

This is a Non-Binding Draft Document

THIS AGREEMENT DATED _____

IS BETWEEN:

Fast Pants Mobile Apps Pty. Ltd. (ABN), a company having its principal place of ~~residence~~
~~business at 46 Heathcliff Crescent, Balgowlah Heights, NSW, 2093. xxxxx~~ (Licensor)

AND

Vowwow Pty Ltd[ABN] a company having its principal place of business at 33 Riley St
Woolloomooloo, NSW, 2011. (Licensee)

RECITALS

A. Peter Merel is an experienced IT Consultant and the author of Intellectual Property related to Agile Methodologies, Practices and Training Materials referred to as XSCALE. Peter Merel has assigned all ownership of XSCALE Intellectual Property to the Licensor under the terms of his employment by same.

B. Vowwow is an organisation who provides its customers access to specialised services to facilitate growth of the organisation and its employees. The four directors have extensive sales, marketing, negotiation and commercial skills and experience.

C. Vowwow has an existing relationship with DDLS, a national provider of technology and business training.

D. Peter Merel met with the directors of Vowwow in July 2015 to discuss a possible business relationship related to the sales and marketing of XSCALE.

E. VowWow organised two events at the offices of DDLS to promote Licensor's XSCALE methodology to gauge market appetite for the product.

F. Vowwow has negotiated a deal with DDLS to offer XSCALE courses throughout their network of Australian training facilities.

G. In order to complete XSCALE Courseware to meet the DDLS schedule, Licensor requested an Advance on Royalties from VowWow.

H. Vowwow has agreed to provide Licensor the Advance on Royalties. Vowwow is concerned about the repayment of the Advance on Royalties and retaining its exclusive global license

I. ~~1.~~ Licensor has agreed to provide an exclusive global license and a share of royalties to Vowwow subject to terms and conditions. Licensor is concerned about

a. Maintaining control of its ownership of its various Intellectual Properties

- b. Enabling strategic relationships with beneficial parties worldwide regarding these properties
- c. Resuming its ability to issue licenses in the XSCALE Courseware directly if at some stage Vowwow fails in its obligations under this contract
- d. Prevention of assignment of Vowwow's license to a third party without Licensor's first right of refusal to such an assignment

J. The intention is to promote XSCALE Courseware initially throughout Australia in 2016, then throughout the rest of the world. Licensor has agreed to make Peter Merel available to train the trainers, collaborate with Training Provider in creation of trainers' notes and facilitate the training of course participants for an agreed "Instructors Fee", and within reasonable timeframes and ranges of location-

K. The following points are intended to contextualise the purpose of the partnership and agreement between the parties:

1. Commercialise XSCALE Courseware in order to maximise global revenue opportunities
2. Establish professional business practices to minimise costs and maximise profit
3. To continuously improve XSCALE Courseware to maximise Return on Investment
4. Maximise distribution of XSCALE Courseware through a variety of promotional and marketing activities and events
5. To be mindful of the need for "speed to market" to actualise current market opportunities for XSCALE Courseware
6. To identify and develop new opportunities to leverage XSCALE Courseware into other business ventures
7. Both parties to actively participate in the promotion, marketing and sales of XSCALE Courseware
8. Where appropriate, to introduce other professionals to assist in leveraging and scaling business opportunities

DEFINITIONS

Agreement - means this License Agreement including any attached Schedules.

"Advance on Royalties" - a payment made by the licensee to the licensor which is to be offset against future royalty payments made to the Licensor.

"License Grant" - the licensor grants to the licensee an exclusive Australian/New Zealand and International licence to use the XSCALE Courseware subject to the terms and conditions set out in this Agreement. This license will grant the licensee the authority to sub-license the "courseware" to training providers and organisations as per the terms and conditions set out in this Agreement.

"XSCALE reference material" means all materials other than the XSCALE Courseware.

"XSCALE Courseware" - means all training materials developed under the terms of this contract related to XSCALE reference material, including but not limited to ~~reference material~~, student manuals, facilitators manuals, trainers notes, ~~trademarks~~, exams, certification materials and any iterations thereof.

Iterations - means adaptations, versions, updates and enhancements of the XSCALE Courseware ~~and related Agile Methodologies~~.

Channel - means the manner in which courseware is delivered and or distributed including, but not limited to classroom based, inhouse ie within a company environment and online.

Royalties - payments to the ~~licensor~~/Licensee of in exchange for any use of the XSCALE Courseware by sub-Licensees as per the terms and conditions of this Agreement

"Instructors Fee" - a fee to be paid to the instructor(s) who delivers the XSCALE Courseware, to be negotiated between the Training Provider, Licensee and Instructor.

Training Provider - any third party that is granted a sub-licence by the Licensee

Schedule 1 (royalties, fees payments, advance on royalties, deliverables)

Item 1 - Licensor

Name:

Address:

Mobile

Email

Item 2 - Licensee

Name

Address

Mobile

Email

Item 3 - Advance on Royalties (to be paid by Licensee to Licensor)

Amount: \$100,000

Payment 1: \$40,000

Payment 1 Due: On Signature of this Agreement by both parties

Payment 2: \$15,000

Payment 2 Due: Upon successful delivery and ~~DDLS~~-Vowwow approval of Product Squad Courseware, no later than 8/1/2016

Payment 3: \$15,000

Payment 3 Due: Upon successful delivery and ~~DDLS~~-Vowwow approval of Delivery Squad Courseware, no later than 8/2/2016

Payment 4: \$15,000

Payment 4 Due: Upon successful delivery and ~~DDL~~S-Vowwow approval of Portfolio Management Courseware, no later than 31/3/2016

Payment 5: \$15,000

Payment 5 Due: Upon successful delivery and ~~DDL~~S-Vowwow approval of Transformation Courseware, no later than 31/4/2016

Item 4 - Repayment of Advance on Royalties

The Licensor's ~~total~~ Royalty Payments are to be paid 50% to the Licensee until the Advance on Royalties has been fully repaid.

Item 5 - Royalty Payments

The Royalty Payments for the licence of XSCALE Courseware are to be paid out of the gross payments from sublicensees to the licensee in the following proportions, 80% to the Licensor and 20% ~~to-retained by~~ the Licensee, after Advance on Royalties has been fully repaid.

Item 6 - Payment Terms

Payment of due Royalties and any Facilitation Fee to the Licensor will be made within 7 days of payment from Training Provider to the Licensee. Licensor agrees to provide a tax invoice to the Licensee.

Item 7 – Exclusivity

Licensor shall not issue any further licenses in the Courseware except to Licensee. Licensee shall not refuse to sub-license any party Licensor proposes to be sub-licensed under any mutually agreeable terms unless Licensee objects that such a refusal would be commercially unfair, and a commercial mediator subsequently sustains this objection.

Item 8 – Enquiries

The Licensor will direct sales enquiries regarding XSCALE Courseware to the Licensee to evaluate and negotiate commercial terms.

Rights and Obligations

Licensor

Rights

- An advance on ~~Course revenue~~the Royalties from VowWow of \$100k in staged payments based on approval of course materials as per Item 3 above.
- Support of VowWow to sub-license ~~his~~the XSCALE courseware internationally
- 80% of all ~~R~~oyalties gained from all sub-licencees once advance has been repaid
- Facilitator fee when personally undertaking~~Licensor undertakes~~ the training agreed as part of sub-license agreement ~~(subject to change based on written notification from sub-licensee)~~.
- Licensor to have first right of refusal for all course facilitation.
- Payment of ~~entitled these~~ amounts 7 days after VowWow receives payment from ~~sub-licensee~~Training Provider

- Reserve the right to refuse use of courseware by VowWow or its sub-licensees unless VowWow approves courseware.
- Create and license XSCALE reference materials including but not limited to web sites, books, videos, speaking events and event workshops so long as these do not infringe upon Licensee's exclusive right to sub-license the courseware.
- Modify courseware as required for in-house training engagements
- Modify Courseware for other channels including but not limited to online
- Make changes/updates to courseware and materials as required including development of new courses based on demand and changes in the market
- First right of refusal if Licensee seeks to sell its license to another party.
- Travel, administrative and any other costs incurred in Licensors provision of Training to sub-licensees to be covered by Licensee.

