License and Distribution Agreement (‘COMPANY NAME / GAME TITLE’)

THIS AGREEMENT is made on this \_\_ day of \_\_\_\_\_ 2018

PARTIES:

1. COMPANY NAME whose registered office is at: \_\_\_\_\_\_\_\_\_ ("LICENSOR").

(2) \_\_\_\_\_\_\_\_\_ whose registered office is at 52, 1st April, 7600 Athienou, Larnaca, Cyprus (“\_\_\_\_\_\_\_\_\_”).

INTRODUCTION:

1. LICENSOR is a developer and publisher of mobile games.
2. \_\_\_\_\_\_\_\_\_ is a publisher and distributor of mobile games.
3. \_\_\_\_\_\_\_\_\_ has agreed to publish and distribute certain mobile games in which LICENSOR owns rights, on and subject to the terms and conditions contained in this Agreement.

**In consideration of the mutual rights and obligations contained in this Agreement it is agreed as follows:**

**1. Definitions**

* 1. The following terms shall have the following meanings:

|  |  |
| --- | --- |
| **Adjusted Gross Revenues** | means all sums or consideration received or recognised by or credited to \_\_\_\_\_\_\_\_\_ or any of its affiliates or related entities in respect of the sale, licensing or other exploitation of the Game and any related content, add-ons and features and including without limitation any and all sums attributable to purchases, subscriptions, micro-transactions, advertising-based revenue, affiliate marketing revenue, virtual currency exchanges and any other amounts generated, including without limitation Online Revenues LESS value added taxes, included into the price of goods or services in accordance with the laws of the Territory;  WHERE:  “Online Revenue” means all revenues generated or recognized by \_\_\_\_\_\_\_\_\_ arising out of on-line sales and distribution of the game cards, online game cards, item sales or by charging subscribers for periodic use of the Game less bona fide deductions in respect of fraud, End Users’ cashbacks and applicable value added taxes included into the price of goods or services in accordance with the laws of Territory;  Value added tax when it occurs is paid by End Users and shall not be included in Adjusted Gross Revenue (VAT).; |
| **Defect** | means a material fault, material error or material malfunction in software which materially adversely affects the operation of the Game and any material deviation in a Game or Version from its Specification or commonly accepted standards for normal and correct operation, in each case having regard to the intended use and / or applicable stage of development, other than those “waived” by \_\_\_\_\_\_\_\_\_; |
| **Delivery and Payment Schedule** | means the milestone schedule set out in Schedule 1; |
| **\_\_\_\_\_\_\_\_\_ End User Database** | means the database records created by \_\_\_\_\_\_\_\_\_ which describe or are associated with users of the Game, including but not limited to, such user’s name, address, e-mail address, phone number and/or individual identification number created by \_\_\_\_\_\_\_\_\_. |
| **\_\_\_\_\_\_\_\_\_ End Users** | means the users of the Game through any network game service system established and operated by \_\_\_\_\_\_\_\_\_ with individually assigned identification numbers for each such End User; |
| **\_\_\_\_\_\_\_\_\_ Materials (if applicable)** | means all copy, content, graphics, images, software, data and other materials provided by \_\_\_\_\_\_\_\_\_ (or by a third party on behalf of \_\_\_\_\_\_\_\_\_) to be incorporated into (or used in association with) the Game by LICENSOR including without limitation as described in Schedule 1; |
| **Game** | means mobile game with the title in Chinese \_\_\_\_\_\_\_\_\_, working title in English \_\_\_\_\_\_\_\_\_ (cert. No. \_\_\_\_\_\_\_\_\_\_ as of \_\_\_\_\_\_\_) in executable form as developed and delivered by LICENSOR and any and all downloadable or supplemental content for use with and as part of the Game, as more specifically described in Schedule 1; |
| **Guarantee** | means the sums payable by \_\_\_\_\_\_\_\_\_ as described in Schedule 1; |
| **License Fee** | means the non-recoupable sums payable by \_\_\_\_\_\_\_\_\_ as described in Schedule 1; |
| **Intellectual Property Rights** | means copyright, design rights, database right, patents and any rights to inventions, know-how, personality or image rights, performance rights, trade and business names, trade secrets, logos and devices, trade and service marks (whether registered or unregistered) and any applications therefore and all rights in confidential information; |
| **Languages** | means languages described in Schedule 1; |
| **Localised Version** | means the versions of the Game localised in and for the Languages; |
|  |  |
| **Marketing Materials** | means such marketing, advertising and promotional materials as are created by \_\_\_\_\_\_\_\_\_ in connection with the Publishing of the Game. |
| **Material Change** | means a change to the Game that amounts to or requires a material deviation from the Specification or the provision of work or materials other than the LICENSOR Services or LICENSOR Materials; |
| **Mobile App Stores** | means the mobile app stores described in Schedule 1; |
| **Publish** | means use, produce, reproduce, market, advertise, promote, publish, distribute, disseminate, diffuse, display, exhibit, show, play, sell, supply, issue to the public and /or otherwise make available; |
| **Publishing Services** | means the services described in Schedule 1; |
| **Royalties** | means the royalty payments to be made to LICENSOR in accordance with clause 10 below which shall be the percentage of Adjusted Gross Revenues set out in Schedule 1; |
|  |  |
| **Term** | means the duration of this Agreement and the licence granted hereunder as set out at in Schedule 1 to this Agreement; |
| **Territory** | means those countries listed in Schedule 1; |
| **Version (if applicable)** | means each version of the Game at a specific stage of development as set out in the Delivery and Payment Schedule; |
| **Game’s Materials** | means:  (a) the underlying software and back end materials of the Gamewhich form part of the Game;  (b) the name of the Game and all brand, trade mark and trade dress features of LICENSOR in the Game;  (c) the characters, settings, stories, story lines, titles, themes, objects, dialog, catch phrases, concepts, artistic representations, rules, names, likenesses, designs and other elements of the Game; |
| **LICENSOR Services** | means the services described in Schedule 1; |
| **Update** | means an incremental update or upgrade to the Game which may corrects Defects or other issues, improve the end user experience, or provide any DLC; |
| **Major Update** | means an incremental update or upgrade to the Game including but not limited to significant changes in the Game adding huge content or changing the functionality of the Game with the aim to improve the Game, increase retention of the players within the Game and extend the life of the players – End Users; |
| **Minor Update** | means an incremental update or upgrade to the Game including but not limited to in-game events, sales, discounts, tournaments and items with the aim to fix errors and adding of new content of the Game. |

