**SOFTWARE SUBLICENSE AGREEMENT No. \_\_\_\_\_\_\_\_**

This SOFTWARE SUBLICENSING AGREEMENT (the "**Agreement**") is entered into this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, 20\_\_ (the "**Effective Date**") by and between

**[ COMPANY NAME ],** a corporation with principal office at **[** ADDRESS **]** (hereinafter the "**Company**") and

**[ COMPANY NAME ],** a corporation with principal office at **[** ADDRESS **]** (hereinafter the "**Sublicensee**").

hereinafter referred to individually as the **“Party”** and collectively as the **"Parties"**,

**RECITALS**

WHEREAS, **Limited Liability Company "Smarteq-TV"** (hereinafter the **“Owner”**) has developed and is the exclusive owner of the rights to the software product named **“HOTEZA”** for use in the hotel complexes consisting of mobile application for the operating platform iOS, Android, Windows Phone, Blackberry and other compatible hardware platforms and the Internet, downloading data for applications (CMS) (hereinafter the "**Software**"), which ownership is evidenced by the exclusive Copyright Certificate No. 1349 September 05, 2013;

WHEREAS, the Owner and the Company have entered into a License Agreement No.\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_ as amended from time to time (the **“License”**) pursuant to which the Company has certain rights and obligations to the Owner.

WHEREAS, Sublicensee intends to obtain non-exclusive sublicense for use of Software and Documentation defined below;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the Parties agree as follows:

1. **Grant of Sublicense**
   1. Subject to the terms and conditions of the License and the terms and conditions of this Sublicense, the Company hereby grants to Sublicensee, for the term of this Agreement a non-exclusive, non-transferable sublicense (hereinafter the "**Sublicense**") solely in [ TERRITORY ] to:
      1. install, use and store the Software on one or more computers or devices of the Sublicensee;
      2. allow the end users of the Sublicensee to install and use the Software;
      3. make a reasonable number of copies of the Software solely for backup or archival purposes, in which case Sublicensee must reproduce on any such copy all copyright notices and any other proprietary legends of the original copy of the Software;
      4. make a reasonable number of copies of all manuals, user documentation, and other related materials pertaining to the Software, which are furnished to Sublicensee by Company in connection with the Software (hereinafter the **“Documentation”**) and use Documentation solely to support use of the Software by Sublicensee.
   2. If, starting from the 31st day after the Effective date, the Sublicensee delays payment provided for under paragraph 5.1 of this Agreement for more than thirty (30) days, the Company shall have the right to suspend the provision of the Software by available technical means until the full repayment of the debt by the Sublicensee.
2. **Sublicense Restrictions**
   1. No Distribution. Other than as set forth in Section 1 (Grant of Sublicense), Sublicensee may not make or distribute copies of the Software, or electronically transfer the Software from one computer to another or over a network.
   2. No Sublicense. Sublicensee may not rent, lease, or sublicense the Software.
3. **Modifications and Upgrades**
   1. Error Corrections and Updates. Company will provide to Sublicensee all error corrections, bug fixes, patches or other updates to the Software licensed hereunder in object code form as from time to time may be released by Company.
   2. Other Modifications. Sublicensee may, from time to time, request that Company incorporate certain features, enhancements or modifications into the Software. Company may, in its sole discretion, undertake to incorporate such changes and distribute the Software so modified to all or any of Company's sublicensees. Sublicensee may not modify the Software or create derivative works based upon the Software.
   3. Title to Modifications. All such error corrections, bug fixes, patches, updates and other modifications shall be the sole property of Company. All upgrades and updates are provided to Sublicensee on a sublicense exchange basis. Sublicensee agrees that it will not continue to use earlier versions of the Software or transfer it to another person or entity.
4. **Copies**
   1. Except as specifically set forth herein, no Software or Documentation which is provided by Company pursuant to this Agreement in human readable form, such as written or printed documents, shall be copied in whole or in part by Sublicensee without Company's prior written consent. Additional copies of printed materials may be obtained from Company at the charges then in effect. Except as specifically set forth herein, any Software provided in machine readable form may not be copied by Sublicensee in whole or in part, except for Sublicensee's backup or archive purposes. Sublicensee agrees to maintain appropriate records of the number and location of all copies of the Software and make such records available upon Company's request. Sublicensee further agrees to reproduce all copyright and other proprietary notices on all copies of the Software in the same form and manner that such copyright and other proprietary notices are originally included on the Software.
5. **Sublicense Fees and Payment**
   1. Sublicense Fees. In consideration of the sublicense rights granted in Section 1 (Grant of Sublicense), Sublicensee shall pay fixed fees and recurring fees as set forth on **Exhibit A** attached hereto as follows:
      1. fixed fees of total amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ USDos payable in full to Company within ten (10) days from the Effective Date; and
      2. recurring fees payable to Company during the term of this Agreement as set forth in the payment schedule in the Exhibit A.
   2. Payment method. All amounts payable hereunder by Sublicensee shall be payable in USDo funds by direct wire transfer to the bank account of the Company against Company’s invoices without deductions for taxes, assessments, fees, or charges of any kind.
   3. Late payments. Late payments shall incur interest at the rate of 0,1% per day on the amount of the delayed payment from the date such payments were originally due. In any event the total interest on the late payment shall not exceed 50% of such delayed payment.
   4. Trial Period. Sublicensee is free to use the Sublicense on a free of charge basis within thirty (30) days from the Effective Date. Sublicensee's obligations to pay the remuneration set forth in clause 5.1 of the Agreement, starts from the 31 (thirty first) day after the entry into force of this Agreement.
   5. Payment terms. Sublicensee shall pay remuneration within five (5) business days after date of invoice issued by the Company. Company draws an invoice on a monthly basis no later than the 25th day of the previous month.
   6. Taxes and Other Charges. Sublicensee shall be responsible for paying all (i) sales, use, excise, value-added, or other tax or governmental charges imposed on the sublicensing or use of the Software hereunder, (ii) freight, insurance and installation charges, and (iii) import or export duties or like charges.
6. **Delivery**
   1. Within five (5) days from receipt of payment of the fixed fees as set out in the Clause (a) of the Section 5.1 (Sublicense Fees), the Company shall deliver to Sublicensee the Software and Documentation sublicensed hereunder in object code form, suitable for reproduction, in electronic form only.
7. **Intellectual Property Rights and Ownership**
   1. Proprietary Notices. Sublicensee agrees to respect and not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or legend appearing on any of the Software or output generated by the Software, and to reproduce and include same on each copy of the Software.
   2. No Reverse Engineering. Sublicensee agrees not to decompile, reverse engineer, disassemble, modify or otherwise reduce the Software, or any portion thereof to a human-perceivable form.
   3. Ownership.
      1. Sublicensee further acknowledges that all copies of the Software in any form provided by Company or made by Sublicensee are the sole property of the Owner. Sublicensee shall not have any right, title, or interest to any such Software or copies thereof except as provided in this Agreement, and further shall secure and protect all Software and Documentation consistent with maintenance of Company's proprietary rights therein.
      2. Except as expressly provided in this Agreement, Owner shall retain all right, title and interest, including all exclusive intellectual property rights, in and to the Software, the Documentation and any upgrades, and the symbols, trademarks and service marks adopted by the Owner to identify the Software.
8. **Confidentiality**
   1. General Provisions. Each Party acknowledges and agrees that it has or may receive hereunder information which is marked or orally designated "confidential" and constitutes the proprietary confidential information of the disclosing Party, and that the other Party's protection thereof is essential to this Agreement. Each Party shall retain in strict confidence and not disclose any such information to any third Party (except as authorized by this Agreement) without the other Party's express written consent.