Obligations

- Agree to repay the advance on royalties of \$100k
- Provide evidence of Assignment of ownership of all XSCALE Courseware to LicensorsFast Pants by its employee Peter Merel.
- Fast PantsLicensor to assign exclusive license to VowWow to sell sub-licenses to sub-licensees internationally
- Develop courseware for 4- XSCALEscale training courses for class room training, to be approved by VowWow (subject to approval by sub-licensee)
- ~~Modify courseware as required for in-house training~~
- ~~Modify Courseware for other channels including but not limited to online~~
- Develop relevant support materials for the course, training notes, student materials etc
- ~~Make changes/updates to courseware and materials as required including development of new courses based on demand and changes in the market~~
- Be available for training of courses through agreed sub-licensees, Train the trainers to complete training courses where demand exceeds Peter Merel's ability to deliver courses or once courses are established with training providers and alternative trainers are available, this training to be remunerated via normal royalties and facillitator's fees.-Travel, administrative and other costs incurred in provision of this training to be covered by Licensee.
- Be reasonably available to Supply content, materials and ~~be available for~~ promotional activities run by VowWow and the sub-licensees to ~~fill-promote~~ training seat sales by ~~with~~ sub-licensees
- Refer any enquires for Sub licences of the training to VowWow-Licensee
- Be reasonably available to support the sales process around the acquisition of new sub-licensees
- Agree on the provision of Sub-Licenses recommended by VowWow-Licensee under the terms of this contract.
- Assign ~~all-a~~ 50% share of ~~Fast Pants-R~~royalties to VowWow-Licensee until advance of \$100k repaid, if amount not repaid with 2 years agree to a structure to repay the outstanding amount
- ~~Once advance repaid agree to provide 20% of all Royalty fees associated with training to VowWow~~

VowWow

Rights

- ~~All 50% of Sub-license R~~royalty revenue until advance has been repaid based on ~~agreed-repayment terms in this contract (Advance repaid from Licensor share of royalty only)~~
- Once Advance repaid ~~VowWow-Licensee~~ will receive 20% of Royalties ~~fee~~ from the sub-licensees
- VowWow receives 20% of training revenue when ~~Xscale-XSCALE~~ courseware used for in-house training and facilitation ~~in the course of Licensor's consulting activities.~~
- Fees paid by the sub-licensee for marketing and admin not related to Royalties ~~fee~~
- Exclusive license to grant sub-licenses internationally for training on all courses associated with ~~Xscale-XSCALE IP-Courseware handled by Fast Pants~~
- Right to promote and market ~~Xscale-XSCALE Courseware through VowWow~~
- ~~Acquire~~ Ownership of ~~IP-the Courseware developed under this contract from Fast Pants~~ Licensor for a fair consideration as determined by an independent commercial mediator if Licensor defaults on repayments of advance ~~based on agreed conditions per this contract.~~

Obligations

- ~~To~~ provide Licensor an advance on royalty revenue of \$100k staggered based on agreed deliverables
- ~~Negotiate prices of Courseware sub-license terms with Licensor on a per-sublicensee basis. If Licensor and Licensee cannot agree on these terms, a commercial mediator is to resolve the dispute.~~
- Provide Licensor a monthly statement regarding ~~Royalties and repayment of the advance on Rroyaltiesy-repayment~~
- Grant sub-licenses internationally to sub-licensees ~~agreeing-subject to agreeing~~ commercial terms ~~with Licensor~~ around ~~sub-licensee obligations for~~ Royalty payment, Training Facilitator fee, Marketing fees and any other costs admin/travel etc
- ~~Evaluate-Agree to~~ all opportunities presented by Licensor for suitability of a granting of a sub-license ~~per Item 7 above.~~
- Identify suitable partners and evaluate suitability to receive sub-licenses
- ~~Provide in course development to ensure courses meet market demand~~
- Approve course material subject to approval from Sub-licensee
- Manage the relationship with sub-licensee (marketing plans/sales targets & projections/ admin function/course logistics/day to day point of contact)
- Manage 3rd party trainers who have been trained ~~and approved~~ by Licensor who are not allocated by the sub-licensee. ~~Licensor to receive 10% of gross fees paid to Licensee by sub-licensees for the services of these trainers.~~
- ~~Identify additional revenue opportunities for the Xscale-XSCALE IPCourseware developed under this contract.~~
- ~~After the first two years, maintain sufficient XSCALE Courseware-based sales performance that Licensor's proceeds under this contract are never less than AUD \$300,000 per year. If this obligation is not met, Licensor is subsequently permitted to offer licenses for the XSCALE Courseware to other parties directly.~~