

TERMS AND CONDITIONS

of the call for projects to participate to the Open Education Challenge

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I. The Open Education Challenge - PRESENTATION

Major changes are required in the way learning is delivered, students are motivated, and teachers are trained. Education must open up to new contents, teaching practices and tools. The role of technology in this context is crucial, in order to achieve a better education for all.

Our conviction is that education practitioners, technology geeks, and web entrepreneurs will be crucial to change education. They have the ability and willingness to invent tools, content, and devices that will benefit learners and trainers, alongside students and teachers. Modern technologies have opened up a new world of opportunities. Today technologies seem robust, flexible and user-friendly enough to enable real innovation in the learning process.

The Open Education Challenge “The OEC”, launched in partnership with the European Commission is an opportunity to develop, strengthen and fund education startups in Europe. **The OEC consists in selecting and incubating promising startups with a high potential of development in the education field so as to offer them mentoring and financial supports.**

The OEC is monitored by Open Education Challenge S.L., a Spanish company (the Incubator).

Our definitions of “education” and “open” are broad, and range from innovations in the classrooms to learner-facing technology to learning analytics and big data. We’re hoping to find and incubate projects that transform education and change the way we will learn and teach in the future.

We provide a number of distinct advantages: connections to the best experts in the field of education, technology and entrepreneurship European-wide; opportunities to test start-up ideas in schools and corporate learning environments throughout Europe; and direct contact with investors.

Europe has been for all time the cradle of innovation in education. The new companies that will come out of “The OEC” will directly create new jobs and growth opportunities in education in Europe.

The companies we will incubate must demonstrate a capacity to transform the way we learn or teach in any setting (school, university, company, city...).

Specifically we are looking for projects early stage start-ups or projects in their initial phase of development.

- respond to a clearly identified education problem
- use technologies in an innovative and sustainable way
- have a market vision with a scalable ambition
- have a solid founders team fully committed with the project.

We will evaluate your project according to four main criteria:

- Educational quality
- Technological relevance
- Business sustainability
- Team value

All projects have to be submitted exclusively through an on-line application form on our web page: <http://openeducationchallenge.eu>

We will select the most promising startups to join the incubation process.

We will immerse them in 14 weeks of intensive mentoring and coaching with Europe’s best experts in education, technology and entrepreneurship, to help them refine and develop their project.

We will give the selected startups seed funding and exclusive access to the Open Education Investment Club (“The Club”) which may provide them with adequate financial support.

II. SUBMISSION - SELECTION PROCESS-INCUBATION PROCESS

The purpose of “The OEC” is to invite innovators, education practitioners, entrepreneurs to apply, subject to these terms and conditions, for a place in the **European Incubator for Innovation in Education monitored by ”the Incubator”**.

An individual or a legal entity applying under the present Terms and Conditions is defined as an Applicant.

WHO CAN APPLY?

- Applicants may be aspiring entrepreneurs with only an idea in hand or already existing startups.
- In case of early stage start-ups, your company must not have had a commercial launch more than 24 months before submitting your application.
- You don’t have to be a EU resident to apply. We accept applications from all over the world and not only from the E.U. All selected applicants will have to commit to participate full time to the incubation process that will take place in the EU.
- The startups have to be (or will have to be) registered in the EU
- Legal age: all founders shall be of legal age according to the regulations in vigor in the European Union.
- Residence permissions: if you are applying from a country that is not part of the European Union, you will most likely need permissions, residence or working visas for that purpose. “The Incubator” will not be responsible for arranging this for you.

- Applicants must have accepted the present Terms and Conditions of The OEC on their registration on The OEC web site <http://openeducationchallenge.eu> (the Application).

SELECTION PROCESS

First Phase: Receipt of applications

Deadline: applications can be submitted from January, 15th until December, 15th 2016.

Form: founders must submit their application through the online form available at <http://openeducationchallenge.eu>. Each Applicant shall register and describe their project following the instructions provided in the online form. All mandatory fields in the form have to be filled in order to be evaluated. If you have any questions about the application process, there are contact details on the website.

Each participant may only form part of a single application per call.

Submit your project to “The OEC” webpage: <http://openeducationchallenge.eu>

All applications will have to be submitted in English.

Second Phase: Short List

“The Open Education Challenge” team will assess all applications based on the following non-exhaustive criteria:

- Educational quality
- Technological relevance
- Business sustainability
- Team value

During this phase, “The Incubator” team will ask shortlisted applicants for additional information on their project.

You will have to answer more detailed questions and provide more precise information about your project.

