

DWM

DATED 2021 FEBRUARY 8

**INITIAL MANUFACTURING,
DISTRIBUTION, AND AFFILIATE
LICENSE AGREEMENT**

BETWEEN

MANUFACTURER

AND

DAINIS W. MICHEL

 dainis w michel

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1. DATE

THIS AGREEMENT is dated 2021 February 08

2. PARTIES

(1) dainis w michel, VerioWipes inventor registered living at:

Lāčplēša iela 29 dz. 20

Rīga, LV-1011

Latvia EUROPE

(**"Licensor"**); and

(2) **Company Name:**

a company registered in City, Country

with company number or official registration information

with registered contact office address

(**"Licensee"**).

Whose VerioWipes primary contact persons are:

3. BACKGROUND

- A. The Licensor has the right to grant licences of the Intellectual Property and Designs and to use the Brand Name in the Territory.
- B. The Licensee requests a licence to use the Intellectual Property, Brand Name and Designs in order to manufacture, distribute and market the products:
- VerioWipes
- Including: WetAndDryWipes, ThunderWipes, ElectronixWipes, IntimateWipes, CarWipes, MedWipes&Pads, JewelryShiners, and others per request, authorization and addended agreement.
- in the Territory/CompanyEcosystem.
- C. The Licensor agrees to grant such a licence to the Licensee on the terms set out in this Agreement.

4. DEFINITIONS & INTERPRETATION

The following definitions shall apply in this Agreement:

“Brand Name(s)” means the VerioWipes/ThunderWipes and associated Intellectual Property.

“Company Constellation” means a group of companies as agreed upon by the parties separately in writing (in a form set out in Schedule 1 at the end of this Agreement).

“Designs” mean the designs created and prepared by the Licensor from which the Licensee shall manufacture the ThunderWipes/ElectronicsWipes and throughout the process of manufacture shall include the modifications, improvements, or amendments to the Designs devised or developed during the term of this Agreement.

“Exclusive” means that the licensed VerioWipes can be exploited by the Licensee to the exclusion of third parties and the Licensor himself in the Territory.

“Initial Period” has the meaning given in clause 3.

“Intellectual Property” means the copyright, design rights, trademarks and all other intellectual property rights capable of existing worldwide in the VerioWipes Designs and Brand Names, including: WetAndDryWipes, ThunderWipes, ElectronixWipes, IntimateWipes, CarWipes, MedWipes&Pads, JewelryShiners, whether such rights are registered or not.

“License Maintenance Fee” means an annual fee to maintain the License, paid within 30 days of signing and within 30 days of Agreement Anniversaries thereafter.

“Net Purchase Price” means the total value of all VerioWipes, at the point of sale, sold by the Licensee pursuant to this Agreement, excluding any applicable sales tax such as VAT and any transportation costs.

“Notice” means a notice in writing served in accordance with the provisions of clause 26.

“Quarter” means one of four three month intervals calculated from the Commencement Date.

“Royalties” means the payments to be made to the Licensor by the Licensee under clause 7.

“Sales Summary Statement” means a statement that the Licensee prepares at least quarterly for the Licensee further detailed in section 4 of this agreement. The Sales Summary Statement shall address questions like: What do we need to increase sales? How can we make the product better? How can we improve the customer/manufacturer experience? How can we improve our ecological impact? How can we increase joy in everyone who experiences our brand?

“Second Term” means the fixed three Year period from the end of the Initial Period.

“Subsequent Terms” means subsequent fixed three year periods following the end of the Second Term.

“Territory” means a geographic territory agreed upon by the parties separately in writing (in a form set out in Schedule 1 at the end of this Agreement).

“VerioWipes” means the Wipes and/or Pads manufactured using the Designs, Brand Name and Intellectual Property.

“Year” means the period of 12 months from the Commencement Date and each consecutive period of 12 months thereafter during the term of this Agreement.

5. GRANT OF RIGHTS

- 5.1 Subject to clauses 5.2 and 2.3, in consideration of the obligations undertaken by the Licensee under this Agreement, the Licensor grants to the Licensee a licence to use the Designs, Brand Name and Intellectual Property to manufacture, distribute, and market VerioWipes, in accordance with the terms of this Agreement.
- 5.2 The Licensor reserves the right to grant licences of the Designs, Brand Name and Intellectual Property to other licensees.

6. TERM

This Agreement shall be for an initial fixed period lasting from the Commencement Date until three years thereafter (**“Initial Period”**), and shall be automatically renewed unless terminated by either party in accordance with clause 5.

7. ROYALTIES & FEES

- 7.1 In consideration of the rights granted by the Licensor in clause 2, the Licensee shall pay to the Licensor a License Maintenance Fee of 10,000 USD per year, within 30 days of signing and within 30 days of Agreement Anniversary thereafter.
- 7.2 In consideration of the rights granted by the Licensor in clause 2, the Licensee shall pay to the Licensor a royalty equal to an amount of:
 - (a) 3% of the Net Purchase Price in respect of all VerioWipes sold;
- 7.3 Within 7 days after the end of each Quarter during the term of this Agreement, the Licensee shall deliver to the Licensor a Sales Summary Statement giving particulars of all sales of the VerioWipes effected by the Licensee during each month of the Quarter, also showing the total royalties payable to the Licensor for that month.
- 7.4 Within 14 days after the end of each Quarter, the Licensee shall pay the Royalties due for that month by direct credit or transfer into the account of the Licensor (details of which shall be notified in writing to the Licensee as needed).

8. AFFILIATE RELATIONSHIP

- 8.1 With written consent from the Licensor, the Licensee may offer VerioWipes licenses to its contacts, in order to earn a commission.
- 8.2 Licensee requests affiliate approval
 - (a) Yes/No (please circle Licensee response and cross out other answer)
- 8.3 Determine Licensee Commission, Examples:
 - (a) 50% of 1st year Licensing Fee (excluding the License Maintenance Fee)
 - (b) 10% of each 1mil USD paid out to Licensor, only after 1st milion has been reached
 - (c) Affiliate approaches Licensor with a commission option prior to contacting Prospects and gives Licensor an approximate monetary amount of proposed sales. Based on sales volume, an affiliate commission is determined by the Licensor and Affiliate, agreed upon, and signed in writing.

9. INITIAL PRODUCT DEVELOPMENT

- 9.1 During the initial product development phase, the Licensor will create a Kickstarter Campaign, to sell ThunderWipes Brand "ElectronixWipes."
- 9.2 The wipes will come in 3 sizes: "mobile phones," "monitors," and "TVs."
- 9.3 Current specifications are approximate. Sizes, chemicals, and materials will be adjusted and optimized.
- 9.4 Branding: Normal print
- 9.5 Waterproof surface for fingers: Duct-tape like surface, but with less slippery. Cloth-take like surface, but possibly with more grip.
- 9.6 Wet side wipe: non-woven cloth, wet strength paper or other materials. Moistened with isopropyl alcohol (70% suggested) with very light natural essential oil scent. Wet cloth and edging allow easy cleaning and removal of oil and other deposits.
- 9.7 Dry side wipe: non-woven cloth, wet strength paper or other materials – optimized for drying/polishing of electronics.
- 9.8 Ecology: Materials must have low to beneficial impact on ecology. Future versions can include microbial spray between product layers, in order to improve composting and city waste processing conditions.
- 9.9 More exact specifications are provided to Licensees who've signed the VerioWipes NDA.

10. MANUFACTURE OF THE PRODUCT(S)

- 10.1 Transfer of technical specifications from Licensor to Licensee and collaboration on optimal manufacturing process begin upon signing of this Agreement.
- 10.2 Under guidance and approval from the Licensor, every aspect of the manufacturing process, end product, use, and recycling is to be continuously reviewed and improved upon. Changes to specifications and procedures are made via written and/or email communications and approved by the Licensor.

11. KNOW-HOW AND TECHNICAL ASSISTANCE

- 11.1 The Licensor and Licensee agree to collaborate and cooperate with know-how and technical assistance.
- 11.2 The Licensor plans to build a manufacturing facility in Latvia by 2030. With strong sales, the Licensee agrees to assist in a cooperative and friendly manner, with open dialogue in the spirit of mutual benefit, so that the Latvian manufacturing facility can be successful given its location, workforce costs, access to materials, and other considerations.

12. DURATION AND TERMINATION

- 12.1 **Termination without cause:** a termination notice shall first be served by either party with at least 3 months notice prior to the Agreement Renewal Date, effective the day before the Renewal Date, otherwise the licence shall be deemed to have been automatically renewed for another Three Year Term following the end of the Initial Period or subsequent Periods (Three Year Terms).
- 12.2 Once a notice is validly served under clause 5.1, the termination will be effective starting with the day before the Renewal Date.
- 12.3 For the avoidance of doubt, the earliest this contract can come to an end in accordance with clauses 5.1 and 5.2 is three years from the Commencement Date.
- 12.4 After the Initial Period, this Agreement shall automatically continue thereafter for a Second Term and Subsequent Terms until terminated by either party giving not less than 3 months prior written notice to terminate on the expiry date of the Second Term or the expiry date of any relevant Subsequent Term.

13. TERMINATION CONSEQUENCES

- 13.1 Subject to clauses 13.2 and 13.3, on termination of this Agreement the Licensee shall discontinue all use of the Intellectual Property and shall immediately pay any outstanding Royalties due under clause 7.4 to the Licensor plus (where applicable) a pro rata amount.
- 13.2 If the Licensee shall have any remaining stock of VerioWipes at the time of termination, then the Licensor may at his discretion purchase such remaining stock at the cost price for which the products were manufactured.
- 13.3 Any products in the course of manufacture at the time of termination may be completed within 30 days and distributed/sold in compliance with the terms of this Agreement but not otherwise.

14. LICENSEE'S OBLIGATIONS AS TO QUALITY

- 14.1 The Licensee shall manufacture VerioWipes to its own specifications and at all times use it's reasonable endeavours to ensure that the products are of the highest quality possible.
- 14.2 The Licensee shall, as needed, continuously improve quality and safety, seek to reduce manufacturing costs, help increase profits and sales, enhance mutual benefit, and continuously improve contractual and interpersonal relationships in all matters related to VerioWipes.

15. LICENSEE'S OBLIGATIONS AS TO MARKETING

- 15.1 The Licensee shall at all times use its reasonable endeavours to promote and sell VerioWipes.
- 15.2 It is agreed by the Licensee that VerioWipes will be sold only to recognised wholesale firms for resale, retail firms, retail firms for resale to the public, or direct to the public.
- 15.3 The Licensee shall be responsible for setting any prices associated with VerioWipes.

16. INSPECTION

The Licensee shall permit the Licensor at all reasonable times to inspect the Licensee's premises in order to satisfy the Licensor that the Licensee is complying with its obligations under this Agreement.

17. USE AND PROTECTION OF INTELLECTUAL PROPERTY

- 17.1 The copyright material comprised in the Intellectual Property shall be protected as follows:
- (a) every unit of VerioWipes/ThunderWipes and all packaging, advertising and point of sale materials used in connection with the Wipes and/or Pads shall bear the following copyright identification '© da1ni5' and the statement 'manufactured under licence from VerioWipes'; and
 - (b) no copyright material comprised in the Intellectual Property or Designs may be used in connection with the manufacture, distribution, or marketing of any goods other than the VerioWipes and/or Pads (or any other products produced pursuant to this Agreement) for which the use of such material is specified.
- 17.2 The Licensee shall not use any of the Intellectual Property as part of the Licensee's name or the name of any entity associated with it without the prior written consent of the Licensor.
- 17.3 The Licensee shall not during the term of this Agreement or at any future time register or use any of the Intellectual Property in its own name as proprietor.
- 17.4 The Licensee recognises the Licensor's title to the Intellectual Property and shall not claim any right title or interest in the Intellectual Property or any part of it, save as is granted by this Agreement.
- 17.5 The Licensee shall promptly call to the attention of the Licensor the use of any part of the Intellectual Property by any third party or any activity of any third party which might in the opinion of the Licensee amount to infringement or passing off.
- 17.6 The Licensee shall not except with the prior written consent of the Licensor make use of the name of the Licensor in any connection otherwise than is expressly permitted by this Agreement.

18. CONFIDENTIALITY

- 18.1 The Licensee undertakes that it shall keep (and it shall ensure that its respective directors and employees keep) secret and confidential all know-how relating to the manufacture of VerioWipes and any information (whether or not technical) of a confidential nature communicated to it by the Licensor, either preparatory to, or as a result of, this Agreement, and shall not disclose the same or any part of the same to any person other than its directors or employees directly or indirectly concerned in the

manufacture, use or sale of VerioWipes, provided that before any such disclosure takes place, the Licensee shall ensure that each of the directors and employees concerned shall execute a confidentiality undertaking with the Licensor in a form approved by the Licensor, such approval not to be unreasonably withheld.

18.2 The provisions of clause 11.1 shall not apply to such know-how and information as the Licensee:

- (a) can prove to have been in its possession at the date of receipt, or which becomes public knowledge otherwise than through a breach of an obligation of confidentiality owed (whether directly or indirectly) to the Licensor; or
- (b) is necessarily disclosed as a result of the marketing of, or use of VerioWipes

18.3 The provisions of this clause 11 shall remain in force notwithstanding expiry or earlier termination of this Agreement.

19. ACTION AGAINST THIRD PARTIES

19.1 The Licensor shall have the sole right to take action against third parties in respect of the Intellectual Property and if required to do so by the Licensor, the Licensee shall co-operate with the Licensor in any such action.

19.2 If the Licensor fails to take any such action against third parties in relation to the Intellectual Property, the Licensee may serve Notice on the Licensor and on the expiry of 30 days after the service of such Notice the Licensee shall be entitled to prosecute such action itself and at its own expense, provided the Licensor has granted written approval and a split has been determined regarding all damages to be recovered.

20. INDEMNITY

Barring negligence, deceit, or otherwise harmful behaviors, the Licensor shall indemnify the Licensee against all actions, claims, costs, damages, losses and expenses arising out of the Licensee's use of the Intellectual Property and Designs in accordance with the terms of this Agreement.

21. WARRANTIES

14.1 The Licensor represents, warrants, undertakes and agrees with the Licensee as follows:

- (a) the Licensor is the sole unencumbered absolute legal and beneficial owner of the Intellectual Property and all other rights associated with VerioWipes; and
- (b) the Licensor has not encumbered or transferred any rights of copyright, or any other rights in or to VerioWipes, except pursuant to this Agreement Type, and has not entered into any agreement or arrangement which conflicts with the parties' rights and obligations under this Agreement.

22. LICENSEE'S LIMITATION OF LIABILITY

22.1 This clause 15 limits the liability of the Licensee in relation to any aspect of this Agreement.

22.2 Barring deception, negligence, fraud, or other criminal activity, the Licensee shall not have any liability for any losses or damages which may be suffered by the Licensor for any indirect or consequential loss, which fall within any of the following categories:

- (a) special damage even though the party was aware of the circumstances in which such special damage could arise;
- (b) loss of profits;
- (c) loss of anticipated savings;
- (d) loss of business opportunity;
- (e) loss of goodwill; and
- (f) loss of data,

provided that this clause shall not prevent claims for direct financial loss that are not excluded by any of categories (a) to (f) inclusive.

23. NATURE OF RELATIONSHIP

- 23.1 The manufacturing relationship created by this Agreement is that of licensee and licensor, and not employer and employee, nor are the parties partners or joint venture partners.
- 23.2 Licensee is also entitled to act as the Licensor's Affiliate, and will receive 50% of the 1st year Licensing Fee of all Licenses referred, unless a separate Affiliate Arrangement is agreed upon. Affiliate Arrangements can be referred and suggested by the Licensee, but can only be completed between the Referred Licensee and the Licensor.

24. ASSIGNMENT

- 24.1 The Licensee may only assign or transfer the benefit of this Agreement or grant any sub-licence to third parties with the expressed written consent of the Licensor.

25. VARIATION

This Agreement may only be amended by a document in writing signed by a duly authorised signatory of each party.

26. FURTHER ASSURANCE

The parties shall execute all further documents as may be necessary or desirable to give full effect to the terms of this Agreement and to protect the rights of the parties under it.

27. ENTIRE AGREEMENT

- 27.1 This Agreement and the documents referred to in it, constitute the entire agreement and understanding of the parties and supersede any previous agreement between the parties relating to the subject matter of this agreement.
- 27.2 Each of the parties acknowledges and agrees that, in entering into this Agreement and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement as a warranty or representation. The only remedy available to it for breach of such warranties or representations shall be for breach of contract under the terms.

28. NO WAIVER

No waiver by either of the party's obligations under this Agreement shall be deemed effective unless made in writing, nor shall any waiver in respect of any breach be deemed to constitute a waiver of or consent to any subsequent breach by either party of its obligations.

29. DISPUTE RESOLUTION

29.1 In the event of a dispute in relation to this Agreement the parties shall first attempt to resolve such dispute through negotiation.

29.2 Where negotiation is unsuccessful, the parties agree to refer the matter to mediation.

29.3 Where a party desires to refer a dispute to mediation it shall serve Notice on the other party specifying its wish to go to mediation and the nature of the dispute. Within 14 days of such Notice the parties shall agree who will mediate the dispute and in the absence of agreement a mediator shall be appointed by the Latvian Biedrība "Mediācijas padome." The parties shall equally bear the costs of mediation and their own legal fees.

29.4 The obligations under clauses 23.1 to 23.3 shall not prevent either party seeking urgent interlocutory relief.

30. GOVERNING LAW & JURISDICTION

This Agreement shall be governed by the laws of Latvia and the parties exclusively submit to the jurisdiction of the Courts of Latvia, Europe.

31. SEVERANCE

In the event that any provision of this Agreement is declared by any judicial or other competent authority to be void, voidable or illegal, the remaining provisions shall continue to apply.

32. NOTICES

Any Notice to be served on either of the parties by the other shall be sent by pre-paid recorded delivery, registered post or by email to the correct address of either party and shall be deemed to have been received by the addressee within 21 days of confirmed receipt.

33. SIGNATURES

SIGNED AS A DEED by an)
authorised representative of).....
LICENSEE in the presence of:)

W Signature:
I Name:
T Address:
N
E
S
S Occupation:

SIGNED AS A DEED by)
LICENSOR:).....
)

W Signature:
I Name:
T Address:
N
E
S
S Occupation:

SCHEDULE 1

ADDITIONAL TERRITORIES AGREEMENT

Dated _____

Between

A) _____ (**Licensee**); and

B) dainis w michel (**Licensor**).

TERMS:

1. Further to a Licence Agreement dated _____ between the Licensors and the Licensee, the parties agree that the following territories:

(a) _____ and/or

(b) Company Constellation(s): _____,

shall from the date of this subsequent agreement form part of the definition of the 'Territory' of the Licence Agreement.

2. For the avoidance of doubt, all other terms of the Licence Agreement shall continue in force except as varied by this additional agreement.
3. This additional agreement shall be governed by the laws of Latvia and the parties exclusively submit to the jurisdiction of the Courts of Latvia.

This agreement has been executed as a deed.

SIGNED AS A DEED by)
an authorised)
representative of)
LICENSEE in the
presence of:

W Signature:

I Name:

T Address:

N

E

S

S Occupation:

SIGNED AS A DEED by)
 LICENSOR:).....
)

W Signature:

I Name:

T Address:

N

E

S

S Occupation:

AFFILIATE LICENSE

AFFILIATE LICENSE TERMS AND DETAILS

Dated _____

Between

A) _____ (**Affiliate**); and

B) dainis w michel (**Licensor**).

1. The parties agree to the following process and terms

Purpose:

Affiliate's purpose is to sell VerioWipes Manufacturing and/or Additional Licenses

Procedure:

Affiliate requests permission to sell license to Prospect

Affiliate may inform Prospect "I have an offer for you, but my supervisor needs to approve your company 1st, may I send you a Licensing Agreement Proposal

Affiliate drafts a Licensing Agreement Proposal and sends it to the Licensor for approval.

Upon Approval, Affiliate may send the Licensing Agreement Proposal to the Prospect.

Fees and Commissions are determined beforehand.

After several commissions have been earned, Affiliate may present a client acquisition process to Licensor for approval, to speed up and increase revenue and process efficiency.

2. Affiliate Commissions (cross out unwanted text, leave only agreement text)

- a. Example: 50% of 1st year Licensing Fee (excluding the License Maintenance Fee)
- b. Example: 10% of each 1mil USD paid out to Licensor, only after 1st milion has been reached
- c. Describe Affiliate commission agreement below:

3. This additional agreement shall be governed by the laws of Latvia and the parties exclusively submit to the jurisdiction of the Courts of Latvia.

Affiliate Info, City, Date and Signature

Licensor Info, City, Date and Signature

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Rīga, LV 1011
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Mobile: +43 660 515 7333 (CET)

(signature)

(signature)