Annex no. 4

"Draft License Agreement"

**License Agreement**

**Rezekne Technology Academy** , registration no. 90000011588, Ministry of Education and Culture Register registration no. 3194001444 , legal address: Atbrivošanas aleja 115, Rēzekne, LV-4601 (hereinafter - Licensee) , in the person of the rector Iveta Mietuli , who acts in accordance with the order of the Cabinet of Ministers No. 98 of 26.02.2019 "About Iveta Mietuli " , on the one hand, and

\_\_\_\_\_\_\_\_\_\_\_\_\_, registration number \_\_\_\_\_\_\_\_\_\_, legal address: \_\_\_\_\_\_\_\_\_\_, in the person of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, who acts on the basis of \_\_\_\_\_\_\_\_\_\_, hereinafter referred to as the Licensee, on the other hand, both together hereinafter referred to as the Parties, enter into the following agreement, hereinafter referred to as the Agreement:

1. **Contract**
   1. The Licensor, for the payment specified in the Agreement and for the term specified in the Agreement, grants to the Licensee an exclusive license to use the know-how " Stepless Belt Transmission" (hereinafter - the Knowledge) in the **electric karting industry / micro car industry / micro mobility vehicle industry in [[1]](#footnote-1)**accordance with Chapter 2 of the Agreement in the territory of operation - all over the world.
   2. Within the meaning of the Agreement, the issuance of a license shall not be considered as alienation of the ownership rights of Science in favor of the Licensee.
2. **Using science**
   1. The Licensee has no right to transfer the Science or its individual elements to third parties without prior written agreement with the Licensor. The Licensee has no right to issue sub-licenses without prior written agreement with the Licensor .
   2. The Licensee has the right to use the Science for manufacturing, storing , using, importing (importing), exporting (exporting), offering for sale, selling and otherwise putting into commercial circulation worldwide in the electric karting industry. The Licensee has the right, when handling the Science, to indicate the Licensor as the author and owner of the Science. In this context, the licensor has the right to request configuration and coordination of the content and type of certain information to be made public.
   3. The licensor has the right to distribute the license and further develop the Science Technology in other unrelated industries.
   4. If the Parties separately agree, the Licensor reserves the right to further use the Science for research purposes.
   5. If the Parties separately agree, the Licensee reserves the right to further use the Science for research purposes, involving the Licensor.
3. **Confidential Information and Trade Secret**
   1. All information received and transferred within the framework of the Agreement shall be considered a trade secret and confidential information (hereinafter referred to as Confidential Information), including any information about Science, incl. information that could lead to similar know-how.
   2. Information and materials that meet at least one of the following characteristics shall not be considered undisclosed information and materials within the meaning of the Agreement:
      1. the information or materials are common knowledge;
      2. information or materials, the disclosure obligation of which results from regulatory enactments and which is disclosed in accordance with the procedures specified in regulatory enactments;
      3. information that characterizes, explains or justifies the characteristics, functionality, uniqueness of the Science, while ensuring that no information is disclosed that can directly lead to similar products created by third parties.
   3. When deciding on the handling of Confidential Information and when handling Confidential Information, the Parties are bound by the provisions of the Law on the Protection of Trade Secrets and other regulatory acts, including the principle established in the Civil Law that rights must be exercised and obligations must be performed in good faith.
   4. The parties undertake not to disclose the Confidential information specified in subsection 3.1 of this Agreement to any third parties, assuming the responsibility for losses specified in this Agreement, incl. lost profits and costs that the other Party may incur in connection with the commitment specified in this paragraph. The above does not apply to the disclosure of the necessary information to the official state institutions in order to implement the functions and tasks defined for them in the regulatory acts.
   5. The licensee ensures the conclusion of full-fledged and appropriate confidentiality agreements with his employees or any other natural or legal persons who operate with Science. The actions of the subjects are permissible and limited only in the context of fulfilling the obligations of this Agreement.
   6. The parties undertake to store and protect Confidential Information and to observe reasonable information storage conditions. In case of doubt regarding the Confidential Information, the Parties shall refrain from acting until the action has been agreed with the other Party. On the other hand, upon receiving objections from the other Party regarding the handling of the Confidential Information, the Party stops the specific action until a joint evaluation of the circumstances and a mutually agreed solution is reached. In such a case, neither Party imposes unreasonable obstacles to the exercise of the rights of the other Party to deal with Confidential Information in a legal and correct manner.
   7. Upon termination of the Agreement, the Licensee shall immediately, but not later than within 7 (seven) days, return to the Licensor all Confidential Information received from the Licensor in any form and destroy or delete all duplicates or copies of the information stored in paper, electronic or other form with a mutually executed deed. By signing the act, the Licensee confirms and assumes responsibility that he has acted in accordance with this clause, and further access to information to the Licensee himself or to third parties in connection with the Science is excluded. Exceptions are allowed as far as the Licensee is able to justify them, if they are based on mandatory requirements of regulatory acts or legal requirements of official institutions.
   8. If at least one Party considers it necessary, the Parties sign acceptance-handover acts regarding the fact, scope, content and other aspects of the transfer of Confidential Information transferred to the other Party.
   9. The parties also comply with the rules for the processing of personal data:
      1. If documents or information containing or may contain data of natural persons (hereinafter - Data) are obtained within the framework of the Agreement, the Parties are entitled to process the Data obtained from the other Party only for the purpose of ensuring the fulfillment of the obligations stipulated in the Agreement, in compliance with the requirements for data processing set forth in the current laws and regulations. and for protection. When processing Data, each Party is responsible for ensuring Data processing in accordance with the Agreement and regulations. Each Party is obliged to implement appropriate technical and organizational measures within the framework of the Agreement in order to ensure and be able to demonstrably demonstrate that Data processing takes place in accordance with the laws and regulations governing Data processing;
      2. When processing Data, the Parties ensure that only authorized persons have access to the technical resources used for the processing and protection of personal data (including personal data);
      3. If, as part of the performance of the Agreement, one Party transfers Data to the other Party, then the Party that transfers the Data is responsible for the correctness of the transferred Data and that it is entitled to transfer the Data to the other Party. The Party supplements or corrects the Data, terminates the processing of the data transferred by the relevant Party or destroys them if the transferred Data is incomplete, outdated, false or illegally processed. The Parties undertake not to store the Data received as part of the performance of the Agreement for longer than is necessary for the purpose for which they have been transferred, and after the achievement of the purpose specified in the Agreement, undertake to delete the Data received from their information systems as soon as possible;
      4. The Parties agree that in the event that one of the Parties is held liable for a personal data protection violation committed by the other Party, the guilty Party, to the extent that it is responsible for the violation, shall reimburse all costs, payments, damages, expenses or losses that it caused as a result of its actions or inaction.
4. **Payments and settlement procedures**
   1. The Licensee makes payments to the Licensor for the use of Science in accordance with the Agreement in the following way:
      1. initial, fixed payment in the total amount of EUR 1300 (one thousand three hundred euros and zero euro cents, without value added tax (hereinafter - VAT);
      2. after two years after the conclusion of the license agreement - a fixed payment in the total amount of EUR 2,600 (two thousand six hundred euros) without VAT;
      3. in the fourth to tenth year after the conclusion of the license agreement - a fixed annual payment in the total amount of 1516 EUR (one thousand five hundred and sixteen euros ) without VAT per year;
      4. interest payments in the amount of …% of the revenues obtained by the Licensee for each unit sold, but not less than EUR 30 (thirty euros) for each copy of the stepless belt transmission equipment sold, excluding VAT.
   2. Payment is made by the Licensee according to the invoices prepared by the Licensor.
   3. The invoice for the initial, fixed payment provided for in clause 4.1.1 of the Agreement shall be paid by the Licensee within one month from the conclusion of the Agreement and issuing of the invoice.
   4. regular interest payments, the Parties observe:
      1. Within 15 (fifteen) days after the end of each calendar half year (June, December), the Licensee submits to the Licensor a written report, which contains both a summary and details of sales and income volumes, and the amount of interest payments due to the Licensor calculated by the Licensee . At the Licensor's request, the Licensee submits clarifications and details of the information contained in the report, as well as supporting documentation, no later than within 15 (fifteen) days;
      2. The Licensor evaluates the received information and, if he considers it sufficient and acceptable, sends the Licensee an invoice for the current interest payment ;
      3. The payment term for the Licensee is 15 (fifteen) days after receipt of the invoice issued by the Licensor;
   5. Revenue accounting and reporting:
      1. The licensee keeps complete and accurate records, incl. with supporting documentation, for a machine with a stepless belt drive sales and income;