1.2. The headings used in this Agreement are for ease of reference only and shall not affect its interpretation.

1.3. Unless the context otherwise requires, in this Agreement a reference to any gender includes all genders, a reference to the singular includes the plural and vice versa and a reference to any statute or similar instrument shall be construed as including amendments and re-enactments.

1.4. This Agreement includes the schedules attached hereto.

1.5. A provision of this Agreement shall not be construed to the disadvantage of a party merely because it was responsible for the preparation of the Agreement or the inclusion of the provision.

1.6. The parties agree to act reasonably, diligently and in good faith towards each other at all times and, in the event of any consent, approval or acceptance being required under this Agreement, such shall not be unreasonably withheld or delayed and a reference to any consent, approval or acceptance shall be read as if the phrase “such shall not be unreasonably withheld or delayed” were included in that clause.

1. **Appointment of \_\_\_\_\_\_\_\_\_**
   1. LICENSOR hereby grants to \_\_\_\_\_\_\_\_\_ the exclusive right and licence (except for the terms in clause 2.2. below) to Publish the Game for the Mobile App Stores, Territory, and Term only, on and subject to the terms and conditions of this Agreement. \_\_\_\_\_\_\_\_\_ shall be entitled to manage the Game in the Territory, determine the pricing for the Territory and what will be sold from the existing available inventory.
   2. Notwithstanding the terms of clause 2.1 above LICENSOR shall be entitled and shall have a non-exclusive right and licence to promote community and fan base of LICENSOR by the link to the site of \_\_\_\_\_\_\_\_\_ and refer to the Game for the Mobile App Stores , Territory, and Term via its own website.
   3. \_\_\_\_\_\_\_\_\_ shall be entitled to create, retain and manage its own community associated with the Game and, subject to compliance with all applicable laws, collect and utilize data / analytics concerning the use of the Game in the Territory by any End Users.
   4. \_\_\_\_\_\_\_\_\_ shall be entitled to sub-license the rights and licences granted on an arms length basis without prior written consent of LICENSOR.
   5. All rights not expressly granted by this Agreement are retained and reserved by LICENSOR.
   6. Nothing in this Agreement shall limit or restrict LICENSOR’s rights or activities in respect of the Game outside the Territory or in respect of other than Mobile App Stores.
   7. Any versions / extensions / sequels of the Game for Mobile App Stores and other games that are the same genre as the Game and for Mobile App Stores and which contain at least half of same content as the Game (excluding Developer’s underlying software engines) shall be the part of the current Agreement.
2. **Development and LICENSOR Obligations**
   1. LICENSOR shall develop the Game and shall be responsible for all aspects of the development and maintenance of the Game, except as expressly provided otherwise in this Agreement. In particular and without limiting the foregoing, LICENSOR agrees and undertakes to:
      1. be responsible for all development work necessary for the development and maintenances of the Game;
      2. comply with all relevant legal requirements in relation to the development of the Game;
      3. use all reasonable efforts to deliver to \_\_\_\_\_\_\_\_\_, each Version by the due date described in the Delivery and Payment Schedule;
      4. provide the LICENSOR Services and commit such resources to the LICENSOR Services as shall be reasonably required for the development and maintenance of the Game;
      5. provide customary developer testing in respect of the Game;
      6. inform \_\_\_\_\_\_\_\_\_ immediately:
3. of any complaint concerning the Game which is received by it;
4. of any actual or suspected unlawful use of the Game or any Intellectual Property Rights in it; and
5. of any change of circumstances relevant to the Publishing of the Game in the Territory.
   1. The Game shall be delivered with the design goal that no changes or corrections will be required by \_\_\_\_\_\_\_\_\_, such that the Version of the Game used and implemented by \_\_\_\_\_\_\_\_\_ will be taken directly from the Version delivered by LICENSOR.
   2. Save as expressly provided by this Agreement LICENSOR shall have and shall retain full creative and editorial control in respect of the development and maintenance of the Game provided that it shall act reasonably and give reasonable consideration to such comments and suggestions as are made by \_\_\_\_\_\_\_\_\_.
   3. It is also the intention of the Parties that LICENSOR will develop and make available to \_\_\_\_\_\_\_\_\_ Updates, Major Updates, Minor Updates and/or DLC periodically throughout the Term in order to enhance the end user experience and heighten end user retention and monetization, as described in Schedule 1.
6. **Localisation**
   1. LICENSOR shall supply \_\_\_\_\_\_\_\_\_ with any and all text and other files, including UI of the Game, as shall be reasonably required for the purpose of creating the Localised Versions in sufficient time for such to be translated and such translations to be integrated by LICENSOR prior to the due date for completion. As soon as practicable following receipt of the files to be translated, \_\_\_\_\_\_\_\_\_ shall arrange for the creation of such translations as are required for the production of Localised Versions and supply LICENSOR with such translations.
7. **Game Review**
   1. LICENSOR shall deliver to \_\_\_\_\_\_\_\_\_ the Versions in accordance with the Delivery and Payment Schedule;
   2. Following delivery of each Version, \_\_\_\_\_\_\_\_\_ shall have ten (10) working days to review the Version to determine whether it contains any Defects;
   3. Each Version should be provided with patch notes which includes all changes made by developer in the Game in comparison with previous Version.
   4. In the event that \_\_\_\_\_\_\_\_\_ discovers no Defect, \_\_\_\_\_\_\_\_\_ shall provide LICENSOR with a written acceptance (“Acceptance Notice”);
   5. In the event that \_\_\_\_\_\_\_\_\_ discovers a Defect, \_\_\_\_\_\_\_\_\_ shall notify LICENSOR in writing providing full details of the nature of such Defect and the circumstances in which it arose or was discovered (“Correction Notice”);
   6. For reporting purposes reflected in 5.5 \_\_\_\_\_\_\_\_\_ shall use bug-tracking system hosted by LICENSOR all reports and feedback on this reports shall be written in English.
   7. On receipt of a Correction Notice LICENSOR shall investigate and use all best commercial efforts to correct all Defects reported by \_\_\_\_\_\_\_\_\_ and deliver to \_\_\_\_\_\_\_\_\_ a corrected Version without the Defect as soon as possible.
   8. In the event that \_\_\_\_\_\_\_\_\_ fails to deliver an Acceptance Notice or Correction Notice by the due date LICENSOR shall remind \_\_\_\_\_\_\_\_\_ in writing (including email) and if an Acceptance Notice or Correction Notice is not received within five (5) working days of such reminder the applicable Version shall be deemed accepted and the Guarantee in respect of such Version shall become due.
   9. The process described above shall be repeated until such time as the applicable Version has no Defects (other than those agreed to be waived) and \_\_\_\_\_\_\_\_\_ notifies LICENSOR of its acceptance or it is deemed accepted under clause 5.6 above.
   10. LICENSOR shall provide \_\_\_\_\_\_\_\_\_ with all such assistance and advice as it shall from time to time reasonably require in the process of reviewing the Game and each Version.
   11. \_\_\_\_\_\_\_\_\_ agrees to act reasonably and in good faith in connection with the evaluation of each Version and no acceptance (or Acceptance Notice) shall be unreasonably withheld or delayed.
   12. The delivery of a candidate Version with Defects shall not be deemed a material breach of this Agreement entitling \_\_\_\_\_\_\_\_\_ to terminate the Agreement pursuant to clause 13 below provided that such candidate Version is in a form suitable for review or evaluation hereunder and LICENSOR otherwise complies with the terms of this clause 5.
8. **Material Change**
   1. In the event that \_\_\_\_\_\_\_\_\_ shall require any Material Change to the LICENSOR and \_\_\_\_\_\_\_\_\_ shall, prior to such Material Change being effective or implemented, agree:
      1. the nature of the Material Change;
      2. the procedures for implementation of such Material Change; and
      3. the variation to the Delivery and Payment Schedule and Guarantees.
   2. Until any Material Change is formally agreed between \_\_\_\_\_\_\_\_\_ and LICENSOR, LICENSOR will continue to perform and be paid for the development as if the Material Change had not been proposed.
   3. All other matters relating to Material Change shall be (if applicable) agreed additionally by the Parties.
   4. Notwithstanding foregoing the parties agree that LICENSOR shall redraw NPC of the Game in the amount specified by \_\_\_\_\_\_\_\_\_ but not less than Fifteen (15) characters.
9. **Publishing Obligations and Restrictions**
   1. \_\_\_\_\_\_\_\_\_ shall Publish the Game and shall be responsible for all aspects of Publishing the game, except as expressly provided otherwise in this Agreement. In particular and without limiting the foregoing \_\_\_\_\_\_\_\_\_ agrees and undertakes to:
      1. effect the applicable release of each applicable Version of the Game, described in the Delivery and Payment Schedule, within thirty (30) calendar days of delivery of such Version;
      2. use its best endeavours throughout the term of this Agreement to successfully Publish the Game including without limitation:

- successfully market, promote and expand the sale of units of the Game;

- cultivate and maintain good relations with customers in the Territory in accordance with sound commercial principles;

* + 1. provide the Publishing Services and commit such resources to the Publishing Services as shall be reasonably required for Publishing the Game;
    2. provide LICENSOR with the \_\_\_\_\_\_\_\_\_ Materials as soon as reasonably available;
    3. perform its duties hereunder with reasonable care and Publish the Game to the standards of a first class games publisher;
    4. subject to \_\_\_\_\_\_\_\_\_’s right to recover such costs as are described in the definition of “Adjusted Gross Revenues”, perform its duties hereunder at its own cost and expense and be responsible for the cost and expense of all promotional and marketing expenditure with respect to the Publishing of Game in the Territory for the Term;
    5. from time to time keep LICENSOR informed of its activities in respect of the Publishing of the Game and all circumstances significant to it and any changes relating to such circumstances;
    6. consult with and seek the prior approval of LICENSOR before advertising, providing product or promoting any third party product or service using the Game or its content;
    7. provide LICENSOR with access to all such sales and analytics data as it receives or produces in respect of the Game and its Publishing, on as live or real-time a basis as it is reasonably able;
    8. comply with all relevant legal requirements in relation to the performance of its duties hereunder;
    9. be responsible for obtaining all applicable age ratings (if any) applicable to the Publishing of the Game;
    10. ensure that all marketing and promotional materials relating to the Game bear the logos and proprietary legends in Schedule 1 in such form, size and position as LICENSOR shall reasonably require;
    11. inform LICENSOR immediately:

- of any complaint concerning the Game which is received by it;

- of any actual or suspected unlawful use of the Game or any Intellectual Property Rights in it; and

- of any change of circumstances relevant to the Publishing of the Game in the Territory.

