

**Licence  
agreement  
(Draft)**

Riga,

See the date on the document's signature time  
stamp

**APP "Latvian Biomedical Research and Study Centre"**, registration No. 90002120158, address: Rātsupītes iela 1 k-1, Riga, LV-1067 (hereinafter referred to as the Licensor), represented by its Director Nils Rostoks, acting in accordance with the Regulations, on the one hand, and

**SIA „\_\_\_\_\_”**, registration number \_\_\_\_\_, legal address: \_\_\_\_\_, (hereinafter - the Licensee), represented by its authorized person \_\_\_\_\_, acting in accordance with \_\_\_\_\_, on the other hand, each separately hereinafter referred to as the Party, but both together - the Parties, taking into account that:

- The Licensee wishes to obtain a license for the use of the Intellectual Property in accordance with the terms of this Agreement;
- The Licensor has the ownership rights for the Intellectual Property rights and has the right to dispose of the said Intellectual property;
- The Parties enter into the following agreement (hereinafter referred to as the Agreement):

**1. Explanation of the terms used in the Agreement**

- 1.1. Licensor – the owner of the Intellectual property.
- 1.2. Licensee - a person who is granted a license for the use of the Intellectual Property in accordance with the provisions of this Agreement.
- 1.3. Territory of operation – any country in the territory of the European Union and the European Economic Area.
- 1.4. Intellectual Property – for the purposes of this Agreement, the know-how consisting of: GUT IT platform prototype and information on platform architecture, intestinal microbiome taxonomic composition reporting algorithm and intestinal microbioma data reference database, developed in scope of the project No. KC-PI-2020/30 “Dynamic human microbiome data platform and interpretation tool for personalized health recommendations” within the measure 1.2.1.2. “Support for the Improvement of Technology Transfer System” of the specific support objective 1.2.1. “To increase private sector investment in R&D” of Action Program “Growth and Employment”.
- 1.5. The Product – an object produced by the Licensee, which includes the Licensor's intellectual property, or was manufactured using the Licensor's intellectual property.

**2. The subject of Agreement**

- 2.1. The Licensor shall issue to the Licensee a simple license to use the Intellectual Property in the territory specified in the Agreement for a fee specified in the Agreement and for the term specified in the Agreement.
- 2.2. For the purposes of this Agreement, the issuance of the license shall not constitute a transfer or alienation of the Intellectual Property Rights in favour of Licensee.

**3. Limitations on the use of the invention**

- 3.1. The Licensee has the right to use the Intellectual Property for the manufacture, storage, use, import, export, offering for sale, sale and other release for economic use of the Products.
- 3.2. The Licensee does not have the right to transfer the Intellectual Property or any component thereof to third parties. The Licensee is not entitled to issue sublicenses.
- 3.3. The Licensor has the right to agree with other companies on the issuance of simple licenses and does not require Licensee's approval for the said actions.
- 3.4. The Licensor reserves the right to use the Intellectual Property to conduct researches.
- 3.5. The Licensee has the right to use its name with the written consent of the Licensor.

#### **4. Confidential Information**

- 4.1. All information received under the Agreement (any information provided in writing or orally or in any other way) shall be considered confidential (hereinafter - Confidential Information).
- 4.2. Information and materials that meet at least one of the following characteristics shall not be considered as undisclosable information and materials within the meaning of this Agreement:
  - The information and materials are publicly known; and
  - Information or materials, the obligation to disclose which arises from regulatory enactments and which is disclosed in accordance with the procedures specified in regulatory enactments.
- 4.3. The Licensee acknowledges and understands that Confidential Information is an important property owned by Licensor and it is protected by the Commercial Secret Protection Law.
- 4.4. The Licensee undertakes not to disclose the Confidential Information specified in Clause 4.1 of this Agreement to any third party, assuming liability under this Agreement for all losses and costs that may be incurred by the Licensor in connection with the undertaking specified in this Clause.
- 4.5. The Licensee shall provide conclusion of confidentiality agreements with the persons dealing with Intellectual Property.
- 4.6. Any natural or legal person who is not a Party to this Agreement shall be considered a third party within the meaning of Clause 4.4 of this Agreement.
- 4.7. The Parties undertake to store and protect Confidential Information and to observe reasonable conditions for the storage of information.
- 4.8. Any public announcements regarding this Agreement, the fact, content and purpose of its conclusion, as well as that which includes Confidential Information, shall be made by the Parties only after prior written agreement with the other Party.
- 4.9. Upon termination of this Agreement for any reason, the Licensee shall immediately, but not later than within 7 (seven) days, return to the Licensor all and any form of Confidential Information received from it and destroy or delete any duplicates or copies of information stored in paper or electronic form or otherwise.
- 4.10. The fact of the transfer of the Confidential Information transferred to the Licensee and other related information shall be indicated in the transfer-acceptance deed signed by the Parties.

#### **5. Payments and settlement procedures**

- 5.1. The Licensee shall pay the Licensor a fee (hereinafter - the License Fee) in accordance with the following procedures and terms:

- 5.1.1 Interest payments (royalty) in the amount of \_\_\_\_\_% (\_\_\_\_\_ percent) per year from the annual turnover of the Products sold by the Licensee for each year from the entry into force of the license agreement until the expiry of the license agreement. The Licensee shall make interest payments within 1 (one) month from the date of submission of financial statements, specified in Clause 5.2 of the Agreement.
- 5.1.2. All payments provided for in the Agreement are subject to value added tax. The Licensee shall pay the value added tax in accordance with the procedures and in the amount specified in regulatory enactments.
- 5.2. The Licensee is obliged to submit a financial report or an extract thereof for each calendar year within 1 (one) month from its preparation, in which the income related to the Intellectual Property earned during the reporting period is indicated.

#### **6. The improvements made during the term of the Agreement**

- 6.1. The Licensor is entitled to make improvements to the Intellectual Property during the term of the Agreement.
- 6.2. Any changes made to the Intellectual Property shall be deemed to be improvements made during the term of the Agreement.
- 6.3. The improvements are the property of Licensor and may not be commercialized within the scope of this Agreement.
- 6.4. Within the framework of the performance of this Agreement, the Licensee is entitled to make improvements to the Intellectual Property with a written consent of the Licensor.

#### **7. Term of the Agreement**

- 7.1. The Agreement is concluded for 10 (ten) years and enters into force from the moment when it is signed by both Parties.
- 7.2. The Parties have the right to terminate the Agreement before the end of the term by written agreement of the Parties.
- 7.3. If one of the Parties violates any of the provisions of the Agreement and such violation is not remedied within 30 (thirty) working days from the receipt of the other Party's written notice, the other Party may unilaterally terminate the Agreement. The other Party must notify the breaching Party when the Agreement is terminated. The other Party shall send a notice on the date of termination of the Agreement to the Party breaching the Agreement not later than 30 (thirty) days before the date of termination of the Agreement.
- 7.4. If the breaching Party nevertheless complies with the provisions of the Agreement and eliminates the relevant breach of the Agreement before the date on which the Agreement is terminated in accordance with the notice of termination, the notice of termination shall be deemed revoked and the Agreement shall remain in force.
- 7.5. Upon early termination of the Agreement, the Licensee shall:
  - 7.5.1. Pay to the Licensor all outstanding payments due to it by the end date of the Agreement (unless the Licensee terminates the Agreement in accordance with Clause 7.3).
  - 7.5.2. Immediately terminate any use of the Intellectual Property.
  - 7.5.3. The Licensee shall immediately, but not later than within 7 days, return to the Licensor all and any form of information received from it and destroy or delete any duplicates or copies of information stored in paper or electronic form or in any other form.

#### **8. Responsibility of the parties and dispute settlement procedure**

- 8.1. The Licensee shall pay to the Licensor 0.5% (zero-point five percent) of the amount of the

overdue payments for each day of delay, but not more than 10% (ten percent) of the amount of the overdue amount.

