



**Amendment No. 1 to
RESEARCH AND COLLABORATION AGREEMENT**

The following Amendment No. 1 ("Amendment 1") to the Research and Collaboration Agreement, effective as of March 30th, 2012 (the "Effective Date"), is entered into by and between State of São Paulo Research Foundation (hereinafter "FAPESP"), and Microsoft Corporation ("Microsoft"). The Parties agree as follows:

WHEREAS, the FAPESP and Microsoft are parties to that certain Research and Collaboration Agreement dated as of December 15, 2011 (the "AGREEMENT"),

WHEREAS, the FAPESP and Microsoft desire to amend the AGREEMENT to reflect changes to the submittal process broadening it to allow specific funding of specific projects agreed to by the Parties,

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

1. Capitalized terms not defined herein will have the meaning ascribed to them in the AGREEMENT .

2. Section 1.6 of the AGREEMENT shall be amended and restated in its entirety to read as follows:

"1.6 "Research Proposal" or "Proposal" means a written proposal submitted to the JSC for a Research Project in response to a request for proposals, as described in Section 2.2 below, or a written proposal submitted to the regular FAPESP's programs for collaboration with industry."

3. Section 2.2 of the AGREEMENT shall be amended to include the following, inserted as paragraph:

"2.2 **Requests for Proposals; Research Proposals; Approval and Implementation.** If any given project is submitted to the regular FAPESP's program, the project will be reviewed according to the FAPESP's process. If the project is considered to have scientific merit based on peer reviews and both Microsoft Research and FAPESP are interested, they will co-fund the project with matching resources.

(a) **Requests for Proposals.** The JSC will work together to create requests for proposals ("RFPs") for research projects, and will publish such RFPs either to the general public or to a select group of research universities, as agreed by Microsoft and FAPESP.

(b) **Research Proposals.** Each RFP and its corresponding Research Proposal should focus on the objective of supporting high-quality fundamental research in information and communication technologies that are geared toward addressing the social and economic development needs of the region.

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

(d) **Review and Selection of Winning Proposals.** The JSC will discuss the various proposals

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

(e) **Modifications.** If FAPESP, Microsoft, or a Collaborating Research Institution wish to make a change to a Research Project, that party will submit a written request to the JSC along with an amended Research Proposal. The JSC will review, discuss, and promptly decide upon such requests and notify the Principal Investigator of the relevant Collaborating Research Institution of its decision of whether to agree to the change or not."

4. A new Section 3.5 is hereby added to the AGREEMENT to read as follows:

"3.5 **Co-Funding.** It is intended that FAPESP and Microsoft will co-fund Research Projects. Such co-funding may be on a dollar-for-dollar basis or some other ratio as mutually agreed upon by the parties."

Except as specifically amended hereby, the terms and conditions of the AGREEMENT remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT Amendment to be duly executed as of the date first written above.

30 MAR. 2012

FAPESP

Microsoft Corporation

By:



By:



Name: Celso Lafer

Name: Jim Pinkelman

Title: President of FAPESP

Title: Sr. Director, Microsoft Research Connections

Date:

Date: