

## DISTRIBUTION AGREEMENT

DD/MM/YYYY

\_\_\_\_\_, registered with the \_\_\_\_\_ under registration No \_\_\_\_\_, registered address \_\_\_\_\_ represented by \_\_\_\_\_, acting on the basis of statutes, hereinafter referred to as the "Distributor", of the one part,  
and

**Flex BI SIA**, registered with the Commercial Register of the Republic of Latvia under registration No 40203021416, registered address Maza Nometnu street 47, Riga, LV – 1002, Republic of Latvia, represented by **Dace Kvalberga**, acting on the basis of statutes, hereinafter referred to as the "Developer", of the other part,

hereinafter the Distributor and the Developer collectively referred to as the "Parties", while each individually as the "Party", enter into the agreement of the following content:

### 1 . Subject Matter of the Agreement

1.1 The Parties agree that the Distributor will act as a distributor of the Developer's product in the territory and according to the procedure set out in the present agreement, and the Distributor undertakes to distribute the Developer's product in line with provisions of the present agreement.

1.2 The present agreement vests rights in the Distributor to distribute the Developer's product in the following geographical area: \_\_\_\_\_(hereinafter referred to as the "Territory)

1.3 The Parties hereby agree on distribution of the following products: **(1) Cloud version accounts of business intelligence tool flex.bi hosted by Developer, (2) Cloud version accounts of business intelligence tool flex.bi hosted by Distributor, (3) Enterprise server licence of business intelligence tool flex.bi, (hereinafter referred to as the "Product")**. The Distributor is entitled to carry out distribution of other Developer's products, if a relevant agreement is concluded thereon.

1.4. The Distributor consents that without a separate consent of the Developer it is not allowed to sell, deliver, install the Product, or provide other support to the Product and sale thereof outside the Territory. Exceptions must be agreed between both sides.

### 2. Collaboration of the Parties and Distribution of the Product

2.1 .The Distributor undertakes to make its best effort to (1) facilitate trade and receipt of orders placed for the Developer's Product in the Territory; (2) comply with the Developer's policies, procedures, and pricing in respect to sale, distribution and support of the Product; (3) carry out its activities in such a way, as to facilitate good standing of the Product and the Developer, not to damage goodwill of the Developer and business partners of the Developer.

2.2. The Developer reserves all rights to freely decide on the price of the Product sold and distributed by the Distributor, inter alia, the Developer has the right to revise the price with **30 day prior written notice thereof to Distributor**. The prices established by the Developer are indicated

on the website: <http://flex.bi>, insofar the Developer has not communicated different applicable prices to the Distributor in writing.

2.3 Upon finding a buyer of the Product (customer or end-user), the Distributor shall agree with the customer about the Product (accurate specifications, necessary services of installation and maintenance required from Developer) and sends a relevant order of the respective customer (end-user) for the Product to the Developer. After the Developer's approval of the order, and after the Developer has received full payment, the Developer issues the Product's enabler which provides a possibility to use the Product in the set scope, configuration, and/or timeline. Installation, consultations, and customisation of the Product is a service subject to separate payment pursuant to a valid pricelist.

2.4 The Distributor shall send all orders to the Developer, and the order can be performed upon receipt of the written approval of the Developer. The Developer has the right not to accept or decline an order.

2.5 Each order of the Distributor itself to deliver the Product (inter alia, issue the enabler) shall be deemed to be an offer to purchase the Product or service from the Developer, and after receipt of the order by the Developer it creates a contractual obligation for the Distributor to purchase and pay for the Product, respective service.

2.6 The Distributor shall facilitate awareness of the Product and sales in the Territory at its own expense.

2.7 The Distributor shall make reasonable commercial efforts to enhance sales of the Product; nonetheless, neither sales target nor minimum sales volume of the Product is set. Depending on the sales volumes, the Developer may revise the amount of the Distributor's fee.

2.8 The Developer is entitled to promote, sell, make the Product available and provide the support for the Product, extend licences for the Product in the Territory and issue the enabler of the Product on its own, at its own expense.

2.9 The Distributor may not actively promote or actively seek orders of the Product outside the Territory. In case the Distributor receives orders from outside the Territory, the Distributor shall inform the Developer thereon and mutually cooperate to perform the order in such a way most beneficial financially for the Developer, the Distributor, and the distributor located in the area where the order was placed (acting according to discretion of the Developer and applicable laws and regulations). Exceptions must be agreed between both sides.

2.10 The Developer has the right to request information from the Distributor at any time about the progress of sales of the Product, orders received, products sold to customers (end-users) and used by them, services rendered, scope thereof, and other information; the Distributor is obliged to promptly provide such information.

2.11 The Distributor shall, on its own and at its own expense, apply for and receive approvals, certifications, permissions, and other confirmations (either governmental or non-governmental) which are necessary to sell the Product in the Territory, as soon as it is necessary. Upon the Developer's request, the Distributor shall submit evidence of the above approvals being obtained.

2.12 The present agreement is concluded by and between independent Parties, and its conclusion does not create a joint venture, company, or other kind of cooperative society between the Parties. The Distributor is an independent entrepreneur, and is not the Developer's employee or branch office. Neither the Distributor nor the Developer is entitled to enter into any contracts or assume commitments on behalf of the other Party, or using the name of the other Party, or do it in a way that would result in a risk of confusion, except for, to the extent directly following from the present agreement.

### **3. Provision of Product Support**

3.1 The Distributor undertakes to provide, on its own and at its own expense, support of the customers (end-users) of the Product in the Territory by, among other, providing consulting and assisting in resolving issues related to installation and use of the Product. For the purpose to provide the support to the customers (end-users) the Distributor shall appoint a dedicated employee or staff that would procure communication with the customers (end-users) and provide them with necessary assistance, support. The Distributor shall cover expenses associated with maintenance and training of the dedicated employee or staff.

3.2 The Developer undertakes to provide, on its own and at its own expense, support of the Distributor and assisting in resolving issues related to installation and use of the Product.

3.3 The support of the customers (end-users) of the Product shall be provided by the Distributor in good quality, so that it would be freely and promptly available, provided in line with good business practices, in expected scope, and in sufficient quality. The number of the dedicated staff shall be determined by the Distributor according to the number of customers (end-users) to be served, so to procure free and prompt availability of the support, and in any case, there has to be at least one employee throughout the validity period of the agreement.

3.4 The Parties mutually cooperate in training and education of the dedicated staff about specific issues related to the Product in the scope set out in Annex 1.

3.5 In case the Distributor is unable to provide the Product support to the customer (end-user) in especially complicated cases, it shall immediately contact the Developer to resolve the respective issues and jointly provide support and consultations to the customer (end-user).

3.6 The Distributor has the right to render services and consultations to the customers (end-users) associated with installation and service of the Product. Upon rendering such services and consultations and procuring support for the Product, the Distributor will comply with the pricing and guidelines for rendering services established by the Developer. The Distributor shall directly perform settlement of accounts with the customers (end-users) for services and consultations provided by the Distributor.

3.7 The Distributor is responsible for doing his best to ensure Product quality and reporting mistakes and errors (bugs) found in any part of Product to Developer as soon as they discover them. Reporting should be done via email : [support@flex.bi](mailto:support@flex.bi).

#### **4. Pricing and Payment Procedure**

4.1 The Distributor shall receive a fee for distribution of the Product (hereinafter referred to as the "Fee") . Amount of the fee is fixed and described in Anex 1 and can vary based on product licence and time since the sale is made.

4.2 Distributor is entitled to perform direct settlement of accounts with the customers (end-users), inter alia, by issuing invoices for the Product and related services to the customers (end-users). In such case the Distributor has an obligation to pay for the purchased Product to the Developer 10 business days before next subscription period as of the sale of the Product for the amount after deducting the contracted Fee. The Fee is applied as a discount on monthly invoice for Product to Distributor.

4.3 Upon Distributors request, Developer can also make settlement with Distributor customers. In this case the Fee shall be calculated and disbursed to the Distributor after the customer (end-user) has purchased the Product and paid the established price of the Product to the Developer in full.

4.4 After the preconditions for disbursement of the Fee are met, the Distributor shall send an invoice to the Developer, which shall be paid within 30 (thirty) business days as of receipt of the invoice.

4.5 The Distributor should be aware about the price of the Product and licence fee established by the Developer, but Distributor has right, without obtaining prior written approval of the Developer, to offer the Product at price different from the one established by the Developer.

4.6 Distributor covers the cost of changes in product functionality (new pricing plans, adjustments of existing plans etc), related to price change established by Distributor.

4.7 The Distributor is fully responsible for associated costs of sale of the Product in the Territory, including maintenance costs of the Distributor's office, sales and advertising costs, bank fees, support and consultation coverage, costs for delivery of the Product to the customer (end-user), payments of taxes and duties, installation costs or other operating expenses. The Developer does not have and will not have payment obligations other than the obligation to pay the Fee established in the present agreement.

4.8 The payments arising out of the present agreement shall be made in euro currency by money transfer to the bank's current account or using the PayPal payment system in order to execute a transfer of funds to the other Party.

4.9 If Distributor server or customer server downtime is caused by errors (bugs) in Product related to licencing or causing data corruption or server stability issues, both sides agree on fastest possible solution according to best practices. If Distributor's customers refuse to make payments for Product due to issues listed above, Distributor can agree with Developer for other payment terms than mentioned in 4.2 and 5.3.

## **5. Validity Period of the Agreement and Termination of the Agreement**

5.1 The present agreement shall be valid as of the time of signing thereof and shall be valid for 1 (one) year. After expiry of the validity period this agreement shall be automatically extended for 1 (one) year every time, unless any of the Parties has sent a notice to the other Party about not extending the agreement.

5.2 The agreement can be terminated in case of an agreement between the Parties.

5.3 The Developer can terminate the present agreement, if the Distributor breaches provisions of the present agreement or is overdue with the payment for more than 10 (ten) days, or if the Developer notifies the Distributor about termination of the agreement one month ahead.

5.4 The Developer has the right to terminate the present agreement, if the Distributor's liquidation, insolvency, or legal protection proceedings are commenced. The Distributor can terminate the present agreement, if the Distributor notifies the Developer in writing about terminate of the agreement one month ahead.

5.5 Upon terminating the present agreement, the Developer is not liable for consequences resulting from termination of the agreement and discontinuation of the cooperation. Upon expiry of the present agreement, the Distributor shall notify the Developer in writing within 3 (three) business days about the Products, which were sold with assistance of the Distributor, while for which the Fee is not received yet. The settlement of accounts for these orders shall be performed under procedure prescribed by the agreement.

## **6. Intellectual Property Rights**

6.1 The Developer and relevant third parties, who are holders or proprietors of intellectual property rights, retain all rights to the intellectual property of these persons, and no title arises for the Distributor thereto. Upon using the Product, the end-user (customer) has the right to use the objects of the Developer's intellectual property, insofar it arises from the received type of the Product (services) and provisions of the agreement. The Developer can exercise its intellectual property rights at its own discretion, without any limitations.

6.2 The Distributor and the end-user (customer) have to ensure, on their own and at their own expense, the right to use other objects of intellectual property rights, inter alia, by purchasing services, subscriptions, licences of HansaWorld, if necessary.

6.3 The Distributor is allowed to use the name of the Product upon advertising the Product and promoting the Product. The Distributor can refer to in its advertising and marketing materials that it is a distributor of the Developer's Product and may use the Developer's trademarks in sales and marketing events. The Developer reserves the right to review the Distributor's marketing and sales materials before their publication or use, and the Distributor will respect the Developer's decisions to this end. Upon the Developer's request, the Distributor must modify its websites, advertising, brochures, and any other materials.

6.4 Upon terminating the present agreement for any cause, the Distributor will immediately cease using the Developer's trademarks, the Product, and objects of intellectual property rights, and promptly carry out all necessary measures, so that in future activities its customers (end-users) and potential buyers of the Product would not face the risk of confusion the Distributor does not represent the Developer anymore, and does not distribute the Product. Upon terminating the agreement, the Developer may cut availability of the Product and provision of the services, and in such case it shall not be liable for any possible losses, including saving of data.

6.5 The Distributor shall fully collaborate and help the Developer to protect the Developer's intellectual property rights in the Territory, and warn the Developer right away, if the Distributor is aware of breach of any patents, trademarks, copyright, and other intellectual property rights owned by the Developer or used by the Developer (including non-licensed use of the Product, or violation of the terms of the licence).

## **7. Representations and Warranties of the Parties**

7.1 The Parties represent that they are authorized to enter into the present agreement and undertake the rights and obligations established herein.

7.2 The Parties acknowledge that information exchange between the Parties electronically (email, using Customer Account, if such is allocated to the Distributor on the Developer's website or system) within the scope of the present agreement shall be equal to exchange of hardcopy and signed documents.

7.3 The Developer is not liable before the Distributor or third parties about the use or impossibility to use the Product, availability of the Product, failure to convey or delay in conveyance, discontinuation of the use of the Product, or discontinuation of the support, failure to render related services or discontinuation of provision thereof, data loss, or adverse consequences resulting from use of the Product and direct, indirect, or any other kind of damages, lost profit, or moral damage caused thereby, notwithstanding the cause of obligation, even if the Party is forewarned, and the losses were predictable.

7.4 The Distributor agrees to indemnify the Developer for all losses and expenses as well as protect and hold the Developer harmless of any claims, complaints, actions, obligations to compensate or indemnify losses, expenses resulting from the breach of this agreement by the Distributor, or from careless or negligent, or deliberate unlawful actions or omissions of the Distributor. The Distributor is also liable for its employees, officials, agents, subcontractors, vendors, or representatives.

## **8. Force Majeure**

8.1 Neither the Developer nor the Distributor shall bear responsibility for default on the commitments under the present agreement, if it is caused by circumstances beyond their control and unpredictable before, including but not limited to natural disasters, emergencies, as well as rules, laws, orders, decisions, and other regulations issued by the government, administrative, and municipal authorities. The Party encountering the force majeure event shall promptly inform the other Party in writing within three days after occurrence of the force majeure event. The Party shall notify the other Party in writing about cessation of the force majeure event and specify the moment when it resumes performing contractual obligations.

## **9. Confidentiality**

9.1 During the validity period of the present agreement and afterwards the Parties are obligated to keep confidential all commercial information that has come to the knowledge of the Parties upon performance of the present agreement, as well as the Parties have an obligation to do everything that is necessary to prevent the above information from coming in possession of third parties. The Developer's business partners, employees, and subcontractors involved in providing or procuring of the services shall not be deemed to be the third parties for the purpose of this clause.

9.2 The Developer has the right to divulge information if so required by laws and regulations, or it is necessary for performance of the obligations under the present agreement, or protection of the Developer's rights. The Developer is entitled to disclose the data and information about its employees, subcontractors, suppliers to such extent as to carry out its duties. By the present agreement the Distributor allows the Developer to process the data and information (including about customers (end-users) purchasing the Product) supplied by the Distributor.

9.3 Software or its code components, technical information about the Product not intended for delivery to the end-users, information about economic activities, shareholding in companies, business plans, customers, technologies, products, services, and their prices, information about business negotiations and transactions, market research and other issues which are confidential or of crucial commercial value to the Party shall be defined as the confidential information.

## **10. Expenses associated with Conclusion of the Agreement**

10.1 Each Party shall cover its own expenses incurred due to conclusion of the present agreement.

## **11. Applicable Law and Dispute Resolution Procedure**

11.1 The present agreement is drawn up in accordance with the law of the Republic of Latvia. All issues not stipulated in the present agreement will be resolved under the law of the Republic of Latvia.

11.2 Any dispute or disagreement arising out of the present agreement, concerning collaboration of the Parties, distribution and use of the Product, intellectual property rights of the Developer, or concerning the present agreement, amendments, breach, termination, legality, validity, or construing (interpretation) thereof, shall be resolved by way of negotiations. If the Parties fail to resolve the dispute in negotiations, it shall be settled in a court of the Republic of Latvia.

## **12. Scope of the Agreement**

12.1 The present agreement completely covers agreement between the Parties. By signing the present agreement the Parties confirm that they are well aware of its meaning and significance, and willingly wish to enter into it. After conclusion of the present agreement all previous negotiations and correspondence that occurred between the Parties before execution of the present agreement and pertaining to the subject matter of the present agreement shall lose validity.

12.2 No oral addition shall be recognized as conditions of the present agreement. Any modifications in provisions of the present agreement will come into effect when executed in writing and signed by both Parties.

12.3 The present agreement is binding on the Parties, authorized representatives of the Parties, employees of the Parties, as well as legal successors of the Parties.

12.4 Without prior written approval of the Developer the Distributor is not entitled to assign the rights, duties, and obligations arising out of the present agreement to third parties.

12.5 In case one or more terms and conditions of the present agreement become invalid, unlawful, or unenforceable in any way, it shall in no way affect and limit validity, lawfulness and enforceability of other terms and conditions. The Parties shall replace the invalidated, unlawful or unenforceable provision by another similar in terms of meaning and purpose to be accomplished, lawful and enforceable provision.

### **13. Details and Representatives of the Parties**

13.5 The Party undertakes to promptly notify the other Party about any change phone and/or email, actual, registered address.

The Developer's details:

#### **SIA Flex BI**

Address: Maza Nometnu street 47, Riga, LV-1002, Latvia

Bank: AS Swedbank

Account: LV75HABA0551042281161

Contact Person: Dace Kvalberga

Phone: +371 22066252

Email: [dace@flex.bi](mailto:dace@flex.bi)

The Distributor's details:

\_\_\_\_\_

Address: \_\_\_\_\_

Registration No and country of registration: \_\_\_\_\_

Bank: \_\_\_\_\_

Account: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

The present agreement is drawn up and signed in two counterparts – one counterpart of the Developer, and one counterpart for the Distributor.

The Parties have read this agreement and agree to that confirming by their signatures below.

<b>On behalf of Flex BI SIA</b>	<b>On behalf of _____</b>
Dace Kvalberga	_____
(signature)	(signature)
(date)	(date)

## ANNEX 1 TO THE DISTRIBUTION AGREEMENT

### Distributors Fee

1. The Distributor's Fee is provided to Distributor if efforts are contributed in the sales process, in compliance with conditions of the Distribution Agreement.
2. The Distributor's Fee is fixed 30% for first 24 months subscription period for all licences. after this period Fee varies by licence like shown in table below.

Calculation of Distributor fee

Subscription type	First 24 months subscription	After 24 months subscription
(1) Flex.bi Cloud accounts hosted by Developer	___%	15%*
(2) Flex.bi Cloud accounts hosted by Distributor	___%	15%
(3)Enterprise server licence	___%	15%*

\*As long as Distributor has current agreement with this customer for services or support.

### Training

3. The Developer shall procure initial training of the dedicated employees of the Distributor without additional charge to the following extent:

Day 1

- 3.1. Introduction to flex.bi, amounting to 1 hour
- 3.2. Development of flex.bi reports, amounting to 2 hours
- 3.3. Distributor Sever Maintanace , amounting to 3 hours

Day 2

- 3.4. Flex.bi Implementation process, amounting to 2 hours
- 3.5. MDX programming , amounting to 4 hours

4. The free training is provided once, after signing of the Distribution Agreement.
5. Training can be provided Online or on Developers site, Riga, Latvia.
6. If Training needs to be provided on Distributors site, Distributor covers the traveling cost.
7. After training Developer provides to Distributor free support about sales and flex.bi setup process, server maintanace and other related topics.

**Access terms and testing process**

- 8. The Developer ensures free access to one account in Flex.bi Cloud server for Distributor use and testing purposes as well as 1 months Trial licence for Distribution server licence.
- 9. Distributor ensures SQL (Read only) access to his Distributor server for Invoicing purposes.
- 10. Distributor ensures one registred user (e-mail adress) for Developer on his flex.bi Distributor server, to be able to ensure fast and efficient partner support.

**flex.bi Enterprise Ditrubutor base package configuration**

- 11. Distributor server base package includes 2 Business plan accounts.
- 12. Distributor is entiteled to use these accounts for his own company needs or testing purpose as well as sell to his customers.

<p><b>On behalf of SIA Flex BI</b> Dace Kvalberga</p> <p>(signature)</p> <p>(date)</p>	<p><b>On behalf of _____</b> _____</p> <p>(signature)</p> <p>(date)</p>
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