      2. records and documentation on the sale of equipment with stepless belt transmissions and the earned income to the Licensor and to an independent, certified auditor or accountant chosen by the Licensor, or to institutions supervising the implementation of the project, after receiving a written notice from the Licensor;
      3. Accounting and accounting records together with supporting documentation must be kept by the Licensee for at least 5 (five) years after the end of the relevant period for which interest payments are calculated. The Licensor has the right to request information for another 2 (two) years after the termination of the Agreement;
      4. Accounting or auditing must be performed at the Licensor's expense;
      5. An accounting or audit check cannot take place more often than 1 (one) time a year, except for the case when inconsistencies were discovered in the previous half year. In this case, the inspection can take place twice a year or quarterly;
      6. The parties, when concluding an agreement to the Agreement, may clarify or supplement the provisions contained in the sub-clauses of clause 4.5.
5. **Contract period**
   1. The agreement is concluded for 10 (ten) years - until 2032 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and enters into force when it is signed by both sides.
   2. The parties have the right to terminate the Agreement before the deadline by written agreement.
   3. If one Party violates any of the provisions of the Agreement and such violation is not remedied within 30 (thirty) working days from the receipt of a written notification from the other Party, or if the violation is repeated, the other Party may unilaterally terminate the Agreement. The party terminating the Agreement must notify the breaching party why and when the Agreement is being terminated. The notice, which includes the grounds and date of termination of the Agreement, is sent by the other Party to the party who violated the Agreement no later than 30 (thirty) days before the date of termination of the Agreement.
   4. The Licensor has the right to unilaterally terminate the Agreement also if:
      1. The licensee does not pay the initial, fixed payment within the specified period;
      2. if the Licensee's insolvency or legal protection ( out-of -court legal protection) process case is initiated in court;
      3. sublicensed without Licensor's consent .
      4. The licensee has violated the terms of Confidential Information or Trade Secret.
   5. The licensee has the right to unilaterally terminate the Agreement within two years after the conclusion of the Agreement. In this case, the payment specified in Clause 4.1.1 of the Agreement is not returned to the Licensee.
6. **Liability of the parties and dispute resolution procedure**
   1. The Licensee shall pay a contractual penalty to the Licensor for late payment in the amount of 0.5% (zero, decimal point, five percent) of the overdue payment amount for each overdue day, but no more than 10% (ten percent) of the overdue amount.
   2. The payment of the contractual penalty does not release the Parties from the full performance of their obligations.
   3. The Parties are bound by the generally accepted circumstances of force majeure, which may be caused by fires, natural disasters, wars, blockades, state-imposed and non-enforceable regulatory acts or other circumstances beyond the will and influence of the Parties. If these conditions continue for more than three months, then each of the Parties has the right to unilaterally terminate the Agreement, and in this case, neither Party has the right to demand from the other the damages related to the termination of the Agreement or the compensation of damages. However, the Parties are bound by the provisions of Clause 6.5 of the Agreement.
   4. The Party experiencing force majeure shall notify the other Party in writing of the occurrence and termination of such circumstances within five days. To prove the occurrence and duration of such circumstances, the other Party may request official certificates issued by a relevant state institution or other evidence.
   5. Disputes that arise between the Parties during the validity of the Agreement are resolved through negotiations. In the event that no agreement is reached during the negotiations within 30 (thirty) calendar days, the disputes are resolved in accordance with the procedures set forth in the applicable regulatory acts.
7. **Final Terms**
   1. Issues that are not reflected in the Agreement are considered in accordance with the current regulatory enactments of the Republic of Latvia.
   2. In the event that one of the clauses of the Agreement loses its validity, it does not affect the validity of the other provisions of the Agreement.
   3. All additions, corrections and amendments to the Agreement acquire legal force if they are drawn up in writing and signed by the Parties, becoming an integral part of the Agreement.
   4. As a contact person for the execution of the Agreement
   5. licensor determines \_\_\_\_\_\_\_\_\_\_\_\_, tel. \_\_\_\_\_\_\_\_\_\_\_\_, email address: \_\_\_\_\_\_\_\_\_\_\_\_ ,
   6. licensee determines \_\_\_\_\_\_\_\_\_\_\_\_\_ , tel. \_\_\_\_\_\_\_\_\_\_\_\_ , email address: \_\_\_\_\_\_\_\_\_\_\_\_ ,
   7. The contract is prepared in Latvian on \_\_ (\_\_\_\_) pages. The parties sign the Agreement with a secure electronic signature containing a time stamp. The date of signing the contract is the date of the last attached secure electronic signature and its time stamp. A mutually signed Agreement in electronic format is available to each of the Parties.

**8. Details and signatures of the parties**

1. According to the applicant's application for participation in the auction [↑](#footnote-ref-1)