

## OEM AGREEMENT

Use this Agreement for Original Equipment Manufacturer distribution of fonts.

Allows manufacturers to install fonts into Desktop computers, Operating Systems, Hardware, Servers and/or embed into Desktop applications for runtime use of any platform or format.

Quantity of OEM Product sales determines the percentage of retail sales value paid quarterly. Reviewed annually.

Summary of licence costs:

### **INSTALLED FONTS (in the Operating System)**

Tier 1 - sales up to 1,000: 2% of retail Product sales value as Royalty, first 12 months.  
*(Payable within 30 days of signing. Thereafter annually unless Tier is changed).*

Tier 2 sales up to 6,000: 1.5% of retail Product sales value as Royalty.

Tier 3 sales greater than 6,000: 0.5% of retail Product sales value as Royalty.

### **EMBEDDED FONTS (called at runtime of the application/document)**

Tier 4 - sales up to 1,000: 1% of retail Product sales as Royalty, first 12 months.  
*(Payable within 30 days of signing. Thereafter annually unless Tier is changed).*

Tier 5 sales up to 6,000: 0.75% of retail Product sales value as Royalty

Tier 6 sales greater than 6,000: 0.25% of retail Product sales value as Royalty

Royalty can be changed to a different Tier annually if sales quantities change.

This Agreement is made between

Dr. Rosemary Sassoon,  
c/o Cameron,  
4 Boley Court,  
Gelorup WA 6230,  
Australia

and

Adrian Williams,  
44 Mill Lane,  
Merstham,  
Redhill,  
Surrey RH1 3HQ,  
United Kingdom

hereinafter called "Developer"

and

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hereinafter called "Distributor"

**RECITALS**

Whereas, the Developer has the rights to distribute or appoint distributors for its software OEM Fonts.

Whereas, the Distributor wishes to acquire from Developer a licence to distribute the OEM Fonts.

Whereas, Developer wishes to grant licence to the Distributor for the reproduction, manufacture and distribution of OEM Fonts.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**1. Definitions**

1.1 The term "OEM Fonts" shall mean digital outlines and supporting magnetic or optical media that represent typefaces in software programs known as Fonts and in Formats including but not limited to PostScript, TrueType or OpenType for use with computers, which have screen representations including but not limited to Outline vectors and Bitmaps.

1.2 The term "encrypted OEM Fonts" shall mean that OEM Fonts have been digitally encoded with a password to protect them from unauthorized access and such password

may only be obtained by Distributor when the Distribution Agreement has been signed by both parties.

1.3 The term "End User" shall mean, directly or indirectly, a customer of the Distributor who has purchased or obtained OEM Fonts.

1.4 The term "OEM" shall mean an Original Equipment Manufacturer of independent software whether or hardware.

1.5 The term "OEM Product" shall mean a software application program/app, including updates, revisions or modified versions, on multiple platforms and desktop devices which may or may not be designed for use on multiple platforms and devices, or hardware manufactured by Distributor or on behalf of a third party and distributed as such, which is capable of utilizing OEM Fonts described in Appendix A of this Agreement.

1.6 The term "typeface" shall mean a set of human readable alphabetic letters comprising upper case, lower case, numeric figures, punctuation marks, accents and other symbolic signs offered for distribution by the Developer. Each typeface, represented as an individual weight of Font, such as Regular, Bold or Bold Condensed for example, shall be deemed to be a separate OEM Fonts for the purposes of payment calculations if sold separately to the End User.

1.6 The term "CPU" shall mean any central processing unit of a computer whether used as a stand-alone device or, in the case of a Network, any terminals accessed via the Network Server.

## **2. Licence**

2.1. An Agreement, such as this Distribution Agreement, detailing the terms and conditions under which OEM Fonts may be distributed must be signed for and on behalf of both Developer and Distributor prior to OEM Fonts being distributed by any party other than the Developer.

2.2. The encrypted OEM Fonts may not be distributed in any way to a third party unless the Distribution Agreement is in force.

2.3 The Developer hereby grants the Distributor a licence to distribute the OEM Fonts with third party OEM Fonts of OEMs. In such instances, both the Developer and Distributor will discuss a mutually agreeable Royalty for the OEM Product.

2.4 Developer may from time to time change or withdraw the OEM Fonts offered for distribution by the Distributor. For a period of two years the Distributor will be allowed to continue selling withdrawn OEM Fonts providing that the OEM Fonts are of merchantable quality. If a trade mark or copyright infringement is proven, Distributor will cease sales of the OEM Fonts in question upon 30 days notice from Developer.

2.4 Distributor may appoint sub distributors to capitalize on the sales potential of the OEM Fonts providing that;

a) the sublicense of reproduction rights must be mutually agreed in writing between Distributor and Developer;

b) a covenant prohibits attempts to reverse engineer, decode, pass-off or otherwise plagiarize the OEM Fonts.

2.5 Developer grants Distributor the right to licence use of the OEM Fonts to Distributor's Users provided that;

a) Developer's End User Licence Agreement or other acceptable form

of licensing documentation is distributed with the OEM Fonts;

b) Developer's trade mark and copyright information along with any related documents is included in the distribution.

2.6 Developer grants to the Distributor a world-wide, non-exclusive licence to convert OEM Fonts into other Font Formats and to modify Bitmaps provided that;

a) Developer shall have a right of first refusal to create such additional characters required by the Distributor;

b) Distributor provides a written specification for the additional characters;

c) the modified or converted Font or Bitmaps remain subject to the same End User Licence Agreement or other acceptable form of licensing documentation as the original distributed OEM Fonts;

d) the modified or converted Font or Bitmaps are for the customary personal and internal business use of the End User and shall not be distributed in any manner to another party.

Starting from the date of receipt of the written specifications, Developer will have twelve (12) days in which to accept or refuse the supply of additional characters. If accepted by Developer, the Distributor agrees to a one-time fee for such additional characters, the exact amount to be paid and delivery terms to be mutually agreed.

2.7 Developer grants to the End User a world-wide, non-exclusive licence to convert OEM Fonts into other Font Formats and to modify Bitmaps provided that;

a) the modified or converted Font or Bitmaps remain subject to the same End User Licence Agreement as the original distributed OEM Fonts and,

b) the modified or converted Font or Bitmaps are for the customary personal and internal business use of the End User and shall not be distributed in any manner to another party.

2.8 OEM Fonts used to create file documents are subject to the End User Licence Agreement and due Royalties, however, no Royalties shall accrue if OEM Fonts are saved in an embedded fashion in the file document that is used to display and print the OEM Fonts provided that no such OEM Fonts remain on the End Users computer when the document has been exited.

2.9 The End User licence may permit the storage of OEM Fonts by the primary user of the OEM Fonts on such End User's home computer, portable computer and any output Products attached to them. No further Royalty shall be accrued in such cases.

### **3. Supply, Reproduction and Format Conversion**

3.1 Developer will supply Distributor with a digital master of the OEM Fonts in the Windows and Macintosh computer Formats as described in Appendix A. Such OEM Fonts may be reproduced for distribution without modification or in compressed data format for transfer if Distributor wishes. Distributor may convert OEM Fonts to other Font Formats only with prior written consent of the Developer.

#### **3.2 Distribution and Documentation**

3.2.1 Distributor shall, at its own expense, label, package and distribute OEM Fonts giving due credit and acknowledgment to the Developer as the originator of the OEM Fonts.

3.3 Distributor will not rename, change or otherwise modify, reverse engineer or disassemble OEM Fonts unless requested to do so by Developer in writing.

### **3.3 Minimum terms of End User Licence Agreement**

3.2.1 The End User Licence Agreement included with OEM Fonts shall have meanings to the effect that;

a) End User shall not make, permit or cause to have made, any parts of the OEM Fonts except for its legal use as expressed within this Agreement,

b) use of OEM Fonts trade marks and copyright notices shall be in accordance with those set out in Appendix C to this Agreement.

## **4. Royalties**

4.1 Distributor will, for each sale of the OEM Fonts in OEM Product, pay to Developer the Royalties as described in Appendix B. Royalties shall accrue;

a) upon shipment by Distributor of any unsealed and accessible OEM Fonts to End User;

b) upon shipment by Distributor of any sealed OEM Fonts to the End User that have been opened by End User;

c) upon shipment by Distributor of enabled OEM Fonts or information subsequently enabling any OEM Fonts that have been encrypted to prevent their unauthorised use.

4.2 Such Royalty payments by Distributor shall;

a) be calculated quarterly on 31 March, 30 June, 30 September, 31 December and be reported to Developer within 30 days of each quarter, unless Appendix B Tier states otherwise;

b) become due for payment to Developer not more than 30 days from the last calculated accounting period according to the applicable Tier;

c) be paid in the National currency prevailing in the United Kingdom.

d) be apportioned as fifty percent of the amount due to be paid to Dr. Rosemary Sassoon and fifty percent to be paid to Adrian Williams. Any Value Added Tax that may be due shall be shown on Developer invoice or receipt.

4.3 Distributor shall keep accurate and complete records of all sales and distributions during the term of this Agreement and a further two years from termination of this Agreement. Such records shall be made available by the Distributor for inspection by a certified public accountant not more than once per Distributor fiscal year. Further inspections may be mutually agreed provided that Distributor is given at least 14 days notice.

4.4 If a deficit by Distributor or Developer results from an inspection, such amounts shall be paid the the relevant party within 30 days of such proof.

4.5 If inspection determines that Distributor owes developer more than 5% of Royalties reported during the last twelve months, Distributor will be liable to pay full cost of the inspection.

## **5. Marketing**

5.1 Distributor has the right to refuse inclusion of any promotion material, OEM Fonts, trade mark, copyright or other notice which it considers offensive.

5.2 Distributor will offer OEM Fonts for sale, promote and deliver in a manner agreed with the Developer, to include references to the Developers' logo and OEM Fonts icons as are necessary and at the Developers' cost.

5.3 Distributor shall refer to developer as the copyright owner of the OEM Fonts in any and all promotional material whether in digital for or in print, according to Appendix C, c) wherever a complete set of alphabet characters from A to Z in either capitals or lower case is displayed.

## **6. Intellectual property**

6.1 Distributor agrees to include all intellectual property notices for the OEM Fonts in promotion material. Developer is responsible for registering and protecting its intellectual property with legal trade mark and copyright information. Expired registrations will be reported to Distributor so that they may be changed or deleted from promotion material.

6.2 All intellectual property rights including but not limited to trade marks, copyright, design right remain vested in the Developer.

6.3 Distributor will immediately inform developer of any trade mark or copyright infringement of the OEM Fonts.

## **7. Warranties**

7.1 Developer warrants that OEM Fonts do not infringe existing trade mark, copyright or design right of any third party. Distributor will immediately inform Developer of any action against OEM Fonts or Developer and provide copies of any documents related to the action. Distributor will cooperate with Developer in any defence of such action.

7.3 If any OEM Fonts, trade marks or copyright material shall become the subject of a third party action, Developer may at its own option, either replace the items which are the object of the action, or withdraw them from distribution by the distributor.

7.4 Distributor shall indemnify the Developer from any and all claims, damages, liabilities, costs, losses, legal fees arising either directly or indirectly from any infringement of the intellectual property rights of any third party as a result of modifications made by Distributor, unauthorised or improper use of the OEM Fonts by the Distributor.

7.5 Developer warrants that media used to deliver the OEM Fonts will be tested for viruses and shall indemnify the Distributor from any and all claims, damages, liabilities, costs, losses, legal fees arising from the delivery media used to transfer master OEM Fonts to Distributor which may be infected or otherwise unusable.

7.6 Distributor shall indemnify the Developer from any and all claims, damages, liabilities, costs, losses, legal fees arising either directly or indirectly from any virus introduced by the Distributor, or modification of the OEM Fonts making such OEM Fonts unusable by the End User, which occurred prior to distribution to the End User.

## **8. Term**

8.1 This Agreement shall be in force from the last date signed below and have an initial term of three (3) years unless terminated. Thereafter this Agreement shall continue until terminated by either party giving at least 120 days notice.

8.2 Any notices relating to this Agreement shall be effective when received either

by First Class Post or other method which demands a signature as proof of delivery to the Registered Office of the party or last known place of business.

## **9. Termination**

9.1 Distributor or Developer may terminate this Agreement in writing to the other in the following events:

9.1.1 Material breach of any kind by either party of its obligations which is not rectified within 30 days of the written notice sent to the party in breach;

9.1.2 Assignment, arrangement or composition with or for the benefit of creditors, whether voluntary bankruptcy or other proposed law;

9.1.3 Cessation of business by the other party or inability to pay its debts or is insolvent or seeks voluntary or involuntary protection under bankruptcy or other proposed law;

9.1.4 Appointment of a receiver or trustee for the other party.

9.1.5 All obligations of the parties, including but not limited to Royalty payments that have accrued or will accrue, indemnifications, warranties, rights, duties which implicitly continue beyond termination shall not be affected by termination of this Agreement.

9.1.6 Starting from the termination date of this Agreement, except under Clause 9.1, the Distributor has the right to continue distribution of the OEM Fonts for a period of two (2) years in order to complete delivery of OEM Fonts under any existing contracts in force. Payment of Royalties will continue to fall due and Distributor may continue to use any trade mark, copyright or promotion material it sees fit during this period. At the passing of such two year period, the Distributor shall cease reproducing, manufacturing, distributing and licensing of the OEM Fonts, remove all instances from its promotion material relating to the OEM Fonts, including trade marks, copyright notices, logos, icons and other related documentation, returning all OEM Fonts masters and documentation to the Developer. All Royalties are due not later than 30 days from termination date. Distributor shall have no further claim for compensation, loss of distribution rights or goodwill.

9.2 Distributor shall notify Developer immediately of any change in the ownership of the majority shareholding in the Distributors' business. Developer shall have the right to terminate this Agreement by written notice given to the Distributor within 30 days of such notification.

## **10. Confidentiality**

10.1 Neither party shall publish or otherwise disclose any details of this Agreement without the written permission of the other party.

## **11. Relationship**

11.1 This Agreement does not indicate nor form any partnership, joint venture or agency between the parties and neither party shall have the right to act on behalf of or bind the other party to any third party.

## **12. Undertakings**

This Agreement constitutes the entire agreement between the parties and any other agreements or undertakings whether oral or written shall be superseded by this Agreement.

## **12.1 Invalidity**

Any part of this Agreement that is proved to be invalid shall not invalidate any remaining parts or provisions thereof.

### **12.2 Unenforceability**

Any part of this Agreement that is unenforceable shall not invalidate any remaining parts or provisions thereof.

### **12.3 New provisions**

If any part of this Agreement becomes unenforceable or invalid, the parties to this Agreement shall immediately make any new or modified provisions as are necessary to ensure such new provision is both enforceable and valid while retaining the main purpose of the original provision.

### **12.4 Assignment**

Neither party shall assign any or all of its rights and obligations under this Agreement unless prior written consent is given by such parties.

### **12.5 Waiver**

A failure to require the performance of any part of this Agreement shall not effect the right to require performance subsequently; nor shall a waiver by either party of a breach constitute a waiver of any subsequent breach or of the provision itself.

### **12.6 Force majeure**

If circumstances beyond its reasonable control prevail such as strikes, riots, flood, fire, storm insurrection, war, government actions, earthquakes, labour shortages, material shortages or acts of God, neither party shall be liable for any non-performance of its rights or obligations under this Agreement.

### **12.7 Signatories**

Signatories to this Agreement warrant that they are duly authorised to sign for and on behalf of their principals.

### **12.8 Text titles in this Agreement**

The text titles contained in this Agreement, which may be of **bold weight** font, are for the sake of clarity only and shall not influence, define or limit any of the parts they describe.

### **12.9 Governing Law**

Any dispute arising out of or in connection with this Agreement shall be governed and enforced subject to the Laws of England and Wales.

### **12.10 Appendices**

These Appendices shall form part of the entire Agreement between the parties and may from time to time be modified by either party with prior consent of the other party in writing:

Appendix A: OEM Fonts

Appendix B: Royalties

Appendix C: Acknowledgements



The parties have caused this Agreement to be executed by their duly authorised representatives from the date last written below.

Signed for and on behalf of Distributor:

.....

Position:

Date:

Signed for and on behalf of Developer:

.....

Position:

Date:

## Appendix A: OEM Fonts

This Appendix lists typefaces at the date of final signature below which are included in OEM Product and may from time to time be revised by either party in writing to the other party and shall be deemed to form part of this Agreement. A maximum of 8 typefaces may be included in any single OEM Product. OEM Products are shown in numbered groups to identify OEM Fonts used in OEM Products. For Royalty calculation purposes a different Licence Tier may apply to a different OEM Product.

### OEM Product 1

<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____

### OEM Product 2

<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____
<b>name:</b> _____	<b>value:</b> _____

### OEM Product 1 OEM Fonts

Font name: \_\_\_\_\_

Font name: \_\_\_\_\_

Font name: \_\_\_\_\_

Font name: \_\_\_\_\_

Font name: \_\_\_\_\_

Font name: \_\_\_\_\_

Font name: \_\_\_\_\_

Font name: \_\_\_\_\_

The complete current list of typefaces and purchase prices from which OEM Fonts may be licensed by the Distributor can be viewed online at

**<http://www.clubtype.co.uk/sassoonintro.html>**

## **Appendix B: Royalties**

This Appendix may from time to time be modified by either party in writing to the other party and shall be deemed to form part of this Agreement. Upon receipt of reported Royalties the Developer may supply an invoice for the amount due or if payment is made by Internet payment system, as receipt will be displayed online. Distributor shall pay to the Developer an amount in accordance with Clause 4.2 above. The Licence Tier percentages shall apply to each OEM Product separately as described in Appendix A.

### **INSTALLED**

For OEM Fonts installed into the CPU Operating System allowing operation of the OEM Product, glyphs therefore editable via any application with a font menu, the Royalty shall be as stated in the following Licence Tiers;

Tier 1) For sales of OEM Product that are unknown for the next 12 months an initial fee shall be paid within 30 days of the final signature to this Agreement equivalent to 2% of 1,000x OEM Product retail sales value as Royalty. Upon review of sales records to adjust Royalty after 12 months the Distributor may apply for a change of Licence Tier to reflect current sales or continue to pay the equivalent of 2% of 1,000x OEM Product retail sales to the Developer in successive years.

Distributor may trade until unused licensed OEM Fonts quota has been sold, whereupon this Agreement may be terminated by either party in writing or continue with the following options;

Tier 2) For sales of OEM Product that are greater than 1,000 and less than 6,000 in any 12 month period starting from the final date of signature below, Distributor shall pay a 1.5% of its retail sales value as Royalty.

Tier 3) For unit sales of OEM Product are estimated to be greater than 6,000 for the next 12 months starting from the final date of signature below, Distributor shall pay a 0.5% of its retail sales value as Royalty for the duration of this Agreement.

### **EMBEDDED**

For OEM Fonts embedded as a resource in the OEM Product and glyphs therefore editable at OEM Product runtime only, the Royalty shall be as stated in the following Licence Tiers;

Tier 4) For sales of OEM Product that are unknown for the next 12 months an initial fee shall be paid within 30 days of the final signature to this Agreement as Royalty equivalent to 1% of 1,000x OEM Product retail sales value. Upon review of sales records to adjust Royalty after 12 months the Distributor may apply for a change of Licence Tier to reflect current sales or continue to pay the equivalent of 1% of 1,000x OEM Product retail sales to the Developer in successive years.

Distributor may trade until unused licensed OEM Fonts quota has been sold, whereupon this Agreement may be terminated by either party in writing or continue with the following options;

Tier 5) For sales of OEM Product that are greater than 1,000 and less than 6,000 in any 12 month period starting from the final date of signature below, Distributor shall pay 0.75% of its retail sales value as Royalty.

Tier 6) For unit sales of OEM Product that are estimated to be greater than 6,000 for the next 12 months starting from the final date of signature below, Distributor shall pay 0.25% of its retail sales value as Royalty for the duration of this Agreement.

## **ZERO RETAIL VALUE**

Where OEM Products including but not limited to apps are distributed free of charge, Developer and Distributor shall agree on a retail value that would be a fair reflection of the Product's worth had it been offered for sale. Comparison should be made with other similar OEM Products currently available. That value shall be the basis of the OEM Product retail value for the purposes of calculating Royalty.

## **Appendix C: Acknowledgements**

a) Trade marks for inclusion in the Distributor's promotion material, labeling, packing where practical to do so;  
Sassoon is a registered trade mark of Dr. Rosemary Sassoon and Adrian Williams in the United Kingdom.

b) Distributor may include a reference to the Developer's website;  
<http://www.sassoonfont.co.uk>

c) Wherever a complete set of alphabet characters from A to Z in either capitals or lower case is displayed;

Copyright Dr. Rosemary Sassoon and Adrian Williams 1988-2015.