

STANDARD TERMS & CONDITIONS
(“Standard Terms”)

These Standard Terms, together with the Commercial Terms (collectively, the “Agreement”), collectively: (a) represent the complete agreement of Licensee and Licensor with respect to the subject matter hereof; (b) are fully binding on the parties hereto; and (c) supersede all previous documents and negotiations. By using or paying for the use of any Licensed Property or other intellectual property owned or controlled by Licensor, or by executing any Commercial Terms, Licensee agrees to be bound by and comply with all of the terms of the Agreement.

1. GRANT OF LICENSE.

(a) Licensed Rights. Licensor hereby grants to Licensee during the Term, the non-transferrable, non-assignable, non-sub-licensable, indivisible right and license, to utilize the Licensed Property solely in connection with: (i) the design, manufacture, distribution and sale of the Licensed Products, solely to/through the Approved Accounts located within the Territory; and (ii) the Advertising & Promotion of the Licensed Products, solely within the Territory (collectively, the “Licensed Rights”). Licensee shall not, nor shall Licensee permit others (including any Approved Account) to: (A) distribute or sell any Licensed Products either outside the Territory, or to any accounts other than the Approved Accounts; (B) distribute or sell any Licensed Products to any party that Licensee knows, or has reason to know, is likely to sell such Licensed Products either outside the Territory, or to any accounts other than the Approved Accounts, or (C) solicit, engage in any Advertising & Promotion of, or otherwise exploit the Licensed Products, either outside the Territory or in a manner inconsistent with the distribution or sale of the Licensed Products to/through the Approved Accounts. Licensee shall use Licensee’s best efforts to exercise all Licensed Rights, at all times in accordance with this Agreement, and shall protect, to the best of its ability, the Licensed Rights granted to Licensee hereunder.

(b) Other Assets. In the event that Licensor provides Licensee with other assets of or relating to the Licensed Property (e.g., photographs, marketing materials, etc.) (“Assets”) to be used in, on or in connection with Licensed Products or the Advertising & Promotion thereof, Licensee hereby acknowledges that Licensor may not be the copyright owner of the same, and as such, the terms applicable to Licensee’s use of all Assets are subject to the terms of this Agreement as well as those terms which are applicable to Licensor’s use of the Assets, whether pursuant to Licensor’s agreement with the owners thereof or otherwise (“Asset Terms”). Nothing contained herein shall obligate Licensor to maintain any agreements which it may have in place for any Assets, and any failure by Licensor to have or maintain any such agreements, shall not be deemed a breach of this Agreement.

(c) Limits on Licensed Rights.

(i) Legal Restrictions. Licensee’s exercise of all Licensed Rights, and Licensee’s operation of the Business, shall be exploited, conducted and maintained by Licensee in a lawful and ethical manner and in accordance with the terms and intent of this Agreement, including, without limitation, the Standards of Practice set forth on Exhibit A, which is attached hereto and incorporated herein by reference (“Standard of Practice”). The Licensed Rights granted hereunder are granted subject to the U.S. Export Administration Regulations (“EAR”), International Traffic in Arms Regulations (“ITAR”), sanctions administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”), and all other export control and sanctions Laws (as hereinafter defined) applicable to the Parties (collectively, “Trade and Export Control Laws”), and Licensee hereby agrees not to use, disclose, license, sub-license, or otherwise exploit the Licensed Property in violation of any Trade and Export Laws.

(ii) No Sub-Branding or Co-Branding. Licensee hereby acknowledges and agrees that no Licensed Product shall be sub-branded or co-branded, nor shall any Licensed Products be sold or otherwise distributed under any marks or brand other than the Licensed Property.

(iii) Sub-Contractors. In the event Licensee wishes to sub-contract any or all of Licensee’s Business hereunder (e.g., manufacture of Licensed Products, creation of Advertising & Promotion materials, etc.) to any third party (each, a “Sub-Contractor”), the same may only be done if and after Licensor has given its Approval (as hereinafter defined) therefor. As such, Licensee shall submit a written request for all Sub-Contractors to Licensor for Licensor’s prior written Approval, which request shall include all of the following information for each such Sub-Contractor: corporate name, office address, principals, and the specific Business contemplated to be sub-contracted. If requested by Licensor, Licensee shall provide Licensor with additional information about any proposed Sub-Contractor, such that Licensor will have sufficient information to evaluate Licensee’s request for Approval of such Sub-Contractor. In the event Licensor Approves any given Sub-Contractor, and only after Licensee delivers to Licensor a written contract, signed by Licensee and the applicable Sub-Contractor, in a form Approved by Licensor (“Sub-Contractor Agreement”), then such Sub-Contractor shall be permitted to carry out only that portion of the Business for which Licensor Approved such Sub-

Contractor. Licensee shall use Licensee's best efforts to ensure that all Sub-Contractors abide by the terms of this Agreement, including, without limitation, the Standards of Practice. All acts of all Sub-Contractors shall be deemed to be the acts of the Licensee for all purposes of this Agreement.