   2. Confidentiality. Each Party acknowledges and agrees that the terms and conditions of this Agreement shall be treated as confidential information and that no reference to the terms and conditions of this Agreement or to activities pertaining thereto can be made in any form without the prior written consent of the other Party; provided, however, that the general existence of this Agreement shall not be treated as confidential information, and that either Party may disclose the terms and conditions of this Agreement: (a) as required by any court or other governmental body or as otherwise required by law; (b) to legal counsel, accountants, banks, proposed investors, and financing sources of the Parties and their advisors; (c) in confidence, in connection with the enforcement of this Agreement or rights under this Agreement; or (d) in confidence, in connection with a merger or acquisition or proposed merger or acquisition, or the like.
   3. Exceptions. Each Party shall be relieved of its obligation of confidentiality hereunder to the extent any such information: (a) was in the public domain at the time of disclosure or has become in the public domain through no fault of such Party; (b) was known to such Party, without restriction, at the time of disclosure as shown by its files in existence at the time of disclosure; (c) was disclosed by such Party with the prior written approval of the other Party; (d) was independently developed by such Party without any use of the other Party's confidential information; or (e) becomes known to such Party, without restriction, from a source other than the other Party and without breach of this Agreement.
   4. Injunctive Relief. Each Party acknowledges that any breach of any of its obligations with respect to confidentiality or use of the other Party's confidential information hereunder is likely to cause or threaten irreparable harm to the other Party, and, accordingly, it agrees that in the event of such breach the other Party shall be entitled to equitable relief to protect its interest therein, including but not limited to preliminary and permanent injunctive relief, as well as money damages.
   5. Survival. Sublicensee's obligations under this Section 8 (Confidentiality) shall survive the termination of this Agreement or of any sublicense granted under this Agreement for whatever reason.
9. **Limited Warranty and Disclaimer**
   1. Limited Warranty. The Company warrants that when used with a recommended hardware configuration, the Software will perform in substantial conformance with the documentation supplied with the Software.
   2. Disclaimer of Warranties. Except as set forth in the paragraph 9.2 (Limited Warranty), Company and its suppliers disclaim all other warranties, either express or implied, or otherwise including the warranties of merchantability and fitness for a particular purpose. No oral or written information or advice given by Company to its dealers, distributors, agents or employees shall create a warranty or in any way increase the scope of this warranty.
10. **Limitation of Liability**
    1. Neither Company nor its suppliers shall be liable to Sublicensee or any third Party for any indirect, special, incidental or consequential damages (including damages for loss of business, loss of profits, business, interruption or the like), arising out of the use or inability to use the Software or this sublicense.
    2. Company's total liability to Sublicensee for actual damages for any cause whatsoever will be limited to the greater of 500,00 USDos or the amount paid by Sublicensee for the software that caused such damage.
11. **Indemnification**
    1. Indemnification of Sublicensee. Company shall indemnify, hold harmless and defend Sublicensee against any action brought against Sublicensee to the extent that such action is based on a claim that the unmodified Software, when used in accordance with this Agreement, infringes any copyright and Company shall pay all costs, settlements and damages finally awarded; provided, that Sublicensee promptly notifies Company in writing of any claim, gives Company sole control of the defense and settlement thereof and provides all reasonable assistance in connection therewith.
    2. Indemnification of Company. Except for the foregoing infringement claims, Sublicensee shall indemnify and hold harmless Company, its officers, directors, affiliates, consultants, agents and employees from and against any claims, demands, or causes of action whatsoever, including without limitation those arising on account of Sublicensee's modification or enhancement of the Software or otherwise caused by, or arising out of, or resulting from, the exercise or practice of the sublicense granted hereunder by Sublicensee, its subsidiaries or their officers, employees, agents or representatives.
12. **Term and Termination**
    1. Term of Sublicense. This Agreement shall come into effect on the Effective Date and shall continue in force, subject to the terms of this Agreement, for an initial term of two (2) years after the Effective Date subject to renewal for successive one (1) year term at the option of Sublicensee, unless the Agreement is earlier terminated as provided in Section 12.2 (Termination). In any case the entire term of the Sublicense shall not exceed the entire term oа the License unless sooner terminated as provided herein.
    2. Termination.
       1. If either Party defaults in a payment or other material obligation under this Agreement and continues in default for a period of thirty (30) days after written notice of default is given to it by the other Party, the other Party may terminate and cancel this Agreement, in accordance with the provisions of this Section 12 (Term and Termination), immediately upon written notice of termination given to the defaulting Party.
       2. Either Party may terminate this Agreement for any reason upon 30 days prior written notice.
    3. Obligations on Termination. Within ten (10) days after termination of this Agreement, Sublicensee shall cease and desist all use of the Software and Documentation and shall return to Company all full or partial copies of the Software and Documentation in Sublicensee's possession or under its control.
    4. Survival. The provisions of Section 7.3 (Ownership), Section 11 (Indemnification), Section 8 (Confidentiality), Section 10 (Limitation of Liability), Section 13 (Relationship of Parties), Section 14 Governing Law and Arbitration) shall survive the termination or cancellation of this Agreement for any reason.
13. **Relationship of Parties**
    1. Sublicensee is an independent contractor of Company and nothing contained in this Agreement shall be construed to constitute either Party as a partner, joint venturer, co-owner, employee, or agent of the other Party, and neither Party shall hold itself out as such.
14. **Governing Law and Arbitration**
    1. Governing Law. This Agreement will be construed in accordance with and governed by the laws of Estonia, without giving effect to the conflict of law principles of Estonia.
    2. Arbitration. All disputes, claims, or controversies arising out of or relating to this Agreement or any other agreement executed and delivered pursuant to this Agreement that are not resolved by mutual agreement shall be resolved solely and exclusively by binding arbitration to be conducted before the Court of Arbitration of the Estonian Chamber of Commerce and Industry or its successor (hereinafter the "**Arbitrator**"). The arbitration shall be held in Tallin, Estonia before a single arbitrator and shall be conducted in accordance with the rules and regulations promulgated by the Arbitrator. The Parties covenant and agree that they will participate in the arbitration in good faith. Each of the Parties hereto irrevocably and unconditionally consents to the exclusive jurisdiction of the Arbitrator to resolve all disputes, claims or controversies arising out of or relating to this Agreement or any other agreement executed and delivered pursuant to this Agreement.
15. **Miscellaneous Provisions**
    1. Assignment. Neither Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, which shall not be unreasonably withheld.
    2. Successors and Assigns. Except as otherwise expressly provided in this Agreement, this Agreement will be binding on, and will inure to the benefit of, the successors and permitted assigns of the Parties to this Agreement, provided that Sublicensee shall not assign its rights and obligations under this Agreement without the prior written consent of Company.
    3. Notices. All notices and other communications required or permitted hereunder will be in writing and will be delivered by hand or sent by courier, fax or e-mail to:

***if to Company:***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

fax: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

e-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attention:

***if to Sublicensee:***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

fax: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

e-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attention:

Each Party may furnish an address substituting for the address given above by giving notice to the other Party. All notices and other communications will be deemed to have been given upon actual receipt by the intended recipient.

* 1. Severability. In the event that any provision of this Agreement is held to be unenforceable under applicable law, this Agreement will continue in full force and effect without such provision and will be enforceable in accordance with its terms.
  2. Construction. The titles of the sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless the context of this Agreement clearly requires otherwise references to the plural include the singular.
  3. Entire Agreement. This Agreement and any exhibits hereto embodies the entire agreement and understanding between the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements and understandings other than this Agreement relating to the subject matter hereof.
  4. Amendment and Waiver. This Agreement may be amended only by a written agreement executed by the Parties hereto. No provision of this Agreement may be waived except by a written document executed by the Party entitled to the benefits of the provision. No waiver of a provision will be deemed to be or will constitute a waiver of any other provision of this Agreement.
  5. Counterparts. This Agreement is made in two originals, one original for each Party.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have duly executed this Agreement by their authorized representatives as of the date first written above.

1. **Addresses and Bank Details of the Parties**

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| --- | --- |
| **COMPANY:** | **SUBLICENSEE:** |
| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  Legal Address:  Postal address:  Bank:  USD Account:  Tel./Fax: | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  Legal Address:  Postal address:  Bank:  USD Account:  Tel./Fax: |
| **Signatory: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Signatory: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |

Exhibit A  
to the Software Sublicense Agreement  
No. \_\_\_\_\_ dd. \_\_\_ \_\_\_\_\_\_\_\_\_\_\_, 20\_\_

**SOFTWARE AND FEES**

**1. Fixed Fees**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Item** | **Unit** | **Q-ty** | **Price (USD)** | **Total amount (USD)** |
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|  |  |  |  |  |
|  |  |  |  |  |
| **TOTAL AMOUNT** | | | |  |

**2. Recurring Fees**

|  |  |  |
| --- | --- | --- |
| **Item** | **Price (USD)** | **Minimum monthly charge (USD)** |
|  |  |  |

NOTES:

Fees exclude any taxes, shipping and/or insurance charges, and any bank transfer fees.

|  |  |
| --- | --- |
| **COMPANY:** | **SUBLICENSEE:** |
| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Signatory: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Signatory: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |