

MEMBERSHIP AGREEMENT

THIS AGREEMENT is between **AALTO UNIVERSITY FOUNDATION SR** (hereafter called “**Aalto**”), School of Engineering, Department of Mechanical Engineering, business id: 2228357-4, P.O. Box 11000, 00076 AALTO, and the members as members of the design factory global network (hereafter called “**DFGN**”), who have signed this Agreement by December 31st 2017 (hereafter called the “**Effective Date**”) or who becomes a Member after the Effective Date in accordance with Article 2.4 and who have signed with Aalto the accession document in Exhibit A (hereafter called individually “**Member** or jointly “**Members**”).

1. DFGN

1.1 Purpose

The DFGN is a network of interdisciplinary platforms currently in universities and research organizations in five continents of the world. The DFGN is on a mission to create change in the world of learning and research through passion-based culture and effective problem solving. Design Factory is first and foremost an understanding of how to spark and support creativity and innovation. Shared understanding and common ways of working enable Design Factories in the network to collaborate efficiently across cultures, time zones and organizational boundaries fostering creativity in organizations.

All Design Factories bring together research, students and business practitioners not only to create a new learning culture but also opportunities for continuous experimentation. They provide hands-on learning experiences for students in real life challenges and industry projects. For enterprises, Design Factories offer an environment for co-creating new ideas together with leading scholars, top future talent and other companies. Researchers have the opportunity to conduct interdisciplinary research together with industry partners.

Every Design Factory is a space, place and a mindset to enable serendipitous interactions between the different stakeholders. Each platform is unique but shares the mission of creating the most fruitful environment for interdisciplinary collaboration. At the core of the activities in all Design Factories are interdisciplinary problem-based project courses where students work together with industry sponsors. This makes them the obvious and most often the first form of collaboration within the DFGN.

The International Design Factory Week (IDFW) is the annual opportunity for the Members to meet, plan for collaboration and learn more about the best practices in the network. IDFW is also the main decision making platform for the network. Every year the week is organized in a new location offering the opportunity to learn more about the hosting Design Factory. This way the magic of the network can also be exposed to the host institution.

As a network DFGN strives to

- create a change in the world of learning and research towards a passion-based culture
- co-create and share the best practices in the field of problem-based learning and experimentation culture
- provide an efficient network of likeminded individuals and interdisciplinary platforms to enable fruitful global collaboration
- create opportunities for continuous experimentation
- support and empower change agents within the network to drive change within their organization

The principles of the DFGN are

- each Design Factory is founded in response to the development interests of the host institution
- the main vehicle is to support and empower change agents
- shared ways of working and the supporting culture build trust and therefore enable the collaboration in the network
- the network is defined by the action and collaboration that is done between the Members

1.2 Funding

Each Member of the DFGN shall pay an annual fee to Aalto (hereafter called “**Annual Fee**”). Aalto will use all of the funds derived from such Annual Fee to support the total costs of Aalto’s management and coordination activities and such other costs and expenses approved by the annual International Design Factory Week Meeting (hereafter called “**IDFW-meeting**”), including, but not limited to: consumables, supplies, travel, services, rent, infrastructure, equipment, systems and software; staff, student, and faculty salaries and expenses, indirect personnel costs, depreciation and overheads incurred by Aalto and for such other costs as may be from time to time determined by the IDFW-meeting.

2. MEMBERSHIP

2.1 Fees

Each Member shall, upon joining, pay Aalto such an Annual Fee of two thousand euros (2000€) for the membership for the year 2018. Subsequent yearly membership renewals, will be at the Annual Fee as may be amended by the IDFW-meeting from time to time. Each Member has the right to propose to the IDFW-meeting the revision of the Annual Fee. Any value-added tax applicable shall be added to the sums.

Each Member, except for the Member hosting the IDFW-meeting 2018, shall pay Aalto a fee of three thousand euros (3000€) for its participation in the IDFW 2018 (hereafter called “**IDFW Fee**”). Subsequent yearly participation of each Member, except for the Member hosting the IDFW-meeting for the relevant year, in the IDFW will be at the IDFW Fee as may be amended by the IDFW-meeting from time to time. Each Member has the right to propose in the IDFW-meeting the revision of the IDFW Fee for the next IDFW-meeting. Any value-added tax applicable shall be added to the sums. Aalto will use all of the funds derived from such IDFW Fee to support the total costs of Aalto’s in supporting the Member hosting the IDFW-meeting for the relevant year, including, but not limited to: consumables, supplies, travel, services, rent, infrastructure, equipment, systems and software; staff, student, and faculty salaries and expenses, indirect personnel costs, depreciation and overheads incurred by Aalto.

