



## HEADS OF TERMS – LICENSE AGREEMENT

BETWEEN DONG Energy Thermal Power A/S - "**Licensor**"

AND Cure DONG Energy REnescience B.V - "**Licensee**"

Licensor and Licensee are individually referred to as a "Party" and collectively as the "Parties".

## PREAMBLE

These Heads of Terms form, together with any Schedule, the basis of negotiations for the License Agreement (the Agreement) and set out the non-legally binding principal terms and conditions. The fully detailed terms and conditions of the Agreement have not yet been agreed upon and these Heads of Terms will be further detailed by the Parties in the Agreement and will in any case be subject to the Party's management approval.

Licensor and Gemeenschappelijke Regeling Cure ("CURE") intend to establish a Dutch joint venture company (Cure DONG Energy REnescience B.V.) which will develop, construct and operate a REnescience Municipal Solid Waste ("MSW") treatment Facility with a nameplate capacity of 120,000 tonnes per annum in Eindhoven, Netherlands.

CURE and Licensor intend to enter into a formal, complete and legally binding JV Agreement.

CURE will deliver the MSW for the Facility and will own all of the end products separated by the Facility, including biogas, for a proposed treatment service term of 20 years under the Waste Treatment Agreement between CURE and Licensee.

CURE and REnescience A/S (an affiliate of the Licensor) intend to establish an innovation platform and enter Innovation Platform Agreement.



CURE and Licensor have identified and CURE secured the site where the Facility will be constructed and operated and the parties are in the process of finalising a land lease agreement for site where the Facility will be situated.

Language of the License Agreement shall be English.

## TERMS FOR THE LICENSE AGREEMENT

		The Agreement will include a number of schedules filling out the details of provisions and the Agreement. These Schedules, and their content, will be finally agreed upon during the negotiations. The following will presumably constitute a Schedule:
	SCHEDULES	<ol style="list-style-type: none"> <li>1. Process performance warranty</li> <li>2. Payment mechanism in regards to process performance of the facility</li> <li>3. QHSE and Code of Conduct</li> <li>4. Map of the site where the Facility will be constructed</li> </ol>
<b>No.</b>	<b>Heading</b>	<b>Suggested regulation</b>
1.	DEFINITIONS	For the purpose of interpreting this Agreement
1.1	Background	<ul style="list-style-type: none"> <li>• Shall mean each Party's background Intellectual Property Rights which are (i) in existence as of the Commencement Date of this Agreement; or (ii) conceived, discovered, reduced to practice or writing, generated or developed by a Party outside of this Agreement during the Term or (iii) is licensed or acquired by a Party from a third party during the Term of this Agreement</li> </ul>

1.2	Confidential Information	<ul style="list-style-type: none"> <li>As defined in the signed NDA dated March 2, 2015.</li> </ul>
1.3	Commencement Date	<ul style="list-style-type: none"> <li>[TBD]</li> </ul>
1.4	Final Investment Decision	<ul style="list-style-type: none"> <li>For DETP, the legal and binding unconditional decision by the Board of Directors in DONG Energy A/S to inject capital into the Company for the construction and operation of the Facility and the determination that all conditions precedent for such capital injection mentioned in the JV Agreement or a Preliminary Investment Decision are fulfilled.</li> <li>For CURE the legal and binding unconditional decision by the General Board of Cure to inject capital into the Company for the construction and operation of the Facility and the determination that all conditions precedent for such capital injection mentioned in the JV Agreement or a Preliminary Investment Decision are fulfilled.</li> </ul>
1.5	Preliminary Investment Decision	<ul style="list-style-type: none"> <li>For DETP a conditional decision by the Board of Directors in DONG Energy A/S to inject capital into the Company if and when given conditions precedent are fulfilled. The conditions (precedent) in the decision relates to uncertainties at that time, such as legal proceedings from third parties, legal proceedings related to the permits, the actual vesting of the leasehold right on the ground and/or uncertainties related to the financial side such as subsidies and/or the completion of the loans the Shareholders are taking out in the market.</li> <li>For CURE the conditional decision by the General Board of Cure to inject capital into the Company if and when given conditions precedent are fulfilled. The conditions (precedent) in the decision relates to uncertainties at that time, such as legal proceedings from third parties, legal proceedings related to the permits, the actual vesting of the leasehold right on the ground and/or uncertainties related to the financial side such as subsidies and/or the completion of the loans the Shareholders are taking out in the market.</li> </ul>
1.6	Improvements (new IP)	<ul style="list-style-type: none"> <li>Shall mean improvement leading to new Intellectual Property Rights related to RENescience Technology done</li> </ul>

		by either Party or by the Parties in collaboration under this Agreement. The Parties acknowledge that outside the scope of this Agreement, RENescience A/S an affiliate of Licensor, has agreed to establish an innovation platform with CURE. Rights to Intellectual Property Rights developed under the Innovation Platform will be regulated by the Innovation Platform Agreement.
1.7	Intellectual Property Rights	<ul style="list-style-type: none"> <li>• Shall mean any type of intellectual property rights, including know-how and trade secrets regardless of whether they are registered or unregistered.</li> </ul>
1.8	Nameplate Capacity	<ul style="list-style-type: none"> <li>• Shall mean capacity for the Facility to process Municipal Solid Waste ("MSW") (at the Commencement Date [x] tonnes of Municipal Solid Waste ("MSW") per annum, but this may be adjusted during the lifetime of the Facility).</li> </ul>
1.9	Facility	<ul style="list-style-type: none"> <li>• Shall mean means the RENescience Municipal Solid Waste ("MSW") treatment facility build, owned and operated by the Licensee in Eindhoven at the plots defined as "Municipality of Woensel, section A, number 4462" and "Municipality of Woensel, section A, number 4465"</li> </ul>
1.10	RENescience Technology	<ul style="list-style-type: none"> <li>• Shall mean shall mean RENescience A/S' process and technology for treatment of waste, such as municipal waste, including but not limited to microbial and/or enzymatic liquefaction of the organic fraction of the waste followed by separation of one or more solid fraction(s) from the liquefied organic fraction, and any down-stream processing of any fraction(s), such as down-stream processing of said organic fraction to produce biogas or other products, or further separation or modification of said solid fractions, including any chemicals, agents, micro-organisms and the like, also including reaction parameters, equipment, and the like.</li> </ul>
1.11	Upgrades	<ul style="list-style-type: none"> <li>• Shall mean any new knowledge related to the RENescience Technology on how to run, operate, maintain, optimise, reconfigure and adjust the Facility, none of which includes utilization of Improvements.</li> </ul>



1.12	Territory	<ul style="list-style-type: none"> <li>• Shall mean the municipalities of Valkenswaard, Eindhoven and Geldrop-Mierlo in the Netherlands.</li> </ul>
2.	SCOPE OF SERVICES	
2.1	Scope of supply	<ul style="list-style-type: none"> <li>• Licensee is entitled to receive assistance from Licensor for up to x man hours for the first 4 years after commencement of commercial production.</li> <li>• Reasonable efforts to offer assistance at standard hourly rates to ensure continued operation of the Facility.</li> <li>• Licensor will on a continuous basis inform Licensee on Upgrades of the RENescience Technology and offer reasonable assistance on implementation of said upgrades at standard hourly rates. These options cannot be converted to cash.</li> </ul>
3.	LICENSE	
3.1	Exclusive license grant to Licensee	<ul style="list-style-type: none"> <li>• Exclusive, royalty bearing license to use and practice RENescience Technology own or controlled by RENescience at the Commence Date, including any Upgrades at Licensee's Facility in the Territory for a period of 5 years from commencement of commercial operations.</li> </ul>
3.2	License grant	<ul style="list-style-type: none"> <li>• Royalty bearing license to use and practice RENescience Technology, including relevant documentation, manuals, reports etc. owned or controlled by RENescience at the Commence Date, including any Upgrades at Licensee's Facility in the Territory.</li> </ul>
3.3	Option to license Improvements (new IP)	<ul style="list-style-type: none"> <li>• The Parties will enter into good faith negotiations concerning the terms under which Improvements will be made available to Licensee.</li> <li>• The Parties agree that a license to Improvements will be offered on similar commercial terms as in this Agreement, including Services, cf. clause 2.</li> </ul>

		<ul style="list-style-type: none"> <li>Any contribution to the development of Improvements by the employees of Licensee should be reflected in the commercial terms under which such Improvements will be made available to Licensee.</li> <li>The Parties acknowledge that rights to Intellectual Property developed under the Innovation Platform will governed by the Innovation Platform Agreement.</li> </ul>
3.4	Sublicense	<ul style="list-style-type: none"> <li>Licensee is not entitled to sublicense the rights granted in this Agreement without Licensor's prior written consent.</li> </ul>
4.	INTELLECTUAL PROPERTY RIGHTS	
4.1	Ownership to Background	<ul style="list-style-type: none"> <li>Each Party shall maintain any and all Intellectual Property Rights to each Party's Background held by that Party upon Commencement Date</li> </ul>
4.2	Improvements	<ul style="list-style-type: none"> <li>All Improvements, which are related to the RENescience Technology and developed under this Agreement, shall be assigned to and owned by Licensor.</li> <li>The Parties acknowledge that outside the scope of this Agreement, RENescience A/S, an affiliate of Licensor, has agreed to establish an innovation platform with CURE.</li> </ul>
5.	LICENSE AND ROYALTY	
5.1	License Fee	<ul style="list-style-type: none"> <li>One-time payment of 30 EUR (2014 inflation adjusted) per ton Nameplate Capacity at the Facility.</li> <li>The Nameplate Capacity at commencement of the Facility shall be [120,000] tons per year.</li> <li>The License Fee amounts to [3,600,000 EUR] (2014 inflation adjusted).</li> </ul>

		<ul style="list-style-type: none"> <li>• Licensee Fee will fall due no later than 15 days after Licensee's positive Final Investment Decision.</li> </ul>
5.2	Royalty Fee	<ul style="list-style-type: none"> <li>• The Royalty Fee is a running quarterly royalty</li> <li>• The baseline Royalty Fee will be 10 EUR (2014 inflation adjusted) per ton of actual Nameplate Capacity at the Facility</li> <li>• The Royalty Fee amounts to 1,200,000 EUR (2014 inflation adjusted)</li> <li>• The Royalty Fee will be subject to adjustments based on key performance indicators to be mutually agreed by the Parties and as defined the "Process Performance Warranty" schedule.</li> <li>• In the event that Licensee requests changes in the Performance Warranty (e.g. due to changes in the waste specification contracted for under the Waste Treatment Agreement), such changes and their impact on the Royalty Fee adjustment level are to be agreed between the Parties.</li> <li>• The Royalty Fee shall be paid during a period of 20 years from commencement of commercial operation.</li> <li>• The Royalty Fee will fall due on the 15th day of the month following the preceding quarter.</li> <li>• In case of disagreement as to the Royalty Fee adjustment level, parties will have a right to audit the performance results with the use of the 3rd party.</li> </ul>
5.3	Production report	<ul style="list-style-type: none"> <li>• Within 45 days after the end of each calendar year, Licensee shall provide Licensor with a report documenting the amount of waste processed and performance of the Facility during that year.</li> </ul>
5.4	Audit	<ul style="list-style-type: none"> <li>• Licensor may at its own expense audit the Production report.</li> <li>• If the audit reveals any inconsistencies, these shall be settled immediately and the cost related to the audit shall</li> </ul>

		be borne by Licensee.
5.5	Price indexation	<ul style="list-style-type: none"> <li>The License and Royalty fees are subject to running, annual inflation adjustment as of each 1 January in accordance with the EURO CPI.</li> </ul>
5.6	Payment terms	<ul style="list-style-type: none"> <li>Licensee shall pay invoices in full thirty (30) days following the date of invoice.</li> <li>Invoices not paid at maturity shall be subject to late payment fees of EURIBOR + 3 % per year</li> </ul>
6.	TAX	<ul style="list-style-type: none"> <li>Exclusive of any VAT or withholding tax</li> </ul>
7.	REPRESENTATIONS AND WARRANTIES	
7.1	Process warranties	<ul style="list-style-type: none"> <li>Licensor will provide Licensee with a term sheet describing the process warranties, cf. schedule [X] (Process Warranties).</li> <li>Any compensation due in accordance with the process warranties shall be limited to the Royalty fees received by Licensor over the preceding year under this Agreement.</li> </ul>
7.2	Freedom to operate	<ul style="list-style-type: none"> <li>Licensor warrants that the intended use of the REnescience Technology at the Facility will not infringe any third-party intellectual property rights.</li> </ul>
8.	LICENSORS CODE OF CONDUCT	<ul style="list-style-type: none"> <li>Licensee shall be subject to Licensor's Code of Conduct as described in exhibit [x].</li> </ul>
9.	INDEMNIFICATION AND LIABILITY	<ul style="list-style-type: none"> <li>Licensee undertakes to indemnify, hold harmless and defend Licensor against any and all claims for product liability directly or indirectly relating to Licensee's use of products, processes or licenses supplied by Licensor. Licensor undertakes to indemnify, hold harmless and defend Licensee against any and all claims that the in-</li> </ul>



