

## SELLER AGREEMENT

SIA Synchron - shookout.com

Effective Date: 07.04.2026

Last Updated: 07.04.2026

### 1. INTRODUCTION AND ACCEPTANCE

#### 1.1 Parties

This Seller Agreement ("Agreement") is entered into between SIA Synchron, a limited liability company incorporated under the laws of the Republic of Latvia, registration number 40203436468, registered address Unijas iela 74A - 45, Riga, LV-1084, Latvia ("Company," "Platform," "we," "us," or "our"), and you, the individual or legal entity applying to sell Digital Goods through the shookout.com marketplace ("Seller," "you," or "your").

#### 1.2 Acceptance

By applying for, registering, or maintaining a Seller account on the Platform, or by listing any Digital Good for sale, you acknowledge that you have read, understood, and agree to be bound by this Agreement. This Agreement supplements the [Terms of Service](#), which are incorporated herein by reference. Where this Agreement conflicts with the [Terms of Service](#) regarding Seller-specific obligations, this Agreement prevails.

#### 1.3 Related Documents

This Agreement is part of a contractual framework that includes:

- [Terms of Service](#): general terms applicable to all Users;
- [Privacy Policy](#): data collection, use, and protection;
- [Refund & Return Policy](#): refund eligibility, procedures, and EU consumer rights.

You are responsible for reviewing and complying with all related documents. Capitalised terms not defined herein have the meanings assigned in the [Terms of Service](#).

#### 1.4 Relationship of the Parties

You are an independent contractor. Nothing in this Agreement creates an employment, agency, partnership, joint venture, or franchise relationship between you and Company, except as expressly set forth in Section 1.5 regarding Company's

limited role as intermediary agent for payment collection purposes. You have no authority to bind Company or make representations on Company's behalf. You are solely responsible for your own business operations, including compliance with applicable laws and regulations.

#### **1.5 Role of the Company as Intermediary (Agency Relationship) [NEW]**

**(a) Intermediary Platform Provider.** Company operates exclusively as an intermediary platform provider, marketplace facilitator, and commercial agent connecting Sellers with Buyers. Company provides the technological infrastructure, payment processing services, and related marketplace services that enable Sellers to list, market, and sell Digital Goods to Buyers through the Platform.

**(b) No Purchase or Resale.** Company does not purchase, acquire ownership of, hold title to, or resell Digital Goods at any point during the transaction process. Company is not a buyer, distributor, or reseller of Digital Goods. All Digital Goods are sold and licensed directly from the Seller to the Buyer. The contract of sale or licence for each Digital Good is formed exclusively between the Seller and the Buyer, with Company acting solely as the facilitating intermediary.

**(c) Principal-Agent Relationship for Payment Collection.** For the limited purpose of collecting payments from Buyers and remitting proceeds to Sellers, the relationship between Company and each Seller is that of agent (Company) and principal (Seller). The Seller hereby appoints Company as its limited commercial agent to: (i) collect payments from Buyers on behalf of the Seller; (ii) issue receipts or transactional confirmations to Buyers on behalf of the Seller where required; (iii) process refunds to Buyers on behalf of the Seller in accordance with the [Refund & Return Policy](#); and (iv) deduct the applicable Commission (as defined in Section 6.2) before remitting the remaining proceeds to the Seller. This agency appointment is non-exclusive and limited to the purposes expressly stated herein.

**(d) Ownership of Funds.** Payments received from Buyers through the Platform represent funds belonging to the Seller, held by Company in its capacity as the Seller's agent. The gross payment amount received from a Buyer for the purchase of a Digital Good is the Seller's revenue, not Company's revenue. Company's revenue consists solely of: (i) the Commission (currently five percent (5%) of the gross sale price) deducted from each transaction; and (ii) any other fees expressly specified in this Agreement or the applicable fee schedule. The remaining balance (ninety-five percent (95%) of the gross sale price, or such other amount after deduction of Commission and applicable fees) constitutes the Seller's funds and is held by Company as agent pending disbursement to the Seller in accordance with Section 6.

**(e) No Commingling Representation.** Company maintains payment processing accounts through its designated Payment Processors. Seller funds are tracked and accounted for separately from Company's own operating revenue within Company's internal accounting systems. Company does not represent that Seller funds are held in segregated bank accounts, but Company maintains accurate records distinguishing Seller funds from Company funds at all times.

**(f) Tax Characterisation.** The parties intend that, for tax and accounting purposes: (i) each sale of a Digital Good constitutes a transaction between the Seller and the Buyer; (ii) the gross sale price (excluding any VAT or other taxes collected and remitted by Company where Company acts as deemed supplier under applicable VAT law) constitutes the Seller's gross revenue; (iii) the Commission constitutes Company's service fee for intermediation services; and (iv) Company's financial statements shall reflect only the Commission as Company's revenue from marketplace transactions, not the gross transaction volume. This Section 1.5(f) describes the parties' intent and does not constitute tax advice; each party is responsible for its own tax treatment and reporting in accordance with applicable law.

