

License Agreement – Design Partner

1. Preamble

This license agreement is concluded between Pattern Design GmbH (hereinafter referred to as "Pattern Design") and the bidding designer (hereinafter referred to as "Design Partner").

This license agreement governs the conditions to which Pattern Design may use the designs provided by the Design Partner.

2. Declaration

By offering and selling its designs on <u>www.patterndesigns.com</u>, the Design Partner has the opportunity to receive a commensurate, predetermined remuneration. In doing so, the Design Partner will incur no costs (no applications fees, no membership fees, or otherwise hidden costs).

After successful verification, the Design Partner will receive confirmation from Pattern Design and be registered by Pattern Design as Design Partner. After the successful registration the Design Partner may transmit its designs to Pattern Design for selling. After the designs are reviewed by Pattern Design in accordance with the pattern specs (standards of quality) the designs are activated by Pattern Design for sale.

Pattern Design reserves the right to select its Design Partners.

The Design Partner has the opportunity to use an additional, worldwide sales-channel by offering its designs by Pattern Design.

3. Subject matter of the agreement

The subject matter of this agreement is the design transmitted by the Design Partner in accordance with the pattern specs.

The pattern specs form a part of the agreement between Pattern Design and the Design Partner and may be amended unilaterally by Pattern Design in supplement.

4. Registration and user account

In order to be able to sell designs as a Design Partner by Pattern Design, the future Design Partner must register. Such registration shall be free of charge. Upon completion of the registration process, the future Design Partner shall receive an user account without any restriction as to time. The future Design Partner must not provide incorrect or misleading information upon registration (such as name, e-mail address, etc.).



Such information provided can only be changed by directly contacting Pattern Design in writing, either via e-mail or mail. The Design Partner shall be entitled to request at any time that Pattern Design deletes its registration and thus its user account and deactivates its user name and password. Such request must be made via e-mail or mail.

Pattern Design shall be entitled to delete the user account at any time and without stating reasons, as well as to deactivate user name and password.

5. Scope of use

The Design Partner grants Pattern Design the right to use the designs without limitation in time, place and content. Upon receipt of the design, Pattern Design will be authorized to use the design without limitation at the exclusion of the rights of third parties and, in particular, of the Design Partner (creator) itself, and to grant simple rights of use to third parties (sub-licensing); (e.g. the designs can be sold more than once by Pattern Design).

The Design Partner agrees that all rights of use are transferred to Pattern Design upon completed transmission of a design to Pattern Design.

6. Modifications / Editing rights

Upon successful transmission, Pattern Design will be authorized to modify and further develop the design and does not require the consent of the Design Partner to do so (e.g. changing the colour of a design).

Pattern Design is, without the consent of the Design Partner, authorized to exploit the modified design without previous permission.

7. Labelling

Reference to the creator of the designs are made. This will be also made, inasmuch as the design is used in an editorial or a journalistic context.

The creator can effect the modification of the reference (e.g. to a pseudonym). Pattern Design will modify the reference on www.patterndesigns.com as soon as possible.

Pattern Design does not warrant that its sales partners effect the modification of the reference.

8. Remuneration

For every sale of a design by Pattern Design, the Design Partner will be paid at least 30% of the net sale value. The pricing of the designs is set by Pattern Design. The prices can be seen on the details page of each design on www.patterndesigns.com.



In the case of sales by business partners (e.g. partner shops etc.) the prices of the designs and hence the amount remunerated per design may vary without prior notice to the Design Partner. It will not always be possible to equip the patterns with a watermark. Meanwhile, the protection can also be effected by optical distortion, proper watermarks of the business partners or by objects (e.g. furniture) which are displayed in front of the pattern. A uniform protection cannot be guaranteed because of the greatly varying product areas of the business partners.

The remuneration will be transferred to a PayPal or bank account designated by the Design Partner. When the balance reaches EUR 50.- the Design Partner can request the withdrawal within his account. The balance will be transferred to the corresponding account within 7 days.

The Design Partner will be automatically sent an e-mail upon each sale. In addition, the Design Partner can prompt Pattern Design to deactivate this information service.

Pattern Design reserves the right to pass on transaction fees to the Design Partner.

9. External services used by the Design Partner

Pattern Design is released from external services incurred in the creation of the design. The Design Partner has to bear all costs incurred from external services.

10. Unlimited right of use

Upon successful transmission of the design, the Design Partner transfers to Pattern Design its unlimited right to use the design.

11. Deletion of Designs

Pattern Design reserves the right to refuse designs in the course of internal quality control measures or due to inappropriate content, and to delete such designs.

The Design Partner can also effect the deletion of some or all of his designs. Pattern Design will delete the requested designs on www.patterndesigns.com as soon as possible and will also inform sales partners of Pattern Design to do so. Sales partners of Pattern Design are bound by contractual agreement to effect the deletion as soon as possible, but latest one (1) month after notification by Pattern Design. Pattern Design does not warrant that its sales partners effect the deletion. Sales already carried out, the presentation of products with the requested designs in already produced, non-digital, promotional tools (e.g. product catalog), as well as with the designs manufactured products, are excluded from the deletion.



12. Consequences of termination of the user account

Should the user account be terminated, e.g. by a notice of termination, the Design Partner's user account shall be deleted and the user name and password shall be deactivated.

13. Warranty

The Design Partner warrants that the design meets the requirements pursuant to the pattern specifications. In particular, the Design Partner guarantees that the design is free of proprietary rights of third parties that limit or exclude a contractual use of the design. The Design Partner also warrants that the design is not registered as a design patent or has been protected, and that the Design Partner is obligated not to register the design as a design patent. The Design Partner is to inform Pattern Design without delay in the event that claims for infringement of proprietary rights are asserted against the Design Partner.

14. Disclosure of data

Pattern Design is authorised to disclose to the buyer of the design all of the data transmitted by the Design Partner. Third parties (buyers of designs) and Pattern Design may modify the design in any way.

15. Limitation of Liability

The Design Partner expressly and bindingly acknowledges that Pattern Design assumes no liability for any direct, indirect or incidental damages, consequential damages, or resulting consequences, including loss of profit, goodwill, use, data or intangible assets (even if Pattern Design was informed of the possibility that such damages could arise) that result from the provision of services or data or from unauthorised access/modification of his/her data and any possible consequences.

The Design Partner is liable for damages caused by him/her or his/her agents with intent or gross negligence (e.g., transmission of a copy to Pattern Design, ...)

16. Age and contractual capability

The Design Partner warrants and guarantees that it is authorised to conclude this agreement and is of legal age, and accepts that the conditions and provisions of the agreement on the use of the partner program are binding.



17. General Provisions

In the event that a provision of this license agreement is invalid, the validity of the other provisions shall remain unaffected.

The contractual relationships between Pattern Design and the Design Partner are subject to the law of Austria. The application of the CISG as well as the conflict rules of private international law are excluded.

All legal disputes arising from this agreement between Pattern Design and the Design Partner, including issues in connection with the conclusion, the validity, the dissolution or annulment thereof, shall be subject to the exclusive jurisdiction of the competent court in Wels, Austria.

Amendments and/or ancillary agreements only apply if they are stipulated in writing. This also applies to the agreement to depart from the written form requirement.