

NEIGHBORING RIGHTS COLLECTION TERMS AND CONDITIONS

PUBLISHED AND EFFECTIVE AS OF MAY 24, 2024. THESE GENERAL TERMS OF USE REPLACE AND SUPERSEDE ALL PRIOR VERSIONS.

Dear client (the "Client" or "You"), Welcome to en.Daflow.com (the "Starcast" or "Site")!

This is a legal agreement (the "Terms and Conditions", "Agreement") between You and Daflow Pte. Ltd. ("Daflow"). Daflow reserves the sole right at any time to modify, discontinue or terminate the Site and Services, or modify the Terms & Conditions without notice. You hereby agree that any modification of these Terms & Conditions shall not be interpreted to reflect upon the strength of any provisions in any earlier iteration of these Terms & Conditions. It is your responsibility to check these Terms & Conditions periodically for changes. By continuing to use or access the Site and/or Services after Daflow makes and posts any such modification, You agree to be legally bound by the revised Terms & Conditions. You may not alter the terms and conditions of the Terms & Conditions without Daflow's express written consent.

New users who join this agreement automatically qualify for the Limited Time Bonuses hereunder. By confirming your acceptance through the dialogue box below by clicking "I agree," you acknowledge that you understand the meaning of all the provisions in this agreement, agree to enjoy the bonuses and services provided under this agreement, and willingly assume any legal consequences associated therewith.

Please read the following instructions carefully to ensure that You clearly understand Starcast and its unique services.

BY USING THE SERVICES OFFERED BY STARCAST, THROUGH THE WEBPAGE OR WITH RESPECT TO YOUR STARCAST ACCOUNT, YOU AGREE TO BE LEGALLY BOUND BY THE TERMS & CONDITIONS.

BY USING THE SERVICES OFFERED BY STARCAST, YOU AFFIRM THAT YOU ARE OVER 18 YEARS OLD AND THE SERVICES DESCRIBED IN AND DELIVERED THROUGH STARCAST. IF YOU ARE USING STARCAST ON BEHALF OF A THIRD-PARTY, YOU WARRANT THAT YOU HAVE OBTAINED THE NECESSARY RIGHTS TO ACCEPT THESE TERMS AND ENTER INTO THIS LEGALLY BINDING AGREEMENT WITH Daflow ON THEIR BEHALF.

PARTIES

1. Daflow Pte. Ltd., company number 202348751Z, of 112 ROBINSON ROAD #03-01 ROBINSON 112 SINGAPORE (068902) trading as Daflow (hereinafter referred to as the "**Daflow**")
2. Any individual or entity using the services provided by Daflow (hereinafter referred to as the "**Client**")

Both shall hereinafter be severally referred to as "**Party**" and, collectively, as "**Parties**".

WHEREAS

- A. Client within the Territory holds or controls exclusive rights of use, including, without limitation, neighboring rights, with respect to certain content such as recordings and/or videos and is entitled to sub-license such rights to third parties.
- B. Daflow, by itself or through its affiliates, is in the business of representing rightsholders' catalogs of entertainment content for the purpose of administering the right to remuneration for broadcasting and communication to the public in accordance with Article 45 of the Copyright Law of the PRC. Daflow also is in the business of providing comprehensive management service for rightsholders' entire digital content portfolio, including catalog encoding and metadata management, data processing and legal protection against third-party infringements.
- C. Client desires to grant to Daflow, and Daflow desires to obtain from Client, certain exclusive rights set forth hereunder.

AGREED PROVISIONS

In consideration of the mutual agreements set out in this agreement, the Parties agree as follows:

1. DEFINITIONS

The following terms shall have the following meanings:

- 1.1. **"Catalog"** means jointly and severally all entertainment content owned or controlled by Client (including all associated licenses of rights from Client such as artists, composers, musicians and third party recording and production companies) during the Term. Catalog includes (a) Recordings, (b) Videos and (c) all other digital assets ancillary to the Recordings, Videos. The Catalog shall include all digital assets delivered by Client to Daflow under these Terms and Conditions.
- 1.2. **"Effective Date"** means the date hereof.
- 1.3. **"Daflow Websites"** means any and all websites owned, controlled, managed or otherwise operated by Daflow on or after the date hereof, including, without limitation, *.Daflow.com
- 1.4. **"Losses" / "Loss"** means any losses, damages, actions, costs, disbursements, expenses, liabilities, obligations, fines, penalties or settlement of any kind or nature (including reasonable attorney's fees and expenses), other than indirect losses and consequential damages;
- 1.5. **"Neighboring Rights"** means all rights in the performance of a Recording or Video, when a Recording or Video is communicated to the public by any means now or hereafter known which, for the avoidance of doubt, shall include, without limitation, public performances, inclusion in a broadcast or other transmission by wire or wireless means, inclusion in an internet service and inclusion in a mobile application (including so called simulcasting or webcasting, via podcasting), the rental or lending of such Recording/Video and the copying of any such Recording/Video;
- 1.6. **"Neighboring Rights Revenue"** shall mean any and all monies deriving from the exploitation of Client's Catalog payable to Client by Daflow as further specified in Appendix B hereunder;
- 1.7. **"Neighboring Rights Societies"** means the societies further listed in Appendix C hereof;
- 1.8. **"Recordings"** means master sound recordings in the form of full Albums, Compilations or Tracks (or the file equivalents) identified by a specific UPC code or ISRC code and specific artwork.
- 1.9. **"PRC" or "China"** means the People's Republic of China, which for the purpose of this Agreement, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.
- 1.10. **"Term"** means the term of this Agreement, as further provided under clause 5 hereof.
- 1.11. **"Territory"** means Mainland China, provided, however, that Daflow Websites shall be deemed to be part of the Territory.

- 1.12. **“Videos”** means audio-visual programs embodying the Recordings.
- 1.13. **“Withholding Taxes”** shall mean the tax payable on the amounts due to Client, in accordance with the tax regulation of Singapore and in accordance with the trade treaty between Singapore and Client’s country of tax residence in accordance with the tax residence certificate provided by Client on the date hereof and at the beginning of each subsequent calendar year.

2. GRANT OF RIGHTS

- 2.1. Client hereby grants to Daflow, and Daflow hereby accepts from Client, the rights and license (the **“License”**) within the Territory during the Term (subject to any particular territorial or term limitations applicable to a particular Recording or Video as notified by Client at time of delivery to Daflow) to exclusively administer the Neighboring Rights in relation to Client’s Catalog in the Territory in all media and with the applicable Neighboring Rights Societies, services and platforms as further specified in Appendix C and mutually agreed by the parties. Both Parties acknowledge and agree that exclusivity is a requirement of the Neighboring Rights Societies supplied by Daflow.
- 2.2. Daflow has the right to:
- 2.2.1. Register any Recordings and/or Videos owned or controlled by Client now or through the Term of this Agreement with Neighboring Rights Societies in the Territory;
 - 2.2.2. License all respective rights on behalf of Client to the applicable Neighboring Rights Societies in respect of the Client’s Catalog only in the applicable countries of the Territory and solely in so far as such assignment is necessary or desirable for the collection of Neighboring Rights Revenue under this Agreement;
 - 2.2.3. Notify the applicable Neighboring Rights Societies of the exclusive right of Daflow to collect and/or receive all Neighboring Rights Revenue on behalf of Client and to be accounted and paid such revenue on behalf of Client to Daflow;
 - 2.2.4. sub-license the rights under clause 2 to Neighboring Rights Societies as determined by Daflow;
 - 2.2.5. Collect and/or receive any accounting statements and related Neighboring Rights Revenue from the applicable Neighboring Rights Societies on behalf of Client (including, without limitation, any monies collected by the Neighboring Rights Societies relating to exploitation which took place prior to the Effective Date hereof);
 - 2.2.6. Check all statements issued by the applicable Neighboring Rights Societies and to make the applicable claims and potential objections if any monies due to the Client have not been accounted for and paid for correctly;
 - 2.2.7. Negotiate and settle any disputed amounts of Neighboring Rights Revenue with the applicable Neighboring Rights Societies on behalf of Client, whereby such settlements have to be approved by Client in writing;

- 2.2.8. Deal with and execute any and all agreements, contracts, correspondence in respect of the administration of the Client's Neighboring Rights with the applicable Neighboring Rights Societies within the Territory during the Term;
- 2.3. Without limiting the generality of the foregoing provisions, Daflow shall have the rights to prepare, edit and encode the Recordings, Videos and other material comprising the Catalog in any format for the purpose of facilitating the intent of this Agreement and the exercise of the rights granted to Daflow under this Agreement.
- 2.4. Client will not remove from the Catalog any Recording and/or Video so that it becomes unavailable for administration hereunder unless Client no longer has the rights to such Recording and/or Video because of the expiry of a license agreement (and Client will notify Daflow at the time of delivery of the Catalog of any relevant third-party license expiry dates). Upon receipt of a reasonable takedown request in writing from Client, Daflow shall have no less than thirty (30) business days to issue takedown requests to the applicable Neighboring Rights Societies. For the avoidance of doubt, the takedown procedure (including but not limited to manner, timing, etc.) shall be at the Neighboring Rights Societies sole discretion, and any removal and/or replacement of Recording and/or Video shall not affect authorizations granted or settlement of revenues generated prior to the occurrence of such removal or replacement.
- 2.5. Client is reminded of the exclusive nature of this Agreement and any purported sales or other licenses of any of the Catalog by Client to a subsidiary and/or to a third party occurring during the Term hereof shall be specifically subject to the terms of this Agreement for the full Term hereof.

3. MATERIALS TO BE PROVIDED BY CLIENT

- 3.1. Client shall provide Daflow with the materials and information described in Appendix A attached hereto (the "**Deliverables**") with respect to each title in the Catalog for the purposes of administering the Neighboring Rights. Client shall also provide a list of titles comprising the Catalog and such other information as Daflow shall reasonably request from time to time in connection with this Agreement.
- 3.2. Client shall provide true, accurate and complete information regarding Client's Catalog and deliver all metadata of the Recordings and/or Video to Daflow in accordance with Daflow's respective delivery specification in due time.
- 3.3. Client shall make all declarations which are required or expedient by the applicable Neighboring Rights Societies within the Territory to make the necessary and expedient for registration, renewal, and/or extension regarding Client's Recordings or regarding the collection of any Neighboring Rights Revenue which accrues from the contractual exploitation of the Catalog within the Term and/or Post Term Exploitation hereunder.
- 3.4. Immediately following the execution of this Agreement, Client shall provide to Daflow a Catalog list consisting of all Recordings and Videos that it owns or controls as of the date of execution hereof. Unless Client provides prior written notice to Daflow to the contrary, all Recordings and Videos shall be deemed to be owned and controlled at all times during the Term and throughout the Territory by Client. For avoidance of doubt, the rights granted by Client hereunder in and to the Recordings and Videos shall extend only to the extent of any limitation of Client's rights therein; provided that Client has provided prior written notice to Daflow of any such limitations of its rights in and to any such Recordings and/or Videos. Client shall provide Daflow with all Recordings and Videos that are available for administration.

4. FEES AND PAYMENTS

- 4.1. Daflow shall pay license fees to Client for the License granted hereunder ("**Neighboring Rights Revenue**"). The Neighboring Rights Revenue shall be calculated in accordance with Appendix B attached hereto.
- 4.2. Daflow shall provide a Neighboring Rights Revenue statement to Client by email once (1) a year for each of such previous period (each, a "**Billing Period**"), and shall include the following information: titles of tracks, names of performers, titles of releases, ISRC Codes and amounts of Neighboring Rights Revenue payable and any related Withholding Taxes. It is hereby understood and acknowledged by Client that the yearly reporting is a requirement of the applicable Neighboring Rights Societies.
- 4.3. Within 14 days of receipt of the Neighboring Rights Revenue statement referred to in clause 4.2, Client shall raise an invoice for the due amount, and Daflow shall pay such amount to Client no later than 30 business days after the invoice is delivered to Daflow through the Starcast system (the website located at www.star.Daflow.com, or such other URL as provided by Daflow to Client from time to time), and any related inquiries may be directed to faservice@Daflow.com.
- 4.4. If the amount of the Neighboring Rights Revenue due and payable with respect to any Billing Period is less than one hundred (100) US dollars (the "**Threshold**"), then the payment of such monies shall be deferred to the next Billing Period until the aggregate amount of the Neighboring Rights Revenue due and payable for all related prior Billing Periods exceeds the Threshold, provided, however, all amount of the Neighboring Rights Revenue due and payable (regardless whether it exceeds the Threshold) shall be paid to Client.
- 4.5. Client's bank account information for all purposes under this Agreement shall be based on the registration submitted by the Client through the starcast system.
- 4.6. Client shall be responsible for any charges made by its own bank in receiving payments hereunder

5. TERM OF AGREEMENT

- 5.1. This Agreement shall take effect on the date hereof.
- 5.2. The initial term of this Agreement shall commence from the date hereof until the third (3rd) anniversary of the Effective Date, with successive automatic renewals for one (1) year each, unless otherwise terminated pursuant to clause 11.
- 5.3. Following the expiration or termination of the Term, Daflow shall be entitled for an additional twelve (12) months' period after the Term to collect Neighboring Rights Revenue which accrues from the exploitation of the Neighboring Rights occurring prior to or during the Term ("**Post-Term Collection Period**")

6. REPRESENTATIONS, WARRANTIES AND INDEMNITIES

- 6.1. Each Party hereby represents and warrants to the other Party that, as of the date hereof, the following representations and warranties are true, accurate and correct:

- 6.1.1. such Party is duly incorporated and organized, and is validly existing in good standing under the laws of its place of incorporation;
- 6.1.2. the execution, delivery and performance of this Agreement and the performance by such Party of its obligations under this Agreement:
 - 6.1.2.1. are within the organizational power of such Party and has been duly authorized by all necessary corporate actions, and do not and will not contravene any provision of any applicable laws, such Party's constitutional documents or any contractual restriction binding upon or affecting such Party;
 - 6.1.2.2. to such Party's knowledge, other than necessary approvals by and registrations with any competent approval authority in accordance with applicable laws, such Party's execution of this Agreement and the performance of its obligations hereunder do not require any other approval, authorization, license, exempt, consent or registration from or with any other governmental authorities, court or any other third party, and are not and will not be in contravention of the terms of the constitutional documents of such Party or any amendments thereto;
- 6.1.3. this Agreement has been duly executed by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms;
- 6.1.4. there are no actions, litigations, arbitrations, investigations or proceedings pending (or, to the actual knowledge of such Party, threatened or intended to be initiated) against such Party before any court or any governmental authorities challenging the legality, validity or legitimacy of this Agreement or the transactions contemplated thereunder or which may have material effect on such Party's ability to perform its obligations under this Agreement;
- 6.1.5. the person(s) executing this Agreement on behalf of such Party are duly authorized to do so; and
- 6.1.6. such Party is financially sound and has no proceedings instituted against it for winding up or liquidation and has no receiver or any authority of the court appointed over its assets, and is in a position to clear its liabilities as and when they mature.
- 6.2. Client hereby represents and warrants to Daflow that the following representations and warranties regarding Catalog are true, accurate and correct:
 - 6.2.1. it has good and marketable title to, full ownership of or licensed rights to the Catalog and full power, right and authority to grant to Daflow the rights and the License as contemplated hereunder;
 - 6.2.2. all information provided by Client to Daflow with respect to the Catalog is true, correct and accurate;
 - 6.2.3. The Catalog and all parts thereof are original non infringing works (and/or all necessary permissions, licenses and such have been obtained by Client) such that the exercise by Daflow of the rights granted to it hereunder will NOT give

rise to any infringement of the rights of any third parties including (without limitation) copyright infringement;

6.2.4. Client is solely responsible for the payments of any and all amounts due to any underlying holders of any rights to the Catalog or any portion thereof, including, without limitation:

6.2.4.1. fees, income, monies, royalties or any other compensation due to artists, producers, copyright owners and all other third parties whose performance is embodied in a Recording or Video or is otherwise involved in the creation of the Recording or Videos that are included in the Catalog;

6.2.4.2. any other fees, compensation, royalties or other monies due and or payable with respect to the artwork, metadata, trademarks and logos in the Catalog or materials provided by Client.

7. **USE OF CLIENT BRANDING**

7.1. Client hereby grants Daflow, on a non-exclusive basis and free of charge, throughout the Term and within the Territory, the right to display Client's and Artists' branding elements (including, without limitation, trademarks, logos, Client name or trade name of Client and/or of its labels and/or affiliates) in materials produced by Daflow as part of its sales and marketing effort, including but not limited to Daflow's Website.

8. **CONFIDENTIALITY**

8.1. Unless as otherwise provided hereunder, each Party shall keep strictly confidential, (i) the terms and conditions hereof and of any other related agreement, (ii) the other Party's intellectual property, know-how, trade secrets, strategic or operational plans, technical information, designs, drawings, research & development results, products information, source codes, prototypes, identity of either party's existing or potential customers, pricing methods, market studies and projections, financial information, business operations and legal matters (collectively, the "**Confidential Information**") except as the other Party should agree otherwise in writing; provided, however, that either Party may disclose Confidential Information (i) to the extent required by applicable law so long as, where such disclosure is to a government entity, such Party shall use its reasonable efforts to obtain confidential treatment of the Confidential Information so disclosed, (ii) to the extent required by the rules of any securities regulatory authority, and (iii) to its officers, directors, employees, professional advisors, investors and financing sources as necessary and on a strictly confidential and need-to-know basis.

9. **INTELLECTUAL PROPERTY INFRINGEMENT**

9.1. If the Catalog or any right in connection therewith has been infringed by a third party in the Territory, Daflow may, in the name of Client and on its behalf as its attorney-in-fact, engage in any and all investigations. Upon Client's written approval, Daflow may, in the name of Client and on its behalf as its attorney-in-fact, engage in any and all legal action including but not limited to negotiations, settlements, initiation of lawsuits and take any other necessary actions. Client is obligated to render full co-operation and assistance to Daflow, its advisors and agents with respect to any such action. Any and all attorneys' fees, costs of suit, as well as other costs and expenses in relation to Daflow's action taken pursuant to this clause shall be equally shared by the Parties.

Daflow may make advances of these payments and Client shall reimburse Daflow for its share of such amounts. Daflow may also deduct Client's share of such payments and payment advances from any amounts received from third parties.

- 9.2. In order to effectively manage any Recording and/or Video in the Catalog, the Applicable Neighboring Rights Societies may engage in any and all legal action on their own behalf, including but not limited to negotiations, settlements, initiation of lawsuits, and take any other necessary actions against users who fail to pay the remuneration for the use of the Recording and/or Video; it is hereby acknowledged and agreed by Client that such authorization do not require Client's prior written approval and that this is a mandatory requirement of the Applicable Neighboring Rights Societies;
- 9.3. Upon Daflow's request, Client shall provide adequate proof to substantiate a good faith claim to rights of a Recording, Video or other portion of the Catalog. If Client fails to do so, Daflow may in its sole discretion exclude any portion of the Catalog so affected from all licensed content with respect to any or all Neighboring Rights Societies.
- 9.4. Daflow undertakes to use its commercially reasonable efforts to take reasonable measures to prevent the Catalog from any unauthorized use. The Parties expressly agree that Daflow shall not be responsible for any unauthorized use of the Recordings or Videos by any third party. Client agrees that if Daflow becomes aware that any Catalog has been infringed by a third party in Territory, Daflow may take appropriate action to protect the Catalog and interests of both Parties.

10. BREACH OF AGREEMENT

- 10.1. Unless as otherwise provided hereunder, a Party shall be in breach of this Agreement if it fails to fully perform, or unlawfully suspends its performance of, its obligations under this Agreement.
- 10.2. Each breaching Party (the "**Indemnifying Party**") shall indemnify the non-breaching Party (the "**Indemnified Party**") if Indemnifying Party fails to remedy such breach to the satisfaction of the Indemnified Party within thirty (30) days after the Indemnified Party delivers a written notice to the Indemnifying Party in respect of, and hold the Indemnified Party harmless against, and shall compensate, reimburse and pay for, any and all Losses suffered or incurred by the Indemnified Party arising from or in relation to:
 - 10.2.1. any breach of any of the Indemnifying Party's representations or warranties hereunder;
 - 10.2.2. any breach, default or non-performance of any of the Indemnifying Party's obligations or covenants hereunder;
 - 10.2.3. any breach or violation by the Indemnifying Party of any applicable laws; or
 - 10.2.4. the enforcement of this indemnity.
- 10.3. The Indemnifying Party shall forthwith on demand and in no event later than thirty (30) days from such demand reimburse the Indemnified Party of such Loss suffered or sustained by the Indemnified Party.

11. TERMINATION

11.1. This Agreement may be terminated

11.1.1. By written agreement of the Parties; or

11.1.2. By either Party upon written notice to the other Party in any of the following cases:

11.1.2.1. if the other Party materially breaches this Agreement and fails to remedy such breach to the satisfaction of the termination Party within thirty (30) days after the terminating Party delivers a written notice to the other Party; or

11.1.2.2. If the terminating Party delivers the termination notice to the other Party not less than sixty (60) days prior to the date on which the initial Term or any successive renewal Term expires; or

11.1.2.3. if the other Party is unable to pay its debts when due, or makes an assignment for the benefit of its creditors, or files a petition under applicable bankruptcy or insolvency Laws seeking relief, or is otherwise deemed or adjudicated bankrupt or insolvent.

11.2. Unless as otherwise provided hereunder, this Agreement shall become null and void upon termination, and there shall be no further liability or obligation on the part of either Party; provided, however, that (a) any right, provision or obligation of this Agreement that by its nature or are expressly provided to survive thereafter shall survive following any such termination, including but not limited to clauses 8 (Confidentiality), 9 (Intellectual Property Infringement), 10 (Breach of Agreement), 11 (Termination), 12 (Miscellaneous), provided, however, that the representations and warranties under clause 6 shall survive the termination of this Agreement for two (2) years; and (b) save as otherwise provided herein, each of the Parties shall remain liable to the other for any sums of money payable and for any breach of this Agreement existing at the time of such termination.

11.3. In the event that Client publishes any content anywhere in any language that disseminates obscenity, pornography, gambling or violence, or contains remarks on religious, cultural, or ethnic matters, including defamatory or insulting remarks, or content that may incite violence against certain groups, or any other content which violates Chinese laws and regulations, Daflow reserves the right to unilaterally terminate this Agreement and withdraw from the agreement. All associations, affiliations and uses of trademarks will no longer be permitted.

11.4. This Agreement may be terminated immediately by Daflow in the event that Client commits any act of fraud:

11.4.1. Notwithstanding anything herein to the contrary, this Agreement shall terminate and no payment of any fee hereunder shall be made to or on behalf of the Client, if the Client has engaged in fraud, embezzlement or willful misconduct with respect to its obligations hereunder.

11.4.2. If the termination of this Agreement is a result of fraud, Daflow shall be entitled to recover from the Client all out-of-pocket expenses which such Daflow has incurred and the termination of this Agreement shall not be deemed or construed as limiting or denying any other legal or equitable right or remedy of Daflow.

12. MISCELLANEOUS

- 12.1. This Agreement shall be governed by, and construed in accordance with, the laws of Singapore.
- 12.2. In the event that any dispute arises in connection with the conclusion, performance or interpretation of this Agreement, the Parties shall attempt in the first instance to resolve such dispute through friendly consultations. If the dispute cannot be resolved in this manner within thirty (30) days after the dispute arises, any party shall be entitled to submit the dispute for arbitration to China International Economic and Trade Arbitration Commission ("**CIETAC**") in Shanghai in accordance with the arbitration rules of CIETAC then in effect. The arbitral award shall be final and binding on the Parties. The arbitration tribunal shall consist of one (1) arbitrator to be agreed upon and appointed by the Parties. In the event the Parties cannot agree upon an arbitrator within twenty (20) days after the arbitration notice is served, the arbitrator shall be appointed by the Chairman of CIETAC. The arbitration proceedings shall be conducted in both English and Chinese.
- 12.3. Except as otherwise provided hereunder, each of the Parties shall pay for its own costs and expenses incidental to this Agreement and all transactions in connection therewith.
- 12.4. Except as otherwise provided hereunder, any and all tax liabilities arising in relation to this Agreement and related transactions shall be borne by each Party in accordance with relevant tax law applicable to such Party at the time such liabilities arise.
- 12.5. If at any time any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.
- 12.6. Client shall not, without the prior written consent of Daflow, assign, transfer, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under this Agreement. Notwithstanding the foregoing, where Client is subject to: (i) a sale of all or substantially all of its assets, or (ii) a change in its ownership or control, it:
- 12.6.1. shall notify Daflow in writing no less than 30 days from becoming legally bound to a sale or change in ownership; and
- 12.6.2. shall assign in full its rights and obligations under this Agreement to the applicable successor in interest.
- 12.7. In the event that Client is experiencing or likely to experience a change in ownership, control, or management shall provide to Daflow not less than thirty (30) days' prior written notice (or, where this is not possible, such prior notice as is reasonable in the circumstances) of any such change in ownership, control, or management taking effect. For the purpose of this clause 12.7, "control" means owning or having control over the voting rights attaching to not less than 50% of the issued ordinary share capital of Client, or controlling (directly or indirectly) the appointment of a majority of the board of management.
- 12.8. This Agreement shall be binding on and shall inure for the benefits of the successors and assigns of the Parties hereto but shall not be assigned by any Party without a written notification to the other Party.

- 12.9. No failure of any Party to exercise and no delay on its part in exercising any right hereunder will operate as a release or waiver thereof, nor will any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against others under the same liability whether joint, several or otherwise.
- 12.10. Any variation to this Agreement shall be binding only if it is pursuant to a document signed by all the Parties.
- 12.11. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 12.12. This Agreement constitutes the entire agreement and understanding between the Parties in connection with the subject-matter of this Agreement and supersedes all previous proposals, representations, warranties, agreements or undertakings relating thereto whether oral, written or otherwise and neither Party has relied on any such proposals, representations, warranties, agreements or undertakings.
- 12.13. This Agreement may be entered into in any number of counterparts and by the Parties to it on separate counterparts, each of which when so executed and delivered shall be the original, but all the counterparts shall together constitute one and the same instrument.
- 12.14. The Parties shall use all commercially reasonable efforts to take or cause to be taken all necessary or appropriate actions and do, or cause to be done, all things necessary or appropriate to consummate and make effective the transactions contemplated hereunder, including the execution of any additional document or instrument that may be reasonably necessary or appropriate to carry out any of the provisions hereof.
- 12.15. Notices or other communications required to be given by a Party pursuant to this Agreement shall be written in English or Chinese and shall be delivered personally, sent by a recognized courier service or by email to the address of the other Party set forth below. The dates on which notices shall be deemed to have been duly received shall be determined as follows:

12.15.1.1. Notices given by personal delivery shall be deemed duly received on the date of personal delivery.

12.15.1.2. Notices given by courier shall be deemed duly received on the date indicated on the receipt.

12.15.1.3. Notices given by email shall be deemed duly received on the first business day following the date of successful transmission and receipt.

Notices to Client: Client's email address

Notices to Daflow: legalaffairs@Daflow.com

- 12.16. Both Parties acknowledge that Client has been provided with a period of thirty (30) days of the date hereof, in which to consider whether or not to enter into this Agreement, after which period, and provided that Client has not entered into this Agreement, Daflow shall have the right to revoke this Agreement without any notice to Client.

- 12.17. Each Party acknowledges and represents that, in executing this Agreement, it has received advice as to its legal rights from legal counsel and that the person signing on its behalf has read and understood all of the terms and provisions of this Agreement. Furthermore, the agreement is understood to have been composed with the involvement of one or both Parties and their respective legal counsel. While the Agreement may have been primarily drafted by one Party, it is considered a collective work and any interpretation thereof should not prejudice any Party due to their role in its preparation or formatting.

DELIVERABLES

(Appendix A)

1. Client will provide Daflow with the information necessary for the integration of each Recording in the Catalogue into the Services, in accordance with Article 3 of this agreement, i.e. an XML file specifying for each Recording and album:
 - the name of the performing artist(s);
 - alternative name of the performing artist(s) (if any);
 - the title of the Recording;
 - additional title of the Recording (if any);
 - the language of the Recording;
 - the version of the Recording (studio, live, etc.);
 - the name of the Rightsholder;
 - the ISRC code of the Recording;
 - the lyricist of the Recording;
 - the name of the author and composer of the Recording;
 - the name of the producer of the Recording;
 - the genre of the Recording;
 - Audio files (.wav).

NEIGHBORING RIGHTS REVENUE (Appendix B)

1. The Parties acknowledge and agree that:
 - 1.1. Daflow is expected to receive payments, royalties, proceeds or other monies or remuneration from the applicable Neighboring Rights Societies for the use of the Catalog or any portion thereof (collectively, the “**Gross Payments**”).
 - 1.2. In order to receive the Gross Payments, Daflow may incur costs and expenses (collectively, the “**Collection Costs**”), including, without limitation, (i) business and value-added taxes, (ii) fees and charges payable to copyrights administration, associations, unions or similar governmental or non-governmental entities (if any), (iii) wire transfer charges. The difference between the Gross Payments and the Collection Costs is hereinafter referred to as the “**Net Receipts**”. Daflow shall supply a comprehensive accounting of the actual Collection Costs deducted, which shall accompany the Neighboring Rights Revenue statement for the month in which the Collection Costs deduction actually occurred.
 - 1.3. Any and all Withholding Taxes levied by any tax authorities on the Neighboring Rights Revenue shall be deducted from the Neighboring Rights Revenue before the Neighboring Rights Revenue are paid to Client. Client hereby authorizes Daflow to, and Daflow shall, in accordance with the terms of this Agreement and subject to the applicable laws, report, pay or withhold any tax payable on the Neighboring Rights Revenue in the Territory.
2. Neighboring Rights Revenue shall be calculated and distributed in the following amounts and order of priority:
 - 2.1. First, fifteen percent (15%) of the Neighboring Rights Revenue shall be retained by Daflow for its services hereunder. The remaining eighty-five percent (85%) of the Neighboring Rights Revenue shall be the monies payable by Daflow to Client hereunder.
 - 2.2. Second, the Neighboring Rights Revenue, net of the Withholding Taxes, shall be paid to Client promptly after Withholding Tax clearance, if applicable.
3. Daflow shall be responsible for completing tax and foreign exchange procedures relating to the payments of the Neighboring Rights Revenue to Client. Client shall promptly provide Daflow with all documents and information as requested by Daflow or the tax authorities for paying taxes on the Neighboring Rights Revenue.
4. All payments shall be paid in USD. For the purpose of the calculation and payments of the Neighboring Rights Revenue, the Parties agree to use the spot foreign exchange selling rate between USD and RMB published by the People’s Bank of China or its agent on the date of payment of the Neighboring Rights Revenue.

NEIGHBORING RIGHTS SOCIETIES (Appendix C)

In accordance with and for the purposes of the Agreement hereof, Client grants Daflow the right to register the Catalog with and collect any monies payable to Client deriving from the exploitation of the Catalog from:

China Audio Video Copyright Association (“**CAVCA**”)