- 8.2. The payment of the contractual penalty in the event of late payment does not release the Parties from full performance of their obligations.
- 8.3. Licensee undertakes that neither it nor its authorized representative will contest the patent and copyright underlying this Agreement.
- 8.4. The Parties shall not be liable for the total or partial inability of the Parties to perform their obligations under the Agreement due to force-majeure or exceptional circumstances, such as fire, natural disasters, acts of prohibition by public authorities, or any other exceptional circumstances which the Parties could not have foreseen or prevented by reasonable means. The term of performance of the obligations of the Parties shall be deferred in accordance to the duration of such circumstances. If these circumstances continue to be in force for more than 3 (three) months, each of the Parties is entitled to waive further performance of the obligations specified in the Agreement, in which case neither Party is entitled to claim from the other Party damages related to the termination of the Agreement.
- 8.5. The Party whose performance is hindered by force-majeure circumstances shall notify the other Party in writing of the occurrence and termination of such circumstances within 5 (five) calendar days and shall make every effort to mitigate the harmful consequences of force-majeure. Relevant evidence of the occurrence and persistence of such circumstances shall be statements issued by an appropriate public authority.
- 8.6. The Parties shall be liable for partial or complete non-performance of the provisions of the Agreement in accordance with the provisions of the Agreement, the Civil Law and other regulatory enactments.
- 8.7. The disputes arising between the Parties during the term of the Agreement shall be settled through negotiations. In the event that no agreement is reached within 30 (thirty) calendar days during the negotiations, the disputes shall be submitted to the court of general jurisdiction of the Republic of Latvia in accordance with the laws and regulations in force in the Republic of Latvia.
- 8.8. Licensor has the right to unilaterally withdraw from performance of the contract, if it is impossible to perform the contract because international or national sanctions, or significant EU or NATO member state sanctions that affect financial and capital market interests, have been imposed on the Licensee during the duration of the contract or before contract.

## **9. Final provisions**

- 9.1. During the deployment of the Intellectual Property, at the request of the Licensee, the Licensor may provide practical assistance and additional necessary scientific and technical information to enable the Licensee to introduce the Intellectual Property. The Licensor's practical assistance and the necessary scientific and technical information shall be provided for an additional fee, by separate agreement of the Parties.
- 9.2. The issues that are not covered by the Agreement shall be considered in accordance with the effective regulatory enactments of the Republic of Latvia.
- 9.3. In the event that one of the clauses of the Agreement becomes invalid, the validity of the other clauses of the Agreement shall not be affected.
- 9.4. All additions, corrections and amendments to the Agreement shall become legally binding if they are made in writing and signed by both Parties, becoming an integral part of the

Agreement.

- 9.5. Any written information related to the Agreement (including sent electronically) is binding on both Parties and may serve as evidence, if necessary, if the Party that sent the information has received an acknowledgment of receipt from the other Party.
- 9.6. Licensor's authorized representative during the term of this Agreement – \_\_\_\_\_, tel. \_\_\_\_\_, e-mail: \_\_\_\_\_.
- 9.7. Licensee's authorized representative for the term of this Agreement – \_\_, tel. \_\_\_\_\_, e-mail: \_\_\_\_\_.
- 9.8. The agreement is made on 5 (five) pages in Latvian. The Parties shall sign the Agreement with a secure electronic signature containing a time stamp. The date of signing the contract is the date of the last added secure electronic signature and the time stamp.

### **10. Details and signatures of the Parties**

#### **Licensor**

APP "Latvian Biomedical Research  
and Study Centre"  
Rātsupītes iela 1 k-1, Riga, LV-1067  
VAT reg.No. LV90002120158  
Bank: The Treasury of the Republic of Latvia  
BIC: TREL LV22  
IBAN: LV04TREL9150314010000

#### **Licensee**

Name Surname

THE DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE  
AND CONTAINS TIME STAMP