Any Member may reduce its Annual Fee and/or IDFW Fee either in whole or in part by providing in-kind contribution, which is equivalent to the work performed by Aalto, may be easily performed remotely and is of strategic value to the DFGN. Any Member may propose to the other Members by e-mail its desire to provide in-kind contribution during the year in question, along with estimate of its workload and the financial value of such in-kind contribution.

Each Member has two (2) weeks after the receipt of the e-mail(s) to object to such proposal(s). In case that any proposal is objected by any Member or in case several Members have made such proposal, the IDFW decides on the Member providing in-kind contribution, the tasks to be performed and the financial value of such in-kind contribution.

The said Fees shall not cover any costs or expenses relating to any cooperation projects between the Members, which are not relating to the activities described above.

2.2 Payment Terms

Member agrees to pay the Annual Fee for the year 2018 within thirty (30) days of the signing of this Agreement and receipt of an invoice. The payment of the IDFW Fee for the IDFW-meeting in each year is due on November 30th of then current year.

Subsequent yearly membership renewals are subject to payment of the then-current Annual Fee due on November 30th of then current calendar year.

2.3 Rights after Termination

Upon termination of its membership in the DFGN (including membership termination by non-payment of the Annual Fee), the Member shall assume immediately the status of any other non-member organization, and the Member's rights and privileges shall terminate except as specified in this Agreement.

2.4 New Members

Any public or private legal entity may become a Member i) upon payment of an Annual Fee ii) upon the execution of this Agreement by the Effective Date or upon execution of the accession document in Exhibit A after the Effective Date and iii) upon the approval by the IDFW-meeting, if necessary in accordance with Article 3.1b. Each Member hereby authorizes Aalto to sign for and on behalf of it and other Members of the DFGN the said accession document with each new Member of the DFGN after the Effective Date.

2.5 Benefits

The DFGN is a community of like-minded change-agents. Design Factory as a model has attracted a lot of interest, and become a validated model when creating innovative experimental platforms. Depending on the need and maturity of the Member, the DFGN provides both a proof-of-concept prototype and model validation for the development of each individual Design Factory, as well as global reach through the various collaborative activities between the members in the network. Through personal interaction and joint activities within the network, the DFGN is also a mechanism for co-creating and sharing of best practices, tools and methods in the fields of problem-based learning and experimentation culture.

The payment of an Annual Fee for the Initial Period or for any subsequent one (1) year period, will entitle the Member during the period for which such payment was made to the following benefits at the time of signature of this Agreement, which may vary from time to time:

- use the body of the materials developed in the DFGN to support the change management process;
- use of the DFGN brand and visuals;
- use the Members' brands in association with collaboration in accordance with Article 5.3- receive virtual support from Aalto in development of new programs and projects;
- have access to and visitation rights into all Member's platforms;
- access to the DFGN communication tools and channels to reach the DFGN of universities around the world;
- provide information on its Design Factory and its contact person to the official website of the DFGN - benefit from the global reach of the DFGN and contact persons currently on five continents of the world;
- utilize the DFGN as a channel for recruiting purposes (without access to the recruitment channels charging fees and used by the Members)
- access to the materials produced in the DFGN to support the development of creative problem-solving projects (subject to the license terms, if any, determined by the Member(s), who has/have created such materials);
- join the collaborative projects and activities within the DFGN, except for the IDFW-meeting, provided
 - o however, that not participating in the IDFW-meeting does not exclude a Member from joining the collaborative activities planned in the same; and

- propose collaborative projects and activities in the DFGN.

The payment of an IDFW-fee for the Initial Period or for any subsequent one (1) year period, will entitle the Member during the period for which such payment has been made to send maximum two (2) participants, to the relevant IDFW-meeting. IDFW fee is used to cover the cost of the DFGN to organise the event in collaboration with the local hosting Member.

