

ATLAS BILLING & PAYOUT POLICY

Atlas IP Holdings LLC (Indiana)

Effective: [Date]

1. Purpose

This Policy explains how Atlas collects monetization payments, calculates fees and expenses, and disburses payouts to IP Owners participating under the Master IP Participation Agreement (“Participation Agreement”).

2. Definitions

Capitalized terms not defined here have the meaning in the Participation Agreement.

- **Gross Receipts:** amounts received from Licensees relating to the IP Assets, subject to exclusions and adjustments defined in the Participation Agreement.
- **Atlas Fee:** the platform/licensing agency fee (default 20%) per Exhibit A.
- **Approved Expenses:** pre-approved expenses (email/text OK) supported by receipts.
- **Net to Owner:** Gross Receipts minus permitted deductions per the Waterfall.
- **Revenue Statement:** the monthly statement delivered by Atlas showing the calculations and payout details for the period.

3. Collection Method (Default)

3.1 Pay-to-Atlas. Unless otherwise agreed in writing, Licensees are instructed to pay amounts due to Atlas (or an Atlas-designated account). Atlas then allocates and disburses funds to the Owner.

3.2 Alternative Pay Flow (Owner-Direct). If a License requires direct payments to Owner, Owner must provide Atlas with copies of remittance reports and payment confirmations (or equivalent documentation) so Atlas can produce accurate Revenue Statements and invoice Atlas Fees if applicable. Owner agrees to promptly remit any invoiced Atlas Fees under the Participation Agreement for Owner-direct payments. Atlas may reasonably

request supporting documentation to verify Owner-direct payments (e.g., remittance reports, bank confirmations, or Licensee statements) for statement accuracy.

4. Waterfall (How Payments Are Calculated)

For each payment received relating to an IP Asset, Atlas applies the following order:

1. **Sales/VAT-type taxes** (only if collected and remitted as required)
2. **Withholding taxes** (treated as an exclusion from Gross Receipts only if deducted by Licensee, remitted to a taxing authority, and supported by reasonable documentation)
3. **Approved Expenses** (only if pre-approved and documented)
4. **Atlas Fee** (default 20% of Gross Receipts)
5. **Remainder = Net to Owner**

5. Payout Timing

5.1 Monthly Payouts. Atlas pays Net to Owner monthly within 15 days after month-end, accompanied by a Revenue Statement.

5.2 Reserve (Optional). Atlas may hold a reserve of up to 5% of Net to Owner to cover chargebacks, reversals, refunds, or disputes. Reserves are reconciled quarterly and either released or applied with explanation.

6. Disputes, Chargebacks, and Withholding

6.1 Disputed Amounts. If any portion of Gross Receipts is reasonably disputed or subject to chargeback/reversal/refund/escrow hold, Atlas may withhold distribution of the disputed portion until resolved and will provide notice and supporting documentation.

6.2 Offset. Atlas may offset from amounts otherwise payable to Owner any:

- unpaid Approved Expenses,
- chargebacks/refunds/reversals,
- payment processor fees directly attributable to collections (if permitted), or
- amounts paid to Owner in error,
provided Atlas furnishes an itemized statement.

6.3 Dispute Window / Statement Review. Owners must notify Atlas in writing of any good-faith dispute regarding a Revenue Statement within **30 days** of receipt, identifying the disputed items in reasonable detail. Undisputed portions are final and payable per the Participation Agreement. Disputed amounts are handled under Section 6.1.

7. Payment Processor / Bank Fees

7.1 Fees. Payment processor fees and wire fees directly associated with collecting Gross Receipts may be deducted from Gross Receipts only if disclosed in Exhibit A (or pre-approved in writing).

8. Reporting

8.1 Revenue Statement Contents. Each payout includes a statement showing:

- Licensee (or masked identifier if confidentiality requires),
- period covered,
- Gross Receipts,
- sales/VAT taxes (if any),
- withholding taxes (if any),
- Approved Expenses,
- Atlas Fee,
- reserve adjustments, and
- Net to Owner paid.

8.2 Audit Right. Owners may audit once per year per the Participation Agreement.

9. Tax Forms

Each Party is responsible for its own taxes. Atlas may issue applicable tax forms (e.g., 1099) where required by law.

10. Policy Updates

Atlas may update this Policy periodically. Updates apply prospectively and do not alter executed agreements without a signed amendment.

Contact:

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