

CONTRACT

DYP, SIA a legal entity, created and existing in accordance with the law in Latvia, located at the following address: 16C Bauskas iela, Riga, Latvia, LV-1004, registered with Unified euro identifier: LV15ZZZ40203063782 (following – “**Copyright holder**”)

And a legal entity or an individual having legal right to do business in the respected EU country who has registered a business account on the website <https://doyoupaint.com/eng/> (following – “**User**”),

(following – Copyright holder and registered user jointly referred to as “**Parties**”, and each individually as “**Side**”

BECAUSE:

- (a) Copyright holder developed the business concept of manufacturing and selling canvas paintings for painting by numbers based on own color palette and with using certain paint, additionally is the owner of exclusive rights to intellectual property that is used to carry out this business, including, but not limited to, brand, trademark, color palette, software, database of sample paintings and know-how;
- (b) The User intends to use the concept of the Copyright Holder, his entrepreneurial experience and his intellectual property to create and develop a business at points of sale permitted by the Copyright Holder, in order to make a profit

THE PARTIES HAVE AGREED AS FOLLOWS:

1 CONCEPTS AND DEFENITIONS

1.1 **Term Sheet (offer)** means the terms of the transaction approved by the Copyright Holder specifically for this User.

1.2 **"Effective Date"** means the date specified in clause 2.2 of this Agreement.

1.3 **"Territory"** means the Points of Sale agreed on in the Term Sheet.

1.4 **"Term"** means 1 (one) calendar year, as well as the period for which the term of the Agreement is extended in accordance with clause 10.1 of the Agreement.

1.5 **"Business"** - a service for consumers (customers) for the production and sale of paintings on canvas for coloring by numbers under the trademark DO YOU PAINT? based on its own color palette and using certain paints (as well as using rhinestones and mosaics), which includes: 1) selection of a painting for coloring from the database of paintings by the Copyright Holder, other paintings at the suggestion of the User or his customer; 2) production on the basis of the selected picture's outline layout and its numbering using the Copyright Holder's software; 3) printing the finished layout using a special printer; 4) assembling of the painting set; 5) its transfer to the customer

1.6 **"Products"** - sets for coloring "Paintings by numbers", "Rhinestone Painting", "Mosaic Painting", etc., including jars of acrylic paints corresponding to the color palette of the selected picture, and brushes (or, respectively, bags with rhinestones or mosaics and glue), one stretcher, one canvas, numbered outline layout of the painting chosen by the customer and packaging.

1.7 **"Point of Sale"** means a store or boutique, its branch, stand, online store, which the Parties have agreed on in the Term Sheet, as specified in clause 2.1 of the Agreement. All agreed "Points of Sale" are indicated in the User's Personal Account in the "Profile" section, available at the link

<https://doyoupaint.com/webprint/eng/index.jsp>.

Any marketplaces, online platforms or other methods of selling products on the internet are also other “Points of sale” and require mandatory approval from the Copyright holder.

1.8 **"Brand"** means DO YOU PAINT? and any other designations used to individualize the Business and / or Products of the Copyright Holder, the rights in respect of which are granted under this Agreement.

1.9 **"Trademark"** means the trademark EC No. 018081512 with a priority date of 12.06.2019.

1.10 **"Licensed Picture"** means a painting from the Copyright holder's database marked with a special symbol "L" in relation to which the Copyright holder has the right to authorize the User to reproduce, distribute and make it public.

1.11 **"Database"** means a database of outlines and previews of paintings posted in the User's personal account in the "Gallery" section, available at the link: <https://doyoupaint.com/webprint/eng/gallery.jsp>

1.12 **"Color palette"** means a specific compilation of colors presented as a palette that is copyrighted by the Copyright Holder. This palette is presented at the link: <https://doyoupaint.com/pallete.pdf>.

1.13 **"Software"** means the software of the Copyright holder which allows the translation of colored figurative works into an outline (black and white) layout, transforming them into numbered areas according to the Color palette, which is located in the User's personal account in the "Services" section, which is available at the link: <https://doyoupaint.com/webprint/eng/statistics.jsp>.

1.14 **"Paints"** means acrylic paints for artwork, which are produced using the Color palette according to the technology approved by the Copyright Holder and supplied by authorized suppliers.

1.15 **"Franchising"** means design production works which are used by the Copyright Holder to register the Points of Sale, labels and packaging of Products, as well as design elements of Internet pages. The list of Branding elements is available in the Franchise section at the link: <https://doyoupaint.com/eng/franchise.jsp>

1.16 **"Know-how"** means a system of knowledge, techniques, information, processes, standards and instructions, specially developed by the Copyright Holder for the implementation of Business, which has commercial value due to the lack of access to it by third parties and which can be provided to the User on tangible media in the form manuals, instructions, price lists, or orally during negotiations, training, consulting and instruction.

1.17 **"RID"** means all results of intellectual activity, including know-how, the rights to which are granted in Article 3 of this Agreement.

2 PROCEDURE FOR CONCLUDING THE AGREEMENT

2.1 The Parties conclude the Agreement in the following order:

2.1.1 The user fills out the application form for using the Business on the website: <https://doyoupaint.com/eng>

2.1.2 Based on the application submitted by the User, the Copyright Holder develops and sends the User an offer in the form of a Term Sheet with the terms of the Agreement approved by the Copyright Holder by placing the offer in the User's Personal Account and notifying by e-mail. At the same time, the Copyright holder has the right to confirm, modify or refuse to agree to the conditions specified in the User's application (in part or in full) at the sole discretion of the Copyright holder without an explanation of the reasons.

2.1.3 Not later than the moment of starting to use the system, the User is obliged to express his consent to the terms of the offer in the Personal Account.

If the Copyright Holder does not receive such consent, the User cannot use the Business.

2.2 The agreement is considered concluded between the Copyright Holder and the User at the moment the User expresses his consent to the terms of the offer.

2.3 The agreed terms of the Term Sheet are posted in the User's Personal Account. The text of the current version of the Agreement is posted in the Personal Account and on the website: <https://doyoupaint.com/eng/>. The agreed Term Sheet is an integral part of the Agreement. In the event of a discrepancy between the terms in the Term Sheet and the text of this Agreement, the terms in the Term Sheet shall prevail.

2.4 The terms of this Agreement may be changed, supplemented or amended and come into force from the moment of publication on the website <https://doyoupaint.com/eng/>

3 SUBJECT OF THE CONTRACT

3.1. Under this Agreement, the Copyright Holder grants the User, for a fee, a **non-exclusive** license to use the RID complex in the User's business activities in the Territory in relation to the Business during the Term in accordance with the terms of the Agreement, namely:

3.1.1. the right to use the following **Brands** in relation to the point of sale Business:

DO YOU PAINT?

3.1.2. the right to use the **Trademark** in relation to goods and services of classes 2 and 37, namely: in relation to Products and their packaging (including production, advertising and sale of Products), design elements of Points of Sale, as well as in relation to Business services, their promotion and advertising ...

3.1.3. the right to use the **Branding** as an object of copyright in the following ways:

3.1.3.1. reproduction on point of sale signboards, for website design, on packaging, labels, and in promotional materials; and their packaging of Products sold in accordance with this Agreement,

3.1.3.2. the right to distribute copies of the Branding made in accordance with Article 3.2.3.1;

3.1.3.3. communicating to the public on the website of the permitted Point of Sale and / or the Internet resource that is the permitted Point of Sale under this Agreement (for online selling);

3.1.3.4. practical implementation at authorized points of sale.

3.1.4. the right to use the **Licensed Pictures** from the Database of the Copyright Holder as objects of copyright in the following ways:

3.1.4.1. their reproduction and distribution (including in a revised form, namely: in the form of a contour layout with numbers and pictures with mosaics) as Products and on its packaging, manufactured and sold in accordance with this Agreement, subject to the use of the Software and Color palette,

3.1.5. the right to use the Copyright Holder's Color palette as an object of copyright in the following ways:

3.1.5.1. reproduction and distribution in the form of the corresponding color palette numbering on outline layouts of Licensed and other paintings made using the Software and sold in accordance with this Agreement;

3.1.6. the right to use the Copyright holder's **Know-how** in accordance with this Agreement within the framework of the Business at the permitted Points of Sale. The manuals are provided to the User via the Internet or using other means of information transmission that can be approved by the Copyright Holder.

3.2 The User has the right to use the RID specified in Article 3.1 of this Agreement only in a complex and only for doing Business at the Points of Sale, subject to the use of the Color palette, Software. In the case of an offer for sale of painting kits for painting "Painting by numbers" also only in a set with Paints. In this case, the Paints are purchased by the User from the agreed suppliers according to the price list.

3.3 The user can use the specified RID only within the limits of those rights and in the ways provided for by this Agreement. The right to use RID, which is not expressly specified in this Agreement, is not

considered granted to the User. The User is not entitled to use RID (directly or indirectly) in any place outside the Territory, sell or distribute any Products using RID (directly or indirectly) in any place outside the Territory. The user has no right to grant sublicenses.

3.4 The User is obliged to start using all the RID's specified in this Agreement for the implementation of Business within 3 (three) months from the Effective Date of this Agreement.

3.5. Subject to additional agreement by the Parties by issuing an invoice-contract by the Copyright holder and payment by the User, the Copyright holder may provide additional services to the User for additional fees, in particular:

3.5.1. Designer services

3.5.2. Individual design lessons in the format of video conferences with the Copyright Holder's designer

4. RIGHTS AND OBLIGATIONS OF THE USER

4.1. The User undertakes to follow the instructions, instructions and recommendations of the Copyright Holder regarding the use of Know-how and other RID, the rights to which are granted under this Agreement.

4.2. The User is obliged to comply with the minimum requirements of the Copyright Holder in relation to the size, lighting and equipment of the Points of Sale in the form of stores (their departments) and salons, as well as the characteristics of the Points of Sale in the form of online stores.

4.3. The User must produce Products or ensure the production of Products of the same quality as similar products produced by the Copyright Holder, but, in any case, not lower than the quality of similar Products satisfactory for the given market; and comply with all applicable laws and regulations and regulatory requirements (including but not limited to all applicable health, safety and environmental regulations) in relation to the Products and the conduct of the Business at each Point of Sale.

4.4. The user is obliged to independently check whether the customers have the authority to reproduce, distribute, communicate to the public and other rights to paintings that are not Licensed Paintings.

4.5. The User is obliged to pay fees to the Copyright Holder in the amount and in the manner determined by this Agreement.

4.6. The User is obliged to submit to the Copyright Holder, upon his request, reports on the use of RID, sales of the Products and other performance of this Agreement, including financial documentation for any period within the framework of this Agreement.

4.7. At the request of the Copyright Holder, the User is obliged to provide the Copyright Holder and / or his authorized persons during working hours, access to the relevant Points of Sale for revision and verification.

4.8. The User is obliged to refrain from unlawful use of RID, the rights to which are granted under this Agreement, from registering any RID or means of individualization of the Copyright holder in his own name, as well as from any actions aimed at unscrupulous competition or infringement of the interests of the Copyright holder or harm the Business of the Copyright holder or others licensees and their business reputation or brands.

4.9. The User is obliged to immediately notify the Copyright holder about all customers' dissatisfaction claims for the quality of the Products, if such claims, in the User's opinion, arise as a result of defects for which the Copyright holder is responsible, as well as about any claims of any third parties in relation to the intellectual property used to carry out the Business.

4.10. Without prior written consent of the Copyright Holder, the User is not entitled to assign or otherwise transfer any of his rights and obligations under this Agreement to third parties.

5. RIGHTS AND OBLIGATIONS OF THE RIGHT HOLDER

5.1. The copyright holder is obliged to provide the User with the following services, which include:

5.1.1 Provide access to the Database for the selection of Licensed Pictures;

5.1.2 Provide access to the Software for translating paintings into outline layouts and numbering according to the Color palette.

5.1.3 Provide remote technical support by the system administrator of the Copyright Holder

5.1.4 Provide training and instruction on online video courses posted on YouTube.

5.2. The Copyright Holder is obliged to provide access to the Software and the Database within a period not later than the date of entry into force of this Agreement.

5.3. In the event that the Copyright Holder provides additional services, the Copyright Holder is obliged to comply with the conditions that the parties have agreed on.

5.4. During the term of this Agreement, the Copyright Holder is obliged to refrain from any actions that could complicate the exercise by the User of the rights to use RID granted to him within the limits established by this Agreement.

5.5. The copyright holder is obliged to maintain the confidentiality of the Know-How during the entire term of this Agreement. The conclusion of agreements similar to this Agreement is not considered to be the disclosure of confidential information, provided that such agreements contain a requirement to maintain confidentiality by the licensees.

5.6. In the event that changes are made to the Know-how, software or other RIA, the Copyright Holder undertakes to notify the User about this within a reasonable time, providing him with all the information necessary to continue the Business in the usual way.

5.7. The Copyright holder has the right to check the use of the RID by the User in the course of his Business, as well as check the quality of the Products sold.

6. REMUNERATION AND OTHER FINANCIAL CONDITIONS

6.1. For granting rights to RIA under this Agreement, the User undertakes to pay monthly remuneration to the Copyright Holder in the form of the following payments:

6.1.1. payment equal to the number of outline layouts of paintings made and printed by the User in the reporting month using the Copyright Holder's Software, multiplied by the price, which is determined depending on the amount of printing in the reporting month as follows:

From, piece.	To, piece.	Price, Euro/piece
0	10	1.50
11	20	1.30
21	30	1.30
31	40	1.10
41	50	1.00
51	60	0.90
61	70	0.80
71	80	0.70
81	90	0.60
91	100	0.50
101	200	0.45
201	300	0.40

301	400	0.35
401	500	0.30
501	1000	0.25
1001	0.20

6.1.2. 1.50 (one) euro fifty cents for the numbering of each contour image made and printed by the User in the reporting month.

6.2. In the event that the Copyright Holder provides additional services, the User is obliged to pay remuneration, which the Parties will agree on separately. The amount of such fee can be confirmed by the Parties by issuing and paying an invoice for the corresponding amount.

6.3. The remuneration is payable by transferring funds to the settlement account of the Copyright Holder specified in this Agreement in euros in the following order: on a prepayment basis, or on a postpay basis, but no later than 30 days after the invoice for the payment is issued. These conditions are agreed with the User in the Term Sheet and are available in the "Profile" section at the link <https://doyoupaint.com/webprint/eng/index.jsp> All costs associated with making payments are paid by the User.

6.4. The date of payment is the date of receipt of funds to the account of the Copyright Holder.

6.5. The User must fully and properly keep records in relation to the production and sale of Products in accordance with the licenses provided in Article 3, in a clear manner so that all significant information is obvious, and especially the information necessary for calculating the remuneration.

6.6. The User is obliged to ensure accurate and correct accounting of the Business and, at the request of the Copyright Holder, provide reports with information on the use of RID, the number of created and / or numbered and printed copies of paintings, as well as the number of purchased and sold copies of the Products. At the request of the Copyright Holder, the User is obliged to provide the Copyright Holder with evidence of the correctness of the reports, including the corresponding accounting statements.

6.7. The user independently pays all taxes and fees that are established by applicable law, in the appropriate amount and time, and each of the Parties is obliged to comply with the requirement of timely submission of tax, statistical and other state reports to the relevant competent authorities. All operations of each of the Parties on the purchase of goods / works / services from their suppliers, the sale of goods / works / services must be fully reflected in the primary documentation of each of the Parties, in accounting, tax, statistical and any other reporting, the responsibility for the maintenance of which is assigned to each of the Parties. The Copyright Holder cannot be a tax agent of the User.

7. INTELLECTUAL PROPERTY

7.1. The Copyright Holder hereby guarantees that he is the owner of the rights to RID and is entitled to conclude this Agreement. In the event that third parties file claims against the RID against the User, the Copyright Holder will take all measures to resolve disputes at his own expense, while the User is obliged to assist by providing all the necessary information, documents, materials and, if necessary, taking other actions on the side Copyright holder.

7.2. If the User detects violations of the rights to RID by third parties, the User is obliged to immediately inform the Copyright Holder about this, while the User is not entitled to make any claims to such violators on his own behalf and without the appropriate authority from the Copyright Holder. The copyright holder is not obligated to bring legal action against alleged infringers and is free to resolve any disputes at his sole discretion.

7.3. Under no circumstances can the User:

(a) acquire or claim any rights to any of the RIDs;

- (b) use any of the RIDs in connection with any other types of products or services (other than Products), in relation to any other business, or as part of the brand name or any commercial designation of the User or his affiliate;
- (c) use or register any marks that are confusingly similar to any of the RIDs during or after the expiration of this Agreement;
- (d) make any statements challenging the validity or objection to the rights of the Copyright Holder to any of the RIDs; or
- (e) independently or with other persons participate in any illegal, deceptive, misleading or unethical actions, including, but not limited to, dissemination of defamatory information about the Products, the Copyright Holder or any affiliated company of the Copyright Holder, or other actions that may harm the Products or the Copyright Holder or any affiliated company of the Copyright Holder.

7.4. If, during the term of this Agreement, the User develops or invents any improvement for the Products and / or Know-how or other RID (including on behalf of the Copyright Holder) (hereinafter referred to as the "**Improvement developed by the User**"), the User is obliged to immediately notify this to the Copyright Holder with the provision to him of all the details of such Improvement developed by the User. The user must ensure that the full intellectual property rights are transferred by any employee, consultant or any other person who developed any such Improvements. The User undertakes to sign (or ensure signing by such an employee, consultant or any other person whom the User will involve in the development of any Improvements) at his own expense all documents and assignments and take all such actions that may be required to finalize the exclusive right of the Copyright Holder to the Improvements developed by the user.

7.5. The user has the right to use the Licensed Paintings as works, the rights to which are granted under this Agreement, without specifying the names of the authors.

8. CONFIDENTIALITY

8.1. The User undertakes at any time to keep secret and refrain from providing or disclosing to third parties without the prior written consent of the Copyright holder of any part of the Know-how or other confidential information provided by the Copyright holder or obtained as a result of the conclusion and execution of this Agreement, including, but not limited to, access to the Database and to the Software, as well as all information in any form in relation to the commercial activities of the Copyright Holder (collectively - "**Confidential Information**"). The User is obliged to implement and comply with adequate security measures and "trade secret regime" to protect Confidential Information from access or use by unauthorized persons. The User hereby accepts and acknowledges that the Confidential Information (including, but not limited to, the Know-how or any part of it) is valuable and secret, and that unauthorized disclosure, provision or use of such Confidential Information may cause the Copyright Holder non-quantifiable losses and damage.

8.2. The provision by the User of Confidential Information to its own employees and / or counterparties should be carried out only on the basis of necessity and strictly to the extent that is necessary for the purposes of this Agreement. The confidentiality obligations established by this Article 8 shall also apply to each of the aforementioned employees and / or contractors of the User, while the User is obliged to ensure that each of them is informed of such obligations and fulfills these confidentiality obligations in accordance with this Article 8 based on a confidentiality agreement.

8.3. The parties have agreed that the confidentiality obligations under this Article 8 shall remain in effect for five (5) years after the expiration or termination (regardless of the basis) of this Agreement.

8.4. The User has the right to disclose Confidential Information to official bodies when required by law or order of a competent court, but only after prior notification of the Copyright Holder. All Confidential Information disclosed to such official bodies must be marked with the heading "Commercial Secret" indicating the name and address of the Copyright Holder.

9. REPRESENTATIONS OF CIRCUMSTANCES (WARRANTIES)

9.1. Each of the Parties confirms that it is an organization established and operating under the legislation of the Russian Federation or individual having legal right to conduct business in the respected country, and also that it has the necessary powers, permits, licenses, approvals to own and dispose of its assets and conduct relevant business activities required by applicable law. Each of the Parties has the right to carry out the type of economic activity stipulated by the Agreement. Neither of the parties applied to the court with a petition for declaring bankruptcy, and as of the current date, no insolvency (bankruptcy) procedure has been initiated against any of the Parties. The governing bodies of each of the Parties did not take decisions on reorganization and / or liquidation, as well as go to court with an application for declaring either of the Parties bankrupt. Additionally, neither party is in the process of voluntary or compulsory liquidation in accordance with the requirements of applicable law.

9.2. The representative of each of the Parties has the duly formalized authority to conclude this Agreement. Each of the Parties is authorized to execute this Agreement. Each of the Parties, in the case of a requirement established by applicable law, has taken all the necessary legally significant actions to conclude this Agreement to comply with such a requirement, namely:

- All corporate approvals of the Parties, as well as third parties, which must be obtained as part of the signing, execution, validity of this Agreement, have been received and have full legal force;
- Neither Party has received notifications that any permission or authority required to carry out activities has been revoked or cannot be obtained due to the expiration of their validity period;
- Banking, registration, contact and other information specified in the Agreement about each of the Parties is correct and complete at the time of the conclusion of the Agreement;
- Each party possesses appropriately qualified personnel, equipment, technologies, other assets, licenses and permits necessary to fulfill obligations under the Agreement.

10. LIABILITY OF THE PARTIES

10.1. For non-fulfillment or improper fulfillment by the Parties of the terms of this Agreement, the Parties shall be liable in accordance with applicable law.

10.2. In case of violation by the User of obligations to pay license and / or other payments, the Copyright Holder has the right to collect a forfeit (penalty) in the amount of 1% (one percent) of the amount of the corresponding payment for each day of delay, starting from the 6th (sixth) business day from the moment expiration of the payment period.

10.3. The Copyright holder has the right to immediately and unilaterally terminate this Agreement, as well as demand compensation from the User for losses in the event of:

10.3.1. delay in payment of any payment under this Agreement for more than 30 (thirty) calendar days, or delay in payment under this Agreement more than 2 (two) times;

10.3.2. in the case of a repeated fact of selling low-quality Products, that is, if, in the opinion of the Copyright Holder, the quality of any Products offered for sale or sold did not meet the requirements provided for in Article 4.3 of the Agreement;

10.3.3. in the event of any violation by the User or persons under his control of obligations to maintain the secrecy of Confidential Information, including Know-how;

10.3.4. in case of violation by the User of Articles 3.2, 4.2, 4.4, 4.6, 4.7, 4.8, 6.3, 6.5-6.7, 7.3 of this Agreement.

10.4. The User agrees that for the disclosure of Confidential Information and / or the unauthorized transfer of such information to third parties, the Copyright holder, along with or instead of losses (at his discretion), has the right to demand payment of 100,000 (One hundred thousand) euros for each case of violation.

10.5. The User has the right to unilaterally terminate this Agreement, as well as demand compensation from the Copyright Holder for losses in the event of:

10.5.1. repeated inability to use the Software or the Database of the Copyright Holder, which arose due to circumstances beyond the control of the User;

10.5.2. impossibility to purchase materials required for running a Business from suppliers agreed with the Copyright Holder due to the absence of such materials for at least 3 (three) months;

10.5.3. repeated failure by the Copyright Holder to fulfill its obligations to provide services, which the Parties have agreed on, through the fault of the Copyright Holder.

The Agreement is terminated upon expiration of thirty (30) days from the date of receipt of the notice of cancellation of the Agreement.

10.6. If it is impossible for the Copyright Holder to provide any service within the agreed period, which arose through the fault of the User, such service is payable in full. In the event that the impossibility of performing such a service arose due to circumstances for which neither of the parties is responsible, the User is obliged to reimburse the Copyright Holder for the expenses actually incurred by him. If the Copyright Holder fails to provide any service within the agreed period due to the Copyright Holder's fault, the Copyright Holder is obliged to reimburse the User for losses incurred as a result of such non-performance or improper performance, subject to the limitation of liability provided for in this Agreement.

10.7. Due to the fact that this Agreement can be concluded online and that the Copyright Holder may not be aware of all the circumstances of the User's business, the Copyright Holder is under no circumstances liable to the User for any indirect or consequential loss or damage, or loss of income, loss of enterprise, loss of profit, business reputation or expected accumulations of an indirect nature arising from a violation of this Agreement or as a result of an offense on the part of the Copyright Holder or in other circumstances arising from or in connection with this Agreement.

10.8. The User releases the Copyright Holder from liability and undertakes to protect him from all claims, demands, proceedings, financial obligations, losses, costs, charges and expenses (including reasonable costs of legal services and legal costs) of any kind and nature related to the following, related to the following or arising from the following:

10.8.1. offering for sale, sale or production of Products by or on behalf of the User;

10.8.2. any violation of the User's obligations in relation to the quality of the Products or violation of applicable law;

10.8.3. any violation of intellectual property rights or any personal non-property and intangible rights of third parties, including for the use of any unlicensed paintings (for example, the User's own or his customers' paintings);

10.8.4. any false assurance or false statement provided to any third party by or on behalf of the User in relation to the Products and the Business.

10.9. The Parties hereby acknowledge that assurances of the circumstances are essential for the conclusion of the Agreement and its execution, and each of the Parties will independently bear responsibility and reimburse the other Party for all and any losses, and release the other Party from liability, claims, losses and expenses of any kind (including, but not limited to, any and all fees, costs of any kind reasonably incurred in the investigation, preparation or defense against any claim, lawsuit, administrative proceeding or investigation initiated or suspected) arising from or on the basis of any assurances such Parties contained in this Agreement or in any document provided by one Party to the other Party in connection with this Agreement, also if at the time of the conclusion of this Agreement the Party was not aware of the inaccuracy of the assurances provided. One Party undertakes to compensate the other Party for all losses incurred through it (or involved third parties) (including, but not limited to:

additional VAT, other taxes, fines, penalties, etc.) within 5 days from the moment of receipt of the corresponding request.

11. TERMINATION OF THE CONTRACT AND ITS EFFECTS

11.1. The term of the Agreement is automatically extended each time by 1 (one) year on the same terms as set forth in this Agreement, except for the case when one of the Parties provides the other Party with a written notice of refusal to extend the Term for at least 30 (thirty) calendar days prior to the expected expiration date of the Agreement.

11.2. This Agreement may be terminated early by written agreement of both Parties.

11.3. The Copyright Holder has the right to refuse to execute the Agreement unilaterally in the following cases:

11.3.1. in case of non-use of the RID or the Database or the Software for the implementation of the Business for 3 (three) consecutive months;

11.3.2. in the case of using the RID in a manner not provided for by this Agreement, or otherwise outside of the rights granted to the User under the Agreement;

11.3.3. in other cases provided for in this Agreement.

11.4. The User has the right to refuse to execute the Agreement regarding the provision of any services, provided that the Copyright Holder is paid for the expenses actually incurred by him. The Copyright Holder has the right to refuse to fulfill obligations to provide any services under the Agreement only on condition that the User is fully reimbursed for losses.

11.5. Either Party has the right to refuse to execute this Agreement unilaterally by providing written notification to the other Party, provided that such notification is considered to be immediately effective if:

11.5.1. The party becomes insolvent, or a liquidator is appointed with the right to dispose of its property, or is subject to liquidation, or

11.5.2. The party is unable to fulfill its obligations under the contract due to the occurrence of circumstances of extraordinary force for 3 (three) months in a row, or

11.5.3. the other Party makes an assignment in favor of its creditors or concludes a compromise agreement with them; or

11.5.4. the other Party made false assurances about the circumstances.

11.6. Upon expiration or termination (for any reason) of this Agreement:

11.6.1. All licenses granted by the Copyright Holder to the User in accordance with this Agreement are terminated; and

11.6.2. The User is obliged to stop any activity related to the manufacture of the Products; and

11.6.3. The User is obliged to return to the Copyright Holder or destroy all Confidential Information in his possession, under his control or in his custody. At the request of the Copyright Holder, the User is obliged to immediately provide the Copyright Holder with an official statement, in a proper manner executed by an authorized person of the User, confirming that: (a) the User has fully fulfilled all his obligations in accordance with this Article and (b) by the User or on his behalf, no copy of the Confidential Information has been made or stored, and

11.6.4. The User immediately pays to the Copyright Holder all unpaid or overdue license and other fees and interest (when applicable) in accordance with this Agreement.

12. FINAL PROVISIONS

12.1. If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any court, such provision shall be considered in isolation from other provisions of the Agreement that remain in force. Instead of an invalid, illegal or unenforceable provision, it is assumed that the Parties have agreed on a valid, legal and enforceable provision that, from an economic point of view, will be closest to the one that was actually agreed.

12.2. Failure to enforce or fail to exercise by any Party at any time or during any period of any provision or any right arising from this Agreement is not and shall not be considered as a waiver of such provision or right and does not in any way affect the right of such party to its subsequent enforcement and implementation.

12.3. Any notifications, changes and claims are sent by the Party to the address of the other Party specified in this Agreement, by registered mail or courier. In this case, the Parties have the right to send such notification, changes and claims, including by e-mail.

12.4. The parties undertake to make every effort to resolve disputes and disagreements arising from this Agreement through negotiations. Compliance with the complaint procedure preceding the appeal of the Parties to the court is mandatory. The Party believing that its rights and legitimate interests have been violated applies to the other Party with a written claim by sending the corresponding claim by mail or using courier services while sending a copy of the claim by e-mail specified in this Agreement. The Party that received the original claim is obliged to send the other Party a written opinion regarding the arguments set out in the claim within 10 (ten) calendar days from the date of receipt of the original claim. In case of failure to reach agreement, all disputes and disagreements that may arise from this Agreement or related to it are considered in the appropriate court of Latvia, unless otherwise provided by the mandatory provisions of the applicable law.

12.5. Term Sheet, additional agreements and other annexes to this Agreement are an integral part of the Agreement.

12.6. On all issues not regulated by this Agreement, the parties are guided by the current legislation of Latvia.