		<p>tended and proper use of the RENescience Technology at the Facility infringes third-party intellectual property rights.</p> <ul style="list-style-type: none"> <li>• Except in the event of negligence, gross negligence or wilful behaviour, neither of the Parties shall be liable for any damages towards any other Party. In the event that a Party is held to be liable, such liability shall not include indirect loss, including any operating loss, loss of time, loss of profit or other consequential losses. A Party's liability shall in any case be limited to an amount of [TBD] EUR and annually [TBD] EUR.</li> <li>• The above limitation shall not apply in relation to a breach of clause 11.</li> </ul>
10.	TERM AND TERMINATION	•
10.1	Term	• This Agreement shall commence on the Commencement Date and shall continue in force as long as Licensee uses RENescience Technology or until terminated in accordance with the provisions below
10.2	Termination for Cause	• Upon a material breach of this Agreement by either Party
10.3	Effect of Termination	• Licensee shall cease any use or exploitation of RENescience Technology, Confidential Information and any Improvement.
11.	CONFIDENTIALITY	• In accordance with the principles outlined in the signed NDA
12.	MISCELLANEOUS	
12.1	Assignment and change of control of RENescience A/S	<ul style="list-style-type: none"> <li>• Licensee is not allowed to assign, transfer or convey this Agreement in whole or in part without the prior written consent of Licensor.</li> <li>• Licensor is allowed to assign this Agreement without the prior express written consent of the Licensee, provided that Licensor can reasonably demonstrate that the assignee has the necessary financial and technical capabilities.</li> </ul>



		<p>ties to perform Licensors obligations under this Agreement.</p> <ul style="list-style-type: none"><li>• In case of change of control of RENescience A/S, Licensor must ensure that license agreement between Licensor and RENescience A/S continuous to be in force for the duration of this Agreement.</li></ul>
12.2	Access to the Facility and data	<ul style="list-style-type: none"><li>• Licensor is entitled to have one or more representatives at the Facility and monitor the performance of the Facility remotely. Any such data collected will be owned by Licensor.</li></ul>
13.	Governing Law	<ul style="list-style-type: none"><li>• Danish</li></ul>
14.	Dispute Resolution	<ul style="list-style-type: none"><li>• Arbitration in Copenhagen.</li><li>• The language of the arbitration shall be English.</li></ul>

#### NON-BINDING

This Term Sheet is a statement of present intent only and does not create any legally binding commitment or obligations on any of the Parties, except as set forth below regarding Confidentiality, Governing Law and Arbitration.

#### CONFIDENTIALITY

The fact that the project is contemplated, the existence and terms of this Term Sheet, as well as all financial, technical, operational, administrative, business, corporate, commercial and any and all other information exchanged by the Parties in connection with the negotiations for the execution and completion of this Term Sheet shall be deemed to be confidential information, and the Parties are, for a period of 5 years, not entitled to use for purposes other than the completion of the project or to pass on to any third party or otherwise disclose, except (i) with the prior written consent of the other Parties; (ii) to those of its directors, officers, employees and agents who need to know such information; (iii) as may be required by law, applicable accounting or stock exchange regulations or an order of a court



of competent jurisdiction; (iv) to its sources of finance, auditors, legal and other advisers required by law or written agreement to observe secrecy and who need to know such information; or (v) in connection with any litigation, arbitration or similar legal proceeding relating to this Term Sheet.

The restrictions in this clause shall not apply to any information which (i) was generally available to the public at the time of the use or disclosure thereof; (ii) has subsequently become generally available to the public other than as a result of non-compliance with this clause; (iii) is provided to the disclosing Party (or the Party using the information) by a third party in lawful possession of such information and entitled to make general disclosure thereof; or (iv) was in the possession of the disclosing Party (or the Party using the information) at the time of the execution of this Term Sheet provided that the information had not been obtained from the other Party.

#### GOVERNING LAW AND ARBITRATION

This Term Sheet shall be governed by and construed in accordance with the laws of Denmark, as if this Term Sheet was made between two residents thereof, without regard to its provisions on choice of law, or international treaties and conventions on conflict of law.

Any dispute arising out of or in connection with this Term Sheet shall be finally settled under the Rules of Arbitration of The Danish Institute of Arbitration (in Danish "Voldgiftsinstituttet") in force at the time of a Party's filing of its application for arbitration to the Danish Institute of Arbitration. The place of arbitration shall be Copenhagen, Denmark and the language to be used in the arbitration shall be English. The arbitration tribunal shall consist of 3 arbitrators. Each Party shall designate 1 arbitrator. The third arbitrator shall be appointed by the Parties and shall be the chairman of the arbitration panel. The third arbitrator should be a national of a country other than those of the Parties. The Parties agree that an award issued by such arbitration tribunal shall be conclusive and binding upon each Party and may be enforced in the courts of any competent jurisdiction.



Date: \_\_\_\_ 2016

For DONG Energy Thermal Power A/S

Signature  
Name:

*Tim O'Malley*

Date: 31/8 2016

For Cure DONG Energy REnescience B.V.

Signature  
Name:

*Anna-Lena Jeppsson*  
*ANNA-LENA JEPSSON*