**EXCLUSIVE IP LICENSE AGREEMENT**

**IN THIS AGREEMENT,** effective as of the ….., 2024

|  |
| --- |
| **Latvian Institute of Organic Synthesis**, a public research organization, located at Aizkraukles str. 21, Riga, LV-1006, Latvia (“Licensor”)AND**SIA “xxx”** (reg. # xxx) a limited liability company, located at [xxx](https://www.firmas.lv/lv/uznemumi/meklet?q=Kri%C5%A1j%C4%81%C5%86a+Valdem%C4%81ra+iela+119+%E2%80%93+12%2C+R%C4%ABga%2C+LV-1013&search%5Bwhere%5D=address) (“Licensee”) |
|  |

AGREE AS FOLLOWS:

BACKGROUND

A. The Licensor owns the Licensed IP as that term is defined below.

B. The Licensor has agreed to grant a license to the Licensee to Commercialise the Licensed IP, upon the terms of this Agreement.

## PRELIMINARY

### Definitions

In this Agreement:

**Affiliate** means any corporation or non-corporate business entity which controls, is controlled by, or is under common control with a party, and for that purpose control means the ownership or direct or indirect control of at least 50% of the voting shares of another corporation, or having directly or indirectly the power to direct or cause the direction of the management and policies of another corporation or non-corporate business entity.

**Commercialize** means making, using, selling, offering for sale, importing, copying, or distributing any product, process or original work for consideration, including without limitation, all activities directed to marketing, promoting, manufacturing, packaging and distributing products or services, offering for sale and selling products or services, importing products for sale, permitting or licensing others to do any of the foregoing, or using products to render services, where in each case, products includes software programs.

**Effective Date** means the date set forth at beginning of this Agreement or, if no date is set forth, the date of signature of the last party to sign this Agreement.

**Field** means artificial lighting devices using electricity to generate light for general lighting, automotive lighting, backlighting, agriculture, as well as interior design, decoration and clothing design applications. Medical and biological applications are expressly excluded from the Field.

**Intellectual Property or** **IP** means any legally enforceable right in any Technology, including without limitation, Patents and the claimed inventions; copyrights, and copyrighted original works, including software; industrial design rights and design patents; integrated circuit layout designs; and plant breeders’ right or other right in plant varieties.

**Licensed IP** means the Intellectual Property owned or controlled by Licensor as listed in Schedule 1 to this Agreement.

**Licensed Product** means any product or service the manufacture, use, sale, offer for sale, import, copying or distribution of which would infringe any Licensed IP.

**Net Sales Price** means:

(a) The gross invoiced price of a Licensed Product sold by or for Licensee or a Sublicensee to a Third Party, less the following, to the extent charged as part of the invoiced price, separately stated on the invoice and paid by or credited, as the case may be, to the Third Party: (i) credits, allowances, discounts, and rebates to, and charge backs from the account of, the Third Party for spoiled, damaged, outdated, rejected, or returned Licensed Products; (ii) actual freight, postage, transportation, and insurance costs incurred in delivering Licensed Products; (iii) reasonable and customary cash, quantity, and trade discounts actually given to the Third Party; (iv) sales, use, value-added, and other direct taxes to the extent billed to and paid by the Third Party; and (v) customs duties, surcharges, and other governmental charges incurred in connection with the exportation or importation of Licensed Products.

(b) In the case of a sale, loan, lease, consignment, distribution, or transfer of Licensed Products (i) to an Affiliate or other entity related to Licensee, (ii) to an end user having a special course of dealing with Licensee or an Affiliate thereof, (iii) to an end users who does not pay cash for the Licensed Product or pays cash for a Licensed Product bundled with another product of Licensee without any allocation of the payment among the bundled products, or (iv) otherwise not in an arm’s-length transaction to a Third Party, the Net Sales Price will be the Average Net Sales Price (as such term is defined below) for sales to end users for such Licensed Product calculated under subsection (a) of this clause. As used herein the term “Average Net Sales Price” means (x) the average Net Sales Price (as calculated for transfers under subsection (a) of this clause), over the one-year period preceding the date of transfer that is within subsection (b) of this clause, of the same type and model of product (as the case may be) and in the same country as such transferee; (y) if such one-year average Net Sales Price data is unavailable, then the Licensee’s, Affiliate’s, or distributor’s published list price of such product for end users in such country as the transferee; or (z) if data is unavailable under part (x) or (y), then the fair market value (with reference to the sales price of comparable products).

(c) Where Licensed Products are sold to an Affiliate of Licensee for purposes of resale, the Net Sales Price will be the Net Sales Price as determined under subsections (a) and (b) of this clause at which the Affiliate sells the Licensed Product.

**Patents** mean (a) patent applications in any country (including provisional applications, continuation applications, continued prosecution applications, continuation-in-part applications, divisional applications, substitute applications, or abandoned applications and applications for certificates of invention), including without limitation, patent applications under the International Treaties and Conventions, including the Patent Cooperation Treaty and the European Patent Convention; (b) any patents issued or issuing from such patent applications (including certificates of invention); (c) all patents and patent applications based on, corresponding to, or claiming the priority date(s) of any of the foregoing; (d) any reissues, substitutions, confirmations, registrations, renewals, patents of addition, validations, re-examinations, additions, continuations, continued prosecution applications, continuations-in-part, or divisions of or claiming priority to any of the foregoing; and (e) term extensions, supplementary protection certificates and other governmental action which provide exclusive rights to a product beyond the original patent expiration date.

**Royalty Period** means each twelve-month period (or less for the first year) ending December 31 each calendar year.

**Sublicense Fee**s mean any lump sum or other money payments, but not including royalties or payments based on sales, received by Licensee from an Affiliate or Third Party in consideration for a sublicense under Licensed IP granted by Licensee in accordance with this Agreement. Sublicense Fees also include any amount of money that such sublicensed Affiliate or Third Party was obliged to pay for the sublicensed rights, including royalties or payments based on sales, but was relieved from doing so by any right of set-off or because of the Affiliate’s or Third Party’s withholding tax obligations for which Licensee receives a corresponding tax credit.

**Sublicensee** has the meaning set forth in clause 4.1.

**Technology** means conceptions, ideas, innovations, discoveries, inventions, processes, machines, biological materials, formulae, equipment, compositions of matter, formulations, plans, specifications, drawings, improvements, enhancements, modifications, technological developments, methods, techniques, systems, designs, production systems and plans, scientific, technical or engineering information, algorithms, concepts, ideas, methods, methodologies, including business method, software, documentation, data, programs and information (irrespective of whether in human or machine-readable form), integrated circuits and their design and layout, and works of authorship, whether or not patentable, copyrightable, or susceptible to any other form of legal protection.

**Territory** means the countries indicated in Schedule 2 of the Agreement.

**Third Party** means any person or entity that is not a party to this Agreement or an Affiliate thereof.

### Interpretation

(a) A reference to a party to this Agreement includes a reference to that party's executor, administrator, heirs, successors, permitted assigns, guardian, and trustee in bankruptcy, all of whom, respectively, are bound by the provisions of this Agreement.

(b) Headings in this Agreement are inserted for guidance only, and shall not affect the meaning and interpretation of the remaining provisions of this Agreement.

(c) Words in this Agreement importing the singular number or plural number shall include the plural number and singular number respectively.

(d) Words in this Agreement importing persons include all persons, entities and associations, including companies, trusts, bodies corporate, statutory bodies, partnerships, and joint ventures.

(e) Where a word or phrase is given a particular meaning in this Agreement, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

(f) Where a party to this Agreement is more than one person the covenants and obligations on their part contained in this Agreement are binding upon each of them jointly and severally.

(g) The word “including” is not a word of limitation.

## TERM

### Agreement Term

This Agreement, unless terminated in accordance with its terms, will remain in effect from the Effective Date until the date of expiration of the last to expire of Licensed IP.

### Royalty Term

The obligation to pay royalties under this Agreement will expire on a country-by-country basis on the date the last Licensed IP in such country is abandoned, expires or is declared invalid.

## GRANT OF LICENSE

### Grant of License

(a) The Licensor grants to the Licensee an exclusive license under the Licensed IP to Commercialise Licensed Products in the Territory and the Field.

(b) The Licensor grants to the Licensee a non-exclusive license under the Licensed IP to conduct research and development in the Territory and the Field.

 (b) Licensee agrees that it has no right or license under Licensed IP outside the Territory or outside the Field.

### Separate Agreements

This Agreement operates as a separate agreement in relation to each Licensed IP in each country. If any Licensed IP is abandoned, expires or is declared invalid in country, this Agreement will no longer apply to such Licensed IP without affecting the continued operation of this Agreement in relation to any other Licensed IP.

### Recording of License

Where required or permitted by law, the Licensee may register this Agreement or its particulars, and the Licensor will assist such registration at Licensee’s expense.

## GRANT OF SUB-LICENSES

### Grant

The Licensor grants to the Licensee the right to grant a sub-license to any Affiliate or Third Party (Sublicensee) to Commercialise the Licensed IP in the Field.

### Terms of Sublicense

Each such sublicense (i) must be in writing and a signed copy thereof must be delivered to Licensor within 30 days after it is signed, (ii) may not grant rights that are greater than or impose obligations that are less than those granted to Licensee in this Agreement, (iii) must identify the Licensor as an intended beneficiary with the right to enforce its rights if Licensee does not, (iv) must permit Licensor to audit the accounts of Sublicensee relevant to the sublicense if Licensee does not, (v) must provide for its automatic termination coincident with termination of this Agreement, (vi) may not grant the right to grant further sublicenses, and (vii) may not combine consideration for the sublicense with consideration for other benefits conveyed by Licensee.

## FINANCIAL TERMS

### Upfront Payment

The parties agree that there is no upfront payment the Licensee must pay to the Licensor.

### Milestone Payments

 (a) The Licensee must pay to the Licensor the following amounts, in relation to each of the following milestones achieved by the Licensee. The Licensee must pay the Licensor the following amounts, in relation to each of the milestones achieved for development of the Licensed IP by an Affiliate, or a Sublicensee.

|  |  |  |
| --- | --- | --- |
| No | Milestone | EUR |
|  |  |  |
| 1 | Raised funding (in equity and/or grants) MEUR 0.25 | 2500 |
| 2 | Raised funding (in equity and/or grants) MEUR 0.5 (cumulative) | 5000 |
| 3 | Raised funding (in equity and/or grants) MEUR 1 (cumulative) | 7500 |
| 4 | Raised funding (in equity and/or grants) MEUR 1.5 (cumulative) | 10,000 |

 (b) The Licensee must promptly notify the Licensor in writing of the achievement or completion of each milestone and must pay the amount associated with each milestone within 14 days after receipt of an invoice therefor from the Licensor. The Licensor issues the invoice after the investment (Milestones # 1 – 4) is transferred to the bank account of the Licensee.

### Consideration

(a) The Licensee must pay to the Licensor a royalty of 2% (two per cent) of the Net Sale Price of Licensed Products sold by or for the Licensee, any Sublicensee or any Affiliate.

(b) In addition to royalties payable on sales by Sublicensees, the Licensee must pay to the Licensor 2% (two per cent) of Sublicence Fees received by the Licensee.

(c) The Licensee is exempt from royalty transactions for sales deals that do not constitute a sale of the product to make a profit within the first 2 (two) years of the Effective Date. A sales deal does not constitute a sale of the product to make a profit when the gross sale price is below that of the product self-cost. The Licensee must report a written statement providing for the relevant Royalty Period (i) the quantity of Licensed Products sold that do not constitute a sale of the product to make profit, (ii) the gross sale price in EUR for each such Licensed Product, (iii) if the gross sales price was in another currency, the currency conversion method and rate, (iv) the self-cost for each such Product and the method used to determine the self-cost.

### Royalty Advice and Payment

(a) Within 45 days of the last day of a Royalty Period, the Licensee must send to the Licensor a written statement providing for the relevant Royalty Period (i) the quantity of Licensed Products sold by or for Licensee, or any Affiliate, (ii) the gross sale price in EUR for each such Licensed Product, (iii) if the gross sales price was in another currency, the currency conversion method and rate, (iv) the Net Sales Price for each such Product and the method used to determine the Net Sales Price, (v) the royalties payable and the method of calculating such royalties.

(b) Licensee, within 14 days after receipt of an invoice therefor from the Licensor, will pay to Licensor in immediately available funds all royalties and Sublicensee Fees payable for the Royalty Period by electronic bank transfer to a bank account identified in writing by the Licensor.

(c) In case the Licensee has concluded sales of the Licensed Product, but has not received revenue from such sale (accrued revenue), the Licensee can choose to delay paying royalties of such sales for 30 days. If the Licensee chooses to delay payment, within 45 days of the last day of a Royalty Period, the Licensee must send to the Licensor a written statement providing (i) the quantity of accrued sales of the Licensed Products by or for Licensee, or any Affiliate, (ii) the gross sale price in EUR for each such Licensed Product, (iii) if the gross sales price was in another currency, the currency conversion method and rate, (iv) the Net Sales Price for each such Product and the method used to determine the Net Sales Price, (v) the royalties payable and the method of calculating such royalties

### Withholding Tax

If the Licensee is required to pay any withholding tax in respect of any royalties or payments due to the Licensor, the Licensee may reduce the amount of royalties paid to the Licensor by the amount of withholding tax paid by the Licensee if the Licensee provides copies of receipts to the Licensor in relation to those payments.

