

LICENCE AGREEMENT

PARTIES

- (1) PAUL BRADFORD SUGARCRAFT SCHOOL LTD incorporated and registered in Scotland with Company Number SC273523 whose Registered Office is at 5 Kings Court, Off High Street, Falkirk FK1 1PG (**Licensor**).
- (2) You [INSERT NAME & ADDRESS] (**Licensee**)

BACKGROUND

- (A) The Licensor owns and operates the Paul Bradford Sugarcraft School.
- (B) The Licensor runs the PBSS Accreditation Courses (as hereinafter defined) and grants PBSS Accreditation to applicants who have successfully completed the PBSS Accreditation Course.
- (C) The Licensee has successfully completed the PBSS Accreditation Course and is an AT.
- (D) The Licensor is the owner of the PBSS Content (as hereinafter defined) and the Licensee wishes to use the PBSS Content for the Purpose (as hereinafter defined).
- (E) The Licensor has agreed to permit the Licensee to use the PBSS Content for the Purpose on the terms of this agreement.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

- 1.1 The definitions and rules of interpretation in this clause apply in this agreement.

Accreditation: the certification by the Licensor of the successful completion of the Accredited Course and approbation of the Licensee as an AT

Accreditation Course: means the course completed prior to the entering of the Licence Agreement, operated by the Licensor

Additional Coaching: means further coaching which the Licensor has deemed necessary which the Licensee must undertake.

AT: Accredited Tutor of PBSS

AT Classes: cake decorating classes operated and hosted by the Licensee

AT Clients: members of the public who complete the cake decorating course designed and operated by the Licensee

Business Day: a day other than a Saturday, Sunday or public holiday in Scotland when banks are open for business

Confidential Information: any information (including, without limitation, in written, oral, visual or electronic form, or on tape or disk) which is not publicly available including, but not limited to, any information specifically designated

by the disclosing party as confidential; any information supplied to the disclosing party by any third party in relation to which a duty of confidentiality is owed or arises; and any other information which should otherwise be reasonably regarded as possessing a quality of confidence. This includes know-how and information about design, development, specifications, manuals, instructions, customer lists, sales, marketing, promotion, distribution, business plans, forecasts, and technical or other expertise.

Intellectual Property Rights: patents, rights to inventions, copyright and related rights, moral rights, recipes, methodologies, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, rights in computer software, database rights, rights to use and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Financial Model: means the financial model prepared by PBSS based on untested assumption and forming part of PBSS Content.

Licence Period: [the period from the **Licence Start Date** and on an ongoing basis thereafter subject to compliance with the terms of this agreement.

Licence Start Date:

PBM: means the methodology for cake design as created by Paul Bradford

PBSS Accreditation logo: as described in the Schedule

PBSS Content: includes PBM, PBSS IPTR, text, information, data, software, executable code, images, audio, or video material in any medium or form provided by the Licensor to the Licensee, as described in the Schedule.

PBSS Eventbrite Software: means the software provided by Eventbrite under the control of the Licensor.

PBSS IPR: the Intellectual Property Rights owned by the Licensors hereunder

PBSS Site: www.designer-cakes.com

Purpose: operation of cake decorating tuition course business using the PBM by delivery of classes at premises approved by Licensor.

Refresher Course: course designed for ATs and aims to bring ATs' knowledge up to date and provide an overview of PBSS's latest methodologies.

Reserved Rights: all rights in, or in relation to, the PBSS Content that are not expressly granted to Licensee under this agreement and any other rights (whether known now, or created later, and whether or not in the contemplation of the parties at the time of this agreement).

2. GRANT OF LICENCE

- 2.1 The Licensor hereby grants to the Licensee a non-transferable, non-exclusive licence to use the PBSS Content during the Licence Period for the Purpose.
- 2.2 The licence granted to the Licensee is strictly limited to, and the Licensee shall use the PBSS Content solely for, the Purpose.
- 2.3 The Licensee shall not grant sub-licences, in whole or in part, of any of the rights granted under this agreement, or sub-contract any aspects of exploitation of the rights licensed to it, without the Licensor's prior written consent.

3. LICENSOR'S OBLIGATIONS AND RIGHTS

- 3.1 The Licensor shall use all reasonable endeavours to deliver the PBSS Content to the Licensee on or before the Licence Start Date..
- 3.2 The Licensor expressly retains the Reserved Rights for its own and/or third party exploitation.
- 3.3 The Licensor may require the Licensee to cease all use of any of the PBSS Content if it reasonably believes that the Licensee's use of this PBSS Content infringes the Intellectual Property Rights of any third party, or breaches any applicable law or regulation. In this instance, the Licensor may, at its option either:
 - (a) provide the Licensee with alternative PBSS Content so as to avoid the infringement; or
 - (b) terminate this Agreement immediately on written notice in respect of the affected PBSS Content.
- 3.4 The Licensor will provide a link on the PBSS Site to the website of the Licensee.
- 3.5 The Licensor shall grant to the Licensees access to PBSS Eventbrite software to enable the Licensees to manage AT Class bookings.
- 3.6 The Financial Model was developed by PBSS for demonstration purposes and to assist any AT in setting up a cake decorating tuition business. It is not intended and should not be used as the basis for any business plan. No representation or warranty of any kind (whether express or implied) is given by PBSS to any person as to the consistency or accuracy of the Financial Model.

4. LICENSEE'S OBLIGATIONS AND RIGHTS

- 4.1 The Licensee may not change, amend or develop the PBSS Content in any way without the Licensor's prior written consent.

- 4.2 The Licensee shall comply with all applicable laws in performing its obligations and exercising its rights under this agreement.
- 4.3 The Licensee shall not do, or omit to do, or permit to be done, any act that will or may weaken, damage or be detrimental to PBSS IPR, its brand or reputation or the goodwill associated with Licensor.
- 4.4 If the Licensee becomes aware of any misuse of any PBSS Content that could compromise the integrity of the PBSS Content or otherwise adversely affect the Licensor, the Licensee shall, at the Licensee's expense, promptly notify the Licensor and fully co-operate with the Licensor to remedy the issue as soon as reasonably practicable. The Licensor may suspend the Licensee's rights under this agreement until the misuse is remedied.
- 4.5 The Licensees use of the PBSS Content and PBSS IPR shall only be for the Purpose.
- 4.6 In order to maintain the PBSS Accreditation, the Licensee is obliged to complete a Refresher Course once in every twenty four months.
- 4.7 The Licensee will be bound by a minimum pricepoint for each AT Class as set by the Licensor.
- 4.8 The Licensee has full responsibility for generating on its behalf the AT Clients and for the avoidance of doubt the Licensor shall have no responsibility in respect of business generation. The Licensee shall from the License Start Date, promote, advertise and use its best endeavours to maximise the number of AT Classes and AT Clients.
- 4.9 For the avoidance of doubt, there shall be no contractual arrangement between the Licensor and AT Clients. The Licensee shall ensure that the AT Clients are fully aware that the PBSS Accreditation does not imply a contractual relationship with the Licensor and is not an endorsement of the Licensee's business.
- 4.10 The Licensee may suspend their license for a maximum period of 36 months on giving 30 days notice in writing. Periods of suspension greater than 12 months will require the licensee to complete refresher training. The licensee may not trade again until refresher training is successfully completed. During the period of suspension use of all PBSS Content is prohibited under the terms of this agreement.

5. INTELLECTUAL PROPERTY RIGHTS

- 5.1 The Licensor retains ownership of all PBSS IPR and PBSS Content.

6. MANAGEMENT FEE

6.1 The Licensee undertakes to pay to the Licensor, the Management Fee, monthly in arrears.

6.2 Unless the Licensor notifies the Licensee otherwise in writing, the Licensee shall make all payments of the Management Fee using any credit/debit card or paypal account.

7. QUALITY CONTROL, APPROVAL PROCEDURES & ONGOING ASSESSMENTS

7.1 The Licensor shall notify the Licensee of the standards of quality and specifications which shall be adopted by the Licensee in the use of PBSS Content, and the Licensee undertakes to comply with these standards and specifications. The Licensor shall give the Licensee written notice of any modifications or changes to the standards of quality or specifications, and the Licensee shall implement any modification or change as soon as it is reasonably practicable.

7.2 The Licensor reserves the right to survey the AT Clients for feedback on the operation of the AT Classes. Where the results of those surveys indicate to the Licensor (at their sole discretion) that the Licensee has failed to meet the standards of quality and specifications expected the Licensee shall be obliged to undertake Additional Coaching at the Licensee's sole expense within a specified period of time. For the avoidance of doubt, failure to undertake Additional Coaching within the specified period of time would be a material breach of this agreement.

