

AGREEMENT OF SHAREHOLDERS

of **CHESS NEWS CORPORATION**

Between

CHESS LANE SA

AND

FEDERATION **INTERNATIONALE** DES ECHECS

Year: 2009

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The present AGREEMENT OF SHAREHOLDERS (“Agreement”) is made
_____ 2009 between:

(i) **CHESS LANE SA**, incorporated in accordance with the laws of British Virgin Islands, having its registered address at Akara Blg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (hereinafter “**AA**” or “**CHESS LANE**”) and

(ii) **FEDERATION INTERNATIONALE DES ECHECS**, established under the laws of Switzerland, having its address at 9 Syggrou Avenue, Athens, Greece 11743 (hereinafter “**BB**” or “**FIDE**”)

AA and BB are hereinafter referred to jointly as “**Parties**” and separately as “**Party**”. The interpretation of certain terms written with a capital letter is stated in Article 1.1

PRELIMINARY

Whereas the Parties intend to create a company **CHESS NEWS CORPORATION**, establish it under the laws of **Malta** (hereinafter “**Company**” or “**CNC**”) in order to realise Projects agreed between Parties;

Whereas the Parties are interested in a coordinated administration of the activities of the Company in order to achieve goals corresponding to the interests of all Parties by the way of, among other things, making corresponding decisions and taking corresponding actions by the Parties;

Whereas the Parties understand that the activity aiming at realisation of the Projects by the Company requires administrative, operational and other cooperation between the Parties;

Whereas the Parties wish to conclude the present Agreement in order to realise their mutual interests and the interests of the Company and to determine the conditions that shall regulate the relation between the Parties for the realisation of the Projects;

Whereas taking under consideration the aforementioned provisions and mutual agreements and obligations hereinafter stated, Parties hereby agree as follows:

1. Definitions and interpretation

1.1 Definitions

For the purpose of the present Agreement, and unless otherwise follows from the context, the terms quoted hereinafter shall bear the meaning stated in the present Article or in the Articles hereinafter mentioned:

“**Assets**” mean the assets that belong to the Parties prior to the entering in force of the present Agreement and transferred to the Company after its incorporation, as well as other assets acquired by the Company in process of its activity. Assets include, among other things, shares and parts in other companies, fixed assets (intangible assets, permanent assets, uncompleted constructions, remunerated investments in material

assets, long-term financial investments, other fixed assets) and working assets (reserves, value added tax on acquired valuables, accounts receivables, short-term financial investments, cash assets, other working assets).

“**Affiliate**” mean in relation to any Party any other person, partnership, company, group or trust that directly or indirectly exercise control over such Party or are under its control or are under common control with it, the term “control” meaning direct or indirect possibility to manage or influence management and policy, either on grounds of possession of voting securities or according to a contract, or by other means.

“**Loans**” mean any loans (contracts of raising of funds or things determined by the generic features), credits, guaranties and other liabilities similar to loans or guaranties, including, without limitation, issue of bills, issue of bonds or other stocks.

“**Statute**” means constitutional document of the Company.

“**Project(s)**” mean any investment or other project(s) realised through the Company or any Affiliate as per to the present Agreement. Projects must be proposed to the Projects Committee of the Company with full details regarding capital, income, project vision, profitability, resources required etc.

“**Business Day**” means any day of the week, except for Saturdays and Sundays and public and banking holidays established by applicable Law of that location where a particular action in accordance to this Agreement shall be performed.

“**FIDE Chess Academy**” means an institution of professional chess training, evaluations and education of chess-players, trainers, organisers, arbiters, teachers and other professions normally associated with sport academies.

“**Chess Club**” means an association of people united by common interest to Chess, organized and/or supported by the Parties and/or the Project Entities, which comprises chess-players, tutors, counsels, administrative and technical staff and operates for participation in various chess activities and fielding chess-players and chess teams for Tournaments.

“**Chess Related Events**” mean planned happenings related to the game of chess, other than Tournaments, including without limitation festivals, contests, auctions, promotional events for Chess Related Brands and Chess Related Activities and other events of similar nature.

“**Chess Related Activities**” mean all kind of peoples’ activities which are related to or devoted to or arising from or based on the idea of the game of chess, including without limitation, Chess Clubs, Chess Academies, chess cafés and other activities of similar nature.

“**Chess Related Brands**” mean names, terms, designs, symbols, or other features that creates an image of the game of chess, distinguishes Chess Related Activities and/or Chess Related Products originated in the course of Parties’ cooperation under this Agreement from competitive offerings.

“**Chess Related Products**” mean any kind of goods related to the game of chess, Chess Related Events, Tournaments, Chess Related Activities, including without limitation, publications, souvenirs, drawings, toys, games, fabrics, figures and figurines, foods, drinks, movies, films, audio and video recordings, software for all kinds of media, and other goods of similar nature.

“**FIDE IP**” means all Intellectual Property owned by or licensed to FIDE throughout the world whether currently in existence or otherwise. The above shall include any applications made in respect of any such Intellectual Property.

“**CHESS LANE IP**” means all Intellectual Property owned by or licensed to CHESS LANE throughout the world whether currently in existence or otherwise. The above shall include any applications made in respect of any such Intellectual Property.

“**CNC IP**” means all Intellectual Property owned by or licensed to the Company. The exclusive ownership rights to all Intellectual Property created in the course of Project shall be vested or transferred to the Company.

“**Governmental Authority**” means (a) any government in any jurisdiction, whether federal, state, provisional, territorial or local; (b) any minister, department, officer, commission, delegate, instrumentality, agency, board, authority or organization of any government or in which any government is interested; (c) any non-governmental regulatory authority; and (d) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“**Intellectual Property**” means names, trade marks, service marks, signs and such other means of individualisation of legal entities, goods, works, activities or services, know-how, all kinds of works which are subject to copyright, inventions, utility models, industrial designs and other intellectual property.

“**Museum**” means a permanent institution open to the public, which acquires, conserves, researches, communicates and exhibits information and all kinds of materials related to the game of chess, its rules, customs, history and traditions, including information on and the results of Tournaments and information on famous chess-players and people and organisations encouraging development of the game of chess in the world, for purposes of study, [education](#), [enjoyment](#) and other public benefit.

“**Organised By FIDE**” means the chess events listed in Schedule 2 forming part of the FIDE Chess calendar.

“**Business Plan**” means a document prepared and duly approved by the management of the Company containing the projected **programme** of the activity of the Company for its financial year and including the parameters (data) and expected results of the activity of the Company for the specified period of time. The Business Plan shall allow estimating the possibility for the Company to ensure its financial stability in order to duly execute its obligations towards the creditors and the capacity of the Company to secure its long-term existence, as well as conformity of the management structure of the company to the risks taken by the Company. Following matters shall be considered in the Business Plan (list not exhaustive):

- Main directions of the activity of the Company for the corresponding period;
- Budget of the Company for the corresponding period, itemised for the expense items;
- Financial sources of the Company for the corresponding period, sources and conditions of repayment of the borrowed funds.

“**Project Business Plan**” means certain section of Business plan with proposals, containing certain information about realization of parts of the Project that will be negotiated by the Parties and be reviewed in accordance with the present Agreement.

Proposals should be submitted in English detailing the timing, the financial investment cost of each proposal, the benefit to be accrued thereof to the overall Project. Project Business Plan must be prepared, negotiated and agreed by the Parties within 90 (ninety) days from its presentation to the **Projects Committee**. For each Project a detailed Project Business Plan will determine the requirement for any new Subsidiary, revenue accruing to any Party thereof, the budget setup, operational costs and timeline of any Project.

“**Subsidiary**” means, as to any Person, any corporation, association or other business entity in which such Person and/or one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person and/or one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries).

“**Tournaments**” mean any form of chess competition including without limitation all tournaments and matches in the cycle for World Championships, Chess Olympiads, team, women’s, junior, children, amateur, school events, Candidate matches, all World Cups, Leagues, Grand Prix, and any other chess competitions held under and/or without FIDE auspices.

1.2 References in the Contract

1.2.1 Unless otherwise follows from the context, references to the Clause and Annexes represent references to the Clauses and Annexes of the present Agreement, and references to sub-clauses represent references to the sub-clauses of the Clauses where such references were made.

1.2.2 Any references in the present Agreement to an amount in US dollars shall mean (if it corresponds to the context) reference to an equivalent amount in any other currency or combination of currencies.

1.2.3 Headings in the present Agreement are only used for the purpose of convenience and do not affect interpretation of the present Agreement and Annexes to it.

1.2.4. References to acts of law, provisions of acts of law or legal texts and provision based upon such legal texts include any such acts of law, provisions of acts of law or legal texts and provision that from time to time can be amended, changed, reconstituted or replaced before or after the date of taking effect of the present Agreement, as well as any previous acts of law, provisions of acts of law, legal texts or provision that have been amended, changed, constituted again or replaced by such acts of law, provisions of acts of law, legal texts or provision.

1.3 Obligations of the Parties

1.3.1.1 BB transfers to the Company exclusive commercial rights defined in Schedule 3. Company has the right to dispose any of the mentioned rights, assign all of them or part of them to the Subsidiaries and/or if necessary to third parties.

1.3.1.2 BB transfers to the Company nonexclusive commercial rights to search and conclude the contracts with sponsors for all the Tournaments, Chess Related Events, without limitation, generation and realization of sponsorship packages.

1.3.1.2.1 Parties agree that in case the Company attracts sponsorship to existing Tournaments listed in Schedule 2 without offering any significant changes in the formats of such events, the Company should only receive commission based income to be agreed in Project Business Plans.

1.3.1.3 The abovementioned rights may only be executed through the unanimous approval of Project Business Plan by the Projects Committee of the Company.

1.3.1.4 BB provides the Company with expert, informational, promotional assistance with respect to the agreed Project Business Plan, including such assistance in relation to International Olympic Committee; the cost of any such services requested by the Company should be included in the Project Business Plan, and will be borne by the Company.

1.3.1.5 BB will, subject to an agreed Project Business Plan, loan to the Company documents, historical and collectors' items, and other materials and information for Museums, together with the rights to use the same for promotional purposes and assist in collecting of the abovementioned documents, items and materials; any materials loaned to the Company will be insured by the Company for proper safekeeping.

1.3.1.6 Subject to an agreed Project Business Plan, BB will provide the Company with assistance, which will include introduction to Governmental Authorities, where possible, including with respect to the allocation of land and building sites in each relevant location.

1.3.2. AA shall finance the running capital of the Company with 2 000 000 (two million) US dollars (including share capital) and provide financing for the Company's activities in accordance with the approved Business Plan .

1.3.2.1 AA shall pay up share capital of the Company with 500 000 (five hundred thousand) US dollars.

1.3.2.2. AA transfers to the Company exclusive commercial rights to use CHESS LANE IP.

2. Business of the Company.

2.1 Project Scope

The Project which is the subject of the Parties' cooperation under this Agreement shall include development of worldwide interest in the game of chess and creation of new attractive and recognizable image of the game of chess through the following:

2.1.1 Elaboration of conception, design and programme of various Chess Related Activities;

2.1.2 Development of Chess Related Brands, including elaboration of buildings and FIDE offices design, as well as design standards for Museums, Chess Academies, chess cafes and other Chess Related Activities, uniform and sport accessories styling, Internet sites and portals design, as well as branding programme with specification of PR activities;

2.1.3 Organization and holding of Chess Related Events;

2.1.4 Organization and holding of Tournaments;

2.1.5 Elaboration of new rules and standards with regard to the game of chess, including without limitation, Tournament regulations, standards of chess equipment, Register and the rules of foundation and registration of professional chess teams;

2.1.6 Elaboration of new rules of distribution of the information concerning matches, Tournaments, results, news etc;

2.1.7 Creation of Internet portals and developing websites devoted to the game of chess, which will enable on-line registration of chess-players and chess teams for Tournaments, hosting of on-line chess Tournaments and “blitz-games”, holding on-line broadcast of Tournaments, on-line auctions and other on-line activities related to the game of chess. The Project also contemplates the development of rules for the “new chess-game”, which will be elaborated for on-line Tournaments. This Internet chess system will also include extensive information resources, on-line chess museums, chess editions, libraries and other resources;

2.1.8 Designing and development of a chain of chess stylized buildings;

2.1.9 Development of additional Chess Related Products, including production and distribution of periodical editions, books, magazines, software and computer games, souvenirs and other products devoted to the game of chess.

2.2. Commercial Activities

In the course of cooperation under this Agreement and as a part of the Project, the Parties will perform commercial activities including without limitation distribution of licences for CNC IP, attraction of sponsorship financing for Tournaments and Chess Related Events, distribution of Tournament Packages and Chess Related Products, media broadcasting, advertising.

2.2.1 Parties understand that BB will not involve itself in the management decisions of the Company, other than those relating the approval of Project business plans.

2.2.2 Parties understand that BB will not take any financial responsibility or liability for any actions of the Company, unless BB decides to do so.

2.2.3 AA should not use the Company to run its own commercial chess related projects.

2.3 Projects of the Company

2.3.1 Any decision to start development of new Projects of the Company shall be taken at a meeting of Projects Committee of the Company. The method of realisation and financing of the Projects shall be put into practice in accordance with the Project Business Plan of the Company and of the associated companies.

2.3.2 In the event that any of the Parties is, or plans to become, a participant of any project that can be realised directly through the Company or through associated companies as a Project, such Party is obliged within thirty days from the moment when it became aware of such project to inform the other Party about such project and to submit to the Projects Committee of the Company the question about participation of the Company (or an Associated company) in such Project. If the Projects Committee of the Company takes a decision about the participation of the Company in the realisation of the Project, such Party must transmit all its rights to participate in such Project to the Company according to the mechanism agreed by the Parties at the meeting of Projects Committee of the Company. In case of breach of this rule, a deadlock condition according to Clause 5 of the present agreement is deemed to occur. In this connection the party that broke this rule is considered as defaulting party.

2.3.3 In the event that the direct realisation of the project is not possible, the Parties shall create a Joint company (Associated Company) (or use for this purpose any of the already created Associated companies) where the shares of the Parties are to be distributed in the same proportion as in the Company.

2.3.4 Any of the Parties must refrain from participation in any new projects (not existing or not considered by any of the Parties at the date of conclusion of the present Agreement) that the Projects Committee of the Company decided not to develop as Projects and that can constitute potential competition to the Projects realised by the Company. In this case such Party shall conclude an agreement of non-competition.

2.4. Activities of the Parties

2.4.1 The Parties must cooperate in order to maximise the business opportunities of the Company and of the Associated companies as a commercial enterprise.

2.4.2 Each Party confirms its intention to act in the interests of the Company, to fully consult about all issues that can considerably influence the development of business of the Company, that relate to management of the Company. The Parties confirm their intention to act in good faith towards each other.

2.4.3 Any of the Parties, independently from any rights of voting and other rights that it can have as the shareholder of the Company according to the Statute or the provision of the applicable laws, must always vote with its shares or take any other actions that can be necessary (including signing of unanimous approvals and decisions) in order to:

(a) that the Projects to be realized and the profits from them are distributed to the Parties in accordance with the present Agreement;

(b) that the Company, its executive bodies and members of the Projects Committee of the Company nominated according to proposal of such Party is able to fully and timely execute all provisions of the present Agreement and other arrangement between the Parties;

(c) Without limitation to the general provisions of the above sub-clause (a), that the Company, its executive bodies and members of the Projects Committee of the Company nominated according to proposal of such Party is able to increase the value of

the Company and of its Shares as well as the value of assets and shares of the Associated companies;

(d) ensure that all services provided to the Company by a Party or its Affiliate shall be provided at a fair market value and at non-discriminatory conditions. The conditions (including the price) proposed to the Company by a Party or its Affiliated company in relation with any deal shall not be less profitable to the Company **than** conditions at which the Company could get such services from third parties.

2.4.4 The Parties hereby agree that they shall undertake all actions required for realisation of Projects in accordance with the present Agreement and other arrangement between the Parties. Notwithstanding the general provisions of the above phrase, and in order to avoid doubts, unless otherwise agreed by the Parties in writing, the Parties assume the following obligations:

(a) to provide all necessary management, professional and, except for BB, financial resources for the purpose of realization of the Projects and increasing of the level of capitalization of the Company and Associated Companies;

(b) to guarantee to use their resources in relations with State authorities and local authorities, for the purpose of realization of Projects at the most favorable conditions and increasing of the level of capitalization of the Company and Affiliated Companies;

(c) to secure the raising of loans and other financial resources for the Company in the purpose of realization of the Projects.

3. Shares of the Company.

3.1 Shares of the Company

3.1.1 Upon entering in force of the present Agreement and constitution of the Company the shares of the Company are distributed in the following proportion:

- AA – 87,5 % of ordinary shares of the Company

(in number of (_____) (_____))

- BB – 12,5 % of ordinary shares of the Company

(in number of (_____) (_____))

3.1.1.1 12,5% of ordinary shares of the Company will be distributed to BB for the consideration of US dollar 1 (one).

3.1.2 There will be no preferential Shares of the Company unless approved by unanimous decision of shareholders of the Company.

3.1.3 Parties agree that the Company, by unanimous decision of shareholders of the Company, is able to issue additional shares to be directly, or through option agreements, distributed between Company managers, leading chess players or other persons or entities to be motivated by participating in commercial activities of the Company.

4. Management of the Company

4.1 Management bodies of the Company

4.1.1 Management bodies of the Company are: General meeting of shareholders and Chief executive.

4.1.2 Each Party must:

(a) use all its right of voting and other authorities in relation with the Company and its officers in order to fully empower the provisions of the present Agreement, including adoption, if necessary, of amendments to the Statute;

(b) execute its rights in such a way that would secure the conscientious fulfilment by the members of Projects Committee elected upon proposal of such Party of their duties in the interests of the Company and for development and conducting of the business of the Company and realisation of the Projects as it is stipulated in the present Agreement.

4.1.3 The management structure of the Company as it is described in the present Agreement shall be fixed in the statutory documents of the Company as far as it does not contradict the laws of the country of registration of the Company.

4.1.4 In case of existence of contradictions between the provisions of the present Agreement and the laws of the country of registration of the Company, the provisions of the present agreement shall be constituted as a special agreement between the Parties about a special way of realisation of their rights and other provisions of the applicable law, and such agreement shall be executed by the Parties as a contract obligation and in case of its non-execution by the Parties can be executed forcibly except if this is prohibited by the laws regulating the present Agreement.

4.2 General meeting of shareholders of the Company

4.2.1 The General meeting of shareholders of the Company shall be competent in the following matters:

(a) To adopt any amendment or addendum to the Statute of the Company and to decrease or to increase the share capital of the Company, including by issue of additional Shares or redemption of the Shares of the Company;

(b) To take or allow any actions that may result in a voluntary or forced reorganisation, liquidation or dissolution of the Company;

(c) To approve any deal or a series of interconnected deals, to dispose of the assets of the Company or to raise or to grant loans by the Company, for amounts exceeding US dollars 5 000 000 (five million);

(d) to appoint and to dismiss before term the Chief executive/Executive Team of the Company, to fix the amount and the procedure of remuneration of the Chief executive/members of Executive Team of the Company and of reimbursement of his/their expenses;

- (e) To approve Business Plans;
- (f) To approve the financial reports and the annual report of the Company;
- (g) to constitute and to dissolve associated companies of the Company, to acquire or alienate share holdings in the associated companies;
- (h) to approve or anyhow amend the policy of the Company in relations with dividends or other forms of distribution of the profits of the Company;
- (i) To fix the capitalisation of the Company for the purpose of the present Agreement.

4.2.2 There is quorum at the General meeting of shareholders if all shareholders of the Company or their duly authorised representatives are present at the meeting.

If there is no quorum at the General meeting of shareholders, a date of new General meeting of shareholders shall be fixed, such new meeting to be held not later than in 20 (twenty) days from the date of the General meeting where no quorum was present.

In case of non-appearance of one of the Parties to the third successive General meeting of shareholders (except in case if such non-appearance was due to Force-majeure), a deadlock condition according to Clause 5 of the present Agreement is deemed to occur and the non-appeared Party is considered to be responsible of the deadlock situation.

4.2.3 The decision in relation with the matters stipulated in the above Clause 4.2.1 shall be taken by simple majority of the shareholders present at the meeting except for 4.2.1 (a) and 4.2.1 (g) which requires unanimous decision of the shareholders.

4.2.4 The General meeting of shareholders shall take place at least once per year. Any of the Parties can initiate the convocation of a General meeting in the way fixed by the applicable legislation.

4.2.5 The parties can participate in the meeting by the way of tele- or videoconference or other electronic means enabling one of the Parties or its duly authorised representative to see and/or hear the other Party or its duly authorised representative. After such meeting is held, written minutes of the meeting, including the results of the votes of shareholders, shall be drawn up.

4.2.6 If the applicable legislation does not give a longer delay, or there is impossibility to change it as per written request of a shareholder, the written notice of holding of any General meeting must be sent to each Party at least 30 (thirty) days in advance, save that as per written consent of both Parties, a shorter delay for such notice can be given. Any such notice of holding of a General meeting shall contain, among other provisions, the agenda of the meeting including all reasonable details of the matters to be discussed at the meeting, as well as copies of any documents, related to the matters to be discussed at the meeting. Unless otherwise provided by the applicable legislation, the Parties can take decision on any matter not included in the agenda under the condition that the decision for such matters is taken unanimously.

4.3 Chief executive/Executive Team of the Company

4.3.1 The Chief executive/ Executive Team of the Company is nominated/ elected by the General Meeting of shareholders of the Company. The General Meeting of shareholders of the Company can at any time cease the authority of the Chief executive/Executive Team and appoint/elect a new Chief executive/Executive Team.

4.3.2 The Chief executive/ Executive Team acts in the name of the Company without a power of attorney within the limits of its competence fixed by the present Agreement and the Statute of the Company, including representing its interests, conclusions of deals in the name of the Company.

4.3.3 Competence of the Chief executive/Executive Team:

(a) to submit recommendation to the General meeting of shareholders of the Company in relation to the amount of the dividends and the way of their distribution;

(b) to examine the financial reports and the annual report of the Company prior to submitting such reports for approval at the General meeting of shareholders; to decide in which banks to open the accounts of the Company;

(c) to approve the agenda of the General meeting of shareholders;

(d) to approve contractual or other obligations, including financial obligations of the Company, including cession, transfer, pledge, amicable settlement, refusal by the Company of any claim or debt or another expenditure of the resources of the company not provided in the related Business Plan, agreement to initiate an arbitration or a law case for amounts lower than US Dollars 5 000 000 (five million), save that the approval of the expenses in accordance with the present Clause is not required if such expenses correspond to the approved Project Business Plan;

(e) to appoint and to dismiss the auditor of the Company out of the list agreed earlier by the parties;

(f) to make any other decisions that can be made by the Chief executive/Executive Team in accordance with the legislation in force and that are not attributed to the competence of the General meeting of the Parties by the present Agreement, Statute or the legislation in force.

4.4 Projects Committee of the Company

4.4.1 The Projects Committee of the Company shall consist of 4 (four) members appointed for the term of two years; two of the members of the Projects Committee being appointed upon introduction from the Party AA, and two of the members of the Projects Committee being appointed upon introduction from the Party BB. Candidates appointed upon introduction from the Party BB will be made by FIDE Presidential Board and will require a letter of authorization (in the form as specified in schedule 1) from the FIDE Presidential Board for voting on the approval of any Project Business Plan or decisions specified in clause 4.5.6 hereto. Such letter of authorization will be signed by FIDE General Secretary. If the FIDE General Secretary is appointed to a position of a member of the Projects Committee then any letter of authorization will be signed by the FIDE Executive Director. Candidates appointed upon introduction from the Parties AA will also require a letter of authorization from AA. The Projects

Committee of the Subsidiaries shall be appointed in accordance with the same procedure specified above.

4.4.2 The Chairman of the Projects Committee of the Company shall be elected by unanimous vote of all members of the Projects Committee. The Chairman of the Projects Committee does not have the right of a casting vote at the meetings of the Projects Committee of the Company.

4.4.3 The quorum for the holding of the meeting of the Projects Committee shall be constituted in case of presence of all members of the Projects Committee.

4.4.4 Each member of the Projects Committee has one vote at the meetings of the Projects Committee.

4.4.5. Unless otherwise provided by the present Agreement, the decisions related to the matters attributed to the competence of the Projects Committee of the Company by the present Agreement and the Statute of the Company shall be taken by a unanimous vote of the members of the Projects Committee present at the meeting.

4.4.6 Competence of the Projects Committee:

(a) to approve Project Business Plans of the Company;

(b) to take decisions to start the realisation of new Projects by the Company or any associated companies and to fix the mechanism of transmission and of compensation for the part of participation in the project transmitted by a Party to the Company.

4.4.7 The meetings of the Projects Committee are held as it may be necessary upon request of any Party or any member of the Projects Committee, but at least once in a quarter.

4.4.8 The Projects Committee is entitled to take decisions without holding of a meeting and without preliminary notice by the way of signing of such decision by all members of the Projects Committee.

5. Deadlock condition

5.1. Occurrence of a deadlock condition

5.1.1 A deadlock condition shall deem to occur at the moment when one of the Parties sends to the other Party a notice of such situation with an explanation of the reasons and a reference to the provisions of the present Agreement that could allow evoking of occurrence of such condition.

5.1.2 Despite the existence of such notice, the Parties, however, keep the possibility to solve the situation by a written decision to reach a compromise. In such latter case the means of coming out of a deadlock condition shall not apply or their application shall stop.

5.2 Mechanism of coming out of a deadlock condition

5.2.1 The Party responsible for occurrence of a deadlock condition shall be considered (i) the Party that three times successively did not present at the General meeting of shareholders according to the Clause 4.2.2 of the present Agreement, because of which the quorum of the meeting has not been reached or (ii) the Party more than two times voting against (blocking) the decision, proposed by the other Party, if adopting of such decision requires the unanimous quote of the Parties, or the Party that does not give its consent to the Sale of Shares to a third party in accordance with the Clause 6.1 of the present Agreement and does not exercise its Pre-emption right or Right to join the sale according to the Clauses 6.2 and 6.3 of the present Agreement.

5.2.2 If the deadlock condition appears following to the fact that one of the Parties votes more **than** two times **consecutively** against a decision proposed by the other Party and such other party at the same General meetings of the shareholders votes more **than** two **times consecutively** against a decision proposed by the first Party, then both Parties are considered as responsible for the occurrence of the deadlock condition. In such case the ways of coming out of the deadlock condition set out in the present Clause 5.2 are not applied and the Parties must take the decision to Sell all the shares of the Company that they **own** to a third party (third parties). In this case upon expiration of 14 days after reception by either Party of the notice from the other Party about the occurrence of the deadlock situation any of the Parties is entitled within 60 (sixty) days to organise an open auction for sale of the Shares of the Company and all Parties must offer all Shares belonging to them for sale at such open auction at the price offered by the winner of the auction.

5.2.3 If within 14 (fourteen) days after the reception of the notice of the occurrence of the deadlock condition the Parties do not reach a written agreement solving the deadlock condition, the Party which has blocked the decision thus causing the deadlock condition shall send to the other Party a notice containing simultaneously two proposals: (a) to redeem all shares of the Company belonging to such Party at the price mentioned in the agreement, such price to be given per one Share (one Share – US dollars X) and (b) to sell to **the other party all its shares** at the same price for one Share. The Party which did not block the decision shall within 30 (thirty) days after reception of such notice take one of the following decisions and inform about it the Party that has sent the notice: (a) to redeem all the Shares at the mentioned price or (b) to sell all the Shares belonging to it at the mentioned price. Such decision shall be final for the Party that has blocked the decision.

5.2.4 If the proposal in accordance with the previous paragraph was not made, the Party which did not block the decision is entitled to send to the Party which blocked the decision thus provoking the deadlock condition, a request to sell or a request to buy the Shares, at the discretion of the Party that did not block the decision, such request to be compulsory to the Party that blocked the decision.

5.2.5 Despite the deadlock situation and any means of settlement of such, projects approved by the Projects Committee should be continued in their existing form without time limitation.

6. Sale by the Parties of Shares of the Company.

6.1 Limitation of the sale of Shares

6.1.1 The Parties agree hereby that any Sale of Company shares performed by them directly or indirectly can occur only in cases and in accordance with the procedure, provided by the Agreement hereby.

6.1.2 If not specified otherwise in the Agreement hereby, each Party agrees hereby that it will not (directly or indirectly) sell any shares to any physical or legal person, who is not a shareholder of the Company or its Affiliate, otherwise than with the observance of the right of preferential purchase and right of the conjunction according to the Agreement hereby.

6.1.3 Any sale of shares (straight line or indirect) by any Party to the third persons is possible only when such a sale does not disrupt the provision of present agreement, but the acquirer of shares fully (or proportional to the acquired shareholdings) picks up all responsibilities of the corresponding side for present agreement.

6.1.4 If the nominee of the third party, to which the selling Party intends to sell all or part of the shares belonging to it, doesn't suit the non-selling Party, but at the same time the non-selling Party does not desire to use its right of preferential purchase or of conjunction, as determined in par. 6.2 and 6.3 below, the non-selling Party has the right within 30 (thirty) calendar days after receiving notification in accordance with article 6.2 below to notify the selling Party of its refusal to give consent for the sale of shares. Such case will be considered as an occurrence of a deadlock situation; resolved according to the procedure, determined in clause 5 of the Agreement hereby. If the non-selling Party does not send such notification regarding its refusal to give consent for the sale of shares, it will be considered that its consent for the sale of shares was granted. To avoid doubts, in the latter case the non-selling Party preserves its Right of conjunction and the Right of preferential purchase.

6.2 Right of preferential purchase

6.2.1 Each Selling Party should first send the other Party a written notification ("Notification"), which should (i) specifically indicate the party or parties, to which this Selling side intends to sell Shares, (ii) to indicate all the conditions of Sale (including, without the limitations, the number of shares and price) and (iii) to be irrevocable for the period of thirty (30) calendar days after the delivery of the Notification. The side, which received the Notification, can acquire all the Shares, which are offered for sale by the Selling Party, at the purchasing price and on the conditions, indicated in the Notification.

6.2.2 If the non-selling Party does not give a written consent to acquire all the Shares offered for Sale in accordance with par. 6.2.1 above, then the Selling Party can sell all the Shares or any part of them offered for Sale to a third party, indicated by it, at the price not lower and on conditions not more favorable for the buyer of the Shares, than the price and the conditions, indicated in the Notification, at any time within 90 (ninety) calendar days after the expiration of the Notification term.

6.2.3 If the Shares are not sold by the Selling Party **during** the 90- day period, the right of the Selling Party to sell Shares ceases and any subsequent Sale of Shares by the Party is possible only after sending Notification to the other Party.

6.3 Conjunction Right

6.3.1 If any Party intends to sell its Shares to any individual or company not being a shareholder of the Company or its Affiliate, such Selling Party shall together with the Notice as per Clause 6.2 above immediately send a notice to the other Party about the right of such Party to join the Sale.

6.3.2 The Selling Party shall not Sell any shares to a third party if (i) the conditions of the offer given by it do not apply to the Party that obtained the right according to the Clause 6.3 and (ii) such third party does not offer to buy from the Party that received the right according to the Clause 6.3, at the same conditions, the number of Shares equal to multiplication of (A) the number of shares **owned** by such Party having received the right in accordance with the Clause 6.3.3 and (B) the fraction of which the numerator is equal to the number of shares mentioned in the offer for Sale (Purchase) of the Shares and the denominator is equal to the number of all shares of the Company.

6.3.3 The Notice in accordance with the Clause 6.3 shall mention (i) the number of the Shares under the Sale, (ii) the name and the address of the buyer, (iii) the supposed amount and type of remuneration to be received by the Selling Party as it can be reasonably necessary to the Party having received the right in accordance with the Clause 6.3 for a due analysis of economical attractiveness and investment risks of such remuneration and the payment conditions offered by the buyer, and (iv) that the buyer in accordance with the Clause 6.3 was informed about the right of the Parties to join the sale and accepted to purchase the Shares according to the conditions of the present Clause.

6.3.4 The Notice according to the Clause of 6.3 above and the Notice according to the Clause 6.2 can be included in the same notice.

6.3.5 Despite any contrary provisions of the present Agreement, any buyer of Shares according to the Clause 6, which is not a shareholder of the Company shall beforehand give his written consent to assume the obligations stated in the correspondent provisions of the present Agreement, to respect them and to be considered as a party for all purposes of the present Agreement.

6.3.6. Each certificate representing Shares shall bear the following inscription (not excluding any other inscriptions that can be required according to any other contracts, concluded by the Company):

“SALE, TRANSMISSION, TRANSFER, PLEDGE OR ENCUMBRANCE OF THE SECURITIES REPRESENTED BY THE PRESENT CERTIFICATE AND / OR THE RIGHT OF THE OWNER OF THE SECURITIES REPRESENTED BY THE PRESENT CERTIFICATE ARE SUBMITTED TO THE TERMS OF AGREEMENT CONCLUDED BETWEEN _____ AND DETERMINED BY THE OWNERS OF ISSUED SHARES OF THE SHARE CAPITAL OF SUCH COMPANY, INCLUDING THE PRE-EMPTION RIGHT AND THE RIGHT TO JOIN THE SALE. COPIES OF SUCH AGREEMENT CAN BE OBTAINED FREE OF CHARGE BY A WRITTEN REQUEST FROM THE REGISTERED OWNER OF THE PRESENT CERTIFICATE IN THE ADDRESS OF _____.

6.4 Preferential rights.

6.4.1 The Company, unless there is unanimous approval by shareholders, shall not issue, sell or exchange, agree to issue, sell or exchange, or reserve or put aside for

issuing, sale or exchange any (i) Shares, (ii) any other own securities of the Company, (iii) any obligatory bills of the Company that can be converted or exchanged against any own securities of the Company or represent any other rights connected to the Shares, (iv) any securities of the Company that are a combination of own and obligatory securities or (v) any option, warrant or other right to subscribe to, buy or otherwise acquire any own securities or any of such obligatory securities (“Offered Securities”).

7. Financial matters

7.1 Financing of the activity of the Company

7.1.1 Business Plan of the Company:

(a) The Chief executive/ Executive Team of the Company shall present to General meeting of shareholders of the Company, the Business Plan of the Company;

(b) The Business Plan shall in any case contain the following sections:

(i) approved by the Projects Committee of the Company, Project Business Plans with the budget for the realisation of the Projects for the corresponding calendar year, including apportionment for the amounts exceeding US dollars 25’000 (twenty five thousand) (including, without limitation, the calculation of costs for repayment of debts of the Company);

(ii) sources of financing of the expenditures of the Company (including, without limitation, the financial sources for repayment of debts of the Company);

(c) Upon request of shareholders of the Company, the Chief executive/Executive Team shall produce all supporting documentation and calculations used for the preparation of the Business Plan;

(d) The members General meeting of shareholders of the Company within 20 (twenty) working days upon reception of the Business Plan shall examine and approve it;

(e) Any amendment to the Business Plan shall be subject to approval by the General meeting of shareholders of the Company according to the procedure of the approval of the Business Plan described above. Any amendment to the Project Business Plan shall be subject to approval by the Projects Committee of the Company according to the procedure of the approval of the Business Plan described above;

(f) The approval of certain amount in the Business Plan does not exclude the necessity of the approval by the General meeting of shareholders of the Company of each separate agreement with third parties if such approval is required in accordance with the applied laws or the present Agreement.

7.2 Financing of the expenditures

7.2.1 When setting out and approving the Business Plan, the priority of using of sources of financing shall be as follows:

(a) Equity of the Company;

(b) Loans given to the Company by the Parties;

(c) Increase of the share capital of the Company by issuing of additional shares and stock floatation; if in order to conduct works some equipment or materials are required and the tax analysis **proves** that it is more profitable to supply such equipment or materials in the form of an input to the share capital, then such equipment and material can be supplied by the Parties to the Company in the form of input to the share capital;

(d) Bank credits of the Company;

(e) Other sources of financing including without limitation issuance by the Company of obligations or other **debt** instruments placed with the Parties, the Company or the third parties.

7.2.2 Any subsequent financial means shall only be used if the Chief executive/ Executive Team come to the conclusion that the using of the previous means is impossible or inexpedient.

7.2.3 Unless otherwise decided in **writing** by the Parties, when allocating financial resources by any of the aforesaid methods (except the methods that do not require the financial participation of the Parties), AA shall bear such financing and expenses.

7.3 Accountability of the Company

7.3.1 The company shall use and apply to its financial accounts the Generally Accepted Accounting Principles of the USA (US GAAP).

7.3.2 Each Party accepts to cooperate to the necessary **extent** in respect of providing of any declaration, statements or other documents required for the tax purposes of the Company related to tax issues of the Company under the condition that none of the Parties shall extend such cooperation if this would require from such Party to support a position that is contrary to the position that the Company takes in respect of its own tax accountability.

7.3.3 Each Party is entitled to organise an audit of the financial documents and the activity of the Company by providing reasonably in advance a written notice to the other Party and to the Chief executive/ Executive Team of the Company, but not more often than once in six months. In case of disagreement the reasonable time of pre-advise shall be of one (1) month. The mentioned audit shall be performed by nominated members of staff or agents of the Party having requested the audit, having the necessary attainment and qualification for performing of the audit. The expenses for this audit shall be borne by the Party that **has** requested it. If another Party expresses its wish to participate in such audit, the expenses for such audit shall be borne by such Parties in equal proportion.

7.3.4 Each Party and its corresponding authorised representative shall, at the cost of such Party, have the right at any reasonable time to have an access to the **accounts** books and documents of the Company.

7.3.5 In addition to the rights according to the laws presently in force, each Party shall be entitled to study books, entries and reports kept by the Company and get any

information in such a form that the Party may reasonably request to get such information, in order to become duly informed about the business and activities of the Company and in general to protect its interests as the Party.

7.3.6 The Company shall provide to each Party: (a) copies (i) of reports having been approved by the auditors and (ii) of consolidated reports of the Company having passed the audit within 180 days after the end of its financial year and (b) consolidated reports not having passed the audit for each financial quarter, within 30 days after the end of the first, second and third financial quarters.

7.3.7 The Company shall do everything **in its power** in order to provide to each Party any other information that each Party could request in order to fulfil its obligations in accordance with the legislation about securities and other laws applied to such Party.

7.4 Providing information to the members of the Projects Committee

7.4.1 The company shall provide to the members of the Projects Committee any such additional financial information that the members of the Projects Committee may require, including, without limitation to the generality of the aforesaid, any monthly or operational reports of the Company not approved by the auditors, if this is required.

7.5 Parties declarations

7.5.1 The Parties agreed that within a maximum of one year from creation of the Company, the aim is that the Projects Committee of the Company would have approved a Project Business Plan with an income to BB of not less than US dollars 100 000 (one hundred thousand) in the first year thereafter. Subsequent income for the future years would rise from the previous figure **to** not less than US dollars 300 000 (three hundred thousand).

7.5.1.1 BB may consider to approve any business plans with expected result smaller than a minimum income of US dollars 100 000 (one hundred thousand) to BB.

7.5.2 If the Company proposes to fund the capital of any project from other sources, than it should notify the source and get the agreement of Company's Projects Committee on any new shareholding structure in a subsidiary.

7.5.3 In case if in one year from creation of the Company no Project Business Plan will be presented to Company Projects Committee, AA will pay the amount of US dollars 75 000 (seventy five thousand) to BB.

8. Confidentiality

8.1 Confidential information

8.1.1 The Parties hereby commit themselves to take all reasonable measures in order to keep confidentiality of any Confidential information (and secure its preservation by its officials, workers, agents, experts and other advisors) including, without limitation, the information:

(a) that they hold or acquire (before or after the conclusion of the present agreement) and that concerns the business, assets or activities of the Company or Associated companies;

(b) that relates to the content of the present Agreement (or any other agreements or arrangements concluded in accordance with the present Agreement). (Such information mentioned in the Clause 8 is hereinafter referred to as “Confidential information”).

8.1.2 None of the Parties shall use for its commercial purposes or disclose to any third party any such information without the consent of the other Party.

8.2 Exceptions

8.2.1 The obligation of confidentiality set out in the present Clause 8 shall not apply to:

(a) information that has been received independently by the relevant Party or acquired with the right of disclosure; and / or

(b) disclosure of information to such **extent** that such disclosure was necessary in accordance with any applied legislation or act of law, including, without limitation, legislation regarding the securities, laws, orders, resolutions, rules, decisions or any other compulsory decisions, orders, decrees or requisitions of any court, administrative organ, local authority, stock exchange or another competent authority provided that any Party that is obliged to disclose such information shall cooperate with another Party, if such other Party wants it, and shall limit, on account of such other Party, the disclosed information to the minimum authorised by the law; and / or

(c) disclosure of information to any tax authority to such **extent** that it is reasonably required for the purpose of taxation of such Party; and / or

(d) disclosure of information that is reasonably required for the purposes related to the present Agreement to the professional advisors of the Parties under the condition of keeping it confidential; and / or

(e) disclosure of information that constitutes or becomes public domain, but not as a result of breach of the present Clause 8.

8.3 Procedures of confidentiality

8.3.1 Each Party shall inform any official, worker, agent, any expert or other advisor who consults it, to whom such Party according to the present Agreement provides Confidential information, that such information is confidential and shall oblige them:

(a) to keep it confidential;

(b) not to disclose it to any third parties (except the persons to whom it was already disclosed according to provisions of the present Agreement and except the persons to whom it was disclosed as per the Clause 8 above).

8.3.2 Any Party that disclosed the information is responsible for breach for the provisions of the present Clause 8 committed by any person to whom it was disclosed by this Party.

8.4 Remaining in force

8.4.1 The provisions of the present Clause 8 shall remain in force after the expiry of the present Agreement.

9. Confirmations and guaranties concerning the Parties

9.1. Guaranties

9.1.1 Each Party to the present Agreement hereby guaranties to the other Party in its name that:

(a) This Party is duly constituted, exists legally and has a solid financial position in accordance with the laws of the country of its registration and has **required all** corporate rights and authorities to carry out its business in the form that it is being carried out at present time and to sign the present Agreement and to fulfil its obligations under it;

(b) All required approvals from the management bodies of this Party to conclude the present Agreement were duly received and the Agreement was duly signed and handled by such Party and constitutes a valid and binding obligation for this Party that can be enforced towards this Party in accordance with its terms, taking under consideration, in relation with its enforcement, the provisions of law in respect of bankruptcy, moratorium and other similar acts of law related to the rights of creditors in general and the common principles of justice;

(c) The signature and handling of the present Agreement by the Parties and the actions of the Parties in relation to its provisions, including conclusion by the Parties of deals according to the present Agreement (i) do not contradict and will not contradict in the future any provisions of Statutory documents of this Party, (ii) do not contradict and will not contradict in the future, do not result and will not results in future in breach of any contract, a party to which is this Party, do not create and will not create in the future the right to cancel such contract or to make amendments or additions to it, or the right for cessation or fulfilment before the term of any obligation according to such Contract, and (iii) do not contradict any law, resolution, regulation or other act of law applicable to such Party, its property or assets.

(d) This party has accomplished all corporate actions and has obtained all authorisations, approvals and agreements of State authorities that can be required according to legislation in force for **signing** of the present Agreement and execution of deals according to it.

9.2 Additional agreements

9.2.1 Neither of the Parties has concluded the present Agreement relying upon a confirmation, a guaranty or an obligation of the other Party which is not set out in the present Agreement either directly or in the way of a reference.

9.2.2 None of the Parties shall have any requests or protective measure in relation to any confirmations, guaranties or obligations of the other Party, unless they are

determined directly or in the way of a reference in the Present Agreement or in Purchase and Sale Contracts.

9.2.3 The present Clause does not preclude from responsibility for intentional misleading of one Party by the other Party.

10. Concession of rights and renunciation of rights.

10.1 Concession of rights

10.1.1 The Parties are not entitled to cede its rights and obligations as per the present Agreement fully or partially to any third party (except Affiliated parties) unless with a preliminary written approval by the other Party of the present Agreement.

10.2 Renunciation of rights

10.2.1 Any renunciation by a Party of the right to claim from the other Party the execution of any provisions of the present Agreement shall not be considered or interpreted as its renunciation of the right to claim, including in the future, the execution of the other provisions of the present Agreement, independently of their nature.

11. Annexes and nullity.

11.1 Amendments and annexes

11.1.1 Amendments and annexes to the present Agreement can only be executed in writing in the form of a document duly signed by authorised representatives of all Parties.

11.2 Nullity

11.2.1 Any provision of the present Agreement that is null or can not be enforced in a particular jurisdiction is null in such jurisdiction only to the **extent** that such interdiction or impossibility to reinforce take place, with no influence to validity and enforceability of the other conditions or provisions of the present Agreement or to validity and enforceability of such provision or other conditions and provisions of the present Agreement in other jurisdictions.

11.2.2 The Parties agree to add to the present Agreement, instead of provisions which are null, provisions aiming to reach the same purpose as the provisions declared null.

12. Dissolution of the Agreement; Real execution; Assignees and cessionaries

12.1 Period of validity of the present Agreement

12.1.1 The present agreement fully remains in force till the occurrence of any of the following events (“Event causing the dissolution of the Agreement”):

- (a) voluntary of forced liquidation of the Parties and all Affiliates able to carry responsibilities of the Parties under current Agreement;
- (b) the conclusion by the Parties of an agreement about the dissolution of the present Agreement and / or businesses carried out by the Parties;
- (c) expiration of the term of this Agreement on 31 of December 2014 and no renewal for a new term.

12.1.2 In case of occurrence of an Event causing the dissolution of the Agreement, the validity of the Agreement shall stop, but such stopping:

- (a) does not release any of the Parties from responsibilities or obligations in relation to any actions, obligations and conditions that should have been made, fulfilled or executed by such Party prior to the secession of the validity of the Contract including all relations under started and functioning projects approved by the Projects Committee without time limitation;
- (b) does not affect the provisions of the Clauses 8 and 15 of the present Agreement.

12.2 Breach of the Agreement

12.2.1 In case of breach by one of the Parties (“Defaulting Party”) of any provision of the present Agreement, the other Party can send a notice to the Defaulting Party notifying such breach and requesting to stop the breach immediately and repair its consequences within 30 (thirty) days as far as it is possible. If the breach is not rectified in the mentioned period it is considered as the occurrence of a deadlock condition which shall be solved in accordance with Clause 5 of the present Agreement.

12.2.2 The present provision does not affect the right of the non-defaulting Party to subsequently claim reparation of damages or another compensation in accordance with the applicable laws for such breach or, where it is possible, to claim for an immediate application of the protective measures in the form of a court injunction, real execution or a similar order of court for the purpose of enforcement of the execution of obligations by the Defaulting Party.

12.2.3 The Company and the Parties unambiguously agree that irreparable damage can be caused to the Parties if the present Agreement is not forcibly executed. In case of a breach or a threat of a breach of the conditions and provisions of the present Agreement by the Company or any of the Parties, the other Party is entitled, in addition to all protective measures, to apply temporary or permanent court injunction and (or) the order of real execution in accordance with the provisions of the present Agreement.

12.3 Assignees

12.3.1 The present Agreement is compulsory for execution and is valid for benefit of the Parties and their corresponding assignees and cessionaries, legal representatives and heirs.

13. Notices

13.1 Notices to the Parties

13.1.1 Unless otherwise provided by the present Agreement, any notices, requests, claims, complaints or other messages given according to the present Agreement to a Party or to the Company are deemed to be duly made if they are executed in **writing** and delivered by a courier with notification of delivery or sent by an internationally recognized courier service or by registered mail with notification of delivery and postage prepaid to the address of the Party mentioned hereinafter or to another such address that can be later notified in written by such Party in a notice sent to the other Party:

To the address of the Company:

To the address of AA:

To the address of BB:

Syggrou Ave 9
Athens 11743
Greece

All such notices, requests, approvals and other messages are deemed to be received at the date of delivery.

13.2. Change of address

13.2.1 In case of changing of the address where such notices, requests, claims, complains and other message according to the present Agreement are to be sent, the Party shall notify the other Party and the Company by sending a correspondent notice as stated above in 5 (five) business days.

14. Force-majeure

14.1 Force-majeure

14.1.1 General provisions:

14.1.1.1 Any of the Parties to the present Agreement shall be released from responsibility for the non-execution of its obligations in accordance with the present Agreement to such extend that the Party declaring force-majeure circumstances (determined hereinafter) can prove, that (i) such circumstances were beyond its control; (ii) it could not reasonably foresee the possibility of occurrence of such circumstances and their impact at the moment of conclusion of the present Agreement; and (iii) it

could not take any reasonable steps in order to avoid or overcome such circumstances or its consequences (“Force-majeure circumstances”);

14.1.1.2. Force-majeure circumstances can occur due to the following events, list of which is not exhaustive:

declared or non-declared war, civil war, civil commotion and revolutions, acts of God such as hurricanes, floods, destructions due to thunderbolt, explosions, fires, actions of authorities, legal or illegal, excluding such of them in relation to which the respective party took the risk according to other provisions of the present Agreement. The notion of force-majeure circumstances does not include the absence of authorisation, licence, entry visa or residence permit or any approvals from State authorities, required for execution of provisions of the present Agreement, except cases when the non-delivery of such authorisation is declared by a court as groundless; non-execution of its contractual obligations by partners of the Party that claims the force-majeure circumstances, absence from the markets of goods required for execution of the obligations of such Party or lack by such Party of financial means and funds.

14.1.2. Notice

14.1.2.1 The Party claiming the force-majeure shall immediately, not later than 5 (five) running days from the date of occurrence of force-majeure circumstances or from the date when such Party shall reasonably get knowledge of the occurrence of the force-majeure circumstances, send a written notice to the other Party about occurrence of the force-majeure circumstances. Such notice shall include information about the nature of the force-majeure.

14.1.2.2 After cessation of the force-majeure circumstances the Party that has claimed it shall immediately, not later than 5 (five) working days after such cessation, inform the other Party in **writing**. In case if the Party claiming the force-majeure does not inform or does not observe the deadline for presentation of the notice to the other Party about occurrence or cessation of the force-majeure circumstances, such Party shall be responsible to the other Party for the losses caused by the non-information or the late information.

14.1.2.3 The Parties must fulfil all other their obligations that are not affected by the force-majeure.

15. Applicable law and the procedure of settlement of disputes.

15.1. Applicable law

15.1.1 The present Agreement is regulated and interpreted in accordance with laws of Switzerland notwithstanding any collision norms that can result in application of laws of Company’s jurisdiction.

15.2. Procedure of settlement of disputes

15.2.1 **All disputes arising from the Agreement should be settled by way of negotiations between the parties. In case it is impossible to settle through negotiations, any dispute arising from or related to the present agreement shall be submitted exclusively to the Court of Arbitration for Sport in Lausanne, Switzerland, and resolved**

definitively in accordance with the Code of sports-related arbitration. The proceedings shall take place in English.

16. Other provisions

16.1 Discrepancies between the Agreement and the Statute of the Company

16.1.1 In case of conflict between the provisions of the Agreement hereby and the Memorandum of the Company, the provisions of the Agreement shall prevail and the Memorandum of the Company shall be subject to correlation with the provisions of the Agreement.

16.1.2 The Parties shall exercise all voting rights and other rights and powers, available to them, to give effect to the provisions of the Agreement hereby and (if necessarily) ensure that any required amendments or additions is made in the memorandum of the Company to correspond to the Agreement hereby.

16.2 Discrepancies with other agreements

16.2.1 In case of the discrepancies between the provisions of the Agreement hereby and provisions of other agreements, concluded in execution of the Agreement hereby or referenced in the Agreement, the provisions of Agreement shall prevail.

16.3 Number of copies and language of the Agreement

16.3.1 The Agreement hereby is executed in two copies in English, each copy being considered as an original, and all copies together shall constitute the same document.

16.3 Absence of partnership and agent relations

16.3.1 Nothing in the Agreement hereby (or in any understandings, provided in it) is considered as establishing the relation of simple partnership between the Parties or, with the exception of cases, directly provided by the Agreement hereby, making any of the Parties an agent of other Party for any purpose or giving any rights or powers to any Party to bind the other Party by obligations.

16.4 Effective date

16.4.1 The Agreement hereby shall enter into force upon its signing by the authorized representatives of both Parties.

SIGNATURES OF THE PARTIES:

PARTY AA:

PARTY BB:

SCHEDULE 1 – LETTER OF AUTHORISATION

SIGNATURES OF THE PARTIES:

PARTY AA:

PARTY BB:

SCHEDULE 2 - LIST OF EVENTS ORGANISED BY FIDE

- a) FIDE World Chess Championship Cycles
- b) FIDE World Chess Olympiads
- c) FIDE World Team Championships
- d) FIDE World Women's Championships
- e) FIDE World Women's Team Championship
- f) FIDE World Seniors Championships
- g) FIDE World Senior Team Championship
- h) FIDE World Junior Championships
- i) FIDE World Youth Championships
- j) FIDE World Amateur Championships
- k) FIDE World Club Championships
- l) FIDE World Cities Championships
- m) FIDE World School Championships
- n) FIDE World School Team Championships
- o) FIDE World Youth U-16 (Children) Olympiads
- p) FIDE World Junior Team Championships
- q) FIDE World Intercontinental Championships in all formats
- r) FIDE World Internet Championships in all formats
- s) FIDE World Cups in all formats
- t) FIDE World Leagues in all formats
- u) All FIDE World Championships for all bodies affiliated and associated with FIDE
- v) All the above FIDE World Championships with reduced time control (Rapid, Blitz, etc.)
- w) FIDE Grand Prix
- x) All Continental Events (Individual & Team) for Men, Women, Juniors, Youth and Seniors which give qualifying places or form part of their respective FIDE World Championship cycles

SIGNATURES OF THE PARTIES: PARTY AA:

PARTY BB:

SCHEDULE 3 - THE EXCLUSIVE COMMERCIAL RIGHTS

FIDE transfers to the Company the following exclusive commercial rights:

- (i) to use FIDE IP including, without limitation, in relation to merchandise, respecting the necessary moral and ethical standards with respect to the nature and quality of such merchandise or otherwise;
- (ii) on the organization of Tournaments, Chess Related Events, the distribution of “Tournament packages”;
- (iii) to highlight anywise Tournaments, Chess Related Events;
- (iii) on carrying and serving online championships under the aegis of FIDE;
- (iv) on the dissemination and publication the information about Tournaments, Chess Related Events, results of matches, the final stages of major tournaments and official comments; radio and TV broadcasts of all the Tournaments and Chess Related Events without limitation; maintenance and distribution of database chess games at tournaments held under the aegis of FIDE and publication of the information from this database using FIDE logo;
- (v) on showing in any media promotion, marketing and advertising materials;
- (vi) on the on-line Internet and TV broadcasts of the chess games;
- (vii) on the publication of any information through Internet and media;
- (viii) on informational maintenance of chess Tournaments and Chess Related Events held under the name FIDE;
- (ix) on publishing in relation to training and other literature with the logo of FIDE;
- (x) on distribution of the information specified in clause 2.1.5 of the present Agreement;
- (xi) on creation of universal software of the Internet portal servicing all the Tournaments and Chess Related Events;
- (xii) to distribute sponsorship packages regarding the Tournaments, Chess Related Events directly and/or indirectly using FIDE IP;
- (xiii) to use radio, photo and television materials in relation to all Tournaments organised by FIDE which shall include, without limitation, all standard television, cable television, satellite television (including Direct Broadcasting by Satellite (DBS), Master Antenna Systems (MATV) and Satellite Master Antenna Television Systems (SMATV)) (including fee, pay per view, subscription, licence and rental), radio, theatric, non-theatric, video program, video on demand and multimedia rights including, without limitation, CD-Rom, CDI, videodisc, video, CD, DVD and all software platforms;
- (xiv) to display in all media of promotional, advertising and marketing materials at the Tournaments organised by FIDE and to sell and/or distribute Merchandise at the Tournaments organised by FIDE;

(xv) to establish and manage Internet websites, using the FIDE IP and to exploit the rights via telecommunication links (whether by telephone line, optical, fibre, cable, satellite, WAP technology or otherwise), to exploit the commercial retailing opportunities via internet, live games transmission excluding those Tournaments organised by FIDE as listed under Schedule 2, and to develop any opportunity which presents itself via internet during the Term;

(xvi) to secure sponsorship for or in respect of each or any number of Tournaments organised by FIDE including the right to have any sponsor's logo, name and/product displayed on all advertising, publicity, programmes and other literature produced for or in respect of the Tournaments organised by FIDE or any of them;

(xvii) to grant to a sponsor for use in connection with that sponsor's own publicity the use of the name "FIDE" and any of the titles of the Tournaments organised by FIDE;

(xviii) to manufacture, sell, hire, promote, distribute and/or endorse Merchandise which is in accordance with FIDE technical regulations (where relevant) under the FIDE name using the FIDE IP or otherwise, as long as this does not conflict with any existing contracts of FIDE as listed in Schedule 4;

(xix) the use of any denomination "official" in relation to the Tournaments organised by FIDE, websites, merchandise or publications;

(xx) the right to organise commercial chess events, festivals, tournaments, competitions, television games and shows, quizzes, exhibitions or fairs under the FIDE name using the FIDE IP;

(xxi) the right to participate actively in planning in each awards and presentation ceremony in Tournaments organised by FIDE;

SIGNATURES OF THE PARTIES:

PARTY AA:

PARTY BB:

SCHEDULE 4 – LIST OF AWARDED TOURNAMENTS AND TOURNAMENTS
PENDING BIDDING

SIGNATURES OF THE PARTIES:

PARTY AA:

PARTY BB:
