

AGREEMENT

The physical person or legal entity entering into this Agreement, hereinafter referred to as the “Partner”, on the one part and

Conception Mark LP, hereinafter referred to as the “Contractor”, on the other part, jointly referred to as the “Parties” and individually as the “Party”, have entered into this Agreement (hereinafter referred to as the “Agreement”) as follows:

1. DEFINITIONS OF TERMS USED IN THE AGREEMENT

- 1.1. Advertising Revenue means the proceeds obtained as a result of placement of advertisement together with the Content (prior to, upon or during display of the Content), Sponsored Streaming, Paid Subscriptions, referred programs and other advertisement programs by the third parties, the Platform, and the Contractor.
- 1.2. Channel means the web page developed by the Platform that offers the functional capabilities to control the Content at the Platform and that has its unique web address. The list of Channels of the Partner is provided in its Personal Account.
- 1.3. Content means the result of intellectual activity – objects of copyright and related rights: audiovisual productions, soundtracks, music compositions and other materials as well as portions of any of the productions or materials located at the Platform and/or specified in the Personal Account, the Rights to which have been granted by the Partner to the Contractor under the terms and conditions of this Agreement.
- 1.4. Device means any technical means via which the User can gain access to the Content.
- 1.5. Paid Subscriptions mean the functional capabilities of the Platform as pertains to all or part of the Content of the Partner at the Platform that is available to the User for a fee.
- 1.6. Partner Program means the functional capabilities of the Platform that it offers to the Contractor by means of the Multi-Channel Network AIR (AIR), information about which is located at www.AIR.io.
- 1.7. Personal Account means the Internet site, access to which is granted to the Partner by the Contractor for the duration of the Term of Validity of this Agreement, where the Parties determine the terms of administration of the Content of the Partner, which constitutes an integral part of this Agreement.

- 1.8. Platform means the hardware and software package intended for storage, display, distribution of the Content, placement of advertisement therein, and aggregation of statistical data, which also enables for the possibility to use the Content by the entities specified in this Agreement. The terms of use of the Platform are described at the official Platform Internet site. The list of the Platforms is provided in par. 2.7 of this Agreement.
- 1.9. Rights mean the rights to use the Content provided to the Contractor under the terms and conditions of this Agreement (exclusive license), namely: the right (the Partner's permission) to use the Content at the Platform that is granted to the Contractor exclusively and rules out the possibility of the Partner to grant any license to any third party to use the Content on the Platform restricted by this Agreement.
- 1.10. Sponsored Streaming means the broadcasting (display) of the Content combined with the display of advertisement material (prior to and/or after, and/or during the Content display) in real time (live streaming) with the help of the Platform using the Device.
- 1.11. Term of Validity means the period of time specifying the duration of this Agreement from the time of its execution specified in par. 5.2 of this Agreement.
- 1.12. Territory means the territory within which the Contractor has gained the Rights to use the Content under this Agreement and which shall be specified in the Personal Account.
- 1.13. User means the physical person acquiring access to the Content at the Platform.

2. SUBJECT MATTER OF THE AGREEMENT

- 2.1. Under the terms and conditions of this Agreement, the Contractor provides to the Partner the Content administration services on the Platform. The purpose of Content administration on the Platform is obtaining of the Advertising Revenue, promotion of the Content as well as other advantages for the Partner specified at Internet site www.AIR.io.
- 2.2. The Contractor shall transfer to the Partner the Advertising Revenue while retaining a portion of such revenue as payment for the cost of the Content administration services under the terms and conditions of this Agreement.
- 2.3. On the Platform and/or in the Personal Account, the Partner shall determine the Content available for placement of advertisement wherefrom the Contractor and/or the Platform, at its sole discretion, shall select the Content for placement of advertisement.

- 2.4. At its sole discretion, the Platform and/or the Contractor shall select advertisement for its placement within the Content, its duration, frequency and other placement conditions.
- 2.5. For the purpose of provision of the services specified under this Agreement, the Partner grants the Rights to the Contractor on the Territory for the Term of Validity under the terms and conditions of this Agreement.
- 2.6. Under this Agreement, the Partner grants the Rights to the Contractor free of charge under the terms and conditions of this Agreement.
- 2.7. The Partner shall provide the Rights to the Contractor at the following Platforms:
 - 2.7.1. Google (YouTube). The Terms of Use of the Platform are specified at <http://www.youtube.com/t/terms>.
- 2.8. The Partner shall grant the Rights to the Contractor for the entire Content posted on the Channels specified in the Personal Account.
- 2.9. The Partner shall grant the Contractor the Rights to use the Content in the following way: to copy, store, integrate in databases; to modify, fragment, frame, create new individual works compiled from the fragments of the Content; to convert into any electronic format; to perform and make available to the public, to publicly display, to allow the User to view/listen to the Content in interactive mode upon request from any place at any time; to translate the Content into any language of the world, to dub, to do voice-over, to make subtitles for the Content in any language of the world and further use such Content in the manner provided for under this Agreement; to broadcast in real time (online streaming); to enable downloads of the Content; to analyze and create algorithms, to formulate statistical data on the basis of the Content; to advertise and announce access to the Partner's Content, including the use of the content that belongs to the Contractor, as well as to advertise and announce the content that belongs to the Contractor using the Partner's Content, exclusively for the purpose of traffic exchange; to use advertising materials together with the Content, including the use of Sponsored Streaming; to use the Content in the Paid Subscription; to place the Contractor's logo when using the Content in order to inform the Users about the Contractor; to use the Content in the manner specified in the Terms of Use of the Platform (including in combination with other content); to disable or enable the use of the Content, in part or in full, by any third parties, including to disable the use of the Content in the manner provided for by this Agreement.

- 2.10. The Parties recognize and affirm the Contractor's right to choose the way to use the Content on the Platform at its sole discretion out of the options provided in this Agreement for the benefit of the Parties.
- 2.11. At its sole discretion, the Partner shall post the Content at the Platform and on the Partner's Channels specified in the Personal Account, and shall, at its sole discretion, determine the policy for the Content use at the Platform.
- 2.12. The policy of use of the Content on the Platform may be restricted, amended or supplemented on the part of the Platform or the Contractor.
- 2.13. For the purpose of performing its obligations under this Agreement, the Contractor shall be entitled to sublicense any third party (sublicensee) to use the Content under the terms and conditions of this Agreement, including the right to sublicense.

3. WARRANTY AND LIABILITY

- 3.1. The Partner has familiarized itself with the Terms of Use of the Platform referred to in par. 2.7.1 of this Agreement and shall guarantee its strict adherence thereto.
- 3.2. Upon the Contractor's granting access to the Personal Account, the Partner undertakes to verify and ensure that the terms of cooperation with the Contractor are correct as specified in the Personal Account.
- 3.3. The Partner confirms and guarantees accuracy of the data it provides in the Personal Account and its conformity to its passport and/or registration details.
- 3.4. The Partner shall guarantee the accuracy of the payment details specified by it in the Personal Account.
- 3.5. The Partner shall be personally responsible for verifying the accuracy of the payment details and selection of the payment system prior to confirmation of the report in its Personal Account.
- 3.6. The Contractor shall guarantee transfer of the Advertising Revenue, net of the portion retained as payment for the cost of the Contractor's services of the Content administration, at the end of each accounting period according to the payment details and payment system selection specified by the Partner.
- 3.7. The Contractor shall not be liable for the payment of the Advertising Revenue to the Partner conducted according to incorrect payment details, which the Partner had confirmed in the report.

- 3.8. The Partner shall bear independent responsibility for payment of any taxes that the Partner is liable for with regard to this Agreement.
- 3.9. Each Party undertakes to refrain from committing any acts that might discredit the business reputation of the other Party.
- 3.10. The Partner guarantees that it is the proper owner of the Rights to the Content provided to the Contractor under this Agreement, and that it is legally entitled to enter into this Agreement.
- 3.11. The Partner guarantees that the Content, in part or in full, or its use does not violate copyright nor related rights of any third party, trademark rights nor any other rights of any third party, does not discredit the honor, dignity or business reputation of any third party and does not violate any national or international legislation.
- 3.12. The Partner guarantees that in the course of creation of the Content all the rights to use the works, soundtracks, images of individuals and objects of private property or whatever is subject to copyright and integrated and laid down in the basis of the Content were properly acquired.
- 3.13. The Partner guarantees and confirms the availability of all the third party rights necessary for broadcasting in real time mode (online streaming).
- 3.14. The Partner guarantees and assumes responsibility for the payment of remunerations to the authors and performers for the use of the music compositions, performances and soundtracks integrated in the Content in the manner specified in this Agreement.
- 3.15. At the Contractor's request, the Partner undertakes to provide the entitling documents verifying its Rights to the Content to the extent sufficient for granting these Rights to the Contractor under this Agreement, should a claim arise against the Contractor from any third party, law enforcement authority or the court, as well as in the event of any dispute by any third party pertaining to the Rights granted by the Partner under this Agreement.
- 3.16. The Partner guarantees that in the event of any claim or dispute in regards to the violation of any third party rights pertaining to the Contractor's use of the Content, the Partner shall undertake to settle the third party claims and disputes on its own and at its own expense within a period of not more than thirty (30) calendar days and to take all necessary actions to prevent losses and expenses for the Contractor.
- 3.17. In the event of the Partner's failure to settle any claim or dispute (including litigation) pertaining to the Contractor's use of the Content, the Contractor may at its discretion:

- 3.17.1. take regress action against the Partner;
 - 3.17.2. bring the Partner to the hearing of the case as a co-defendant (in which case the Partner undertakes to join the proceedings as a co-defendant within three (3) days upon its receipt of a written notification of such litigation from the Contractor);
 - 3.17.3. demand the Partner's participation in the hearing of the case with a requirement to assume the claim (action) within three (3) days upon its receipt of a written notification of such litigation from the Contractor, and to release the Contractor as the improper party.
- 3.18. The Partner undertakes to compensate any expenses and losses incurred by the Contractor as a result of the settlement of any claim or action arising out of the Partner's violation of its guarantees under this Agreement.
- 3.19. The Parties guarantee that at the time of execution of this Agreement they have all the rights, permits, certificates, licenses and any other required documents stipulated by the applicable legislation necessary for their proper performance under the terms and conditions of this Agreement.
- 3.20. The Partner has familiarized itself with and gives its consent to the fact that this Agreement has been posted in electronic format at Internet site www.AIR.io.
- 3.21. This Agreement shall be governed by and construed in accordance with the legislation of Scotland.
- 3.22. The Parties undertake to settle any disputes arising between them by means of negotiations. Any dispute impossible to settle by means of negotiations shall be settled in the competent court of Scotland.
- 3.23. The Partner guarantees that it shall refrain from any action targeted toward malfunction of the Personal Account, the Internet site or any other software and hardware infrastructure of the Contractor.
- 3.24. The Partner gives its consent to receive notifications of promotional nature, invitations to participate in events and other information from AIR.
- 3.25. In the event that the Partner is a physical person, he/she confirms that at the time of entering into this Agreement he/she is 18 years old, he/she is not a minor, his/her legal capacity is fully confirmed or he/she has legal permission from his/her parents/guardian to enter into the Agreement. Without limiting the foregoing, under all circumstances the Partner confirms that he/she is at least 14 years old at the time of entering into this Agreement.

4. ACCOUNTABILITY, PAYMENT AND SETTLEMENT PROCEDURE

- 4.1. The Contractor undertakes to pay to the Partner the Advertising Revenue obtained within the accounting period while retaining a portion thereof as payment for the cost of provision of the Content administration services, the amount and the conditions of the Advertising Revenue payment shall be specified at Internet site www.AIR.io and/or determined by the Parties in the Personal Account.
- 4.2. The reporting period shall be one calendar month. In the event that the period of providing the Content administration services is less than the reporting period, the Advertising Revenue and the cost of the Contractor's services shall be calculated respectively according to the time of the actual provision of the Content administration services.
- 4.3. Settlement and reporting procedure:
 - 4.3.1. within five (5) business days of the official submission of the report statement by the Platform, the Contractor shall provide to the Partner an Advertising Revenue report in its Personal Account. The estimated time of provision of the official report statement to the Contractor by the Platform is ten to twenty-five (10 - 25) calendar days after the end of the reporting period;
 - 4.3.2. within three (3) calendar days upon receipt of the Advertising Revenue report from the Contractor in the Personal Account, the Partner shall confirm the report in its Personal Account. Should the Partner have any questions or objections to the report, the Partner shall submit such questions via the Personal Account. In the event that the Partner is not able, for any reason, to confirm the report within the three (3) calendar days, the Partner's payment of the Advertising Revenue for the current reporting period shall be accumulated on the account of the Partner and shall be transferred to the next reporting period;
 - 4.3.3. according to the report confirmed by the Partner and the payment details contained therein, the Contractor shall transfer to the Partner the Advertising Revenue, net of the portion retained as payment for the services, before the last day of the month;
 - 4.3.4. the Contractor's transfer of the Advertising Revenue to the Partner shall be conducted under the condition that the amount of the Advertising Revenue due for the previous unpaid reporting periods exceeds the minimum payment threshold and does not exceed the maximum payment threshold which are determined depending on

the payment system selected by the Partner. The payment system may be selected in the Personal Account. If this is not the case, the amount of the Advertising Revenue accumulated by the Partner shall be transferred to the next reporting period.

- 4.4. Independently and at its own expense, the Partner shall pay any commission accrued by the bank or the selected payment system as specified by the Partner in the report.
- 4.5. The Partner's payment obligation shall be considered to be fulfilled at the time of sending of the money according to the payment details specified in the report.
- 4.6. In the event that the Content and/or the Channel of the Partner is blocked and/or deleted from the Platform due to the violation of the Terms of Use of the Platform, the transfer of the Advertising Revenue pertaining to this Content and/or Channel shall be suspended. If within three (3) months, the Content and/or the Channel does not resume its operation and availability, such Content and/or Channel may be excluded from this Agreement without transferring of the Advertising Revenue.
- 4.7. In the event that the Content or any of the Channels are found to contain any inadmissible actions, including fraudulent actions, invalid clicking, display, incentive to click, spam and other actions violating the Terms of Use of the Platform, YouTube Community Principles, other Platform policies and AdSense Program Policies (<https://goo.gl/7IymR2>), or in the event that the Partner's Channel is added by YouTube to the disabled monetization list of Channels, the Contractor shall reserve the right to unilaterally exclude such Channels of the Partner from this Agreement or to terminate its Agreement with the Partner without payment of the Advertising Revenue.
- 4.8. For each day of delay in the transfer of the Advertising Revenue (with the exception of par. 4.6 and par. 4.7) the Partner shall be entitled to claim a penalty from the Contractor at the rate of 0.5 % of the outstanding amount of the Advertising Revenue for each day of delay, but no more than 10 % of this amount.

5. TERM OF VALIDITY OF THE AGREEMENT

- 5.1. This Agreement is deemed to be concluded as of the date of the technical login of any of the Channels of the Partner to the AIR and/or as of the date of the Contractor's provision of access to the Personal Account of the Partner.
- 5.2. This Agreement shall come into force upon its execution and shall remain valid for twelve (12) months.

- 5.3. The Partner and the Contractor shall consider the Term of Validity specified in par. 5.2 of this Agreement as the minimum necessary for each of the Parties to achieve a satisfying commercial result of the cooperation. In this regard, it is expressly stipulated that the Partner shall not be entitled to terminate this Agreement and disconnect from the Contractor Partner Program during the Term of Validity of this Agreement, with the exception of the instance provided for under par. 5.5 of this Agreement.
- 5.4. In the event that thirty (30) days prior to the expiry of the Term of Validity, neither of the Parties notify the other Party on the termination of this Agreement in the Personal Account or the need for its modification, or the necessity to execute the agreement under different terms and conditions, the Term of Validity shall be deemed extended (renewed) every time for the next twelve (12) months under the previous terms and conditions. In the event of the Partner's technical disconnection of the Channel without compliance with the terms of termination of this Agreement provided in this paragraph, the Contractor shall be entitled to retention of a portion of the Advertising Revenue under par. 5.6 of this Agreement.
- 5.5. The Partner shall be entitled to premature termination of this Agreement unilaterally only in the event of the Contractor's failure to fulfill its obligations on the Advertising Revenue transfer under the terms and conditions of this Agreement and its failure to correct such violation within thirty (30) calendar days following a respective notification sent by the Partner in the Personal Account.
- 5.6. In the event that, at its sole discretion, the Partner technically disconnects the Channel from the AIR, Contractor shall be entitled prior to the expiry of the Term of Validity, specified in par. 5.2, by technical features of the Platform retain the portion of the Advertising Revenue to which he is entitled according to the Agreement, from the Content placement on the Channel at the moment of disconnection of the Channel from the AIR, and also from the Content which will be placement on the Channel by Partner prior to the expiry of the Term of Validity, specified in par. 5.2 of this Agreement.
- 5.7. The Contractor shall be entitled to unilateral termination of this Agreement (to refuse the fulfillment of its obligations under this Agreement in full) with the Partner by notifying the Partner in the Personal Account and/or via the e-mail address specified in the Personal Account. In such case, the Contractor shall settle payments with the Partner in full, with the exception provided for under par. 4.6 and par. 4.7 of this Agreement.
- 5.8. The Contractor shall be entitled to unilateral modification of this Agreement. The said modifications shall be published by the Contractor on the Internet site at the address of the Agreement location by means of posting the new version of the Agreement.

- 5.9. In the event that the Partner disagrees with the modifications to the Agreement, the Partner shall so notify the Contractor in the Personal Account within seven (7) days of its receipt of the modification notification from the Contractor, in which event the duration of the Agreement shall continue under the initial terms and conditions for the particular Partner. In the event that the Partner fails to notify the Contractor of its disagreement with the modifications to the Agreement, it shall be deemed to have agreed with the Contractor's modifications to this Agreement.
- 5.10. The Contractor undertakes to notify the Partner of any and all amendments and modifications to this Agreement by means of notifications in the Personal Account and/or by the e-mail specified by the Partner in the Personal Account.
- 5.11. The Partner undertakes to independently monitor and study all the amendments and notifications to this Agreement posted at the address specified in par. 3.20 of this Agreement.

6. CONFIDENTIALITY

- 6.1. The Parties undertake to observe the confidentiality of the commercial terms and the course of fulfillment of this Agreement to the extent not contrary to legislation.
- 6.2. The obligations on the confidentiality are remain in force during the 3 (three) years after the end of the Term of Validity of this Agreement.

7. FORCE MAJEURE

- 7.1. The Parties shall not be liable for their failure to fulfill their obligations, in part or in full, under this Agreement in the event that proper performance becomes impossible due to circumstances beyond their control, i.e. extraordinary and unavoidable circumstances under any given conditions arising upon execution of this Agreement.
- 7.2. Such circumstances include fires, natural disasters, acts of war, a state of emergency, acts of terrorism, riots, strikes (except for the strikes of the employees of the Parties), modifications of legislation (that make it impossible to fulfill this Agreement), officially recognized financial crises, including partial or complete inoperability of YouTube, Google services or termination of cooperation between Google and the Contractor, and other circumstances arising upon the execution of this Agreement that the Party could not prevent, if such circumstances prevent the Parties' proper fulfillment of their obligations.

- 7.3. Each Party shall notify the other Party of the occurrence of such circumstances and verify such circumstances and their duration by means of a document issued by a competent authority. No such documentary verification shall be required if the said circumstances are in fact well-known and recognized by both of the Parties.
- 7.4. In the event that the force majeure itself prevents timely notification, the notification shall be sent within three (3) days from the time it becomes possible.

8. MISCELLANEOUS

- 8.1. The Contractor shall be entitled to unilaterally assign all of its rights and obligations under this Agreement to any third party, including by means of substitution of the Party to this Agreement, in particular in the event of the Partner's selection of another payment means or payment system under this Agreement.
- 8.2. Invalidity of one item of this Agreement shall not entail invalidity of the entire Agreement. Should any of the items of this Agreement become invalid or legally void for any reason, the Parties shall exclude such item from this Agreement without changing the essence of the subject matter of the Agreement.
- 8.3. Upon execution of this Agreement, any prior negotiations and correspondence on matters relating to this Agreement shall be null and void.
- 8.4. This Agreement does not apply to specific territories, organizations and individuals pertaining to which there are sanctions imposed by Scotland and/or United Kingdom of Great Britain and Northern Ireland.
- 8.5. In the event that the conditions specified by the Parties in the Personal Account are different from the conditions specified in this Agreement, the conditions specified by the Parties in the Personal Account shall prevail.
- 8.6. This Agreement was last updated on May 10th, 2017.

9. ESSENTIAL DETAILS OF THE CONTRACTOR

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