The participation in the IDFW-meeting includes the following benefits at the time of signature of this Agreement, which may vary from time to time:

- professional development through the enforcement of culture, practices and processes fruitful for innovation platforms;
- a platform to meet like-minded individuals face-to-face;
- an opportunity for match-making regarding research, development and/or teaching interest;
- highly facilitated workshops to develop collaboration projects with the Members;
- a platform to propose and/or join collaborative projects within the DFGN;
- an opportunity to exchange best practices within the DFGN; and
- an opportunity to benchmark the hosting Members' activities and to gain deeper understanding of their operations.

3. TERM AND TERMINATION OF AGREEMENT

3.1 Membership Term

The membership shall enter into force i) fourteen (14) days after the receipt of an e-mail from a new Member applicant applying for the membership by an e-mail to Aalto, if no Member has not objected to approval of such a new Member within the said fourteen (14) days' period by an e-mail to Aalto and to such a new Member applicant; or ii) after the approval of such new Member applicant by the IDFW-meeting as a new Member of the DFGN, if any Member has objected to approval of such a new Member applicant within the said fourteen (14) days' period.

The initial term of a Member's participation, who has become a Member on or before the Effective Date shall end on December 31st, 2018; or for a Member, who has become a Member on or before October 30th of any subsequent year after the Effective Date on December 31st of then current calendar year or in November or in December of any subsequent year after the Effective Date on December 31st of the next calendar year (hereafter called the "**Initial Period**"), and is renewed automatically at the end of each term for an additional term(s) of one (1) year at a time, unless such Member submits a notice of non-renewal to the other Members at least three (3) months prior to the end of then current term. No Annual Fees or portions thereof shall be returned.

3.2 Withdrawal and breach

Early withdrawal will not entitle the Member to a refund on a pro-rata basis. The Member, who committed the breach of this Agreement will not be entitled to any refund.

3.3 Term and Termination

This Agreement shall enter into force on the last date of signature by all Members and shall continue in force for as long as there are more than five (5) Members in the DFGN. This Agreement may be terminated at any time by mutual consent of the Members.

Aalto may terminate the membership of any Member, who has not paid its Annual Fee in due time and has failed to pay it within thirty (30) days after Aalto's written notice thereof to that Member, with immediate effect

Upon any termination of this Agreement, the DFGN shall terminate (to the maximum extent permitted by law and contracts) any outstanding financial commitments it has incurred, and the DFGN shall continue to provide funds for all remaining costs incurred prior to the time of the delivery of a notice of termination. Any excess fees at the time of such termination, will remain with Aalto to be used at its sole discretion in case that this Agreement has been terminated by the Members.

Following any termination of this Agreement, Articles 2.3, 3.2, 3.3 and 5.2-5.6 and any other Articles in this Agreement expressly so providing, shall survive and continue to bind the Members. Termination of this Agreement shall not affect rights and obligations of either Member that have accrued prior to termination.

4. IDFW-MEETING

4.1 Composition

Each Member shall be entitled to have one or two representatives in the IDFW-meeting established as described in Article 4.3 and each Member shall have one vote.

4.2 Decisions

Each Member shall host the IDFW-meeting alternately in the order of the official date of establishment of the Design Factory of each Member. The IDFW-meeting is the ultimate decision-making body of the DFGN.

The following decisions shall be taken by the IDFW-meeting:

- a. withdrawal of a Member from the DFGN and approval of the settlement on the conditions of the withdrawal;
- b. entry of a new Member to the DFGN and approval of the settlement on the conditions of the accession of such a new Member, except as provided for in Article 2.4 if a Member has objected to approval of such a new Member within fourteen (14) days after the receipt of an e-mail from a new Member applying for the membership;
- c. identification of a breach by a Member of its obligations under this Agreement or any other agreement with a Member relating to the activities of the DFGN;
- d. declaration of a Member to be a defaulting Member (hereafter called the “**Defaulting Member**”);
- e. remedies to be performed by the Defaulting Member;
- f. termination of a Defaulting Member’s participation in the DFGN and measures relating thereto;
- g. approval of any proposal to revise the Fees in accordance with Article 2.1;
- h. development of activities of the DFGN;
- i. confirming the hosting Member and date of the next IDFW-meeting in accordance with Article 4.2;
- j. approval of the budget for the next calendar year proposed by Aalto to cover the costs and expenses in accordance with Article 1.2;
- k. approval of the costs and expenses incurred in the preceding calendar year in accordance with Article 1.2;
- l. approval of the proposal for a Member proving in-kind contribution, the tasks to be performed and the financial value of such in-kind contribution in accordance with Article 2.1.

Each Representative shall be deemed to be duly authorised to deliberate, negotiate and decide on all matters in IDFW-meeting in accordance with this Agreement. The Members agree to abide by all decisions of the IDFW-meeting. This does not prevent the Members to submit a dispute to resolution in accordance with the provisions of Article 5.6 of this Agreement.

4.3 Operational procedures

Any Member which is a participant (hereafter called the "**Representative**") of the IDFW-meeting should be present or represented at any IDFW-meeting, may appoint a substitute or a proxy to attend and vote at any IDFW-meeting and shall participate in a cooperative manner in the IDFW-meetings. The IDFW-meeting will, by majority vote, elect a chairperson and a secretary for the IDFW-meeting, which shall not be Representatives of the same Member.

The chairperson of the IDFW-meeting shall convene meetings of the IDFW-meeting. The chairperson shall chair the IDFW-meeting. The IDFW-meeting will meet at time and place that it will determine. Travel to the meetings and other related expenses such as hotel, meals, etc. will be at the expense of each Member.

The chairperson of the IDFW-meeting shall give notice in writing of a meeting to each Representative of the IDFW-meeting as soon as possible and no later than thirty (30) calendar days before the meeting.

The secretary of the IDFW-meeting shall prepare and send each Representative of the IDFW-meeting a written (original) agenda no later than seven (7) calendar days before the meeting.

Any agenda item requiring a decision by the Representatives of the IDFW-meeting must be identified as such on the agenda. Any Representative of the IDFW-meeting may add an item to the original agenda by written notification to all of the other Representatives of the IDFW-meeting no later than fourteen (14) calendar days before the meeting.

Decisions will only be binding once the relevant part of the Minutes has been accepted in accordance with this Agreement.

The decisions will be binding after the chairperson of the IDFW-meeting sends to all Representatives of the IDFW-meeting a written notification of this acceptance. The minutes of the meeting shall be signed by the chairperson and the secretary of the IDFW-meeting.

The IDFW-meeting shall not deliberate and decide validly unless more than half of the votes of all Members are present or represented (quorum). If the quorum is not reached, the chairperson of the IDFW-meeting shall convene another ordinary meeting within fifteen (15) calendar days. If in this meeting the quorum is not reached once more, the chairperson shall convene an extraordinary meeting, which shall be entitled to decide even if less than the quorum of Members are present or represented.

A Member which the IDFW-meeting has declared to be a Defaulting Member may not vote. Decisions shall be taken by a simple majority, except for the decision in Article 4.2 f., which shall be taken unanimously.

In case of exercise of objection, the Representatives of the IDFW-meeting shall make every effort to resolve the matter which occasioned the objection to the general satisfaction of all its Representatives. A Member may neither object decisions relating to its identification to be in breach of its obligations nor to its identification as a Defaulting Member. The Defaulting Member may not object decisions relating to its participation and termination in the DFGN or the consequences of them. A Member requesting to leave the DFGN may not object decisions relating thereto.

The secretary of the IDFW-meeting shall produce written minutes of each IDFW-meeting which shall be the formal record of all decisions taken. The secretary of the IDFW-meeting shall send the draft minutes to all Representatives within ten (10) calendar days of the meeting. The minutes shall be considered as accepted if, within fifteen (15) calendar days from sending, no Representative has sent an objection in writing to the chairperson with respect to the accuracy of the draft of the minutes.

The secretary of the IDFW-meeting shall send the accepted minutes to all the Representatives of the IDFW-meeting, who shall safeguard them. If requested the secretary of the IDFW-meeting shall provide authenticated duplicates to the Members.

5. MISCELLANEOUS

5.1 Severability

Should a court of competent jurisdiction later consider any provision of the Agreement to be invalid, illegal, or unenforceable, it shall be considered severed from this Agreement. All other provisions, rights and obligations shall continue without regard to the severed provisions, provided that the remaining provisions of this Agreement are in accordance with the intention of the Members.

