controlling the export of commodities and technical data.

**7.3 Construction.** If any provision, or portion thereof, of this Agreement is determined to be invalid or void by a court of competent jurisdiction, that provision of the Agreement will be enforced to the maximum extent permissible so as to affect the intent of the parties, and the remainder of this Agreement will continue in full force and effect. Failure by either party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement of that or any other provision. This Agreement has been negotiated by the parties and their respective counsel and will be fairly interpreted in accordance with its terms and without any construction in favor or against either party.

**7.4 Notices.** Any notices or requests in connection with this Agreement will be in writing delivered by commercial overnight delivery or first class mail (air mail if not domestic), certified or registered, return receipt requested, and addressed to the parties as follows (or to such other address as the party to receive the notice or request so designates by written notice to the other):

To FAPESP:

Fundação de Amparo à Pesquisa Estado de São Paulo  
Rua Pio XI, 1500, Alto da Lapa  
CEP 05468-901, São Paulo, SP, Brasil  
Attention: Diretor Científico

To Microsoft:

Microsoft Corporation  
One Microsoft Way  
Redmond, WA 98052  
Attention: Director, Microsoft Research Connections  
With a copy to: Legal & Corporate Affairs  
Attention: Microsoft Research Legal Team

Notices and requests will be deemed given as of the date received. If the addressee fails or refuses to accept delivery, the notice or request will be deemed given as of the date of such failure or refusal.

**7.5 Confidentiality Agreement.** FAPESP and Microsoft agree to keep confidential the content of the proposals and unpublished research results designated as confidential ("Confidential Information") submitted for analysis in the scope of this Agreement. FAPESP can publish a summary containing the Title, Host Institution, Principal Investigators and composition of the research team, relevant dates and an abstract of each selected proposal. Microsoft and FAPESP each agree that the receiving party, without the prior written consent of the disclosing party, for a period of three (3) years from the date of disclosure of each item of Confidential Information, (a) will not disclose Confidential Information that it has received hereunder to any third party and (b) will not use Confidential Information that it has received hereunder except for the purposes of this Agreement. The receiving party shall treat Confidential Information that it has received hereunder with the same degree of

confidentiality as it treats its own confidential and proprietary information, but in all events no less than a reasonable degree of confidentiality.

**7.6 Entire Agreement.** This Agreement and its annexes constitutes the entire Agreement between the parties with respect to the subject matter hereof. No variation, modification of or changes to any of the terms or conditions hereof will be deemed valid except by a written agreement dated subsequent to the date of this Agreement and signed by both parties hereto by their duly authorized representatives.


**7.7 Headings.** The descriptive headings contained in this Agreement are included for convenience and reference only and will not be held to expand, modify or aid in the interpretation, construction or meaning of this Agreement.


**7.8 No Agency or Partnership.** This Agreement does not create an employer-employee relationship, a partnership or joint venture, or result in either party assuming partnership responsibility or liability.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date written above.

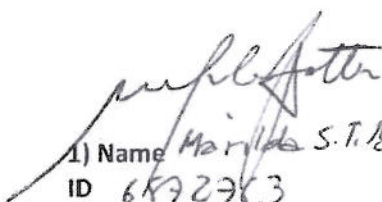
FAPESP:

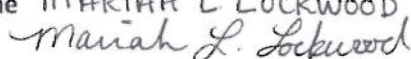
Microsoft Corporation

por:   
nome: Celso Lafer  
cargo: Presidente  
data:

por:   
nome: JAMES K PINKELMAN  
Cargo: SENIOR DIRECTOR  
data: JAN 13, 2012

Witnesses:

  
1) Name Mariella S.T. Botte  
ID 6872763

2) Name MARIAH L LOCKWOOD  
ID 



## **Annex I - FAPESP GRANT AWARD AGREEMENT FOR FAPESP-MICROSOFT COLLABORATION AGREEMENT**

### **GRANT AWARD AGREEMENT**

#### **MICROSOFT-FAPESP COOPERATION AGREEMENT PROJECTS**

#### **GENERAL CONDITIONS FOR THE GRANTING OF THE AWARD**

I) The present agreement does not create any kind of labor relationship between the GRANTING AGENCY and the AWARDEE, because it does not entail any employer-employee relationship or aims at the payment of salaries, the benefits of the employees of the GRANTING AGENCY being not extensible to the AWARDEE. In particular, the GRANTING AGENCY will not assume responsibility or be liable for medical or dental care assistance of the AWARDEE in any case.

II) The budget will be disbursed according to the financial schedule proposed by the AWARDEE, occasionally with changes approved by the GRANTING AGENCY,

Sole Paragraph – The financial schedule may be modified at the request of the AWARDEE and upon agreement by the GRANTING AGENCY.

III) Financial resources put at the disposal of the AWARDEE should not be deposited at the AWARDEE's bank account, being instead deposited in a joint AWARDEE-GRANTING AGENCY bank account, the application of the money in the financial market being prohibited.

IV) The award granted should not be used, under any hypotheses and not even only partially, to any diverse ends than those indicated in the preamble of this award agreement, the AWARDEE being personally responsible and liable by its correct use in accordance with the current legal dispositions.

V) The AWARDEE is obliged to reference the support received from FAPESP and Microsoft in theses, dissertations, papers, books, abstracts of work presented in meetings and in any other published or broadcasted material that have resulted, wholly or partially, from awards and scholarships granted by the GRANTING AGENCY.

VI) Payment of maintenance and living expenses will be considered by the GRANTING AGENCY exclusively within the validity of this award. In the case costs of maintenance and living expenses are incurred out of the validity of this award, existing differences should be reimbursed by the AWARDEE to the GRANTING AGENCY.

VII) In the case the grant includes the acquisition of permanent material, whether national or imported, the disposal of the resources will be conditioned to the presentation by the AWARDEE of two copies of a "Term of Acceptance of Transfer of Domain of Materials by Concession or Donation" signed by some duly authorized representative of the Institution, such that the AWARDEE could, afterwards and upon his judgment, cede or donate institutionally the whole or part of the materials. It is guaranteed to the AWARDEE full and effective use of the permanent material object of the award.

Sole Paragraph – In the case private institutions participate in projects and programs supported by FAPESP, donation will be conditioned by the terms of article 17th, item II, sub-item 'a' of the Brazilian federal law nr. 8.666 of June 21<sup>st</sup>, 1993, and its later modifications.

VIII) All material acquired in accordance to the present agreement will be hosted in the Research Institutions, Companies, or Public or Private Organizations at which the research will be conducted by means of a "Term for Concession of Use" entered by the GRANTING AGENCY and the institution, being assured to the AWARDEE the full and effective use of the material.

IX) Every time the grant includes importation of permanent material or consumption items, FAPESP, as the GRANTING AGENCY, after liberation from Customs will emit a "Term for Concession of Use" to the Research Institution, Companies, or Public or Private Organizations at which the research will be conducted. This "Term for Concession of Use" will stipulate the conditions under which the material is being ceded, guaranteeing to the AWARDEE full and effective use of the materials during the execution of the projects to which the concession is related.

X) When direct importation is exercised, the legal norms regarding the examination of similar substitute items of national precedence should be observed.

XI) The financial reports of the grant awarded will be presented by the AWARDEE in the dates indicated in this agreement and in accordance to the instructions annexed, which, independently of actually being transcribed, become an integral part of this agreement. Any credit balances of the research projects shall be restituted to FAPESP, in cash or by check in favor of FAPESP, upon the presentation of the final financial report.

XII) The financial reports will be filed contingent of a definitive approval based on a favorable recommendation by the Audit Department.

XIII) Besides and irrespective of clauses XI and XII in this agreement, the AWARDEE is obliged to present to the GRANTING AGENCY abridged half-yearly progress reports of the research plan as well as annual reports containing conclusions of the results obtained so far. Such reports will be analyzed by the JSC for the FAPESP- Microsoft cooperation.

XIV) In case of missing or impediment of the AWARDEE, the GRANTING AGENCY should be immediately notified.

XV) The AWARDEE and Hosting Institution accept responsibility to verify, anytime, if the execution of the project translates or can be translated into the subject matter of patents, utility models, industrial designs or any other form of intellectual property ("Invention"). In such case, the AWARDEE/Hosting Institution is obliged to notify FAPESP before the publication of the matter in any journal, annals, periodicals, theses or any other form of publicity that may put the invention into public domain. FAPESP will immediately notify Microsoft of each and every Invention. Within a reasonable time before publishing, presenting or otherwise publicly disclosing the results of a Research Project, AWARDEE and Hosting Institution will provide FAPESP with a draft of the proposed publication or

presentation and will work with FAPESP and Microsoft to ensure that the right to obtain protection for certain inventions disclosed in the publication is not lost through publication.

XVI) Patent of invention, utility model, industrial design or any other form of intellectual property deriving from the execution of the project should be filed in the sole name of the home institution of the principal investigator (PI), if FAPESP decides not to be co-owner of the intellectual property. The Parties agree they will execute such additional documentation as may be reasonably requested to evidence these rights. Since the research proposal, object of this Agreement, is co-funded by Microsoft and FAPESP, the Hosting Institution at which the PI is affiliated hereby:

§1<sup>st</sup>: Grants Microsoft and FAPESP a non-exclusive, irrevocable, royalty-free, worldwide right and license to make, have made, sell, have sold, import, copy, display, translate, publicly perform, create derivative works of, broadcast, transmit, rent, lease and lend any intellectual property arising from the funded research project including, as to Microsoft, the right to sublicense any or all of the foregoing rights within Microsoft's sales and distribution channels for its products and services and as to FAPESP, the right to sublicense any or all of the foregoing rights within State of São Paulo owned organizations and institutes.

§2<sup>nd</sup>: Grants Microsoft, according to Law 10.973/04, § 2<sup>nd</sup> of article 9, the right of first refusal to obtain an exclusive license to any intellectual property arising from the funded research projects. Microsoft will have sixty (60) days from the date it receives an Invention disclosure (as described in Section XV) to invoke its option to negotiate an exclusive license to AWARDEE/Hosting Institution's rights in the Invention. If Microsoft notifies AWARDEE/Hosting Institution that they wish to enter into an exclusive license, the parties will have six (6) months from date of that notice to in good faith negotiate the exclusive license during which time AWARDEE/Hosting Institution will not discuss intellectual property or licensing issues regarding the Invention with any third parties. Hosting Institution may retain a personal, nontransferable right to practice the exclusively licensed Invention for noncommercial academic research and teaching purposes.

§3<sup>rd</sup>: Grants Microsoft the right to file any intellectual property arising from the funded research projects for protection if the relevant projects Hosting Institutions decide not to do so.

§4<sup>th</sup>: In any case, FAPESP will take part in the profits, royalties or any other kind of benefits accrued to the hosting institution through the exploration of the intellectual property resulted from the research projects. This will be established through a separate agreement between FAPESP and the Hosting Institution and does not affect or impede any rights granted to Microsoft as described herein.

XVII) If the research project covered by this Agreement leads to further AWARDEE/Hosting Institution and Microsoft research cooperation in the form of joint research projects involving researchers from Hosting Institution and Microsoft, Hosting Institution and Microsoft will jointly own any works or inventions jointly created, conceived or reduced to practice and each will have the rights of a copyright or patent owner with no duty to account to, pay royalties or obtain consent from the other. Microsoft will also have the right of first

refusal set forth in Section XVI, §2<sup>nd</sup>, above, with regard to Hosting Institution's rights in such joint works and inventions.

XVIII) The AWARDEE/Hosting Institution should take the necessary steps to protect the intellectual property according to the norms of the institution and the terms of the agreement entered by the institution, accompanying the technical and legal measures and other provisioning adopted by the institution that are requested by the competent organizations and communicating FAPESP on the ongoing results of the measures on the scientific reports to be presented.

XIX) The disbursement schedule and the specification of the project milestones, which are an integral part of this grant award agreement, should necessarily specify the disbursements by FAPESP.

