



ORNAMO

License Agreement for design rights

1. PARTIES

This License Agreement (hereinafter the "Agreement"), dated [date] is made between

The Licensee:

[Name]

with business ID,

[Business ID]

with its principal place of business at

[Address]

(hereinafter the "Licensee").

Contact person

[Name]

Contact information

[Email, phone number]

Billing address

[Address]

The Designer:

[Name]

with business ID,

[Business ID]

with its principal place of business at

[Address]

(hereinafter the "Designer").

Contact person

[Name]

Contact information

[Email, phone number]

2. THE PURPOSE AND SCOPE OF THE AGREEMENT

Whereas, the Designer owns certain rights, title and interest in, or has the right to sublicense, and/or is the author of the design(s) as specified in Appendix 1 to this Agreement (hereinafter the "Design").

Whereas, the Licensee desires to obtain a license from the Designer.

Whereas, the Designer is willing to grant the Licensee a license in accordance with and as further provided in this Agreement.

3. GRANT OF LICENSE

License related to the Design:

The Designer hereby grants the Licensee, in consideration of the agreed licensing fees in section 0 (Fees) to this Agreement,

- a non-exclusive | **or** | an exclusive¹,
- non-transferable | **or** | transferable
- non-sublicensable | **or** | sublicensable (provided that the Licensee guarantees the Designer at least the same level rights, including audit rights of the sub-licensee, as provided in this Agreement)

and revocable license to

- manufacture
- bring to the market
- market
- promote
- sell
- offer for sale
- import
- export
- [other]

products incorporating the Design,

in the territory of [country/countries] (the "Territory"),

- for a fixed period of [period] | **or** | for the term of this Agreement,

(hereinafter the "License").

The License granted shall be restricted

- to the following applications/media: [applications, material used, media]
- in connection with the purpose for which the instruction has been furnished as follows: [purpose and instructions].

¹ The Designer shall, however, have the right to use the Design for his/her own promotional purposes.
License Agreement for design rights

Other licenses:

The Designer grants the Licensee, for the term of this Agreement, a non-transferable, non-sublicensable, and non-exclusive right to use the Designer's trade name, trademarks, service marks, logos and other markings of the Designer, whether registered or not, and as specified in Appendix 2 to this Agreement (hereinafter the "Marks"), for the sole purpose of identifying, marketing and distributing the products incorporating the Design. The Designer shall have the right to update and change Marks periodically.

Any grant of rights under this Agreement is contingent upon receipt of full payment from the Customer to the Designer.

4. FEES

License Fees:

The Licensee shall pay the Designer the following fees:

() a one time fee of [amount], invoiced at [time];

[and/or]

() a signing fee of [amount], invoiced at [time];

[and/or]

() a royalty fee of [percentage] % per product sold, calculated on the sale price, whereas sale price shall mean the consumer or end user sale price, exclusive of VAT and shipping and packaging costs.

The Licensee shall pay a minimum payment of [amount] annually irrespective of the sales of the products incorporating the Design. The minimum payment is nonrefundable and non-cancelable. All prices are exclusive of VAT.

5. CHANGES TO DESIGN AND COMMENCEMENT OF MANUFACTURING

The Licensee shall not have the right to make any alterations or changes to the Design without the prior written approval of the Designer. In case both parties agree to make changes to the Design, the Designer shall make all alterations and changes to the Design and the Designer shall have the right to invoice the Licensee based on the Designer's standard hourly rate.

In case the License is granted for manufacturing rights, the Licensee shall, prior to commencement of the manufacturing or production of the products incorporating the Design, submit a prototype or sample of each type of product incorporating the Design to the Designer. The Designer shall have 21 days from the receipt of said prototype or sample to give his/her approval for the commencement of manufacturing or production, or instructions to revise the prototype or sample.

6. INTELLECTUAL PROPERTY RIGHTS

Intellectual Property shall include, inter alia, any patent, copyright, design rights, trade or service mark or other industrial or intellectual property right of the Designer or its affiliates or licensors, and all names and trademarks used in relation to the Design and any applications for the registration or protection of any of the foregoing (hereinafter “Intellectual Property Right(s)”).

