

RULES OF TAURON PROGRES ACCELERATION PROGRAMME

§1 GENERAL PROVISIONS

1. The aim of the TAURON PROGRES Acceleration Programme is to search, create and commercialize innovative solutions responding to the challenges mapped in the TAURON's Strategic Research Agenda and resulting from the prevailing megatrends in the economy, society, and in particular, in the energy sector.
2. The name of the Programme, the logo, graphic elements, trademarks, the software, its content and the database are subject to legal protection, in particular under copyright and industrial property law.

§2 DEFINITIONS

1. **Acceleration** - a stage of the Program, implemented in a period agreed with the Participant, during which the Participant and representatives of the Organiser carry out works (in particular, Application Research, Development Work) in an iterative mode, in order to develop the Solution;
2. **Applicant (Start-up)** - a natural person, a legal person, an organisational unit without legal personality, a research and development entity, a university or other institution, having respectively: place of residence or registered office or conducting business activity on the territory of the Republic of Poland or outside its territory which submits the Application Form for participation in the Programme;
3. **Application research** - means scientific research aimed at acquiring new knowledge and skills, focusing on developing new products, processes or services or introducing significant improvements therein (in accordance with the provision of Article 4(2)(2) of the Act of 20 July 2018 - Law on Higher Education and Science) implemented by the Parties;
4. **Application form** - a form made available at www.tauron.pl/tauron/tauron-innowacje/wspolpraca-ze-startupami/progres-en, the completion of which and sending to the Organiser is the prerequisite for participation in the Programme;
5. **TAURON Group** - TAURON Polska Energia S.A., its legal successors and all subsidiaries, parent companies or affiliates of TAURON Polska Energia S.A. (within the meaning of the accounting regulations applied by TAURON Polska Energia S.A.);
6. **Area of interest** - a group of areas indicated in the Strategic Research Agenda (SAB), within which the Organiser seeks new Solutions and cooperates with Participants in order to implement and commercialize innovative solutions;

7. **Organiser** – TAURON Polska Energia S.A. with its registered office in Katowice at: ul. ks. Piotra Ściegiennego 3, 40-114 Katowice, entered to the Register of Entrepreneurs of the National Court Register, maintained by the District Court Katowice-Wschód, 8th Commercial Department of the National Court Register, under the KRS number: 0000271562, REGON: 240524697, NIP: 9542583988, share capital (paid up): PLN 8,762,746,970, hereinafter referred to as the “Organiser”; the Organiser shall be entitled to cooperate with the Evaluation Team at each stage of the Programme implementation;
8. **Development Works** - means activities comprising the acquisition, compilation, forming and use of currently available knowledge and skills, including in the scope of IT tools or software, tools for production planning as well as designing and creating changed, improved or new products, processes or services, excluding activities comprising routine and periodical changes introduced therein, even if such changes are of an improvement nature (in accordance with the provision of Article 4(3) of the Act of 20 July 2018 - Law on Higher Education and Science) implemented by the Parties;.
9. **Programme** - an acceleration programme known as TAURON PROGRES Acceleration Programme organised by TAURON Polska Energia S.A;
10. **Rules** - these Rules of TAURON PROGRES Acceleration Program;
11. **Solution** - means an innovative idea - including a product, service, technology - which is the subject of application in the Start-up Application Form to the TAURON PROGRES Acceleration Programme, responding to the needs of TAURON Group, in particular the needs specified in the Strategic Research Agenda;
12. **Companies of TAURON Group (GT Companies)** - subsidiaries, parent companies or affiliates of TAURON Polska Energia S.A., in particular companies providing the Participant with a service of making Resources available for the purpose of carrying out works on the Solution in the scope of Acceleration;
13. **Strategic Research Agenda (SAB)** - a roadmap in the area of research and development. A document that describes in a precise way the directions of innovation development in TAURON Group through internal projects and with the participation of business partners and the scientific community and as a result of cooperation with technology and know-how suppliers, represented by both large industrial concerns and small companies - mainly Start-ups - available at www.tauron.pl/tauron/tauron-innowacje;
14. **Participant** - Applicant who received a positive recommendation from the Evaluation Team concerning the participation in the Programme and who signed the Acceleration Agreement;

15. **Acceleration Agreement** - an agreement on the Participant's participation in the Programme, regulating the rules of cooperation (in particular the rights and obligations of the parties) aimed at joint implementation of the objectives set forth in the said Agreement;
16. **Commercial Agreement** - an agreement resulting from a positive decision of the Evaluation Team after the completion of the Acceleration phase by the Participant, specifying the subject, scope and other important conditions of commercial cooperation between the Participant and the Organiser or the Company of TAURON Group;
17. **Resources** - means human resources, all facilities, materials, tools, equipment, premises, infrastructure, and buildings used by the parties to an Acceleration Agreement - required to perform the Acceleration of the selected Solution.
18. **Evaluation Team** - a team supporting the Organiser, consisting of employees, co-workers, subcontractors of TAURON and TAURON Group Companies and optionally - EEC Magenta sp. z o.o. ASI SKA (PFR Starter) or EEC Magenta Sp. z o.o. 2 ASI SKA (PFR NCBR CVC) and their general partner, EEC Magenta sp. z o.o.

§3 TERMS AND CONDITIONS OF PARTICIPATION AND RULES OF THE PROGRAMME

1. Persons interested in participating in the Programme (Applicants) submit their Solutions by completing and sending the Application Form, published at www.tauron.pl/tauron/tauron-innowacje/wspolpraca-ze-startupami/progres-en.
2. The prerequisite for participation in the Programme is filling in and sending the Application Form to the Organiser and submitting the declarations referred to in paragraph 4. The documents shall be accessible on the website referred to in paragraph 1. The Applicant / Participant is obliged to update the data provided in the application immediately, no later than 7 days after each of their change.
3. The Applicant/ Participant has the right to withdraw its application at any stage of the Programme, subject to the consequences provided for in the Acceleration Agreement, if concluded.
4. The condition for participation in the Programme is the submission of the declaration by the Applicant:
 - a. on reading these Rules and accepting the provisions hereof;
 - b. on the waiver of claims against TAURON Polska Energia S.A. or TAURON Group Companies related to the failure to undertake cooperation, in particular the failure to conclude the Acceleration Agreement or the Commercial Agreement;
 - c. on the possession of exclusive intellectual property rights within the meaning of Article 2(viii) of the Convention establishing the World Intellectual Property Organisation,

done at Stockholm on 14 July 1967, to the Solution notified by it and the right to dispose of full rights in its own name and that the Solution shall be free from any third party legal encumbrances, interests or any claim;

- d. on accepting the rules of incurring costs related to the process of application, evaluation and potential further cooperation, in particular, arising from § 3(8) and (9) of these Rules;
 - e. on giving consent to placing and saving the data concerning the Solution provided to the Organiser in the Start-up database operated by TAURON Polska Energia S.A.
5. The programme is continuous. The call for applications shall start on 21 May 2019. The Organiser will inform about changes in the Rules, the terms and conditions of participation, discontinuation of the acceptance of applications or cancellation of the Programme through a notice posted on the website indicated in paragraph 1.
 6. The amendment to the Rules shall be binding on the Applicant from the moment of its publication on the website indicated in paragraph 1, subject to the provisions of paragraph 7.
 7. The Parties shall regulate in the Acceleration Agreement the procedure in the event of a change in the content of the Rules affecting the conditions of performance of the Acceleration Agreement concluded, in particular, the rights or obligations of the parties.
 8. The application to the Programme is free of charge, subject to the Applicant's/ Participant's obligation to incur the costs of preparing the application, costs of participation in stages aimed at selecting Solutions for the Program, costs of explanations and costs of negotiating the terms and conditions of participation in the Programme by the Applicant or Participant.
 9. The rules of incurring costs under the Acceleration are governed by the Acceleration Agreement, taking into account the basic rule of incurring costs of using own resources by the Parties to the Acceleration Agreement.
 10. The application to the Programme shall not constitute any obligation of the Organiser or Companies of TAURON Group to conclude any agreement in the scope of terms and conditions of acceleration or implementation of the Solution submitted by the Participant or to conduct any joint venture, in particular, it shall not bind the Organiser or Companies of TAURON Group to conclude any Acceleration Agreement or Commercial Agreement.
 11. The submission of a Solution to the Programme shall not result in the transfer any intellectual property rights (within the meaning of Article 2(viii) of the Convention establishing the World Intellectual Property Organisation, done at Stockholm on 14 July 1967) held by the Applicant or the Participant to the Organiser.
 12. The Organiser reserves the right to exclude from the Programme a Participant who, according to the information acquired, violates the provisions of the Rules or acts in a manner contrary

to the law or information provided by the Applicant / Participant is contrary to the legal or factual status. The provisions of § 4(4) shall apply directly.