7.3 In the event that the Licensor has evidence of extreme failure to meet the standards of quality and specification expected this agreement shall be terminated with immediate effect.

8. ADVERTISING AND MARKETING

8.1 The Licensee undertakes to ensure that its advertising and marketing of the PBSS Content shall not reduce or diminish the reputation, image and prestige of the PBSS Content.

8.2 The Licensees will have received from the Licensor a set of guidelines in respect of advertisements, promotional material, website content and design relating to the PBSS Content. The Licensee's use of the PBSS Content is subject always to the discretion of the Licensor and the Licensee shall comply with all requirements of the Licensor.

9. TAXES AND WITHHOLDINGS

9.1 All payments to be made by the Licensee under this agreement are exclusive of:

- (a) value added tax (if applicable);
- (b) consumption tax,
- (c) other sales tax; or
- (d) customs duty,

which shall, where appropriate, be payable by the Licensee.

9.2 All payments to be made by the Licensee under this agreement (except any deduction or withholding which is required by law) shall be paid free and clear of any deductions or withholdings for, or on account of:

- (a) tax;
- (b) set-offs; or
- (c) counterclaims.

For any deduction or withholding required by law, the sum payable by the Licensee required under this deduction or withholding shall be increased to the extent necessary to ensure that, after making such deduction or withholding, the Licensor receives and retains (free from any liability in respect of the deduction or withholding) a net sum equal to the sum it would have received if no such deduction or withholding had been made or had been required to be made. If the Licensor subsequently receives a credit for the deduction or withholding, it shall immediately pay the amount of the credit to the Licensee. A credit shall only be deemed to be received by the Licensor if it has relieved the Licensor of a present obligation to pay tax.

9.3 All amounts due under this agreement are exclusive of VAT which shall, where applicable, be paid by the Licensee at the prevailing rates on the due date for payment and on receipt of a VAT invoice from the Licensor.

10. WARRANTIES

10.1 Each party warrants to the other that it has full power and authority to enter into and perform its obligations under this agreement.

11. INDEMNITY

11.1 The Licensee shall indemnify the Licensor against all claims, liabilities and expenses arising out of:

- (a) the Licensee's activities under this agreement;

- (b) personal injury;
- (c) any infringement of any rights of the Licensor or of any third party by the Licensee; or
- (d) the Licensee's failure to comply with all applicable laws and regulations.

11.2 Any indemnity under this agreement shall only apply to the extent that the indemnified party:

- (a) promptly notifies the indemnifying party in writing of any claim relevant to the indemnity;
- (b) makes no admissions or settlements without the indemnifying party's prior written consent;
- (c) allows the indemnifying party complete control over any negotiations or litigation and/or the defence or settlement of such suit or claim; and
- (d) gives the indemnifying party all information and assistance as it may reasonably require.

12. INFRINGEMENT

12.1 Each party shall promptly notify the other of any actual or suspected infringement of the PBSS Content that comes to its attention (**Infringement**).

12.2 The Licensee shall co-operate fully with the Licensor by taking all steps required by the Licensor (in its sole discretion) in connection with any Infringement, including, without limitation, legal proceedings in the name of the Licensor or in the joint names of the parties. The Licensor shall be responsible for the cost of any legal proceedings it requires, and is entitled to any damages, account of profits and/or awards of costs recovered. The Licensee shall use its best endeavours to assist the Licensor in any legal proceedings relating to any Infringement.

13. TERMINATION

13.1 Without affecting any other right or remedy available to it, the Licensor may terminate this agreement with immediate effect by giving written notice to the Licensee if:

- (a) the Licensee fails to pay any amount due under this agreement on the due date for payment and remains in default for thirty days; or
- (b) the Licensee commits a material breach of any term of this agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of seven days after being notified in writing to do so; or

- (c) the Licensee suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or
- (d) the Licensee challenges or disputes the Licensor's ownership of, or rights in, the PBSS Content, or the validity of those rights; or
- (e) the Licensee is unable to pay its debts as they fall due or admits inability to pay its debts or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986
- (f) the Licensee (being an individual) is the subject of a bankruptcy petition or order;
- (g) the Licensee (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his or her own affairs or becomes a patient under any mental health legislation;

13.2 On any expiration or termination of this agreement:

- (a) all rights and authorisations granted by the Licensor to the Licensee under this agreement shall automatically terminate and immediately revert to the Licensor;
- (b) the Licensee shall immediately cease all sale, marketing and promotion of the PBSS Content, and shall, at the Licensor's option and according to the Licensor's instructions, immediately return to the Licensor or destroy all PBSS Content in the Licensee's possession or subject to its control including from back-up systems and any cached PBSS Content within the Licensee's control; and
- (c) The Licensee shall immediately remove all reference to their PBSS Accreditation from the Licensee's website and any advertising and marketing materials.
- (d) It is incumbent on the Licensee, or their legal representative in the event that they are incapacitate, to inform all AT Clients that the accreditation has ceased.

13.3 In the event of termination under this clause 13, the Licensee shall not be entitled to refunds of any amounts previously paid under this agreement to the Licensor.

14. LIABILITY

14.1 Nothing in this licence shall operate to exclude or limit the Licensor's liability for death or personal injury caused by its negligence.

14.2 Save for clause 14.1, the Licensor shall have no liability for any losses or damages which may be suffered by the Licensee (or any person claiming under or through the Licensee), whether the same are suffered directly or indirectly or are immediate or consequential, and whether the same arise in contract, delict (including negligence) or otherwise howsoever.

15. ASSIGNATION AND OTHER DEALINGS

15.1 The Licensee shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any manner with this agreement or any of its rights and obligations under this agreement, or purport to do any of the same, without the prior written consent of the Licensor.

15.2 The Licensor may at any time and without the consent of the Licensee assign, transfer, mortgage, charge or deal in any other manner with any or all of its rights or obligations under this agreement.

16. FORCE MAJEURE

Neither party shall be in breach of this agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances [the time for performance shall be extended by a period equivalent to the period during which performance of the obligation has been delayed or failed to be performed OR the affected party shall be entitled to a reasonable extension of the time for performing such obligations]. If the period of delay or non-performance continues for two weeks, the party not affected may terminate this agreement by giving 7 days' written notice to the affected party.

17. NO PARTNERSHIP OR AGENCY

17.1 Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

17.2 Each party confirms it is acting on its own behalf and not for the benefit of any other person.

18. CONFIDENTIALITY

18.1 The parties agree to keep the existence and terms of this agreement confidential to the parties save to the extent that disclosure is required in order to enjoy the benefit of this agreement.

18.2 Each party undertakes that it shall not at any time during this agreement, nor for a period of three years after termination of this agreement, disclose to any person any Confidential Information except as permitted by clause 18.3.

18.3 Each party may disclose the other party's Confidential Information:

- (a) to its employees, officers, representatives or advisers who need to know such information for the purposes of carrying out the party's obligations under this agreement. Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other party's confidential information comply with this clause 18; and
- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

18.4 Neither party shall use the other party's Confidential Information for any purpose other than to perform its obligations under this agreement.

19. NOTICES

19.1 Any notice or other communication given to a party under or in connection with this contract shall be in writing and shall be:

- (a) delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or
- (b) sent by email to tutor@designer-cakes.com

19.2 Any notice or communication shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address;
- (b) if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service;

19.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution. For the purposes of this clause, "writing" shall not include e-mail.

20. VARIATION

No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

21. GOVERNING LAW

This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Scots law.

22. JURISDICTION

Each party irrevocably agrees that the Scottish courts shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

Signed for and on behalf of Paul Bradford Sugarcraft School

Date

Signed by you, the Licensee

Date

This is the Schedule referred to in the foregoing agreement between Paul Bradford Sugarcraft School Ltd and you, the Licensee

Specification of the PBSS Content

The PBSS Content shall comprise the following:

- (a) Accreditation Logo
- (b) Access to PBSS Course Booking System
- (c) PBSS Course information and tuition material
- (d) Access to PBSS Course images
- (e) Listing of AT website on PBSS Website
- (f) Access to [Pro lessons on how to set up and run a profitable cake decorating course business.]
- (g) Access to PBSS cake decorating courses and cake designer Pro lessons.
- (h) Access to AT private members forum
- (i) Monthly live chat with PBSS

PBSS Accreditation Logo:- **[INSERT JPEG]**