Any and all Intellectual Property Rights in or relating to the Design and any associated documentation and any future modifications and/or enhancement thereto are, shall be, and shall at all times remain the sole property of the Designer.

Nothing in this Agreement shall be construed as transferring and assigning the ownership or possession of any Intellectual Property or Confidential Information or other information from the Designer to the Licensee.

Unregistered Intellectual Property may be registered by the Licensee or the Designer under the Designer’s name and listing the Designer as the sole applicant for the registration application, as and if agreed between the Parties. The registration fees shall be distributed as follows: [registration fee distribution].

7. MARKETING AND PROMOTIONS

The Licensee shall use its best endeavors to build the image of the Designer’s brand in relation to all products incorporating the Design, manufactured, sold, marketed, promoted and/or supplied by the Licensee or its providers or customers in the Territory, by making sure that all products incorporating the Design shall always have appropriate Marks of the Designer duly visible and on display whenever the products incorporating the Design are showcased, marketed, sold or promoted to potential customers.

The Licensee shall send copies of all advertisements of the products incorporating the Design in the Territory to the Designer for information purposes.

In case the Designer supplies to the Licensor marketing information of the Design produced by itself, the Licensee shall have the right to use such information for advertising purposes within the Territory, during the term of this Agreement.

8. REPORTING AND PAYMENT TERMS

The Parties agree that the reporting period shall be [period]. Within 30 days following the last day of each reporting period during the term of this Agreement, the Licensee shall provide the Designer with a complete

and accurate statement and report of all sales related to the products incorporating the Design, and as further instructed by the Designer. Each report shall include at least the number of units manufactured, sold and/or distributed of each of the products incorporating the Design, the style and EAN number, description of the products and the applicable selling price.

The Licensee shall not have the right to give out free samples of giveaways of products incorporating the Design, without paying the Designer royalty based on the average selling price of the products incorporating the Design.

Based on the report sent by the Licensee, the Designer shall invoice the Licensee, and all payments are due within fourteen (14) days from the date of the invoice.

All payments shall be made in EUR. The Licensee shall use the average annual exchange rate as shown by the London Inter-Bank Offered Rate and as published on Reuters, to convert payments from local currency to EUR.

Taxes are not included in the fees, royalty or other payments. The Licensee is solely responsible for paying all applicable sales, customs, duty, use, property, withholding, value-added, excise and any other taxes or duties imposed under the authority of any foreign, federal, state or local taxing jurisdiction, except for the Designer's income. The Licensee shall reimburse the Designer for taxes and any other expenses incurred for any license required for any possible clearance at the port of entry and destination. The Designer shall be entitled to require tax clearances and/or tax certificates from the Licensee evidencing that any and all collected and deducted taxes at source, including but not limited to withholding taxes, are paid by the Licensee to the competent tax authorities.

Any invoices not timely paid by the Licensee or as to which the Licensee shall wrongfully withhold payment, shall be subject to late payment charges at the rate of twelve percent (12%) per annum. In case a payment is outstanding 45 days after the date of the invoice, the Designer has the right to suspend and/or terminate the Agreement in accordance with section 0 (Term, Suspension and Termination) of this Agreement.

9. AUDITS

The Licensee shall establish and maintain, during the term of this Agreement and for 5 years after the term of the Agreement, a reasonable accounting system that enables the Designer to readily identify the Licensee's assets, expenses, costs of goods, and payments received for the sale of the Design. Upon notice from the Designer, the Designer and/or its authorized representatives shall have the right to audit, examine, and to make copies of or extracts from all financial and related records (in whatever form they

may be kept, whether written, electronic, or other) relating to or pertaining to this Agreement kept by or under the control of the Licensee, including, but not limited to those kept by the Licensee, its employees, agents, assigns, successors, and subcontractor.

Upon notice from the Designer, the Licensee shall provide the Designer or its representative with access to such financial records and supporting documentation as reasonable requested to determine if fees have been invoiced in accordance with this Agreement. The Licensee shall promptly reimburse the Designer for any overcharge revealed by such an audit. If an overcharge exceeds 5 % of the correct charge, the Licensee shall also reimburse the Designer for the cost of such audit.

10. INFRINGEMENT OF DESIGNER'S RIGHTS

In case the other party has found that the Designer's Intellectual Property Rights are disputed or infringed by a third party, or in case of intended or threatened infringement or wrongful use of the Intellectual Property Rights and of any instance of the passing off of other goods as and for the goods of the Designer, the Party shall immediately notify the other Party in writing of any instance within the Territory or elsewhere as shall come to its notice.

All Intellectual Property Rights related claims and disputes arising from or in connection with the Design shall be handled according to the Designer's written instructions in case the Designer chooses to give instructions.

11. WARRANTIES AND REPRESENTATION

Each Party warrants that to the best of its knowledge and belief

1. it has the power to execute and deliver this Agreements and to perform its obligations under it and has taken all actions necessary to authorize such execution and delivery and the performance of such obligations, and
2. this Agreement constitutes legal, valid and binding obligations of that Party in accordance with its terms and conditions.

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THE DESIGNER MAKES NO REPRESENTATIONS OR WARRANTIES AND EXPLICITLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, WRITTEN ORAL OR

STATUTORY, INCLUDING THE IMPLIED WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES OTHERWISE ARISING FROM A COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

12. INDEMNIFICATION

The Licensee shall indemnify and hold the Designer harmless from and against all claims, liabilities, proceedings, costs, damages, losses or expenses incurred by the Designer, caused by, or in any way connected with, 1) the unauthorized use of the Design by the Licensee or its affiliates, 2) breach of this Agreement by, or any other negligent or wrongful act of the Licensee, or 3) any third party claim for any injury, loss, damage or expense occasioned by or arising directly or indirectly out of the Licensee's possession, operation, use, modification or supply to a third party.

13. LIMITATION OF LIABILITY

In no event, shall the Designer's accrued liability under this Agreement exceed the amount received under this Agreement. In no event, shall the Designer be liable for any indirect, special, incidental, consequential damages nor damages, including but not limited to loss of profit or revenue, loss of interest, or loss of use of equipment, loss of production, or damage to reputation, even if the Designer has been advised of the possibility of such claims, whether arising in tort, contract or any other legal theory.

For the sake of clarity, the Designer shall not be liable for any product injury claims that may be addressed to the Licensee.

14. CONFIDENTIALITY

Both Parties acknowledge that during the term of this Agreement, they may have access to the other Party's confidential information. Confidential information shall mean confidential or other proprietary information that is disclosed by the disclosing Party to the receiving Party under this Agreement, including without limitation, designs, sketches, drawings, specification and documentation, business and product plans, and other confidential information, which is either marked as confidential or should be understood as confidential. Confidential information shall not include 1) information which is or becomes public without any action by, or involvement of the receiving Party, 2) information which is disclosed by the receiving Party with the prior written approval of the disclosing Party, 3) is subsequently and independently developed by

the receiving Party, or 4) information which is disclosed pursuant to any judicial or governmental order, provided that the receiving Party gives the disclosing Party sufficient prior notice to contest such order.

Both Parties agree not to disclose or permit any third party or entity access to the Confidential Information or any portion thereof without the prior written permission of the disclosing Party, not to use Confidential Information to damage or harm the disclosing Party, or not to use the Confidential Information for the benefit of the receiving Party.

This section 0 (Confidentiality) of this Agreement shall survive termination or expiry of this Agreement.

15. TERM, SUSPENSION AND TERMINATION

The License shall be valid

() for a fixed term of [period], (and thereafter for an additional term of [period] unless the Agreement is terminated by either party by giving to the other Party a written notice not less than one (1) month prior to the commencement of the additional term).

| or |

() until either Party terminates this Agreement by notifying the other Party in writing three (3) months prior to termination.

In case the Licensee does not fulfil an obligation under this Agreement, including a payment obligation, all rights granted under this Agreement by the Designer shall be suspended until said obligations have been fulfilled in full.

This Agreement and the License thereunder, may be terminated in whole or in part with 14 days notice by the Designer's in case

1. the Licensee breaches an obligation under this Agreement, and in case the breach is remediable, the Licensee does not remedy the breached obligation within 30 days of being notified of such breach,
2. the products incorporating the Design have not been brought to production within 9 months of signing this Agreement, or
3. the Licensee has not used or utilized the Design, or the products incorporating the Design have not been part of the Licensee assortment, for a period of 6 consecutive months.

Either party may terminate this Agreement with immediate effect if:

1. an order is made or a resolution is passed for the winding up of the other Party, or an order is made for the appointment of an administrator to manage the affairs, business and property of the other Party;
2. if the other Party is declared insolvent, bankrupt or has requested a suspension of payment or files for bankruptcy.

For the sake of clarity, in case this Agreement is terminated, all rights granted by the Designer to the Licensee under this Agreement shall be terminated and discontinued when the termination of this Agreement enters into effect.

16. EXPORT CONTROL

The Licensee agrees that it will not directly or indirectly sell, deliver or export the products incorporating the Design outside of the Territory without the prior written consent of the Designer and the appropriate license related thereto. In exporting and importing the products incorporating the Design among countries within the Territory or outside the Territory when permitted by the Designer, the Licensee agrees to comply with all export and import laws, rules, policies, procedures, restrictions and regulations of the local legislation and authority, and not to export or import or allow the export or import of any goods in violation of any such restrictions, laws or regulations. The Licensee shall obtain all licenses permits and approvals required by any government, provided that in doing so the Licensee shall at all times fully protect the confidential information and proprietary rights of the Designer and its suppliers and the Licensee shall not bind the Designer or its suppliers to any action or inaction unless agreed to in writing by the Designer.

17. MISCELLANEOUS

Assignment and modifications

Neither Party may, without the written consent of the other Party, assign this Agreement or otherwise transfer its rights or obligations under this Agreement, provided that the Designer may assign or transfer its rights and obligations under this Agreement to its affiliates, including any successor of its business without the consent of the Licensee.

All amendments, modifications, additions and additional provisions to this Agreement must be made in writing and signed by the duly authorized representatives of both Parties.

Notices

All notices, requests, consents, approvals, agreements, authorizations, acknowledgements, waivers and other communications required under this Agreement shall be in writing and will be deemed given when delivered to the physical or electronic address specified below:

[address]

Relationship of the parties

Both Parties to this Agreement are independent contractors and nothing in this Agreement shall be construed to make the Parties partners, joint venture, principals, agents or employees of each other.

Severability

If any provision of this Agreement, other than a term or provision relating to any payment obligation, is held by a court of competent jurisdiction to be contrary to law, the remaining provision of this Agreement or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such provision of this Agreement shall be valid and enforceable to the extent granted by law.

No Waiver

No waiver, alteration, variation or addition to this Agreement shall be effective unless made in writing by the authorized representatives of both Parties.

Force majeure

Neither Party shall be liable for delays or failure to meet its obligations pursuant to this Agreement due to causes beyond the Party's reasonable control, to the extent that such causes affect the Party, provided the non-performing Party promptly notifies the other Party of the non-performance and takes all reasonable steps to recommence performance promptly.

Governing law

This Agreement shall be governed by and construed in accordance with the laws of Finland excluding its choice of law provisions.

Dispute resolution

Disputes between the Designer and the Licensee are primarily intended to be resolved amicably by negotiation. Where no agreement is reached, any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be settled in the Market Court in Helsinki, Finland.

| or |

Disputes between the Designer and the Licensee are primarily intended to be resolved amicably by negotiation. Where no agreement is reached, any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Arbitrations Institute, in Helsinki in English language.

Without prejudice to the foregoing in relation to the Licensee, nothing in this section shall prevent or restrict the Designer from electing to bring proceedings in relation to design rights or other intellectual property right infringement or from applying for injunctive relief in any court outside Finland.

18. COUNTERPARTS AND SIGNATURES

This Agreement has been duly executed in two (2) original copies, one (1) for each Party.

In [place], on [date] of [month], [year].

The Designer:

The Licensee:

[Name]

[Title]

[Name]

[Title]

APPENDICES

Appendix 1 The Design

Appendix 2 The Designer's Marks