13. In the case of a third party claim against the Organiser or a TAURON Group company due to infringement of their rights, in particular their personal rights, copyrights or related rights in connection with the Solution, the Participant undertakes - as the person/entity solely liable - to pay potential compensations to third parties and to cover any damages and any costs incurred, including costs incurred in connection with third party claims, discharging the Organiser or the Company of TAURON Group from any obligations arising therefrom, and in the case of institution of court proceedings or arbitration court proceedings or proceedings before any authority - to participate in them.
14. The Organiser shall not be liable for actions and omissions of third parties, for decisions made by third parties related to the Programme, in particular those related to its PROGRES or results.

§4 PROGRAMME STAGES AND EVALUATION CRITERIA

1. The Programme consists of three stages:
 - a) Stage I - verification and preliminary assessment of information contained in the Application Form and data provided by the Applicant on the basis of a separate request from the Organiser, in accordance with the provisions of paragraph 5;
 - b) Stage II - in-depth analysis and evaluation of data contained in the Application Form and data and information provided by the Applicant on the basis of a separate request from the Organiser in the form of an individual meeting with the Applicant; the decision of the Organiser to qualify the Solution for the Acceleration Stage (Stage III), in accordance with the provisions of paragraph 6;
 - c) Stage III - signing the Acceleration Agreement, conducting the Acceleration phase, analysis and assessment of results of the Acceleration by the Organiser in the context of commercial cooperation; the decision of the Organiser on a possibility of introducing the Solution for implementation and undertaking negotiations concerning concluding of the Commercial Agreement or resignation from further implementation of the Programme, in accordance with the provisions of paragraph 7.
2. The Organiser and the Evaluation Team shall assess the Solutions on the basis of the data received in the Application Form and during the subsequent stages, taking into account the following criteria:
 - a. compliance and adjustment of the solution to the development directions of TAURON Group in the Area of Interests indicated in the Strategic Research Agenda;
 - b. level of the Solution innovativeness;

- c. the Solution preparedness for implementation;
 - d. expected benefits stemming from the implementation of the Solution;
 - e. level of expected costs related to the implementation of the Solution;
 - f. the Solution business model;
 - g. experience and competence of the Application Team;
 - h. commonly applicable provisions of the law, in particular the energy law and regulations concerning the awarding of contracts.
3. The Organiser reserves the right to perform individual organisational, administrative and analytical activities within the scope of the Programme implementation, with the assistance of employees, co-workers or subcontractors of the Organiser and Companies of TAURON Group. In the assessment of business and technological data, at each stage, the Organiser is supported by employees of TAURON Group Companies, co-workers or subcontractors of the Organiser and TAURON Group Companies forming a part of the Evaluation Team, as appropriate in terms of the nature of the Solution.
4. By entering into negotiations with the Organiser or a TAURON Group Company indicated by the Organiser, the Applicant undertakes to refrain from undertaking and to abandon simultaneous pursuit of other negotiations or contacts with third parties, the subject of which is to conduct Acceleration or other works aimed at the development of the Solution. If the Organiser becomes aware of any breach of the non-competition rule by the Applicant/Participant, the Organiser may exclude the Applicant/Participant from the Programme.
5. Activities undertaken within the framework of the Stage I:
- a. In Stage I, the Organiser evaluates the data from the Application Form in formal and substantive terms.
 - b. At the request of the Organiser, the Applicant provides additional data and information concerning the Solution, which are subject to further evaluation within the first stage of the Programme. The type and scope of additional data requested by the Organiser under Stage I will be determined on a case by case basis in relation to the Solution. The Applicant will be informed about the detailed requirements in the scope indicated by e-mail sent to the address indicated in the Application Form. In order to protect the Applicant's interests, the Organiser may, at the Applicant's request, conclude a non-disclosure Agreement (NDA), the template of which will be proposed by the Organiser. The conclusion of the NDA is possible at each stage.
 - c. Stage I of the works shall with the Organiser's decision on qualification of the solution to Stage II or the decision on non-qualification to the next stage. The decision made

during Stage I is final and does not give rise to any obligations for the Organiser or the Companies of TAURON Group towards the Applicant in the context of further cooperation.