### Interest

If any amount due to be paid by the Licensee to the Licensor pursuant to this Agreement is unpaid, the Licensee must pay interest on that amount, from the due date for the payment to the date paid at annual rate of 10% or the maximum rate permitted by applicable law, whichever is lower.

## ACCOUNTS

### Accounts to be Maintained by the Licensee

The Licensee must keep, and must ensure that each Affiliate and Sublicensee keeps, true and accurate accounts and records of (i) the quantities of Product produced, sold, and in stock; (ii) the gross sales price for which quantities of the Products are sold; (iii) all other accounting, stock, ordering, purchasing invoicing, and delivery records in relation to the Products as are required by good accounting practice; (iv) Sublicense Fees received due and received; (v) Sublicenses granted; (vi) correspondence to and from Sublicensees; and (vii) documents relating in any manner to the business of Sub-Licensees.

### Inspection of Accounts by the Licensor

(a) The Licensor, at its expense, may appoint a qualified person to inspect the Licensee's or an Affiliate’s books and records maintained pursuant to clause 6.1. Such person, upon seven days advance written notice, during normal business hours, may inspect and copy all accounts and records kept pursuant to clause 6.1 at the place they are normally retained. Licensor may conduct only one such inspection in any 12-month period. Licensee agrees to reasonably cooperate with such person to facilitate such inspection.

(b) If because of any inspection the Licensor discovers any underpayment of the amounts required to be paid by the Licensee to the Licensor pursuant to this Agreement and the underpayment exceeds five percent (5%) of the amount that should have been paid, the Licensee shall reimburse the Licensor for all reasonable costs incurred in relation to that inspection.

(c) If Licensee elects to inspect the accounts of any Sublicensee, Licensee will provide with advance written notice of such inspection, which notice will identify the reasons for such inspection. Licensee will give Licensor a copy of any report of the results of such inspection.

## DILIGENCE OBLIGATIONS

### Licensee Diligence

The Licensee shall use commercially reasonable efforts to develop, manufacture, promote, market, and sell Licensed Products, which efforts must be no less than the efforts expended by Licensee to bring its own comparable products to market.

Licensee will be presumed to have satisfied its obligations if:

Licensee makes the first commercial sale, directly or through a Sublicensee or Affiliate, of a Licensed Product by 31.12.2028.

Licensor may audit the records of Licensee to confirm satisfaction of any diligence requirement.

Failure to satisfy one or more of the foregoing diligence requirements may entitle the Licensor to terminate this Agreement under clause 15.1, but Licensor will not be entitled to damages for such failure.

The parties may waive or amend any diligence requirement by written agreement.

## GENERAL OBLIGATIONS OF LICENSEE

### Regulatory Approvals

The Licensee must, at its expense, (i) apply for and obtain all regulatory approvals, licences, permits and approvals from any government, government agency, or regulatory agency that may be required to Commercialise Licensed Products in the Territory, (ii) notify the Licensor of filing each such application; and (iii) notify the Licensor of the result of each such application.

### Use of Patent Numbers

The Licensee must ensure that the Licensed Products and the packaging of the Licensed Products includes a reference to the Patent numbers included in Licensed IP that relate to that Licensed Product, where the absence of that reference in any manner may detrimentally affect the rights conferred by such Patents.

### Standard of Manufacture

The Licensee must manufacture Licensed Products to a high standard of quality, and must comply with any standards set by any regulatory agency having authority over the Products.

### Compliance with Laws

The Licensee must comply with all laws in relation to the Commercialisation of the Licensed IP.

### No Misleading or Deceptive Conduct

The Licensee must not engage in any misleading or deceptive conduct or conduct likely to mislead or deceive in conjunction with Commercialising the Licensed IP.

### Reporting by the Licensee

The Licensee must provide to the Licensor a written report, no more frequently than once each calendar year, within two months after the Licensor requests the report, detailing the progress of development (if applicable) and Commercialisation of Licensed IP, prospective grants of sublicenses, and other matters reasonably requested by the Licensor.