* 1. \_\_\_\_\_\_\_\_\_ agrees and undertakes not to:
     1. Publish the Game (or do any act that forms part of Publishing) outside the Territory or Mobile App Stores;
     2. Publish or deal in any part of the Game separately or in any way other than as delivered to it and shall not “break up” the constituent parts or elements of the Game nor allow any third party to do;
     3. duplicate, reproduce, copy or manufacture the Game its content nor Publish or make available such content except only through the Game supplied by LICENSOR;
     4. amend, modify or decompile units of the Game and in particular shall not delete, obscure or amend any copyright notices displayed on or in units of the Game;
     5. market, sell, supply, distribute or exhibit in the Territory goods which are derived from or copies of or variations of the Game unless supplied by LICENSOR;
     6. make any false, misleading or deceptive statements, representations or claims in relation to the Game or its Publishing;
     7. make or give any promise, guarantee or warranty on behalf of LICENSOR in relation to any sale of a Game.
     8. not to use any trade marks, logos or legends in connection with the Game or any related marketing materials other than those approved by LICENSOR in writing or specified in Schedule 1.
  2. \_\_\_\_\_\_\_\_\_ shall not be liable for any failure in the performance of its obligations hereunder caused by LICENSOR (or LICENSOR's affiliates, third party contractors or service providers). In the event of any failure in \_\_\_\_\_\_\_\_\_’s performance of its obligations hereunder caused by LICENSOR (or LICENSOR’s affiliates or third party contractors or service providers) the due dates for such performance (and all subsequent dates) shall be extended by such period as is reasonably necessary to reflect the cause of such failure. In such circumstances \_\_\_\_\_\_\_\_\_ shall use reasonable efforts to mitigate the effects of such failure.

1. **Publishing, Marketing Materials and Credits**
   1. \_\_\_\_\_\_\_\_\_ shall be responsible for the production of all Marketing Materials.
   2. LICENSOR shall provide such raw materials, footage and content as \_\_\_\_\_\_\_\_\_ shall reasonable require for the production of Marketing Materials for the purpose of producing and using such Marketing Materials.
   3. \_\_\_\_\_\_\_\_\_ shall fully and properly consult with LICENSOR in connection with the production and use of Marketing Materials.
   4. \_\_\_\_\_\_\_\_\_ shall ensure that the Marketing Materials shall bear such logos and proprietary legends as LICENSOR shall reasonably require.
   5. LICENSOR shall ensure that the Game shall bear \_\_\_\_\_\_\_\_\_’s logo with at least equal in size to any logo of LICENSOR or any other third party logo to the extent that space permits.
2. **Payment**
   1. \_\_\_\_\_\_\_\_\_ shall pay to LICENSOR the License Fee, Guarantee and Royalty in accordance with Schedule 1 to this Agreement upon receiving from LICENSOR of an appropriate invoice.
   2. Payment of the License Fee and Guarantee shall be payable by wire transfer to LICENSOR’s nominated bank account in accordance with the Delivery and Payment Schedule.
   3. All invoices shall be paid by \_\_\_\_\_\_\_\_\_ within twenty five (25) working days following receipt of LICENSOR’s invoice.
   4. Following commercial release of the Game and deduction of the Guarantees by \_\_\_\_\_\_\_\_\_ from Royalties, \_\_\_\_\_\_\_\_\_ shall pay to LICENSOR the Royalties within forty (40) working days following the reported month and receipt of LICENSOR’s invoice. Any invoice for Royalty shall be issued by LICENSOR after approving of a Royalty report, executed and sent via email by \_\_\_\_\_\_\_\_\_ to LICENSOR at the end of each calendar month.
   5. All Royalties shall be non-refundable and payable without deduction or set off.
   6. All Royalties to LICENSOR hereunder shall be in Euro and shall be converted to Euro from roubles (or such currency as \_\_\_\_\_\_\_\_\_ receives those sums) at the official exchange rate of the Central Bank of Cyprus on the last day of each calendar month.
   7. All sums are expressed to be exclusive of Value Added Tax or any other applicable sales tax or duties which shall be paid by \_\_\_\_\_\_\_\_\_.
   8. Any overpayment of Royalties shall be regarded as a payment of advances against royalties and recouped by \_\_\_\_\_\_\_\_\_ from future Royalty payments.
   9. A final account in respect of all remaining Royalties due from \_\_\_\_\_\_\_\_\_ to LICENSOR will be rendered by no longer than six months after the expiry or termination of this Agreement.
3. **Reporting and Audit**
   1. \_\_\_\_\_\_\_\_\_ shall, within fifteen (15) working days following the end of each calendar month, deliver to LICENSOR a statement which contains all the information reasonably requested by LICENSOR to enable LICENSOR to ascertain:
      1. the Adjusted Gross Revenues in respect of the Game;
      2. Royalties due to LICENSOR.
   2. LICENSOR shall deliver to \_\_\_\_\_\_\_\_\_ comments or observations (if any) on the statement described at clause 10.1 within seven (7) calendar days from the day of its receiving, indicating the reasons of rejecting of acceptance. \_\_\_\_\_\_\_\_\_ shall make appropriate changes to the statements that LICENSOR may reasonably require from \_\_\_\_\_\_\_\_\_.
   3. \_\_\_\_\_\_\_\_\_ shall keep full and proper books of account relating to the Publishing of the Game, the Royalties payable under this Agreement.
   4. LICENSOR or its representative shall have the right during normal business hours, on reasonable notice and no more than one time per year to inspect and audit and take copies of these books of account. LICENSOR shall not audit the same records more than once. If LICENSOR has any objection to a Royalty statement, specific notice thereof must be given to \_\_\_\_\_\_\_\_\_ within two (2) years of the date of the applicable statement. Each Royalty statement will become conclusively binding on LICENSOR, and LICENSOR will not have the right to object or institute any audit or action against \_\_\_\_\_\_\_\_\_ in connection with any Royalty accounting, unless the action is commenced within such two (2) year period. \_\_\_\_\_\_\_\_\_ will make up such shortfall as is discovered hereunder within fourteen (14) days of receipt of LICENSOR’s invoice therefore. In the event that such audit reveals an underpayment of Royalties by \_\_\_\_\_\_\_\_\_ in excess of five percent (5%) over the period of the audit supported by appropriate documentation, \_\_\_\_\_\_\_\_\_ shall reimburse LICENSOR its reasonable out-of-pocket audit costs.
4. **Intellectual Property**
   1. All Intellectual Property Rights in the Game and LICENSOR Materials vest in LICENSOR on creation and nothing in this Agreement shall be construed as conferring any proprietary rights in favour of \_\_\_\_\_\_\_\_\_ except for the limited licences described at clause 2 above.
   2. All Marketing Materials created by \_\_\_\_\_\_\_\_\_ for use in association with the Game and all Intellectual Property Rights therein shall belong to and vest in \_\_\_\_\_\_\_\_\_ on creation except to the extent that they include are derived from or are based on the LICENSOR Materials or the Game.
   3. Each party shall do all things necessary to give effect to the terms of this clause 11.
   4. \_\_\_\_\_\_\_\_\_ agrees and understands that it shall not use the Game or any LICENSOR Materials (or those of its licensors) in any way other than in the furtherance of and pursuant to this Agreement and further agrees, understands and acknowledges that it acquires no rights to such Game or LICENSOR Materials by its adoption or use thereof in connection with the Game so that all Intellectual Property Rights and goodwill therein shall accrue to LICENSOR. Notwithstanding any other provision of this Agreement LICENSOR grants to \_\_\_\_\_\_\_\_\_, in the Territory for the Term, the exclusive right and licence to use the LICENSOR Materials in connection with the Publishing of the Game on Mobile App Stores, on and subject to the terms and conditions of this Agreement.
   5. \_\_\_\_\_\_\_\_\_ shall not create or exploit derivative works based on the Game or otherwise amend, modify or decompile the Game.
   6. \_\_\_\_\_\_\_\_\_ shall not delete or amend any copyright or trade mark notices displayed on the Game or included in the LICENSOR Materials or any documentation.
   7. Nothing in this Agreement shall imply any obligation on the part of LICENSOR to register or otherwise maintain in force any trade marks.
   8. \_\_\_\_\_\_\_\_\_ shall not do any act or omit to do any act which might prejudice the Intellectual Property Rights of LICENSOR in the Game and undertakes to not claim any right title or interest in or to any intellectual property rights of LICENSOR in the Game, save only in respect of the licenses granted hereunder, nor attack the validity of any such rights.
   9. \_\_\_\_\_\_\_\_\_ may have included in the Game and Marketing Materials a trade mark, name or logo in which it has rights. LICENSOR shall have no liability in respect of any such marks and \_\_\_\_\_\_\_\_\_ shall fully indemnify LICENSOR in respect of all costs, damages or losses of any sort which LICENSOR suffers as a result of \_\_\_\_\_\_\_\_\_’s actions under this clause.
   10. All Intellectual Property Rights in and to the \_\_\_\_\_\_\_\_\_ End User Database and \_\_\_\_\_\_\_\_\_ Materials shall belong to and vest in \_\_\_\_\_\_\_\_\_ on creation.
5. **Confidentiality**
   1. LICENSOR and \_\_\_\_\_\_\_\_\_ agree to:

### keep confidential all information (written or oral) concerning the business and affairs of the other that it shall have obtained or received as a result of discussions leading up to or the entering into or performance of this Agreement (the ‘Information’);

### not without the other’s written consent to disclose the Information in whole or in part to any other person save those of its personnel and representatives involved in the Development and who have a need to know the same; and

### use the Information solely in connection with the Game and not for its own benefit or the benefit of any third party.

### The provisions of clause 12.1 above shall not apply to the whole or any part of the Information to the extent that it is: (a) already in the other’s possession other than as a

### result of a breach of this clause, (b) in the public domain, (c) is obtained or derived prior or subsequent to the date of this Agreement from a third party which is lawfully in possession of such information and does not hold such information subject to any confidentiality or non-use obligations is independently developed by such party without use of the other party's Confidential Information; or (d) is required to be disclosed by one of the parties pursuant to applicable law or under a government or court order.

### Each of LICENSOR and \_\_\_\_\_\_\_\_\_ hereby undertakes to the other to make all relevant employees agents and sub‑contractors aware of the confidentiality of the Information and the provisions of this clause 12 and without prejudice to the generality of the foregoing to take all such steps as shall from time to time be necessary to ensure compliance by its employees agents and sub‑contractors with the provisions of this clause 12.

* 1. Notwithstanding the provisions of this clause 12, both parties shall be entitled to refer, in the course of promoting or advertising its business, to the Game and its involvement in the Game and any matters in the public domain following the first permitted public announcement concerning the \_\_\_\_\_\_\_\_\_’s Publishing of the Game.

1. **Duration and Termination**
   1. This Agreement shall be effective from the date of signature and shall continue for the Term unless terminated by either party giving the other written notice in the event that:
      1. the other is in material breach of this Agreement and its due performance or observance of its material obligations and (in the case of breach capable of remedy) fails to remedy the breach within thirty (30) calendar days of being required by written notice so to do;
      2. the other ceases to carry on business, goes into liquidation, becomes insolvent or a receiver is appointed with respect of any of its assets or any other similar or equivalent action is taken against or by it by reason of its insolvency or in consequence of debt which appointment or action is not withdrawn or reversed within thirty (30) calendar days of first being made or instituted (as applicable); or
      3. \_\_\_\_\_\_\_\_\_ wishes to terminate this Agreement at any time for its own convenience, at all times subject to clause 13.2 below;
      4. \_\_\_\_\_\_\_\_\_ wishes to terminate this Agreement pursuant to clause 6.6 above, prior to delivery of the Commercial Launch Version (as described in the Delivery and Payment Schedule), at all times subject to clause 13.3 below;
   2. In the event of this Agreement being terminated or ceasing to be in force:
      1. \_\_\_\_\_\_\_\_\_ shall cease all Publishing of the Game and all rights and licences granted to \_\_\_\_\_\_\_\_\_ hereunder shall cease;
      2. \_\_\_\_\_\_\_\_\_ shall continue to be liable to account to LICENSOR for all Royalties received by it in respect of the Publishing of the Game;
      3. each party shall return to the other all materials and written technical or Marketing Material furnished by it to the other hereunder.
   3. Any termination of this Agreement pursuant to this clause shall be without prejudice to any other rights or remedies a party may be entitled to at law and shall not affect any accrued rights or liabilities of either party nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.
2. \_\_\_\_\_\_\_\_\_ Warranties
   1. \_\_\_\_\_\_\_\_\_ warrants (subject to clause 15 below) that:
      1. it is entitled to enter into and perform this Agreement on its terms;
      2. it shall act as principal on its own account and not as agent for LICENSOR and will not hold itself out as being able to bind LICENSOR in any way other than as expressed by this Agreement;
      3. it shall promptly provide LICENSOR with such \_\_\_\_\_\_\_\_\_ Materials, information and documentation as are reasonably required to enable LICENSOR to carry out its obligations hereunder;
      4. it shall ensure that its employees and personnel co-operate with LICENSOR in connection with the development of the Game;
      5. the \_\_\_\_\_\_\_\_\_ Materials (and every part thereof) shall not infringe the Intellectual Property Rights of any third party or contain any material which is defamatory, untrue, discriminatory, inflammatory, racist, obscene, sexually explicit, or otherwise is unlawful or which gives rise to civil or criminal liability and \_\_\_\_\_\_\_\_\_ has acquired all rights necessary for the use of them by LICENSOR in the development of the Game on the terms of this Agreement.
3. LICENSOR Warranties
   1. LICENSOR warrants (subject to clause 14 above) that:
      1. it is entitled to enter into and perform this Agreement on its terms;
      2. it shall develop the Game in a good and workmanlike manner and to the standards of a high quality game developer and the Game shall be of sound workmanship and of satisfactory quality and that LICENSOR has sufficient personnel and resources to complete the Game in a timely manner;
      3. the Game will operate substantially in accordance with the Specification when Published and be capable of the standards of performance set out in the Specification;
      4. the Game will not infringe the Intellectual Property Rights of any third party and LICENSOR has acquired all rights necessary for the supply of the Game on the terms of this Agreement;
      5. the Game does not contain any content or material which:
         1. is technically harmful such as viruses, worms, logic bombs or other malicious software or harmful data;
         2. is defamatory, untrue, discriminatory, obscene, inflammatory, racist, obscene, sexually explicit, or otherwise is unlawful or which gives rise to civil or criminal liability.
         3. the Game shall not contain any hidden game play feature(s) or graphical assets not expressly disclosed to \_\_\_\_\_\_\_\_\_ in writing (e.g. “Easter Eggs”) or otherwise contained within the Specification.
4. **Indemnity**
   1. Each party shall indemnify and hold harmless the other from and against all loss, damage and expense awarded by a court of competent jurisdiction (or settled with the other’s prior written consent, such consent not to be unreasonably withheld or delayed) resulting from any third party claim arising out of the breach by it of any of its obligations, warranties or representations in this Agreement and from claims, demands, actions, causes of action and judgments arising out of and attributable to the infringement of any Intellectual Property Rights of any third party in the Publishing of the Game caused by it BUT EXCEPTING where such claims arise out of the act or omission of the other party. LICENSOR and \_\_\_\_\_\_\_\_\_ shall discuss in good faith with due expedience the manner in which such allegation shall then be handled and in the event that either party is required to be indemnified hereunder the indemnifying party shall have conduct of any such action, demand or claim and the other party shall not do anything to compromise or settle the same without the indemnifying party’s prior written consent.
5. **Liability**
   1. Nothing in this Agreement shall exclude liability for death or personal injury.
   2. Subject to clause 17.1 above and except in respect of the indemnities at clause 16 above, any Party shall not be liable to the other Party in respect of any default for loss of profits goodwill or any type of special indirect or consequential loss (including loss or damage suffered by the other Party as a result of an action brought by a third party) even if such loss was reasonably foreseeable or the Party had been advised of the possibility of the other Party incurring the same.
   3. If the royalty revenue share paid from \_\_\_\_\_\_\_\_\_ to LICENSOR delayed, \_\_\_\_\_\_\_\_\_ should pay 0,1% (but not more than 10% in total) of the money that should be paid to LICENSOR per day for the delay, until the money gets transferred.
   4. Subject to clause 17.1 above and except in respect of the indemnities at clause 14 above LICENSOR’s aggregate liability shall be limited to the sums due to it hereunder.
   5. Due to the nature of mobile software, LICENSOR gives no warranty or representation that the Game will perform on all mobile devices (phones and tablets) supported by the Game , or that the Game will operate uninterrupted or be error free. In any case LICENSOR undertakes to fix at its own expense all Defects found by \_\_\_\_\_\_\_\_\_ during the term of the Agreement.
   6. To the extent not expressly set out in this Agreement and to the extent permissible by law, LICENSOR excludes all conditions and warranties in relation to the Game which would otherwise be implied by law to the fullest extent permissible by law.
   7. In the event of a party failing to perform any obligation under this Agreement (save the making of any payment due under or pursuant to this Agreement) as a result of strike, lock-out or other labour difficulties, fire, flood, act of God, embargo, act of war, regulation or restriction of government or law or any other occurrence of circumstance beyond the reasonable control of the party, that party shall not be liable in damages or otherwise for failure to perform that obligation and such failure shall not be a ground for terminating this Agreement.
6. **General**
   1. This Agreement sets out the entire agreement and understanding between the parties with respect to the subject matter thereof and supersedes all prior non fraudulent oral and written representations, arrangements and understandings between the parties relating thereto.
   2. Each party shall be entitled to assign this Agreement or any rights and obligations hereunder without the other’s prior written consent.
   3. This Agreement shall be binding upon and endure for the benefit of the successors in title of the parties hereto.
   4. Nothing in these terms shall be deemed to constitute a partnership or agency relationship between the parties and neither of the parties shall do or suffer to be done anything whereby it may be represented as a partner or agent of the other party, nor shall either party make any representation on behalf of the other or hold itself out as being able to bind the other in any way.
   5. If any part of this Agreement is or becomes unenforceable, such part will be construed as far as possible to reflect the parties’ intentions and the remainder of the provisions will remain in full force and effect.
   6. No forbearance, delay or indulgence by either party in enforcing the provisions of this Agreement shall prejudice or restrict the rights of that party nor shall any waiver of rights operate as a waiver of any subsequent breach of this Agreement.
   7. 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 Arbitration Institute of the Stockholm Chamber of Commerce.  
      The arbitral tribunal shall be composed of three (3) arbitrators.  
      The seat of arbitration shall be Stockholm.   
      The language to be used in the arbitral proceedings shall be the English language.   
      This Agreement shall be governed by the substantive laws of England.

**19. Notices**

19.1. If any kind of notices, consents, approvals, or waivers are to be given hereunder, such notices, consents, approvals or waivers shall be in writing, shall be properly addressed to the Party to whom such notice, consent, approval or waiver is directed, and shall be either hand delivered to such Party or sent by certified mail, return receipt requested, or sent by FedEx, DHL or comparable international courier service, or by telephone, facsimile or electronic mail (in either case with written confirmation in any of the other accepted forms of notice if it is requested by the receiving Party) to the following addresses or such addresses as may be furnished by the respective Parties from time to time:

If to **LICENSOR**

Attention: NAME

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tel: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If to **\_\_\_\_\_\_\_\_\_**

Attention: Mr Nikolai Kristin

Address: 52, 1st April, 7600 Athienou, Larnaca, Cyprus

Email: nikolai.kristin@\_\_\_\_\_\_\_\_\_.xyz

Tel: +7 499 110 66 54

With a copy to Dmitry Ryabchikov, **REPRESENTATIVE**, by email to dmitry@creagames.com

19.2. All official or non-official statements, communications and reports between the parties must be in English.

**20. Counterparts and languages**

20.1 This Agreement is executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile and transmission by facsimile shall be considered proper delivery for legal purposes.

20.2 This Agreement is made and executed in the English and Chinese languages. In case of discrepancy the English version shall prevail.

**21. Bank details**

**LICENSOR**

Bank Name：\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Beneficiary Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Swift/ ABA Code：\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Account No.:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**\_\_\_\_\_\_\_\_\_**

Bank: AstroBank Limited

Bank Address: 1, Spyrou Kyprianou Ave., 1065 Nicosia, Cyprus

SWIFT: PIRBCY2N

Customer: \_\_\_\_\_\_\_\_\_ LIMITED

IBAN No.: CY21008001700000000001931896 (USD)

IBAN No.: CY65008001700000000001931880 (EURO)

IN WITNESS of which the parties have caused this Agreement to be duly executed the day and year first above written.

SIGNED for and on behalf )

of **LICENSOR**  )

by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

Date: \_\_\_\_\_\_\_\_\_\_\_, 2018 )

SIGNED for and on behalf of )

**\_\_\_\_\_\_\_\_\_ Limited** )

By Nikolai Kristin, Director )

Date: \_\_\_\_\_\_\_\_\_\_\_, 2018 )

**SCHEDULE 1**

**Part 1**

**Game**

1. ‘\_\_\_\_\_\_\_\_\_ /\_\_\_\_\_\_\_\_\_\_ / \_\_\_\_\_\_\_\_\_\_\_\_\_ / \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_’ and additional content;

as more may be specifically described in the Specification, including content and production deliverables.

**2. Mobile App Stores**

App Store (iOS)

Google Play (Android)

Any other mobile application stores in case they appear in the market

**Languages**

The Russian language

**Updates**

The frequency of Minor updates shall be a minimum of ONE (1) update per ONE (1) calendar week.

The frequency of Major updates shall be a minimum of ONE (1) update per THREE (3) calendar months

**Part 2**

**Territory**

The Russian Federation, CIS countries: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, and Latvia, Lithuania, Estonia.

**Part 3**

**Term**

Commencing on the date of this Agreement and continuing:

1. until 36 months following the date of Commercial Launch of the Game; and

2. thereafter for a further in the event that \_\_\_\_\_\_\_\_\_ fully executes its obligations under this Agreement

**Part 4**

**License Fee, Guarantee and Royalties**

**License Fee:**

Licensorshall receive a non-recoupable payment of 75 000 USD ($ Seventy five thousand) as follows:

* The first installment in the amount of 30 000 USD ($ Thirty thousand) shall be paid by \_\_\_\_\_\_\_\_\_ within Fourteen (14) days from the date of signing of this Agreement;
* The second installment in the amount of 22 500 USD ($ Twenty two thousand five hundred) shall be paid by \_\_\_\_\_\_\_\_\_ within Fourteen (14) days from the date of Commercial Launch of the Game in the App Store;
* The third installment in the amount of 22 500 USD ($ Twenty two thousand five hundred) shall be paid by \_\_\_\_\_\_\_\_\_ within Fourteen (14) days from the date of Commercial Launch of the Game in the Google Play.

**Guarantee (minimum amount payable for Royalties)**

\_\_\_\_\_\_\_\_\_ guarantees to pay LICENSOR minimum amount payable for Royalties in the amount of 100 000 USD ($ One hundred thousand) as follows:

* The first installment in the amount of 40 000 USD ($ Forty thousand) shall be paid by \_\_\_\_\_\_\_\_\_ within Fourteen (14) days from the date of signing of this Agreement;
* The second installment in the amount of 30 000 USD ($ Thirty thousand) shall be paid by \_\_\_\_\_\_\_\_\_ within Fourteen (14) days from the date of Commercial Launch of the Game in the App Store;
* The third installment in the amount of 30 000 USD ($ Thirty thousand) shall be paid by \_\_\_\_\_\_\_\_\_ within Fourteen (14) days from the date of Commercial Launch of the Game in the Google Play.

Guarantee will be deducted from Royalties. From the date the amount of Royalties covers the amount of Guarantee \_\_\_\_\_\_\_\_\_ shall continue paying Royalty in a standard manner according to the terms of this Agreement

**Royalties**:

Adjusted Gross Revenues = Online Revenue, where:

* Online Revenue = Online Sales – VAT – Fraud – End Users’ cashbacks – commission of Mobile App Stores.  
  The amount of End Users’ cashbacks should not exceed 3 (Three) percent per month, otherwise it should be counted as a part of Online Revenue.

Royalties = 23% of Adjusted Gross Revenues

“Commercial Launch Version” means the Version of the Game to be integrated with Mobile App Stores.

“Commercial Launch” means the date on which \_\_\_\_\_\_\_\_\_ makes the Commercial Launch Version available to the general public in the Territory Version of the Game to be integrated with Mobile App Stores and ready for public launch.

**Part 5**

**Delivery Schedule**

**App Store**

Due Date for delivery of the Technical Assembly for iOS TBD

Due Date for Final Assembly for iOS TBD

**Google Play**

Due Date for delivery of the Technical Assembly for Android TBD

Due Date for Final Assembly for Android TBD

**Part 6**

**Publishing Services**

* Infrastructure
* Server preparation and hosting: Game server, DB server, web server - shall be installed on the server(s) of \_\_\_\_\_\_\_\_\_ and with full access of \_\_\_\_\_\_\_\_\_ to it
* Network set up and maintenance
* Website / distribution
* Hosting & Management
* Content management / operation
* Content distribution and download service
* In-game, web and cross promotion support
* Marketing
* Marketing campaign planning and execution
* Online/offline PR campaign planning and execution
* Manage trade shows, game tournaments and special promotions
* Business / legal
* Discover affiliate/channelling/brand tie-up opportunities
* Identify new payment methods based on customer demand
* Handle contracts, 3rd party infringement, customer claim and any other legal issue related to local service
* Game production
* Provide guidance on game design for updates and patches
* Data analysis for sales optimization
* Provide movement & damage adjustments for local service
* Game operation
* On-going Game content localization
* Game client QA
* Community management
* Customer support
* Security & fraud management
* Server/DB hack monitoring and countering
* In-game hack/macro monitoring and countering
* Fraud detection and management

**Part 7**

**LICENSOR Services:**

* Development
* Game client software development
* Game installer / launcher development
* Game anti-hack solution development
* Game Server software development
* Game add-on / game patch / expansion development
* UI of the Game
* Game operation support
* Game operation & management tools, interface development and support
* All Bug / Defect fixes and Production Testing
* Gameplay Balance/Movement & UI (TBD) changes of the Game based on \_\_\_\_\_\_\_\_\_’s feedback for the Territory
* Interaction and communication with \_\_\_\_\_\_\_\_\_
* An English-speaking manager shall be provided for teamwork in Jira (atlassian.com)

**Part 8**

**\_\_\_\_\_\_\_\_\_ Materials**

* analytics and user data subject to compliance with applicable laws.
* such branding, trademarks, trade names, trade dress and brand interstitials of \_\_\_\_\_\_\_\_\_ as \_\_\_\_\_\_\_\_\_ provides and are included within the Game;
* such software and materials as are provided by \_\_\_\_\_\_\_\_\_ (or by a third party on behalf of \_\_\_\_\_\_\_\_\_) and are included within the Game.

**Part 9**

**Proprietary Legends and Credits**

* \_\_\_\_\_\_\_\_\_ shall be entitled to credit itself in Marketing Materials and receive credit in the Game as the principal publisher of the Game in each case to the extent that space reasonably permits
* LICENSOR shall be entitled to credit itself in the Game and receive credit in Marketing Materials as the co-publisher of the Game in each case to the extent that space reasonably permits
* LICENSOR shall be credited in all Marketing Materials as the owner of the Game and all Intellectual property Rights it to the extent that space reasonably permits
* The following proprietary legend shall be included in all Marketing Materials to the extent that space reasonably permits:

© 20\_\_ - 20\_\_ LICENSOR Limited. All rights Reserved.

The trade mark of LICENSOR Limited.

* \_\_\_\_\_\_\_\_\_ logo and/or \_\_\_\_\_\_\_\_\_ video as well as following proprietary legend shall be included in the Game loading screen and other related software:

© 2018 Exclusively Published in Russia & CIS by \_\_\_\_\_\_\_\_\_ under license from LICENSOR Limited.

SIGNED for and on behalf )

of **LICENSOR**  )

by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

Date: \_\_\_\_\_\_\_\_\_\_\_, 2018 )

SIGNED for and on behalf of )

**\_\_\_\_\_\_\_\_\_ Limited** )

By Nikolai Kristin, Director )

Date: \_\_\_\_\_\_\_\_\_\_\_, 2018 )