- d. The Applicant will be informed of the decision by e-mail to be sent to the address indicated in the Application Form within 15 business days of the date of receipt of the Application or of the date of receipt of additional data referred to in § 4(5)(b).

6. Activities undertaken in the framework of the Stage II:

- a. In Stage II, the Applicant presents comprehensively the data and information concerning the Solution at a dedicated meeting, after which the Organiser shall analyse and evaluate the Solution on the basis of both the data provided and presented by the Applicant as well as on the basis of internal activities aimed at assessing the business and technological potential of the Solution and possible involvement of Resources.
- b. The Applicant will be informed, by e-mail sent to the address indicated in the Application Form of detailed requirements related to the manner, time and scope of presentation of the solution at a dedicated meeting.
- c. Stage II shall end with the Organiser's decision on qualification of the solution to Stage III, i.e. the Acceleration phase or the decision on non-qualification to the next stage. The decision made during Stage II is final and does not give rise to any obligations for the Organiser or the Companies of TAURON Group towards the Applicant in the context of further cooperation.
- d. The Applicant will be informed about the decision of the Organiser (described in the paragraph above) within 10 working days from the date of the dedicated meeting, in the form of an e-mail sent to the address indicated in the Application Form. A positive decision forms an invitation to negotiations of the Acceleration Agreement and, consequently, the transfer to Stage III.
- e. Failure by the Participant to enter into negotiations with the Organiser or a TAURON Group Company indicated by the Organiser within 60 days from the date of delivery of the decision on referring the Solution to Stage III to the Participant is equivalent to the resignation from participation in the Programme.

7. Activities undertaken in the framework of the Stage III:

- a. As part of Stage III, the parties will conduct negotiations on the conclusion of the Acceleration Agreement. In the Acceleration Agreement the parties shall specify all necessary arrangements in the context of the Acceleration work, in particular:
 - i. scope, conditions, schedule and requirements concerning Resources;

- ii. commitment of the Participant to refrain from undertaking other negotiations or contacts aimed at negotiations with third parties in the scope of the Solution submitted to the Programme and to withdraw from already commenced negotiations in the scope indicated for the entire duration of the Solution, including the period necessary for the Organiser to take the decision referred to in paragraph 7(e).
- b. The Acceleration Agreement shall be concluded between the Participant and the Organiser or a Company of TAURON Group - at the discretion of the Organiser. Signing of the agreement between the Organiser or the Company of TAURON Group and the Participant should take place within 30 calendar days from the date of commencement of the negotiations. This deadline may be extended by the Organiser. Failure to sign the Acceleration Agreement shall end Stage III.
- c. Signing of the Acceleration Agreement determines a possibility of undertaking further works by the Participant under Stage III.
- d. In Stage III, the Participant conducts works to develop/test the Solution. The Organiser shall analyse and evaluate the current results of works carried out within the individual iterations of the phase in accordance with the provisions of the Acceleration Agreement and it shall conduct a comprehensive analysis and assessment of the Solution after the completion of all works provided for in the said agreement.
- e. The third stage shall end with a decision of the Organiser on a possibility to undertake of commercial cooperation with the Organiser or a TAURON Group company indicated by the Organiser or a withdrawal from further activities. In order to select the cooperation, the Organiser undertakes internal analytical activities in the context of necessary expenditure, systemic and structural changes. Due to the complexity of the actions, which also depends on the evaluated Solution, the Organiser reserves the right to make a decision within 3 months from the date of obtaining the overall results of the works carried out in the Acceleration phase. The Participant shall be informed of the decision by the Organiser by e-mail to the address indicated in the Application Form.
- f. The Organiser or a company of TAURON Group may send the Participant an invitation to negotiate the content of the Commercial Agreement. The commencement of negotiations shall be conditional upon the Participant's commitment to refrain from undertaking any other negotiations or contacts aimed at negotiating with third parties in the scope of the Solution submitted to the Programme.

- g. The Organiser's decision made at Stage II is final and does not give rise to any obligations for the Organiser or for any Companies of TAURON Group towards the Applicant in the context of further cooperation.