## INTELLECTUAL PROPERTY

### Ownership

Licensee agrees that the Licensed IP is the property of the Licensor. Licensee will not represent that it owns any of the Licensed IP. To the extent legally enforceable, Licensee agrees not to directly or indirectly contest or challenge the Licensor’s ownership or rights in the Licensed IP or the validity of any Licensed IP.

### Notification of Infringement

If either party shall learn or believe that any unauthorised person has come into possession of any part of the Licensed IP, any person has made any improper or unauthorised use of the Licensed IP; or any unauthorised person is doing anything in contravention of rights that attach to and arise from the Licensed IP, that party must promptly report the full particulars to the other party.

### Licensee Chooses to Take Infringement Proceedings

(a) The parties acknowledge that, as an exclusive licensee, the Licensee has standing to conduct proceedings against an infringer of Licensed IP, and accordingly, if the Licensee chooses to maintain proceedings against an infringer, the Licensee, will have sole control of such proceedings and will be solely responsible for all legal fees and disbursements with respect to such proceedings.

(b) The Licensor must give to the Licensee any assistance that the Licensee may request in relation to those proceedings, at the Licensee’s expense. The Licensor may not be compelled to join the proceedings as a party but may agree to join, at Licensee’s expense, if required by applicable law.

(c) From the damages or settlement received by the Licensee from such proceedings, the Licensee shall pay to the Licensor an amount which represents the royalties that would have been payable by the Licensee to the Licensor under this Agreement, on the amount of sales revenues in relation to which the Licensee’s damages or settlement have been assessed (as distinct from the amount of actual damages recovered), or 50% of the net amount actually recovered after deduction of all reasonable costs incurred by Licensee in such proceedings, whichever is less.

### Licensee Chooses not to Take Infringement Proceedings

If, after a request by the Licensor, the Licensee elects not to institute proceedings against an infringer of Licensed IP and the Licensor wishes to do so:

(a) the Licensee must give to the Licensor any assistance that the Licensor may request in relation to those proceedings, including join the proceedings as a party if required by law, at the Licensor’s expense; and

(b) the Licensor will solely control the proceedings, will be solely responsible for all legal fees and disbursements with respect to such proceedings, and will solely take the benefit of any damages or other monies that accrue from those proceedings.

## PATENTS

To the extent Licensed IP includes Patents:

(a) Licensor will control and manage prosecution of all pending patent applications and the maintenance of all issued patents within Licensed IP. The Licensor will consult with Licensee on all actions that may have an impact on the scope, content, pendency or issuance of all Patents in Licensed IP. The Licensor must consider all Licensee comments and suggestions where applicable to Licensee’s rights under this Agreement.

(b) Licensor must give Licensee access to or copies of all documents and correspondence relating to all patent applications within Licensed IP, and if Licensor uses outside patent attorneys, must instruct them to provide such access or copies to Licensee.

(c) Licensee may request Licensor to file Patents in other countries. If legally possible and such Patents are part of Licensed IP, Licensor will file for such Patents which will become part of Licensed IP and the Schedule 2 of the Agreement shall be amended accordingly.

(d) If the Licensor elects not to file for or to abandon a Patent that is part of Licensed IP, it must give Licensee sufficient advance written notice to permit Licensee to assume control of such Patent without loss of rights. If Licensee elects to assume control of such Patent, to the extent legally possible, Licensor will assign such Patent to Licensee, and otherwise Licensee will thereafter have a royalty-free, exclusive license under such Patent. This clause 10(d) only applies to the specific Patent that Licensor does not wish to retain and not to corresponding Patents in other countries.

### Costs to be Reimbursed

(a) Licensee must reimburse the Licensor for all reasonable costs incurred with respect to the control, management and maintenance of Patents within the Territory. Licensor will send to Licensee invoices for such reimbursement, including copies of documents supporting the costs incurred. Licensee must pay the invoices within 14 days after receipt.

(b) If the license granted in this Agreement is limited to a Field, then if Licensor grants a license under Licensed IP outside the Field and recovers costs of Patent control, management and maintenance from a Third Party licensee, Licensee thereafter must reimburse Licensor only for proportional share of the costs incurred with respect to the Patents licensed to such Third Party.

(c) If Licensee does not wish to reimburse or continue reimbursing Licensor for the costs associated with control, management or maintenance of a Patent, Licensee must give Licensor 30 days advance written notice of such election. If Licensor wishes to continue control, management and maintenance of such Patent, it may do so at its expense. The specific Patent that Licensee elects not to reimburse or fail to reimburse costs of will be removed from Licensed IP and Licensee will have no further rights under such Patent effective as of the date of its notice. This clause 10.1(c) only applies to the specific Patent that Licensee does not wish to reimburse for and not to corresponding Patents in other countries.

## INSURANCE

### The Licensee to Take Out Insurance

(a) Before the Licensee Commercialises Licensed IP or sells any Licensed Product, the Licensee must take out a product liability policy of insurance covering all usual risks covered by such policies, including any loss or damage or injury of any kind whatsoever and howsoever caused to any person or property, and special, direct, indirect or consequential, including consequential financial loss suffered by any person, arising out of the Commercialisation of the Licensed IP or the use of the Licensed Products, for a reasonable amount as the Licensor shall from time to time notify the Licensee.

(b) Before any Sublicensee Commercialises any Licensed IP or sells any Licensee Product, the Licensee must ensure that the Sublicensee takes out a product liability policy of insurance of the same scope as required by clause 11.1(a).

### The Licensee to Maintain Insurance

The Licensee must maintain the insurance policy referred to in clauses 11.1 until that date which is seven years from the date of the last sale of a Licensed Product.

### The Licensee to Provide a Copy of Insurance

The Licensee must upon being required to do so by the Licensor, produce to the Licensor for the Licensor's inspection the insurance policy referred to in clause 11.1 or 11.2, or a certificate of currency issued by the insurer in respect to such insurance.

### The Licensor May Insure if the Licensee Fails to Insure

If the Licensee fails to keep current the insurance policies required by clauses 11.1 , the Licensor may obtain such insurance, and Licensee must reimburse the Licensor for all costs incurred by doing so.

## WARRANTIES

### Commercialisation is Uncertain

The Licensee acknowledges the fundamental uncertainty with respect to the Commercialisation of new technology.

### Warranties by the Licensor

1. In relation to Patents in Licensed IP, the Licensor warrants to the Licensee that as of the Effective Date, to the best of its actual knowledge, the Licensor jointly with the Institute of Solid State Physics, University of Latvia (a public research organization, located at Ķengaraga str. 8, Riga, LV-1063, Latvia) owns such Patents and the inventions disclosed and claimed therein both legally and beneficially. The Licensor solely owns commercialisation rights for such Patents and is granted the rights to represent the Institute of Solid State Physics to enter solely commercialization agreements with the Third parties. Such representation rights are granted to the Licensor according to Agreement fully executed by Licensor and Institute of Solid State Physics on 23.12.2022. The use of such inventions as claimed in such Patents does not infringe any patent or other intellectual property rights of any Third Party published as of the Effective Date.

(b) In relation to copyrights in Licensed IP, the Licensor warrants to the Licensee that as of the Effective Date, to the best of its actual knowledge, the Licensor jointly with the Institute of Solid State Physics, University of Latvia owns the copyrighted work both legally and beneficially, and the copying, publication and distribution of the copyrighted work does not infringe the copyright of any Third Party in a work published as of the Effective Date.

(c) Licensor further warrants to Licensee:

(i) the Licensed IP is not encumbered, mortgaged, or charged in any way, nor subject to any lien;

(ii) there is no litigation pending in respect to the Licensed IP, and there is no claim or demand that has been received from any Third Party in relation to the Licensed IP; and

(iii) no license or right in the Licensed IP has been granted that conflicts with right granted to Licensee in this Agreement.

### Acknowledgments

Each party acknowledges that:

(a) Except for such warranties on the part of the Licensor as are expressly set out in this Agreement, there are no other terms or warranties binding upon the Licensor or between the Licensor and the Licensee.

(b) The Licensor has not made, nor has any person on behalf of the Licensor made, any term, warranty, undertaking, or understanding whatsoever that is not expressly set out in this Agreement.

(c) To the full extent permitted by law, there are no statutory warranties binding upon the Licensor.

(d) No representation or promise of any description, not expressly included in this Agreement, was made before this Agreement was entered.

### No Other Warranties

The Licensee acknowledges that the Licensor has not made and does not make any warranty or representation whatsoever as to:

(a) the safety of the Licensed IP or of the Licensed Products;

(b) the Commercialisation of the Licensed IP or of the Licensed Products;

(c) the marketability of the Licensed IP or of the Licensed Products;

(d) the profits or revenues that may result from the Commercialisation of the Licensed IP or of the Licensed Products;

(e) the Commercialisation prospects or success of any part of the Licensed IP or of the Licensed Products;

(f) whether any Patent may be granted, or granted with the claims sought, or any reduced claims; or

(g) whether any Patent granted may be declared invalid or cease to be registered.