XX) By virtue of the grant that has been awarded to the AWARDEE, he/she agrees to emit, gratuitously, review reports in his area of knowledge when requested by FAPESP in a timely manner.

XXI) The AWARDEE/Hosting Institution declares his/her/its acceptance, without objections, this award as provided in this Agreement, and becomes responsible by the execution of the present Agreement in all its contents, clauses, and conditions, and that he/she/it agrees with any diligence that the GRANTING AGENCY decides to proceed with, in accordance with Item III of the 3rd article of the Brazilian federal law nr. 5.918 of October 18th, 1960.

XXII) Violation of any of the clauses and conditions set forth herein by the AWARDEE, Microsoft or the Hosting Institution will imply the termination of the agreement and retrieval of the material acquired within the scope of the project and refund of funds that remain unused.

XXIII) Funding for the research covered by this Agreement will be provided by FAPESP and by Microsoft, according to the Terms of the General FAPESP-Microsoft Agreement.

a. For projects selected within the framework of the FAPESP-Microsoft Cooperation, the matching funds provisioned by Microsoft will be transferred to FAPESP that will take the charge to apportion the funds to the research projects.

b. Microsoft has no obligation for any failure by FAPESP to properly allocate such funds to AWARDEE.

c. In the case Microsoft does not provide the Research Funding agreed between the Parties in the competent legal instruments, this Agreement will be suspended indeterminately.

XXIV) The AWARDEE declares that he/she has plain capacity to execute the tasks of the project object of this Agreement and that he/she/it will put his/her/its maximum efforts to attain its objectives. The AWARDEE does also declare that he/she has notified the competent levels of his/her institution of the needs in infrastructure and institutional support necessary to a smooth execution of the project. In the case the AWARDEE abandons the project without being previously authorized by the GRANTING AGENCY, he/she becomes obliged to

restitute fully and immediately to the GRANTING AGENCY the investment made by it to the project.

XXV) In performing a Research Project AWARDEE will not, unless otherwise authorized in writing by Microsoft, subject the results of the Research Project to the terms of an "Excluded License". An "Excluded License" is any license that requires, as a condition of use, modification and/or distribution of software subject to the Excluded License that such software and/or other software combined and/or distributed with such software be (a) disclosed or distributed in source code form; (b) licensed for the purpose of making derivative works; or (c) redistributable at no charge.

XXVI) If AWARDEE wishes to use for, or incorporate in the results of, a Research Project any Hosting Institution owned materials or technologies ("Pre-Existing Materials") that may be subject to Hosting Institution intellectual property rights, it is understood that AWARDEE has disclosed such dependencies at the time of the signing of this Agreement. If AWARDEE, after submission of the proposal, wishes to use Pre-Existing Materials in the Research Project then AWARDEE will obtain from Hosting Institution all rights necessary to permit Microsoft to exercise its rights under this Agreement in the technology developed under a Research Project. If AWARDEE fails or neglects to disclose Hosting Institution Pre-Existing Materials used in the Research Project, Hosting Institution agrees that it will not assert its rights against Microsoft licensees or sublicensees as to such Pre-Existing Materials.

XXVII) AWARDEE and Hosting Institution represent and warrant that he/she/it has not previously and will not grant any rights to third parties that are inconsistent with the rights granted to Microsoft and to FAPESP under this Agreement.

XXVIII) The Hosting Institution declares its acceptance, without objections, to this award as provided in this Agreement, and becomes responsible for the execution of the present Agreement in all its contents, clauses, and conditions, and that it agrees to provide the AWARDEE with all the necessary infrastructure and technical services (laboratories, internet, library, database, administrative services etc) to the execution of this agreement.

XXIX) After signature by the Parties, this Grant Award Agreement will be effective from the date specified as the initial date of the project.

XXX) The instructions contained in the annexes to this agreement are considered an integral part of it for all legal purposes.

Date:

Principal Investigator

Hosting Institution

FAPESP's Technical and Administrative Board

Microsoft Corporation