**(g) Deemed Supplier Exception.** Notwithstanding the foregoing, where Company is required by applicable law to act as a deemed supplier for VAT or other indirect tax purposes (as described in Section 8 and the [Tax Information for Sellers](#)), Company's role for those specific transactions includes the collection and remittance of VAT as required by law. In such cases, Company acts as deemed supplier solely for VAT purposes and solely to the extent required by law; the underlying commercial relationship between the Seller and the Buyer, and the agency relationship described in this Section 1.5, remain otherwise unaffected.

## **2. SELLER ELIGIBILITY AND ACCOUNT**

### **2.1 Eligibility Requirements**

To register as a Seller, you must: (a) be at least 18 years of age or the age of majority in your jurisdiction; (b) have the legal capacity and, if applicable, corporate authority to enter into this Agreement; (c) provide accurate and complete registration information, including your legal name or entity name, address, email, and valid tax identification number(s); (d) complete any identity verification (KYC) and onboarding procedures required by Company; and (e) not be located in, nor a national or resident of, any jurisdiction subject to comprehensive economic sanctions.

### **2.2 Account Responsibilities**

**You are responsible for: (a) maintaining the confidentiality of your account credentials; (b) all activity conducted through your account; (c) promptly updating your account information to ensure accuracy; and (d) immediately notifying Company of any unauthorised access or use of your account. Company is not liable for any loss arising from unauthorised use of your account where you failed to safeguard your credentials.**

### **2.3 Verification and Ongoing Compliance**

**Company reserves the right to: (a) request additional documentation to verify your identity, legal status, tax compliance, or IP ownership at any time; (b) conduct periodic reviews of your account, listings, and transaction history; and (c) suspend or restrict your account pending completion of any verification. Failure to respond to a verification request within fourteen (14) calendar days may result in account suspension.**

## **3. SELLER OBLIGATIONS AND REPRESENTATIONS**

### **3.1 General Obligations**

**As a Seller on the Platform, you shall: (a) comply with all applicable laws, regulations, and industry standards in your jurisdiction and in the jurisdictions of your Buyers; (b) comply with all terms and policies of the Platform as updated from time to time; (c) conduct all transactions honestly, transparently, and in good faith; (d) respond to Buyer inquiries, support requests, and complaints within forty-eight (48) hours; (e) maintain the quality and functionality of your Digital Goods throughout the period they are listed; and (f) cooperate with Company's investigations, audits, and enforcement actions.**

### **3.2 Listing Standards**

**Each listing for Digital Goods must include: (a) an accurate, complete, and non-misleading description of the Digital Good's features, functionality, format, and intended use; (b) accurate file format specifications and compatibility requirements; (c) clear licence terms specifying the scope of rights granted to Buyers; (d) accurate pricing in the currency(ies) supported by the Platform; (e) prominent disclosure of whether the Digital Good is AI-generated or AI-assisted, in accordance with Section 5; (f) accurate categorisation and tagging; and (g) representative previews or samples that accurately reflect the Digital Good.**

### **3.3 Representations and Warranties**

**You represent and warrant, on a continuing basis, that:**

**(a) You have full legal authority to enter into this Agreement and perform your obligations;**

- (b) All information provided to Company is true, accurate, current, and complete;**
- (c) You own, or have obtained all necessary rights, licences, permissions, and consents to list, sell, distribute, and licence all Digital Goods you offer on the Platform;**
- (d) Your Digital Goods do not infringe, violate, or misappropriate any third-party intellectual property rights, including copyright, trademark, patent, trade secret, moral rights, or rights of publicity or privacy;**
- (e) Your Digital Goods do not contain any malware, viruses, trojans, backdoors, spyware, or other malicious or harmful code;**
- (f) Your Digital Goods comply with all applicable laws and regulations, including consumer protection, data protection, export control, and sanctions laws;**
- (g) You have all required business licences, permits, and registrations necessary to conduct your business and sell Digital Goods in all applicable jurisdictions;**
- (h) You are not, and will not become during the term of this Agreement, a person or entity with whom transactions are prohibited under applicable sanctions laws;**
- (i) The licence terms you specify for your Digital Goods are enforceable and do not conflict with third-party rights or this Agreement; and**
- (j) All product descriptions, previews, samples, and marketing materials are accurate and not misleading.**

**These representations and warranties are continuous and deemed repeated each time you list a new Digital Good or update an existing listing.**

#### **4. INTELLECTUAL PROPERTY AND CONTENT COMPLIANCE**

##### **4.1 Ownership and Licence Grant to Company**

**You retain ownership of all intellectual property in your Digital Goods. By listing Digital Goods on the Platform, you grant Company a non-exclusive, worldwide, royalty-free, sublicensable licence to: (a) reproduce, display, distribute, and transmit your Digital Goods and associated listing content (descriptions, previews, images, metadata) for the purpose of operating, marketing, and promoting the Platform; (b) create thumbnails, previews, watermarked samples, and derivative formats reasonably necessary for Platform functionality; (c) index, cache, and make available your listings through search engines and Platform APIs; and (d) retain copies of your Digital Goods for a reasonable period following delisting or account termination for the purposes of fulfilling existing Buyer licences, resolving disputes, and compliance with legal obligations.**

**This licence terminates upon removal of your Digital Goods from the Platform, subject to: (i) fulfilment of existing Buyer licences; (ii) dispute resolution requirements; and (iii) legal record retention obligations.**

#### **4.2 Intellectual Property Warranties**

**In addition to the warranties in Section 3.3, you specifically warrant that:**

**(a) You are the sole and original author/creator of each Digital Good, or you hold a valid licence or assignment of all rights necessary to grant the licences described herein;**

**(b) No Digital Good incorporates third-party copyrighted material, trademarks, or other proprietary content without valid authorisation, and all required attributions or licence conditions are disclosed;**

**(c) Where Digital Goods incorporate open-source components, you have complied with all applicable open-source licence obligations and have disclosed the relevant licences;**

**(d) Where Digital Goods incorporate stock assets, fonts, or other third-party assets, you have obtained licences that permit the distribution model used on the Platform (including redistribution to Buyers);**

**(e) No Digital Good infringes any patent, utility model, or registered design in any jurisdiction where it is offered; and**

**(f) You have secured all necessary consents, releases, and permissions from any identifiable individuals whose likeness, voice, or personal data is incorporated in any Digital Good.**

#### **4.3 DMCA and DSA Compliance**

**You acknowledge and agree that: (a) Company complies with the Digital Millennium Copyright Act ("DMCA"), 17 U.S.C. § 512, and Regulation (EU) 2022/2065 (the "Digital Services Act" or "DSA"); (b) Company will remove or disable access to Digital Goods upon receipt of a valid takedown notice under DMCA or a notice of illegality under the DSA, without prior notice to you; (c) you may submit a counter-notification in accordance with the procedures set forth in the [Terms of Service](#), Section 8; and (d) repeated IP infringement, including receipt of three (3) or more substantiated takedown notices within any twelve (12) month period, constitutes grounds for immediate and permanent account termination under Company's repeat infringer policy.**

#### **4.4 Content Moderation**

Company reserves the right, but has no obligation, to review, screen, or moderate Digital Goods before or after listing. Company may, at its sole discretion: (a) reject or remove listings that violate this Agreement, the [Terms of Service](#), or applicable law; (b) require modifications to listings before publication or continued availability; (c) add labels, warnings, or notices to listings (including AI-generated content disclosures); and (d) restrict the availability of listings in specific jurisdictions to comply with local law.

## **5. AI-GENERATED CONTENT**

### **5.1 Scope**

This Section 5 applies to all Digital Goods that are, in whole or in substantial part, created, generated, or materially assisted by artificial intelligence, machine learning, or automated content generation systems ("AI-Generated Content"). A Digital Good is considered AI-Generated Content if AI systems contributed to the creation of its core creative elements, as opposed to merely assisting with ancillary tasks (e.g., spellchecking, file conversion, compression).

### **5.2 Mandatory Disclosure and Labelling**

**Sellers offering AI-Generated Content must:**

- (a) Prominently disclose the AI-generated nature of the Digital Good in the product listing using the Platform's designated AI content label or tag system;**
- (b) Specify the nature and extent of AI involvement, including: (i) whether the Digital Good was fully AI-generated or AI-assisted; (ii) the general category of AI tools used (e.g., generative image model, text generation model, code generation model); and (iii) the extent of human creative input, curation, modification, or post-processing;**
- (c) Apply machine-readable metadata or watermarking to AI-Generated Content where technically feasible, in compliance with Article 50 of Regulation (EU) 2024/1689 (the "EU AI Act"), which becomes applicable on 2 August 2026;**
- (d) Comply with jurisdiction-specific disclosure requirements, including but not limited to the EU AI Act transparency obligations;**
- (e) Not misrepresent AI-Generated Content as exclusively human-created, hand-made, or hand-drawn where the core creative elements were generated by AI systems.**

### **5.3 Training Data and IP Compliance**

**Sellers offering AI-Generated Content represent and warrant that:**

- (a) All training data and datasets used by the AI system(s) that generated the Digital Good were lawfully obtained and licensed for such use;**

**(b) The AI system(s) used to create the Digital Good did not infringe any third-party copyrights, including by unlawfully reproducing, extracting, or scraping copyrighted material in violation of applicable law, including Article 4 of the EU Copyright Directive (Directive 2019/790) regarding text and data mining opt-outs;**

**(c) The AI-Generated Content does not reproduce, substantially copy, or constitute a derivative work of any specific copyrighted work, to the best of the Seller's knowledge and following reasonable investigation;**

**(d) The AI system(s) used comply with all applicable data protection and privacy laws, including the GDPR, with respect to any personal data included in training datasets;**

**(e) The Seller has conducted reasonable due diligence to verify the above, including, where available, reviewing the AI provider's training data documentation and terms of use;**

**(f) The Seller accepts full liability for the outputs of AI systems used to create the Digital Good, regardless of the Seller's degree of direct creative input.**

#### **5.4 Prohibited AI Content**

**The following AI-Generated Content is prohibited on the Platform:**

**(a) Deepfakes or AI-generated depictions of identifiable real persons without their verified consent;**

**(b) AI-Generated Content designed to deceive, mislead, or manipulate (e.g., fake documents, synthetic media intended to impersonate);**

**(c) AI-Generated Content that constitutes or facilitates prohibited AI practices under Chapter II of the EU AI Act;**

**(d) AI-Generated Content created using AI systems that were trained on datasets obtained through unlawful means (including scraping in violation of robots.txt, terms of service, or applicable law);**

**(e) AI-Generated Content that incorporates or outputs personal data of identifiable individuals without a valid legal basis under applicable data protection law.**

#### **5.5 Company's Rights Regarding AI Content**

**Company reserves the right to: (a) add AI-generated content labels to listings where it reasonably believes the content is AI-generated, even without the Seller's disclosure; (b) require Sellers to provide documentation evidencing training data provenance or AI tool licensing; (c) restrict, remove, or reclassify AI-Generated Content that fails to meet the requirements of this Section 5; (d) implement automated detection systems to identify undisclosed AI-Generated Content; and**

(e) share AI content compliance information with regulatory authorities where required by law.

## **5.6 Evolving Regulatory Landscape**

You acknowledge that AI regulation is rapidly evolving. Company may update the requirements in this Section 5 to reflect changes in applicable law, including but not limited to the EU AI Act, national implementation measures, and industry codes of practice. Material updates will be communicated in accordance with Section 15.2. Your continued listing of AI-Generated Content after such updates constitutes acceptance.

## **6. PRICING, FEES, AND PAYMENTS**

### **6.1 Pricing**

Sellers are solely responsible for setting prices for their Digital Goods. Prices must: (a) be stated in the currency(ies) supported by the Platform; (b) comply with applicable pricing laws, including consumer price indication requirements; (c) include or clearly disclose all applicable taxes where required by law; and (d) not be artificially inflated for the purpose of circumventing fee structures, inflating refund amounts, or manipulating Platform rankings.

### **6.2 Platform Commission [UPDATED]**

(a) Company charges a commission on each completed sale ("Commission"), calculated as five percent (5%) of the gross sale price (inclusive of any applicable taxes collected on the sale price, except where Company acts as deemed supplier and collects VAT separately). The Commission constitutes Company's fee for the intermediation services described in Section 1.5 of this Agreement.

(b) Company reserves the right to modify the Commission rate upon thirty (30) days' prior written notice. Transactions completed before the effective date of a Commission change remain subject to the prior rate.

(c) For the avoidance of doubt, and consistent with Section 1.5(d), the Commission is the sole component of transaction proceeds that constitutes Company's revenue. The remaining ninety-five percent (95%) of the gross sale price (or such other amount remaining after deduction of the Commission and any applicable fees or withholdings) represents the Seller's funds.

### **6.3 Payment Processing [UPDATED]**

(a) Payments from Buyers are collected by Company, acting as the Seller's limited commercial agent for payment collection purposes (as described in Section 1.5(c)), through Company's designated third-party payment processors ("Payment Processors").

**(b) You agree to: (i) comply with the terms and conditions of the applicable Payment Processors; (ii) maintain a valid payout method on file at all times; and (iii) bear any currency conversion fees, wire transfer fees, or other charges imposed by Payment Processors or your financial institution.**

**(c) A Buyer's payment obligation to the Seller is deemed fulfilled upon successful processing of the payment by the Payment Processor on the Seller's behalf. Company's collection of payment from the Buyer constitutes payment to the Seller, subject to the disbursement schedule and conditions set forth in Section 6.4.**

#### **6.4 Payout Schedule**

**(a) Seller payouts are processed on a [bi-weekly/monthly] basis, subject to a minimum payout threshold of €[AMOUNT] (or equivalent).**

**(b) Payouts are calculated as: Gross Sale Price minus Commission (5%), minus applicable refunds (Section 7), minus applicable withholdings (Section 6.5), minus Payment Processor fees.**

**(c) Company will use reasonable efforts to process payouts within [X] business days of the scheduled payout date. Company is not liable for delays caused by Payment Processors, banking systems, or events beyond Company's reasonable control.**

**(d) A holding period of [14/30] calendar days from the date of each sale applies before funds become eligible for payout, to account for potential refund claims, chargeback windows, and fraud review.**

#### **6.5 Withholdings and Reserves**

**Company may withhold, reserve, or set off funds from your pending or future payouts in the following circumstances:**

**(a) Refund Reserve: Company may maintain a rolling refund reserve of up to [5-10]% of your gross sales for the preceding [90] days to cover potential refunds and chargebacks;**

**(b) Tax Withholding: Where required by applicable law, Company may withhold taxes from payouts, including but not limited to withholding tax on cross-border payments;**

**(c) Dispute Reserve: Where a Buyer dispute, chargeback, or legal claim is pending, Company may hold funds reasonably estimated to cover the disputed amount plus associated costs;**

**(d) Compliance Hold:** Where your account is under review for potential violations of this Agreement, the [Terms of Service](#), or applicable law, Company may hold all pending payouts until the review is complete;

**(e) Indemnification Offset:** Company may offset amounts owed to Company under the indemnification provisions of this Agreement (Section 12) against pending payouts, upon providing you with itemised notice.