§5 RULES OF PROCEDURE CONCERNING CONFIDENTIAL INFORMATION HANDLING

1. The Organiser undertakes to keep confidential all data received from the Participant in the Application Form and any information obtained during work on the analysis of the Solution. Maintaining secrecy applies to information received by the Organiser at each stage of the Programme, regardless of the form of such information and the manner in which it is provided.
2. The Organiser undertakes to refrain from transferring this information to third parties, except for employees of the Organiser and companies of TAURON Group and experts providing the Organiser or a company of TAURON Group with works related to the functioning and implementation of the Programme (members of the Evaluation Team), whom it shall commit to maintain confidentiality under relevant non-disclosure agreements (NDA).
3. The obligation referred to in paragraph 2 shall not apply to the information:
 - a. which is available to the Organiser prior to its disclosure;
 - b. which has been acquired with an explicit exclusion to maintain confidentiality;
 - c. which has been acquired from a third party authorised to provide such information;
 - d. which must be disclosed under the unconditionally binding legal regulations or based on the request of authorised bodies;
 - e. which constitutes commonly known information.
4. The Applicant / Participant and persons cooperating with the Applicant / Participant undertake to keep confidential the information provided by the Organiser / Companies of TAURON Group, co-workers of the Organiser and Companies of TAURON Group during the term of the Programme. The Organiser may make the provision of confidential information dependent on the Organiser's prior conclusion of a non-disclosure agreement (NDA), the template of which will be proposed by the Organiser.
5. If the application is not submitted to Stage II or Stage III of the Programme, the documents marked as a secret of the Applicant's business, in the possession of the Organiser shall be subject to destruction within 60 calendar days from the date of the said decision made by the Organiser when the Applicant withdrew his consent to retain data in the Organiser's Start-up database. At the request of the Participant, the Organiser shall provide a destruction report.

6. At the Applicant's request, submitted within 7 days from the date of receipt by the Applicant of information about the failure to submit the application to Stage II or Stage III of the Programme, the Organiser will return documents containing business secrets provided by the Applicant, while the data in the Start-up database concerning the Solution will be deleted from it.
7. The provisions of paragraphs 5 and 6 shall apply accordingly to documents containing the business secret of the Participant after the completion of Stage III of the Programme.
8. The Applicant/Participant undertakes to refrain from using any confidential information in any way that may cause any damage to the Organiser or Companies of TAURON Group.

§6 PERSONAL DATA PROTECTION

1. Should the implementation of the Agreement be associated with any operations involving personal data, the Parties undertake to proceed in this respect in accordance with the provisions in force concerning the protection of personal data, i.e. in particular the provisions of Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 04.05.2016, p. 1; hereinafter referred to as: "GDPR") as well as the provisions of the Act of 10 May 2018 on Personal Data Protection (Journal of Laws of 2018, item 1000, as amended).
2. Accession to this Programme is associated with the necessity for the Applicant/Participant to provide personal data indicated in the Application Form, in particular in order to carry out the activities within the stages of this Programme described in §4 of these Rules, to the processing of which the Applicant/Participant, if a natural person, agrees in the statement contained in the Application Form, and if it represents a legal person, it is obliged to read and understand information on personal data processing.

§7. FINAL PROVISIONS

1. The Regulations enter into force as of 20 May 2019.
2. The Organiser reserves the right to close the Programme without giving any reason, which does not constitute an amendment to the Regulations; the provisions of § 5 paragraphs 4-8 shall apply accordingly.
3. The obligations of the Organiser resulting from the Programme do not constitute a public promise within the meaning of Article 919 et seq. of the Act of 23 April 1964 - Civil Code (Journal of Laws of 2018 item 1025, uniform text).

4. This Programme shall not constitute a lottery or betting within the meaning of the provisions of the Gambling Act of 19 November 2009 (Journal of Laws of 2018 item 165, uniform text).
5. These Rules are not intended to limit or exclude provisions generally applicable in the territory of the Republic of Poland. In the case of conflict of any of the provisions of these Rules with the law, the remaining provisions of the Rules shall remain in force.
6. These Rules shall be governed by and construed in accordance with the laws of Poland. Any disputes arising from the participation in the Programme shall be settled by the competent court of jurisdiction relevant for the registered office of the Organiser.