The final applicants will be invited to pitch their project to “The OEC” Jury, comprised of relevant members from the education, entrepreneurial and investor ecosystem.

“The OEC” jury will select the startup(s) that will join the incubation process.

Before entering the Incubation process and receiving seed funding and support, each selected startup will be required to sign the Incubation Agreement. This agreement governs the terms of your participation to the incubation process

In case this Agreement is not signed, you won't be able to enter the incubation process..

Below (IV) is a summary of the main terms of the Incubation Agreement including the investment model. All finalists will have received a copy of the Incubation Agreement before their participation to the final workshop (see above fourth phase) so that they can obtain independent legal advice.

Once the Incubation Agreement is signed, the winners will enter the incubation process..

THE INCUBATION PROCESS

The Incubation process will be an opportunity for the selected startups to design, develop, execute, and iterate immersive prototypes that allow experimentation into different settings throughout Europe.

Because of the nature of the projects and prototypes, most of the incubation process will take place outside of scheduled meetings. Each start-up team will work closely with design mentors, stakeholders, and inspiration partners (innovative educators, technology geeks, visionary entrepreneurs, investors...) to create live, testable, learning experiences.

The quality of a team is central to the successful innovation process and essential for any investor. The incubation process will integrate key elements of team leadership in order to reinforce the teamwork abilities independently of the task a team has to perform.

You will get support from renowned knowledge centres for education, technology and entrepreneurship.

The incubation process will take place successively in different European cities to bring you the best of European diversity and prepare you for global thinking and cultural sensitiveness.

Each selected startup will receive Seed Funding up to 20,000 euros which enabling its members to cover among others their transportation and accommodation costs to the Incubator venues.

The whole process will require full-time dedication of the founders' team.

Coaches and Mentors

Startups' teams will work on their own project and share continuously their findings, thoughts and problems with our coaches and mentors.

Coaches have an essential throughout the startups' incubation process. Coaches will be working continuously with each founders' team to help them in the different phases. Coaches are chosen for their professional skills and achievements in the field of education, technology and entrepreneurship. They dedicate time and effort to ensure the successful start of the projects.

The startup teams will also have access during the incubation process to a network of mentors specialized in:

- Education and innovative learning
- Technology
- Entrepreneurship
- Marketing & communication
- Sales
- Finance
- Human Resources
- Legal & Tax
- Personal Communication

III. LEGAL ASPECTS

Acceptance of the Terms and Conditions.

The registration by Application on “The OEC” web site will be considered as acceptance of these Terms and Conditions. FAQs (Frequently asked Questions) on the <http://openeducationchallenge.eu> web site are considered to be part of these Terms and Conditions of The OEC monitored by “The Incubator”.

“The Incubator” reserves the right to cancel, amend or suspend any aspect or criteria of the application or the selection process or to leave vacant the number of selected Applicants as it deems appropriate. Applicants will be deemed to understand and accept that they will be solely responsible for making their Applications at their own expense and risk.

Each Applicant undertakes to hold “The Incubator” harmless against any claims by third parties in relation to the ideas or innovative items contained in its Application. To this end it undertakes to submit Applications only in respect of unencumbered ideas and property.

Each Applicant guarantees that the content of its submission is its original creation and does not infringe any rights including third-party intellectual property rights and that the content is not unlawful, nor has it been created in breach of any contractual obligation it may hold vis-à-vis a third party.

“The Incubator” reserves the right to automatically disqualify any Applicant which seeks to bypass, or interfere with the selection process or which engages in any untoward practices and/or which avails itself of any practices that may be considered as contrary to the spirit of “The OEC”.

The Applicant hereby authorises and confirms that it has obtained all necessary consents so that “The Incubator” may indefinitely use its name and image in advertising material in connection with the Submission process and/or with the activity of “The OEC”, by any means permitted in law, at no charge.

In submitting its application, the Applicant does not grant “The Incubator” any rights other than those set out in these terms and conditions, unless it expressly agrees to this.

The information provided by the Applicant must be correct, truthful and complete, and the Applicant must take full responsibility for any inaccuracies. If not, “The Incubator” will be entitled, without prejudice to any other legal means at its disposal, to withdraw, refuse or suspend the rights granted to the Applicant through these Terms and Conditions.

The Applicant accepts that “The Incubator” takes the final decisions concerning the selection of Applications. The Applicant acknowledges that even if “The Incubator” accepts its Application, it is not obliged to progress the Application either partially or totally.