## RELEASE AND INDEMNITY

### Release

(a) The Licensee releases the Licensor its officers, employees, sub-contractors and agents from and against all actions, claims, proceedings or demands and in respect of any loss, death, injury, illness or damage arising out of the Commercialisation or use of the Licensed IP, or any products derived from the Licensed IP.

(b) To the full extent permitted by law, the Licensor, its officers, employees, sub-contractors and agents, will not be liable to the Licensee for any special, indirect or consequential damages, including consequential financial loss arising out of the Commercialisation or use of the Licensed IP, or any products derived from the Licensed IP.

### Indemnity

(a) The Licensee indemnifies and shall continue to indemnify the Licensor, its officers, employees, sub-contractors and agents, from and against all actions, claims, proceedings or demands (including those brought by Third Parties) which may be brought against it or them, whether on their own or jointly, in respect of any loss, death, injury, illness or damage arising out of the Commercialisation or use of the Licensed IP, or any products derived from the Licensed IP.

(b) The obligation to indemnify the Licensor and its officers, employees, sub-contractors and agents set out in paragraph (a) is a continuing obligation separate and independent of other obligations, and shall survive the expiration or termination of this Agreement.

## DISPUTE RESOLUTION

Any dispute arising directly under the express terms of this Agreement or the grounds for termination thereof will be resolved as follows. First, within ten days after either Party identifies the existence of a dispute, each party will appoint a representative with authority to resolve the identified dispute and such representatives, within 20 days after their appointment, will meet to attempt to resolve such dispute. If the representatives cannot resolve the dispute, either Party may make a written demand for formal dispute resolution. Within ten (10) days after such written demand, the Parties shall meet for one day with an impartial mediator solely to consider dispute resolution alternatives other than litigation, which may include further negotiations, mediation, conciliation, arbitration, litigation, and expert determination. If an alternative method of dispute resolution is not agreed upon within ten days after the one-day mediation, either Party may begin litigation proceedings.

Each Party agrees not to file for or otherwise initiate a litigation or arbitration directed to the dispute being discussed by the Parties under this Clause 14 before or during such discussions. Each Party further agrees that it will retain in confidence any information disclosed by the other Party during such discussions (except for information already in the public domain).

## TERMINATION

### Termination for Default

If one party is in default of any obligation contained in this Agreement, that default has continued for not less than 14 days, the non-defaulting party serves upon the defaulting party notice in writing requiring the default to be remedied within 30 days of the date of such notice, or such greater number of days as the non-defaulting party may in its discretion allow; and the defaulting party fails to remedy the default within 30 days after such notice, the non-defaulting party may immediately terminate this Agreement by notice in writing to the defaulting party.

### Termination for Event of Default

If an Event of Default shall occur the non-defaulting party may by notice in writing terminate this Agreement immediately. For the purposes of this Agreement, each of the following shall be an Event of Default:

(a) if a party assigns or sub-contracts (other than by Sublicense) the performance of this agreement to another person without the other party’s prior written consent, or

(b) if a party becomes insolvent or subject to administration or liquidation.

### Termination Does not Affect Prior Rights or Obligations or Accrued Rights

(a) The termination of this Agreement by any party shall not relieve the other party from performing all obligations which:

(i) fell due to be performed before the effective date of termination of this Agreement, or

(ii) fall due to be performed because of that termination.

(b) The termination of this Agreement will not affect any rights which accrue to any party before the termination, or which arise in connection with the termination, which are preserved.

(c) Upon termination of this Agreement the Licensee shall:

(i) transfer to Licensor all data relating to the development of Product(s);

(ii) to the extent possible, seek to have any product licences, pricing approvals and other permits and applications transferred into the name of Licensor or its nominee;

(iii) grant Licensor an exclusive, worldwide licence, with the right to grant sub-licences, under all Arising Intellectual Property and any improvements and other intellectual property owned or controlled by Licensee relating to the Product(d); and

(iv) grant Licensor or its nominee the right to continue to use any product name that had been applied to the Product(s) prior to termination of this Agreement.

## SERVICE OF NOTICES

All notices and other communications permitted or required by this Agreement will be in writing to the parties at their respective addresses first set out above, or to such other address as a party may subsequently specify by notice, and will be deemed to have been received (1) upon delivery in person; (2) upon the passage of twenty-four (24) hours following post by overnight receipted courier service; or (3) upon transmittal by confirmed e-mail.

## GE**N**ERAL

### No Assignment by or Sub-Contracting by the Licensee

Licensee must not assign, sub-contract, or transfer, any of its rights or obligations in this Agreement to any person, without the prior consent in writing of the Licensor, which the Licensor must not unreasonably withhold.

### Relationship Between the Parties

(a) The relationship between the parties is that of licensor and licensee, and nothing shall be construed or interpreted to make one party the agent, partner, joint venturer or representative of the other.

(b) Neither party may at any time, without the prior written consent of the other, act as or represent that it is the agent, partner, joint venturer or representative of the other.

### Further Assurance

Each party must on demand by another party perform all such acts and execute all such agreements, assurances and other documents and instruments as that party reasonably requires either to perfect the rights and powers afforded, created or intended to be afforded or created by this Agreement or to give full force and effect to, or facilitate the performance of, the transactions provided for in this Agreement.

### Counterparts

This Agreement may be executed in separate counterparts, and all those counterparts together constitute one agreement.

### Legal Costs

Each party shall be responsible for its own legal fees and costs in connection with the preparation, negotiation and execution of this Agreement.

### Warranty of Authority

Where this Agreement is signed by a person for and on behalf of a party to this Agreement, that person:

(a) warrants that the person is the authorised agent of that party with express authority to enter into and sign this Agreement for and on behalf of that party, and thereby to bind that party to the obligations upon that party contained in this Agreement; and

(b) acknowledges that the other party to this Agreement would not have entered into this Agreement but for the warranty of authority contained in paragraph (a).

### Whole Agreement

The parties acknowledge that solely in relation to the subject matter of this Agreement this Agreement merges all discussions between the parties, up to the date of this Agreement, the whole of the agreement between the parties is contained in this Agreement, and there are no agreements, understandings, other terms whether express or implied, or collateral agreements in force or effect between the parties that are not contained in this Agreement.

### Variations

No variation to this Agreement shall be binding upon the parties unless that variation is in writing, and is signed by officers or directors of all parties to this Agreement.

### Waiver

(a) No failure or delay of any party to exercise any right given pursuant to this Agreement or to insist on strict compliance by any other party of any obligation in this Agreement shall constitute a waiver of any party's rights to demand exact compliance with the terms of this Agreement.

(b) Waiver by any party of any particular default by any other party shall not affect or prejudice each party's right in respect of any prior or subsequent default of the same or of a different nature.

(c) Any delay or omission by any party to exercise any right arising from any default shall not affect or prejudice that party's right in respect to such a default or any subsequent default or the continuance of any default.

(d) Any waiver shall be an effective waiver only if the waiver is expressly set out in writing and signed by the party making the waiver.

### Applicable Law

(a) The parties agree that this Agreement is made and entered into in Latvia and shall be construed according to the laws thereof.

(b) The parties agree to submit themselves to the non-exclusive jurisdiction of the laws in force for the time being in Latvia.

### Severance

If it is held by a court that any part of this Agreement is or would be void, voidable, illegal or unenforceable, or the application of any part of this Agreement to any person or circumstances is or may become invalid or unenforceable, that part shall be severable and shall not affect the continued operation of the remaining terms of this Agreement.

**SIGNATURES OF PARTIES**

|  |  |  |
| --- | --- | --- |
| **SIGNED**for The LICENSORin the presence of |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Acting director Osvalds Pugovics\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| SIGNEDfor THE LICENSEEin the presence of |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_CEO, xxx\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

SCHEDULE 1: LICENSED IP

Patent applications

|  |  |  |  |
| --- | --- | --- | --- |
| Application Id | Short Title | Application date | Inventors |
| PCT/IB2022/061411 | Light emitting electrochemical cell | 25.11.2022. | Leduskrasts, KasparsSūna, EdgarsVembris, AivarsMauručaite, Adriana |
| LVP2022000068 | Piridīnija gaismu izstarojošas molekulas | 04.08.2022. | Sūna, EdgarsLeduskrasts, Kaspars |

SCHEDULE 2: Countries

List of countries the Licensor will maintain national patents of Licensed IP

**Patent application PCT/IB2022/061411:**

*To be completed*

**Patent application LVP2022000068:**

*To be completed*