5.2 Assignment

This Agreement shall not be assigned by the Member except as part of a sale of all or a substantial portion of the Member's business and, in such event, only in its entirety and upon prior written notice to and approval from Aalto. Thereafter, the term Member, when used in this Agreement, shall mean the approved assignee of the Member.

5.3 Use of Names and Trademarks

The Members shall not use in any advertising, promotional, or sales literature the name (or any adaptation of the name) or trademarks of the other Member without its prior written consent.

5.4 Notices

Any notice other than routine correspondence that is required or permitted by this Agreement shall be by a courier service or registered mail, addressed as follows:

To Aalto: DFGN Team/Aalto University Design Factory, P.O. Box 17700, FI-00076 AALTO, FINLAND, EUROPE

To Member: the person and the address specified on the signature page of the respective Member or in the accession document

Any notice sent pursuant to this paragraph shall be deemed effective upon receipt or refusal by the addressee. Any Member may change its address by notice sent in accordance with this paragraph.

5.5 Liability

Each Member is liable to the other Members or to third parties for any damages or loss that the Member claiming compensation may prove to have been caused wilfully or due to negligence of another Member. Notwithstanding the above, the Members shall not be liable for indirect or consequential damages or losses caused in the execution of the project towards the other Members. The aggregate liability of a Member under this Agreement shall in all cases be limited to the amount of Annual Fee of that Member or in case of Aalto, ten thousand euros (10 000€). Limitation of liability shall not apply to damages caused wilfully or due to gross negligence.

5.6 Applicable law and Disputes

The interpretation and applications of the provisions of the Agreement shall be governed by the laws of Finland, excluding its choice of law provisions. All disputes arising out of the contract, which cannot be solved amicably shall be settled under the Arbitration Rules of Finland Chamber of Commerce by one arbitrator appointed in accordance with the said rules. The place of arbitration shall be Helsinki, Finland and the proceedings shall be conducted in the Finnish language, if not otherwise agreed by the Members. The award of the arbitration will be final and binding upon the Members.

Nothing in this contract shall limit the Member's right to seek injunctive relief or to enforce an arbitration award in any applicable competent court of law, provided that any proceedings and decisions as to the merits of the dispute, including permanent injunctions, are exclusively governed and resolved by arbitration in accordance with the first paragraph of this Article.

5.7 Relationship of the Members

Nothing contained herein shall in any way constitute any association, partnership, or joint venture between the Members hereto, or be construed to evidence the intention of the Members to establish any such relationship. Neither Member shall have the power to bind the other Member or incur obligations on the other Member's behalf without the other Member's prior written consent, except as provided for in Article 2.4.

5.8 Amendment

No change, modification, extension, termination, or waiver of this Agreement or any of the provisions contained herein, shall be valid unless made in writing and duly executed by an authorized representative of the Members,

5.9 Order of priority

This Agreement consists of this core text and the following Exhibit, which shall form an integral part of this Agreement:

Exhibit A Accession document

In case the terms of the Exhibit A are in conflict or inconsistent with the terms of core text of this Agreement, the latter shall prevail.

This agreement is signed by Aalto and each Member to indicate acceptance of membership in the DFGN.

EXHIBIT A ACCESSION DOCUMENT

ACCESSION of a new Member to MEMBERSHIP AGREEMENT

between Aalto-korkeakoulusäätiö sr and other Members of the DFGN, dated December 31st, 2017 (the “Effective Date”)

[OFFICIAL NAME, ADDRESS AND BUSINESS ID OF THE NEW MEMBER]

hereby consents to become a Member to the Membership Agreement identified above and accepts all the rights and obligations of a Member as from the date specified in Article 3.1 of the Membership Agreement.

For the purposes of Article 5.4 of the Membership Agreement the recipient of any notices under this Membership Agreement is:

[NAME, TITLE, ADDRESS AND E-MAIL OF THE RECIPIENT OF THE NEW MEMBER]

This Accession document has been done in two (2) originals to be duly signed by the undersigned authorised representatives.

In.....on2020

[INSERT NAME OF THE NEW PARTY]

Signature(s)
Name(s)
Title(s)

In Espoo on.....2020

AALTO UNIVERSITY FOUNDATION SR

Gary Marquis
Dean
Aalto University School of Engineering