“The Incubator” does not guarantee the availability and continuity of operation of “The OEC” web portal and of the services hosted on any subdomain of <http://openeducationchallenge.eu>, since this undergoes a continuous updating process, and consequently it does not guarantee that this portal will operate in a permanent and flawless manner, nor will it take any responsibility for any damage or loss incurred by the Applicant due to the non-utilisation or the impossibility of utilising the information or services provided through “The OEC” web portal or hosted in any subdomain of <http://openeducationchallenge.eu>.

“The Incubator” shall not be liable for any damage or loss that may be incurred by interference, omissions, interruptions, computer viruses or disconnections of the portal and the services for any

cause, including causes beyond “The Incubator”’s control. The Applicant will undertake all responsibility for the interpretation and use of the information on the web portal or any service hosted on any subdomain of <http://openeducationchallenge.eu>. “The Incubator” accepts no responsibility for the reliability or utility of the services provided by third parties through “The OEC” subdomains.

Rights in relation to the Application.

Without prejudice to subsequent agreements, by merely taking part in the Application the Applicant will not lose or otherwise assign ownership in relation to any rights that may arise from its Application.

“The Incubator” may assign and transfer any of its rights and obligations under these terms and conditions to any affiliated company.

Intellectual Property Rights

« All Applications remain the property of the Applicants. It is up to the Applicants to take the necessary measures if they feel that their idea requires specific protection. They have to be aware that “The Incubator” will evaluate hundreds of submissions, many of which may include similar ideas. Though “The Incubator” will not sign any non-disclosure agreements during the submission process and until entering into the Incubation Process, “The Incubator” “The Incubator” undertakes not to use the information furnished by the Applicant for any purposes other than those arising from this document.”

“The Incubator” “The Incubator” “The Incubator”

Trademarks

“The Incubator” and the Applicant retain all rights, ownership and interests in their respective registered trademarks. Neither “The Incubator” nor the Applicant will use the registered trademarks or any other registered trademark or brand name of the other party or any words, symbols, or similar designs that may be confused for them, either as part of their corporate name, or as part of the name of any product of its counterpart.

Trademarks, notifications, brand names, commercial advertising, drawings, designs, logos, texts etc. appearing on “The OEC” web portal or used in the services hosted on any subdomain of <http://openeducationchallenge.eu> are the exclusive property of “The Incubator” or of third parties which have issued it with prior express authorisation to use same. Any use or operation by any means of any contents on “The OEC” web portal or the services hosted on any subdomain of <http://openeducationchallenge.eu> is prohibited without prior consent in writing by OECC Spain

The design and contents of the portal and the services are protected pursuant to the stipulations of national and international regulations concerning protection of industrial property and copyright, and “The Incubator” prohibits any: amendment, copying, distribution, transmission, deployment, publication, editing, sale or exploitation in any way of the design and contents of “The OEC” web portal or the services hosted on the subdomains of <http://openeducationchallenge.eu>.

Limitations on Use.

The Applicant is aware and accepts that it may not use “The OEC” website to:

- Upload or send any contents that may be in breach of the law or public morals or any other contents that are damaging, abusive, disrespectful, defamatory, vulgar, obscene, invasive, racist, xenophobic or otherwise objectionable.
- Cause harm to individuals or groups in any way.
- Carry out any unlawful or fraudulent act.
- Upload or send any contents without the rights required to do so. Nor may any commercial or advertising contents be sent, uploaded or otherwise transmitted.
- Upload or send any contents in breach of any intellectual property rights, however whatsoever and wherever arising.
- Upload or send any material containing viruses as files designed to interrupt, destroy or limit the functioning of software, hardware or telecommunications equipment.
- Interfere with or violate any policies of the platform or any connected network or third party service provider.
- Intentionally or accidentally violate any laws applicable at local, state, national or international level.
- Collect or store personal information concerning other participants.

“The Incubator” will be entitled to remove any contents that infringe these Terms and Conditions. The Applicant will assume full responsibility for the use of any own or third party content, either partially or totally. Without prejudice to the above, “The Incubator” will be entitled (though not obliged) to reject any contents and eliminate same from any of its processes and platforms.

Responsibility.

Applicants will be responsible for all direct or indirect or contingent damage that is caused or may be caused by infringement of these Terms and Conditions. Applicants will likewise be responsible in the same terms for infringement of the rights of third parties through their participation by means of supply of work or contents to the Application, and will indemnify the third parties concerned and “The Incubator” for any damage caused by any claims instigated, judicial or extra-judicial proceedings, including in all cases the fees of lawyers, defense teams and other professionals, due to non-compliance with the obligations described above.

Should Applicants fail to meet the commitment undertaken by acceptance of these Terms and Conditions, they will be liable for any damage caused to “The Incubator” or its related parties. Liability will include immediate, contingent and future consequences. The commitment undertaken herein will take effect from acceptance of these conditions and remain in force and effect until five years after termination of their Application.

Not an Offer of Employment.

Under no circumstances will the submission of an Application, utilization of same by “The Incubator” or any stipulations in these Terms and Conditions be interpreted as an offer or a contract of employment with “The Incubator”. Through this document the Applicant acknowledges that it is sending its Application voluntarily.

Processing of personal data.

The Applicant grants its consent for the data obtained through its participation (including any personal data) to be processed and used generally by “The Incubator” for registration, participation, analysis of Applications and incubation. Reasonable confidentiality and computer security measures will be applied in order to prevent alterations, loss, unauthorized processing or accessing of the data.

Jurisdiction and Applicable Law.

These Terms and Conditions and any non contractual rights arising out of or in connection with them shall be governed by and construed in accordance with the laws Spain. The parties irrevocably agree that the courts of the city of Barcelona have exclusive jurisdiction to settle any disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.

IV. INCUBATION AGREEMENT (summary)

The Open Education Investment Club (“The Club”) has been created with renowned investors and venture capitalists (“The Club members”) to support your startup as soon as it enters the incubation process.

“The Club Members” are determined to help finance the development of innovative companies in education. They contribute to the financing of the whole incubation process.

1. “The OEC” provides the Startups that enter the incubation process with a combination of money and incubation services (in the form of know-how, mentoring, consultancy services, entrepreneurial education, etc.).

Your start-up will receive up to 20,000 euros upon joining the incubation process in return for small stakes in your company (6% on average – no less than 2% and no more than 10%) (the Seed Funding). This Seed Funding will cover your costs during the Incubation period, including, for instance, the development of a prototype, testing costs, and all travel and accommodation expenses to attend the successive incubation periods in the different European cities. This amount will be sufficient to meet your project’s short-term financial needs until it can complete a more formal round of equity financing.

The only times that you might be obliged to repay the money corresponding to the Seed Funding is in the case of fraud, insolvency or some other serious breach of your obligations provided by the Terms and Conditions and/or the Incubation Agreement.

2. By accepting the Terms and Conditions of “The OEC”, you will give “The Club Members” an option to invest in your startup for the second stage of development at an agreed value. This option is a guarantee for the investors to be able to maintain the relationship with you and your team once the incubation period is over and gives you privileged access to funders for the second stage of your development.

On termination of the incubation phase, “The Club Members” are granted an option to invest into your startup (the Investment Funding) under the following basic principles:

- The amount of the Investment Funding may range between € 20,000 and €1,000,000 depending on the stage of development of the project and the startup valuation deriving there from.
- The corresponding shareholding in the startup will not be lower than 20%.
- The cash corresponding to the Investment Funding will be paid in tranches provided the project is developing well.
- The scale of the Investment Funding and the criteria of evaluation at the exit of the incubation process are defined in the table below.

Company stage	Achieved before financing	Use of proceeds	Pre-money maximum value	Minimum % of capital open to Club Members	Typical money raised
Idea Pre-incorporation or just incorporated	<ul style="list-style-type: none"> • Concept • Experience / background / qualifications / references 	<ul style="list-style-type: none"> • Research • First developments • Business plan 	150k€	≥ 20% post money	20-50k€
Post-incorporation, Pre-product	<ul style="list-style-type: none"> • Refined concept • Business plan • Basic prototype or design 	<ul style="list-style-type: none"> • Development • Prototype 	300 k€		30k€ - 100k€
Product Development Go to market > 6 months	<ul style="list-style-type: none"> • Early development stage • Prototype • Refined business model • First discussions for partnerships 	<ul style="list-style-type: none"> • Key features development • Integration, interfaces • Partnerships 	600k€		100-200k€
Pre-revenue Go to market within 6 months	<ul style="list-style-type: none"> • Most of development • Technical proof of concept • First partnerships • Advanced business model 	<ul style="list-style-type: none"> • Last developments – Beta versions • First market launch 	1m €		300-400k€
Post-revenues Market traction Pre-break even	<ul style="list-style-type: none"> • First revenues - traction • Commercial proof of concept • On-going development / refining product 	<ul style="list-style-type: none"> • Commercial development • Features development 	2m €		500k€ - 1m
Post-revenue Post profit	OUT OF SCOPE – too mature for incubation process				

Applicants should also be aware that the Investment Funding is only an option granted to “The Club Members” and not a commitment as they remain free to make a selection among the different projects.