All withholdings and reserves will be communicated to you via the Seller dashboard or email. Withheld amounts will be released within thirty (30) days of the resolution of the applicable issue, unless otherwise required by law or court order.

## **6.6 Set-Off**

Company may set off any amounts you owe to Company under this Agreement (including refund obligations, indemnification amounts, penalties, and fees) against any amounts payable to you. Company will provide reasonable notice and an itemised breakdown of any set-off.

## **7. REFUNDS AND CHARGEBACKS**

### **7.1 Refund Policy Application**

All refunds are governed by the [Refund & Return Policy](#). By entering into this Agreement, you acknowledge that you have read and agree to be bound by the [Refund & Return Policy](#) as it applies to your Digital Goods and transactions.

### **7.2 Seller Financial Responsibility**

**(a)** Where a refund is approved due to your breach, misrepresentation, non-delivery, product defect, or non-compliance with this Agreement, the full refund amount (including any Platform Commission originally retained) will be charged to your Seller account.

**(b)** Where a refund is approved due to factors outside your control (e.g., Payment Processor error, Platform system failure), Company will bear the refund cost and will not charge your account.

**(c)** Where a refund is approved pursuant to an EU consumer's valid exercise of the right of withdrawal under the [Refund & Return Policy](#), Section 4, where you have complied with all listing requirements, Company and Seller will bear the refund cost in proportion to the Commission split (i.e., Company absorbs the Commission portion; Seller absorbs the remaining balance).

### **7.3 Chargeback Liability**

**(a) If a Buyer initiates a chargeback with their payment provider and the chargeback is upheld against Company, you shall be responsible for: (i) the full chargeback amount; (ii) any chargeback fees or penalties imposed by the Payment Processor (typically €[15-25] per chargeback); and (iii) reasonable administrative costs incurred by Company in responding to the chargeback.**

**(b) Company will use reasonable efforts to contest chargebacks on your behalf where evidence supports the legitimacy of the transaction. You agree to cooperate with Company and provide all requested documentation within five (5) business days of a request.**

**(c) Company may deduct chargeback amounts and associated fees from your pending or future payouts.**

#### **7.4 Refund Rate Monitoring and Penalties**

**Company monitors Seller refund rates on an ongoing basis. The following thresholds and consequences apply:**

<b>Refund Rate (rolling 90 days)</b>	<b>Consequence</b>
<b>Below 3%</b>	<b>Normal status. No action.</b>
<b>3% to 5%</b>	<b>Warning</b> <b>: written notice; Seller must provide a remediation plan within fourteen (14) days.</b>
<b>5% to 10%</b>	<b>Probation</b> <b>: mandatory review of all listings; Company may require modifications, remove specific listings, or impose a temporary payout hold of up to 30 days.</b>
<b>Above 10%</b>	<b>Suspension or Termination</b> <b>: Company may suspend all listings, hold all payouts pending investigation, and terminate the account.</b>

Refund Rate is calculated as:  $(\text{Total Refunded Transactions} / \text{Total Completed Transactions}) \times 100$ , measured over the preceding ninety (90) day rolling period, excluding refunds attributable solely to Platform system errors.

## 7.5 Fraudulent Refund Claims

If Company determines, following investigation, that a refund claim against your Digital Good was fraudulent (e.g., Buyer refund abuse), Company will: (a) reverse the refund charge to your account; (b) reinstate withheld funds; and (c) take appropriate enforcement action against the Buyer in accordance with the [Terms of Service](#).

## 8. TAX COMPLIANCE AND REPORTING

### 8.1 Seller Tax Responsibility

You are solely and exclusively responsible for: (a) determining all applicable tax obligations arising from your sales through the Platform, including VAT, GST, sales tax, income tax, withholding tax, and any other taxes in your jurisdiction and in the jurisdictions of your Buyers; (b) registering for, collecting, reporting, and remitting all applicable taxes to the relevant authorities; (c) properly registering for EU VAT through the One-Stop-Shop (OSS) or Import One-Stop-Shop (IOSS) mechanisms where required for cross-border digital services within the EU; (d) accurately classifying your Digital Goods for tax purposes; and (e) maintaining complete and accurate tax records for the applicable statutory retention period (no less than seven (7) years or as required by applicable law).

### 8.2 Tax Documentation

You shall provide Company with accurate and complete tax documentation, including: (a) a valid tax identification number (TIN) or VAT registration number; (b) completed tax forms as reasonably requested (e.g., W-8BEN, W-8BEN-E, W-9 for US tax purposes, or equivalent forms for other jurisdictions); (c) VAT registration certificates where applicable; and (d) updated documentation promptly upon any change in your tax status. Failure to provide required tax documentation may result in: (i) withholding at the maximum applicable statutory rate; (ii) suspension of payouts; or (iii) account suspension.

### 8.3 DAC7 and Regulatory Reporting

You acknowledge and consent to Company's obligation to report Seller transaction data to tax authorities in accordance with: (a) Council Directive 2021/514 ("DAC7"), requiring reporting of Seller information and transaction data to EU tax authorities; (b) US IRS Form 1099-K reporting requirements where applicable; (c) OECD Model Reporting Rules for digital platforms; and (d) equivalent reporting obligations in other jurisdictions.

**Company will collect and report the following data as required: your legal name, address, TIN, date of birth (individuals) or registration number (entities), financial account identifier, total consideration paid or credited per quarter, number of transactions, and any fees, commissions, or taxes withheld.**

#### **8.4 Company's Tax Role [UPDATED]**

**Company is not your tax advisor. Consistent with the agency relationship described in Section 1.5, Company may collect and remit taxes where legally required as a marketplace facilitator or deemed supplier, but this does not relieve you of your independent tax obligations. Where Company collects and remits taxes on transactions as deemed supplier, it will reflect such collection in the Seller dashboard. You remain responsible for verifying the accuracy of your tax positions. The characterisation of Company's revenue as Commission-only (Section 1.5(f)) is consistent with Company's role as intermediary agent and not as principal in the sale of Digital Goods.**

#### **8.5 Tax Indemnification**

**You agree to indemnify and hold harmless Company from and against any and all tax liabilities, penalties, interest, and costs (including professional fees) arising from: (a) your failure to comply with any applicable tax obligation; (b) inaccurate or incomplete tax documentation you provided; (c) your failure to register for, collect, or remit applicable taxes; or (d) any tax authority assessment or claim against Company resulting from your sales through the Platform.**

### **9. EXPORT CONTROLS AND SANCTIONS**

#### **9.1 Compliance Obligations**

**You shall comply with all applicable export control laws, economic sanctions, and trade restrictions, including: (a) U.S. Export Administration Regulations (EAR); (b) EU dual-use export controls (Regulation (EU) 2021/821); (c) OFAC sanctions programmes and the Specially Designated Nationals (SDN) list; (d) EU consolidated sanctions list; (e) UN Security Council sanctions; (f) Latvian national sanctions; and (g) all other applicable national export control and sanctions regimes.**

#### **9.2 Seller Warranties**

**You represent and warrant that: (a) your Digital Goods do not contain controlled technology, technical data, or encryption subject to export licensing requirements; (b) you will not sell, transfer, or make available Digital Goods to individuals or entities on applicable sanctions lists; (c) you will not conduct transactions with persons located in comprehensively sanctioned jurisdictions; (d) you will promptly notify Company if you become aware that any of your Digital Goods may be subject**

to export control restrictions; and (e) you will not use proceeds from Platform sales to finance activities prohibited under applicable sanctions or anti-terrorism laws.

### **9.3 Immediate Consequences**

Any violation or suspected violation of export control or sanctions laws will result in: (a) immediate suspension of your account without prior notice; (b) blocking of all pending transactions; (c) withholding of all pending payouts pending investigation; (d) reporting to applicable authorities where required by law; and (e) permanent termination of your account if the violation is confirmed.

## **10. PROHIBITED CONDUCT**

**10.1** In addition to the prohibited activities listed in the [Terms of Service](#), Section 9, Sellers are specifically prohibited from:

- (a) Listing Digital Goods to which you do not hold sufficient rights;**
- (b) Listing stolen, pirated, or counterfeit content;**
- (c) Artificially inflating sales, ratings, reviews, or rankings through fake accounts, bots, purchased reviews, or coordinated manipulation;**
- (d) Engaging in price manipulation, including artificial price inflation to increase refund amounts or Commission calculations;**
- (e) Circumventing Platform Commission by directing Buyers to complete transactions outside the Platform;**
- (f) Creating multiple Seller accounts to evade enforcement actions, limitations, or thresholds;**
- (g) Listing Digital Goods that contain hidden, undisclosed functionality (including tracking, data collection, or phone-home features);**
- (h) Listing Digital Goods that generate or facilitate the generation of illegal content, including but not limited to child sexual abuse material, non-consensual intimate imagery, or content that incites violence or hatred;**
- (i) Misrepresenting AI-Generated Content as exclusively human-created in violation of Section 5;**
- (j) Engaging in refund fraud or collusion with Buyers to obtain unjustified refunds;**
- (k) Scraping, copying, or systematically downloading other Sellers' content or listings;**
- (l) Submitting false or misleading tax documentation; or**

**(m) Any other conduct that Company reasonably determines is harmful to the Platform, other Users, or Company's reputation.**

## **11. PLATFORM RIGHTS AND REMEDIES**

### **11.1 Graduated Enforcement**

**Company maintains a graduated enforcement system. The specific remedy applied will be proportionate to the severity, frequency, and nature of the violation:**

**(a) Warning:** For first-time, minor, or technical violations, Company may issue a written warning identifying the violation and requiring remediation within a specified timeframe (typically seven (7) to fourteen (14) days).

**(b) Listing Removal:** Company may remove individual listings that violate this Agreement, the [Terms of Service](#), applicable law, or that are the subject of valid takedown notices, with or without prior notice depending on severity.

**(c) Payout Hold:** Company may temporarily hold all pending payouts for up to ninety (90) days during an active investigation or pending resolution of a dispute. Sellers will be notified of the reason for the hold.

**(d) Account Restriction:** Company may restrict specific account features, including the ability to create new listings, receive payouts, or contact Buyers, while preserving existing listings.

**(e) Account Suspension:** Company may suspend your entire Seller account, including all listings and payouts, for a specified period. During suspension, your Digital Goods will not be visible or available for purchase.

**(f) Permanent Termination:** Company may permanently terminate your account for: (i) repeated violations after prior warnings; (ii) serious violations including fraud, IP infringement, sanctions violations, or illegal content; (iii) refund rates consistently exceeding 10% (Section 7.4); (iv) failure to comply with tax documentation requirements after two (2) or more requests; or (v) any single violation of sufficient severity to justify immediate termination.

### **11.2 Immediate Action Without Prior Notice**

**Company may take immediate action (including suspension or termination) without prior notice where: (a) required by law, court order, or regulatory authority; (b) the violation involves illegal content, fraud, malware, or sanctions; (c) necessary to protect the safety, security, or integrity of the Platform or its Users; (d) the Seller's account is associated with a chargeback rate exceeding 1% of transactions; or (e) the Seller fails to respond to a compliance inquiry within fourteen (14) days.**

### **11.3 Effect of Termination**

**Upon termination of your account:**

- (a) All listings are immediately removed from the Platform;**
- (b) Pending payouts remain subject to the holding, reserve, and set-off provisions of this Agreement for a period of one hundred and eighty (180) days following termination, to account for: (i) chargeback windows; (ii) refund claims; (iii) pending disputes; (iv) tax reporting obligations; and (v) indemnification claims;**
- (c) After the 180-day holding period, remaining funds (if any) will be disbursed to you, minus any amounts owed to Company;**
- (d) Existing Buyer licences granted prior to termination survive in accordance with their terms;**
- (e) Sections 4 (IP), 5 (AI Content), 7 (Refunds and Chargebacks), 8 (Tax), 9 (Export Controls), 12 (Indemnification), 13 (Limitation of Liability), and 14 (Dispute Resolution) survive termination;**
- (f) Company may retain your data as required for legal, tax, and compliance purposes in accordance with the [Privacy Policy](#).**

### **11.4 Appeal Process**

**Sellers may appeal enforcement decisions by submitting a written appeal to [legal@shookout.com](mailto:legal@shookout.com) within thirty (30) days of the enforcement action. Appeals must include: (a) the specific decision being appealed; (b) the grounds for appeal; and (c) any supporting evidence. Company will review appeals within thirty (30) days and provide a reasoned written response. For EU Sellers, Company's internal complaint-handling system under the Digital Services Act is also available.**

## **12. INDEMNIFICATION**

### **12.1 Seller Indemnification**

**You agree to indemnify, defend, and hold harmless Company, its affiliates, officers, directors, employees, agents, successors, and assigns ("Indemnified Parties") from and against any and all claims, demands, actions, proceedings, damages, losses, liabilities, judgments, settlements, costs, and expenses (including reasonable attorneys' fees and costs of litigation) ("Losses") arising from or relating to:**

- (a) Your Digital Goods, including any claim that they infringe, violate, or misappropriate any third-party intellectual property right;**
- (b) Your breach of any representation, warranty, or obligation under this Agreement;**

- (c) Your violation of applicable law, including tax law, export controls, sanctions, data protection, consumer protection, and AI regulation;**
- (d) Any Buyer complaint, dispute, or claim arising from your Digital Goods, listings, or conduct;**
- (e) Your AI-Generated Content, including claims relating to training data, AI output IP infringement, or failure to comply with disclosure requirements;**
- (f) Any claim by a tax authority against Company arising from your tax non-compliance;**
- (g) Any regulatory investigation, fine, or penalty imposed on Company as a result of your conduct or content;**
- (h) Any chargeback, payment dispute, or fraudulent transaction attributable to your conduct;**
- (i) Your User Content, marketing materials, or communications with Buyers; and**
- (j) Any claim by your employees, contractors, or agents arising from your business operations.**

## **12.2 Indemnification Procedure**

**Company will: (a) promptly notify you of any claim for which indemnification is sought (provided that failure to notify promptly does not relieve your indemnification obligation except to the extent you are materially prejudiced); (b) grant you reasonable control over the defence and settlement of such claim, provided that you may not settle any claim without Company's prior written consent where the settlement would impose any obligation on Company, admit liability on Company's behalf, or fail to fully release the Indemnified Parties; and (c) provide reasonable cooperation at your expense.**

## **12.3 Company's Right to Participate**

**Company reserves the right, at its own expense, to assume exclusive control of the defence of any claim subject to indemnification where: (a) the claim involves potential liability exceeding €50,000; (b) the claim could materially impact the Platform or its Users; or (c) you fail to diligently defend the claim.**

## **13. LIMITATION OF LIABILITY**

### **13.1 Company's Liability Cap**

**TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY'S TOTAL AGGREGATE LIABILITY TO YOU ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PLATFORM, OR ANY TRANSACTIONS SHALL NOT EXCEED THE TOTAL NET**

**COMMISSIONS RETAINED BY COMPANY FROM YOUR SALES IN THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.**

### **13.2 Exclusion of Consequential Damages**

**IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, REVENUE, CUSTOMERS, DATA, BUSINESS OPPORTUNITIES, GOODWILL, OR ANTICIPATED SAVINGS, REGARDLESS OF THE THEORY OF LIABILITY AND EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

### **13.3 Exceptions**

**THE LIMITATIONS IN SECTIONS 13.1 AND 13.2 SHALL NOT APPLY TO: (A) COMPANY'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT; (B) DEATH OR PERSONAL INJURY CAUSED BY COMPANY'S NEGLIGENCE; (C) FRAUD OR FRAUDULENT MISREPRESENTATION; (D) YOUR INDEMNIFICATION OBLIGATIONS UNDER SECTION 12; OR (E) ANY LIABILITY THAT CANNOT BE EXCLUDED OR LIMITED UNDER APPLICABLE MANDATORY LAW.**

### **13.4 Allocation of Risk**

**You acknowledge that the Commission rates and fee structures reflect an allocation of risk between the parties consistent with the liability limitations set forth in this Section 13, and that these limitations are a material inducement for Company to enter into this Agreement.**

## **14. GOVERNING LAW AND DISPUTE RESOLUTION**

### **14.1 Governing Law**

**This Agreement shall be governed by and construed in accordance with the laws of the Republic of Latvia, without regard to its conflict of law principles.**

### **14.2 Dispute Resolution for Business Sellers**

**For Sellers operating in a commercial or professional capacity:**

**(a) Mandatory Negotiation: Prior to initiating formal proceedings, the parties shall attempt to resolve the dispute through good faith negotiation for thirty (30) days following written notice.**

**(b) Arbitration: If negotiation fails, all disputes shall be resolved through binding arbitration administered by the Riga International Arbitration Court (or, if unavailable, an internationally recognised arbitration institution agreed by the parties) under its then-current rules. The arbitration shall be conducted by a sole**

arbitrator, in English, with the seat in Riga, Latvia. The arbitrator's award shall be final and binding.

(c) **Class Action Waiver:** You expressly waive the right to participate in class actions, collective actions, or representative proceedings. Each dispute must be resolved individually.

#### **14.3 EU Platform-to-Business Regulation**

For Sellers established in the EU or offering goods to consumers in the EU, Company will comply with Regulation (EU) 2019/1150 on promoting fairness and transparency for business users of online intermediation services ("P2B Regulation"), including: (a) providing clear reasons for any restriction, suspension, or termination of your account; (b) providing at least thirty (30) days' prior notice of termination (except in cases of repeated or serious violations); and (c) identifying two mediators with whom Company is willing to engage to attempt to reach an agreement on the resolution of disputes (contact [legal@shookout.com](mailto:legal@shookout.com) for details).

#### **14.4 Injunctive Relief**

Notwithstanding the arbitration provisions, Company may seek injunctive or equitable relief in any court of competent jurisdiction to protect its intellectual property, the Platform's integrity, or to enforce confidentiality obligations.

### **15. GENERAL PROVISIONS**

#### **15.1 Term**

This Agreement commences upon your acceptance (including by registering a Seller account) and continues until terminated by either party in accordance with this Agreement.

#### **15.2 Modifications**

Company may modify this Agreement by posting the updated version on the Platform and providing at least thirty (30) days' prior notice via email or Seller dashboard notification. Material modifications affecting your existing listings or payout terms will not take effect earlier than fifteen (15) days for EU-based Sellers. Your continued listing of Digital Goods or use of the Seller features after the effective date constitutes acceptance.

#### **15.3 Severability**

If any provision is deemed invalid or unenforceable, the remaining provisions remain in full force. The invalid provision shall be reformed to the minimum extent necessary to make it enforceable while preserving its original intent.

#### **15.4 Assignment**

**Company may assign this Agreement without your consent, including in connection with a merger, acquisition, or asset sale. You may not assign this Agreement or any rights or obligations hereunder without Company's prior written consent.**

#### **15.5 Waiver**

**No waiver of any right is effective unless in writing. Failure to enforce any provision does not constitute a waiver.**

#### **15.6 Entire Agreement**

**This Agreement, together with the [Terms of Service](#), [Privacy Policy](#), and [Refund & Return Policy](#), constitutes the entire agreement between you and Company regarding the subject matter hereof.**

#### **15.7 Language**

**This Agreement is drafted in English. If translated, the English version prevails in case of discrepancy, except where prohibited by applicable law.**

#### **15.8 Notices**

**Notices to Company: [legal@shookout.com](mailto:legal@shookout.com) Notices to Seller: the email address registered to your Seller account.**

**Company: SIA Synchron Registration number: 40203436468 Registered address: Unijas iela 74A - 45, Riga, LV-1084, Latvia**