

"MAKES YOU FLUENT 2.0" INTELLECTUAL PROPERTY RIGHTS POLICY

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1 PROTECTION OF INTELLECTUAL PROPERTY

1.1 Purpose of this Policy

- 1. 360 Mind, UAB a legal entity incorporated and operating under the laws of the Republic of Lithuania (EU member state) has adopted this Intellectual Property Rights (hereinafter IPR) Policy in order to minimize the possibility of any infringement of IPR with regard to computer software "Makes You Fluent" which it has developed in the course of its own R&D activity.
- 2. In addition, this Policy clarifies the scope, ownership, and constituents of the intellectual property owned by 360 Mind, UAB, including, without limitation, design, trademarks, and research and development intangibles pertaining to "Makes You Fluent", such as Al-based customer churn prediction tool which constitutes an integral and inseparable part of the "Makes You Fluent" software unit as a whole.
- 3. Finally, this Policy delineates principles for the commercialization and allocation of benefits as regards the IPR resulting from "Makes You Fluent" computer software, as well as R&D intangibles created in the course of R&D activities carried out by 360 Mind, UAB.

1.2 Definitions and References

- 4. **"Commercialization"** shall refer to making, selling, copying, adapting, applying, publishing, developing, using, assigning, licensing, or otherwise utilizing intellectual property for the purpose of generating financial or other commercial gains.
- 5. "Customer churn prediction tool" shall refer to an artificial intelligence (AI)-based customer behavior analysis and prediction software, developed by 360 Mind, UAB in the course of its own R&D activity¹ and integrated into "Makes You Fluent" computer software, thereby constituting an essential and inseparable part thereof. For the purpose of clarity, this prediction software is not a stand-alone product and, therefore, is operational only in combination with "Makes You Fluent"; this, however, does not in any way minimize or undermine 360 Mind, UAB's intellectual property rights which it holds toward the customer churn prediction tool.
- 6. **"Copyright Work"** shall mean any work that falls within the category of protected work under the laws of the Republic of Lithuania.
- 7. "Makes You Fluent" or "Makes You Fluent software" shall mean the proprietary computer software application developed by 360 Mind, including the customer churn prediction software as defined above under the term *Customer churn prediction tool*.
- 8. "Intellectual Property", "Intellectual Property rights" or "IPR" shall mean, without limitation, all rights to any output, such as copyright (copyright work), code, algorithm, knowledge, information, patents,

¹ R&D project name, as originally titled in Lithuanian language: "Dirbtinio intelekto taikymo klientų atkritimo aptikimui moksliniai tyrimai ir atkritimo prognozavimo įrankio prototipo sukūrimas" ("Research with respect to application of AI for the development of customer churn prediction tool prototype") and documented in the project's R&D report delineating the progression of R&D activity from idea to final product, as well as scientific and technological uncertainties met and deliverables achieved.

- database rights, design rights, trademarks, and any other intellectual property rights (in particular, pertaining to "Makes You Fluent") whatever its form or nature, whether it can be protected or not.
- 9. **"360 Mind"** or **"the Company"** shall mean 360 Mind, UAB, the legal entity incorporated and operating under the laws of the Republic of Lithuania (corporate registration number: 305832192, legal address: Aludarių str. 5-66, 01113 Vilnius, Lithuania).
- 10. **"Policy"** or **"the Policy"** shall refer to this IPR policy which establishes and specifies intellectual property rights with respect to "Makes You Fluent".
- 11. "Research and development" or "R&D" shall mean work defined in the OECD Frascati Manual 2015² (Guidelines for Collecting and Reporting Data on Research and Experimental Development):
 - 11.1. "Applied research" original investigation undertaken in order to acquire new knowledge, directed primarily toward a specific, practical aim or objective;
 - 11.2. "Experimental development" systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.
- 12. "Software" or "Software application" shall refer to computer software as defined under the Law of Copyright and Related Rights of the Republic of Lithuania (May 18, 1999; No VIII-1185).

1.3 Ownership of Intellectual Property

- 13. 360 Mind owns and reserves all legal and beneficial rights to intellectual property, including, without limitation, software code (both source and object code), customer churn prediction tool, texts, graphics, images, photographs, any footage or visual material/recordings, trademarks, logos, other visual signs, illustrations, graphic design, and/or individual parts of all of the above mentioned objects in or in relation with "Makes You Fluent", as well as product-related digital content.
- 14. Third parties are prohibited, without Company's prior written consent, from modifying, copying, reproducing, disassembling, reverse engineering, decompiling, distributing, publicly displaying, performing, publishing, or otherwise making available the "Makes You Fluent" and/or its constituents, including, without limitation, the customer churn prediction tool integrated therein, as well as related digital content provided by the Company in whole or in part.

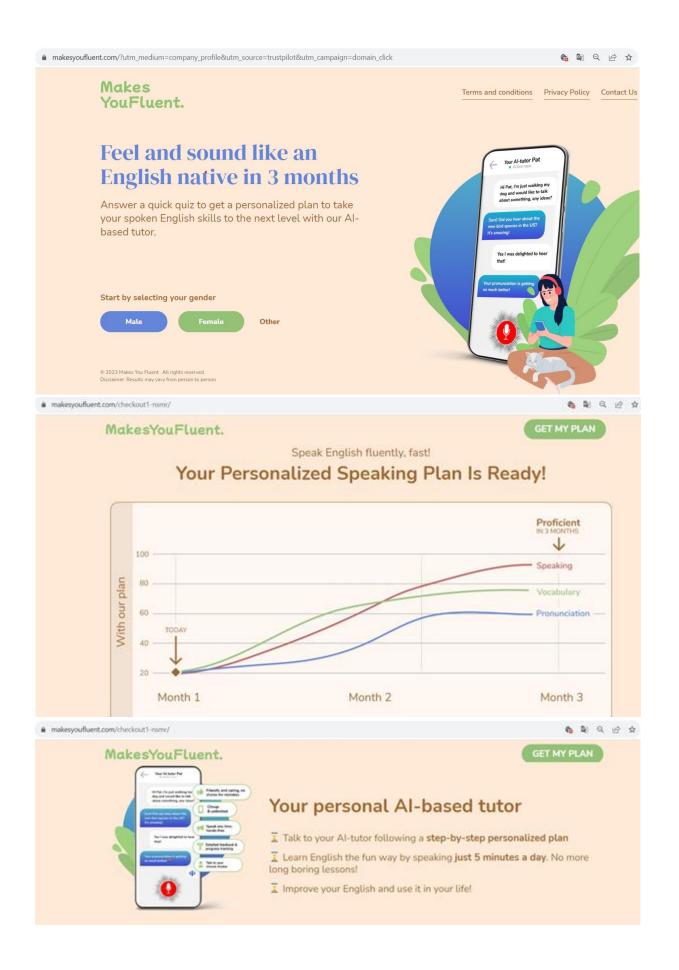
1.4 Commercialization of Intellectual Property

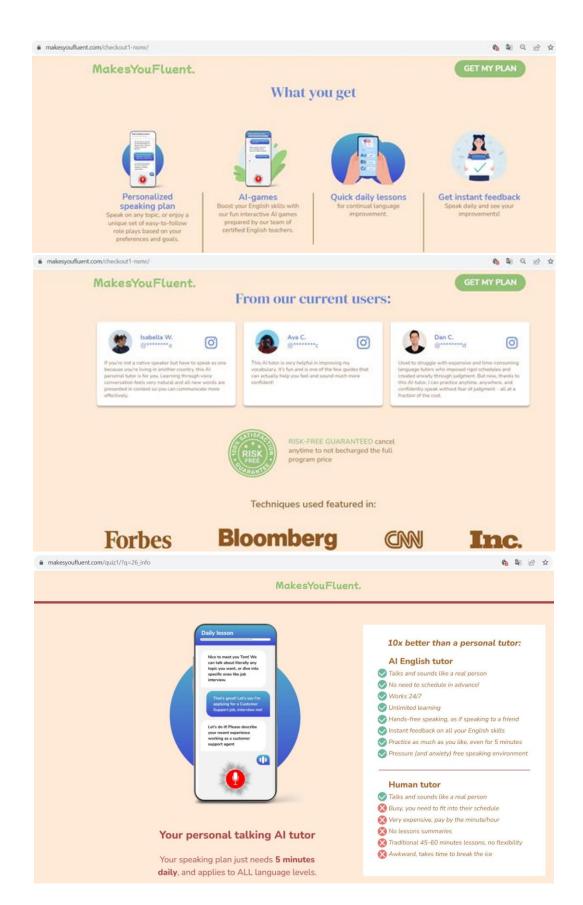
15. 360 Mind owns and asserts commercialization rights over all intellectual property pertaining to "Makes You Fluent", and holds a full right to license and/or assign commercialization rights to its corporate group members and independent parties.

² OECD (2015), Frascati Manual 2015: Guidelines for Collecting and Reporting Data on Research and Experimental Development, The Measurement of Scientific, Technological and Innovation Activities, OECD Publishing, Paris. DOI: http://dx.doi.org/10.1787/9789264239012-en

2 "MAKES YOU FLUENT 2.0" SOFTWARE: FUNCTIONALITY OVERVIEW

- 16. As an overview of "Makes You Fluent" computer software protected under this Policy and relevant legislation, this part of the Policy outlines its functionalities and technical capabilities.
- 17. "Makes You Fluent" is an Al-based software solution that helps users improve their English language skills and vocabulary, enabling them to gain confidence in speaking English.
- 18. "Makes You Fluent" offers a personalized English learning plan which helps learning English in a way that is tailored to users' individual needs. This means that users will be able to learn at their own pace and in a way that is best suited to their learning style.
- 19. "Makes You Fluent" is made available as a computer software application through the Company's website (https://makesyoufluent.com/) and contains the following features:
 - 19.1. Al English tutor. When learning English, it is important to spend time speaking and listening to the language. Our AI English tutor uses an easy-to-follow questionnaire format that will allow users to fully immerse themselves in realistic practice scenarios. Al tutor is not only an expert in grammar and pronunciation but also a master of small talk, cultural nuances, and funny jokes. With an AI English tutor, learners can practice speaking English in a comfortable and low-pressure environment, and with the help of AI, they can get immediate feedback and guidance on their language skills. Plus, with reduced anxiety, they'll be able to focus more on learning and improving their English, and less on worrying about making mistakes;
 - 19.2. "Makes You Fluent" app. With "Makes You Fluent" app, users can feel and sound like a native English speakers in just 3 months! Al-powered language learning platform is designed to provide users with immersive practice, personalized feedback, and the tools people need to achieve fluency;
 - 19.3. *Personalized Speaking Plan.* Tailored to users' preferences and goals, users can speak on any topic or enjoy easy-to-follow role plays;
- 20. By employing Al-based tools, "Makes You Fluent" is unique in its ability to monitor and predict users' behavior thereby preventing users from pre-mature dropout of their personal English learning plans. This is achieved by utilizing an in-built behavior prediction software (churn prediction algorithms), which measures user behavior parameters and ensures timely and proactive notifications. Developed in the course of the Company's own R&D activity and integrated into the "Makes You Fluent" itself, the prediction algorithm makes "Makes You Fluent" an unparalleled solution both for customers and the Company itself, empowering it to ensure timely customer dropout prevention and gain competitive advantage over its peers. Therefore, it greatly improves product efficiency and user satisfaction by fostering user motivation that empowers them to stay on the program, preventing premature abandonment of personal improvement plans, and enabling users to take its full advantage.
- 21. For ease of comprehension, below is a selection of "Makes You Fluent" images which capture its dynamics in operational and non-operational setting:





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