

Licence Agreement

This Licence Agreement is made and is effective on 1st May 2022 (the “Commencement Date”) by and between Mr Carpet Limited with a registered address at Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA (the “Licensor”) Designer Carpets Ltd with a registered address at 172a Kingston Road, Epsom, Surrey KT19 0SA (the “Licensee”).

WHEREAS:

- The Licensee wishes to obtain a licence to use various business, services, tools and software programmes as all are more fully described in the Schedule hereto (hereinafter, the “Assets”), and
- The Licensor is willing to grant to the Licensee a non-exclusive, non-transferable Licence to use the Assets for the term and specific purposes set out in this Agreement,

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties agree as follows:

1. Definitions

1.1 the “Agreement” means this Licence Agreement including the attached Schedule.

1.2 “Confidential Information” means information that:

- a. is by its nature confidential;
- b. is designated in writing by Licensor as confidential;
- c. the Licensee knows or reasonably ought to know is confidential;
- d. information comprised in or relating to any Intellectual Property Rights of the Licensor.

1.3 “the Assets” means the Assets provided by the Licensor as specified in the Schedule hereto.

1.4 “Intellectual Property Rights” means all rights in and to any copyright, trademark, trading name, design, patent, know how (trade secrets) and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic field and any application or right to apply for registration of any of these rights and any right to protect or enforce any of these rights, as further specified in clause 5.

1.5 “the Party” means a person or business entity who has executed this Agreement; details of the Parties are specified in the Schedule hereto.

1.6 “Term” means the term of this Agreement which shall commence on the Commencement Date and continue in force for a period of Ten years.

2. Licence Grant

2.1 The Licensor grants to the Licensee a non-exclusive, non-transferable Licence for the Term to use the Assets for the specific purpose specified in this Agreement, subject to the terms and conditions as set out in this Agreement.

3. Charges

3.1 In consideration of the Licensor providing the Licence under clause 2 of this Licence Agreement, the Licensee agrees to pay to the Licensor the amount of the Licence Fee and Charges as specified in the Schedule hereto.

4. Licensee's Obligations

4.1 The Licensee may only use the Assets in conjunction with the proper and legitimate business interests of the Licensee as all are more particularly described of the Schedule hereto.

4.2 The Licensee may permit its employees to use the Assets for the purposes described in the Schedule hereto provided that the Licensee takes all necessary steps and imposes the necessary conditions to ensure that all employees using the Assets do not commercialise or disclose the contents of those Assets to any third person, or use them other than in accordance with the terms of this Agreement.

4.3 The Licensee will not distribute, sell, license or sub-license, let, trade or expose for sale the Assets or any part thereof to a third party.

4.4 No copies of the Assets are to be made other than as expressly approved in writing in advance by the Licensor.

4.5 No changes to the Assets or their content may be made by the Licensee except by written agreement in advance and in conjunction with the Licensor.

4.6 The Licensee will provide technological and security measures to ensure that the Assets which the Licensee is responsible for is physically and electronically secure from unauthorised use or access.

4.7 The Licensee shall ensure that the Assets retain all of the Licensor's copyright notices and other proprietary legends and all trademarks or service marks of the Licensor.

5. Intellectual Property Rights

5.1 All Intellectual Property Rights over and in respect of the Assets are owned by the Licensor. The Licensee does not acquire any rights of ownership in the Assets.

6. Limitation of Liability

6.1 The Licensee acknowledges and agrees that neither the Licensor nor its board members, officers, employees or agents, will be liable for any loss or damage arising out of or resulting from the Licensor's provision of the Assets under this Agreement, or any use of the Assets by the Licensee or its employees; and the Licensee hereby releases the Licensor to the fullest extent from any such liability, loss, damage or claim.

7. Confidentiality

7.1 Neither Party may use, disclose or make available to any third party the other Party's Confidential Information, unless such use or disclosure is done in accordance with the terms of this Agreement.

7.2 Each Party must hold the other Party's Confidential Information secure and in confidence, except to the extent that such Confidential Information:

- a. is required to be disclosed according to the requirements of any law, judicial or legislative body or government agency; or
- b. was approved for release in writing by the other Party, but only to the extent of and subject to such conditions as may be imposed in such written authorisation.

7.3 This clause 7 will survive termination of this Agreement.

8. Disclaimers & Release

8.1 To the extent permitted by law, the Licensor will in no way be liable to the Licensee or any third party for any loss or damage, however caused (including through negligence) which may be directly or indirectly suffered in connection with any use of the Assets.

8.2 The Assets are provided by the Licensor on an "as is" basis.

8.3 The Licensor will not be held liable by the Licensee in any way, for any loss, damage or injury suffered by the Licensee or by any other person related to any use of the Assets or any part thereof.

8.4 Notwithstanding anything contained in this Agreement, in no event shall the Licensor be liable for any claims, damages or loss which may arise from the modification, combination, operation or use of the Assets with the Licensee's computer programs.

8.5 The Licensor does not warrant that the Assets will function in any environment.

8.6 The Licensee acknowledges that: a. the Assets have not been prepared to meet any specific requirements of any party, including any requirements of the Licensee; and b. it is therefore the responsibility of the Licensee to ensure that the Assets meets its own individual requirements.

8.7 To the extent permitted by law, no express or implied warranty, term, condition or undertaking is given or assumed by the Licensor, including any implied warranty of

merchantability or fitness for a particular purpose.

9. Indemnification

9.1 The Licensee must indemnify, defend and hold harmless the Licensor, its board members, officers, employees and agents from and against any and all claims (including third party claims), demands, actions, suits, expenses (including attorney's fees) and damages (including indirect or consequential loss) resulting in any way from:

- a. the Licensee's and Licensee's employees' use or reliance on the Assets,
- b. any breach of the terms of this Licence Agreement by the Licensee or any Licensee employee, and
- c. any other act of the Licensee.

9.2 This clause 9 will survive termination of this Agreement.

10. Waiver

10.1 Any failure or delay by either Party to exercise any right, power or privilege hereunder or to insist upon observance or performance by the other of the provisions of this Licence Agreement shall not operate or be construed as a waiver thereof.

11. Governing Law

11.1 This Agreement will be construed by and governed in accordance with the laws of England and the Parties submit to the exclusive jurisdiction of the courts of England.

12. Termination

12.1 This Agreement and the Licence granted herein commence upon the Commencement Date and is granted for the Term unless otherwise terminated by the Licensor in the event of any of the following:

- a. if the Licensee is in breach of any term of this Licence Agreement and has not corrected such breach to the Licensor's reasonable satisfaction within 7 days of the Licensor's notice of the same;
- b. if the Licensee becomes insolvent, or institutes (or there is instituted against it) proceedings in bankruptcy, insolvency, reorganization or dissolution, or makes an assignment for the benefit of creditors; or
- c. the Licensee is in breach of clause 5 or 7 of this Agreement

12.2 Termination under this clause shall not affect any other rights or remedies the Licensor may have.

13.1 In consideration for the Licence grant described in this Licence Agreement, the Licensee shall pay the Licence Fee to the Licensor monthly in arrears to the Licensor's bank account as shall be notified by the Licensor to the Licensee from time to time.

13.2 The Licence Fee and any other amounts payable by the Licensee to the Licensor,

under this Agreement, are exclusive of any and all foreign and domestic taxes, which if found to be applicable, will be invoiced to the Licensee and paid by Licensee within 30 days of such invoice.

14. Assignment

14.1 The Licensee shall not assign any rights of this Licence Agreement, without the prior written consent of the Licensor.

15. Notices

15.1 All notices required under this Agreement shall be in writing and shall be deemed given (i) when delivered personally; (ii) five (5) days after mailing, when sent certified mail, return receipt requested and postage prepaid; or (iii) one (1) business day after dispatch, when sent via a commercial overnight carrier, fees prepaid. All notices given by either Party must be sent to the address set out in the Schedule as well as to the registered office address of the (unless otherwise changed by written notice).

16. Counterparts

16.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one instrument.

17. Severability

17.1 The Parties recognise the uncertainty of the law with respect to certain provisions of this Agreement and expressly stipulate that this Agreement will be construed in a manner that renders its provisions valid and enforceable to the maximum extent possible under applicable law. To the extent that any provisions of this Agreement are determined by a court of competent jurisdiction to be invalid or unenforceable, such provisions will be deleted from this Agreement or modified so as to make them enforceable and the validity and enforceability of the remainder of such provisions and of this Agreement will be unaffected.

18. Entire Agreement

18.1 This Agreement contains the entire agreement between the Parties and supersedes any previous understanding, commitments or agreements, oral or written. Further, this Agreement may not be modified, changed, or otherwise altered in any respect except by a written agreement signed by both Parties.

IN WITNESS WHEREOF, this Agreement, including the attached Schedule, was signed by the Parties under the hands of their duly authorized representatives and made effective as of the Commencement Date.

Licensor (Mr Carpet Limited) Signature

Name and Title _____ / _____ / _____

Licensee (Designer Carpets Ltd) Signature.....

Name and Title

___/___/_____

THE SCHEDULE

The Parties to this Agreement are Mr Carpet Limited at Studio 8, 32-33 Riverside Road, London, SW17 0BA.

And Designer Carpets Limited at 308 Worple Road, Raynes Park, London, SW20 8QU

The Assets

- Use of Logo and trading style of Mr Carpet Ltd
- Use of the Mr Carpet Ltd de branded range names
- The use of Mr Carpet's good will established over 39 years trading in SW London
- Use of the bespoke Mr Carpet Ltd database including Customer purchase history and order processing system
- Use of the Mr Carpet Ltd domain server & Virtual PC servers
- Use of the internal/external VOIP telephone systems and hardware VPN
- Use of the software VPN for remote working
- Use of the de branded sample ordering system and database
- Porting of Mr Carpet's Mobile phone numbers for all employees transferring
- Use of the Mr Carpet's email addresses for all branches and employees transferring
- Use of Mr Carpet's website

Charges

1.The Licence Fee and Charges

1.The Licence Fee is 1% of the Licensee's net monthly turnover.

The Licence Fee does not cover the operating, support or updating costs of the Assets. The cost of any upgrades, repairs or replacements are to be shared between all users of the Services and will be such as notified in writing to the Service users from time to time.

2. The Charges for IT support, VN licences, call charges, broadband charges, upgrades or repairs to all IT is as detailed below and such costs are based on the number of users of the Services per business as a percentage of the total operational cost in accordance with the following proportions:

Mr Carpet Ltd	16.67%
Mr Carpet (London) Ltd	61.11%
Designer Carpets Ltd	11.11%

Mr Carpet (Warehouse) Ltd

11.11%

In the event that the number of users changes whether upwards or downwards within the Term of this agreement then the parties agree to discuss an equitable adjustment to the percentages where appropriate.