(iv) Prior Products. Licensee hereby acknowledges that, prior to the Effective Date, Licensor may have had in place an agreement ("Prior Agreement") with a third party ("Prior Partner") for the same or similar rights granted to Licensee hereunder, for past seasons, collections or versions of the same or similar Licensed Products ("Prior Products"). Licensee further acknowledges that, regardless of the fact that the term of the Prior Agreement has expired, the Prior Partner may have a non-exclusive right to sell-off its existing inventory of Prior Products during the Term of this Agreement, and the same shall not be deemed a breach of exclusivity rights, if any, that may be granted under this Agreement.

(d) Reserved Channels. Licensee hereby acknowledges and agrees that, for purposes of this Agreement, the 'Territory' specifically excludes all of the following: (A) Licensor Channels (as hereinafter defined), (B) direct marketing channels (e.g., direct mail, mail order, catalogues, television, infomercials, etc.), (C) premium and corporate promotional and corporate gift programs, (D) military bases and exchanges, and (E) each of the following that may be located in, pass through and/or do business in, any country technically located in the Territory: duty-free stores, travel retail stores, airlines and/or aircrafts, cruise ship lines and transportation service companies (collectively, the "Reserved Channels"). The Reserved Channels shall be deemed, for all purposes hereof, to be located outside the Territory. For the purposes hereof, "Licensor Channels" shall be defined as any of the following operating under the Licensed Property and/or any intellectual property owned and/or controlled by Licensor or any Licensor Party: (A) retail stores; (B) direct marketing, direct mail, mail order and/or catalogs; and (C) digital commerce channels (e.g., electronic, mobile and/or Internet-based shopping platforms such as websites and applications), whether now known or hereafter devised.

2. CONSIDERATION; PAYMENTS; STATEMENTS.

(a) Consideration. As consideration for the Licensed Rights granted herein, Licensee shall comply with all terms and conditions of the Agreement, including, without limitation, paying all amounts due to Licensor, meeting minimum thresholds, and spending all amounts, in each case as and when required hereunder. All amounts payable to Licensor hereunder shall be deemed held in trust for, and on behalf of, Licensor until such time as such sums are paid to Licensor in accordance with the terms of this Agreement.

(b) Calculation of Royalties & CMF. Licensee shall have the unfettered right to establish the prices that it charges its customers for any Licensed Products sold pursuant to this Agreement; provided, however, solely for purposes of calculating the Royalty and CMF due to Licensor, and notwithstanding anything contained in the definition of Net Sales: (i) the invoiced billing price of the Licensed Products shall not be less than the amount set by Licensee and Approved by Licensor for each Licensed Product, but in no event shall such amount be less than Licensee's LDP Cost for each such Licensed Product ("Minimum Invoiced Billing Price"); and (ii) if Licensed Products are sold to any party directly or indirectly affiliated or under common ownership or control with Licensee at a price less than the regular price charged to other parties, the Royalty and CMF due to Licensor shall be computed as though such sales were made to non-related but similarly situated third parties in an arms-length transaction, subject to the Minimum Invoiced Billing Price. Licensee shall submit the proposed Minimum Invoiced Billing Price for each Licensed Product when the same is submitted for Approval pursuant to Section 6 below. In the event that Licensor suspects that Licensee has sold any Licensed Products at a discounted price for purposes of selling other products or services (i.e., as a "Loss-Leader"), whether such sales were made to an affiliate of Licensee or any other third party, Licensor shall be permitted to request, and Licensee hereby agrees to deliver, documentation, backup and support materials, such that Licensor will have sufficient information to evaluate such sales. In the event Licensor determines that any Licensed Products were sold as a Loss Leader, Licensor shall be permitted to hold Licensee in breach of this Agreement.

(c) No Deductions. Licensee may not deduct from, setoff or offset the Royalty, CMF or any other amount payable to Licensor for any reason. For purposes of illustration but without limitation, Licensee may not deduct: uncollectible accounts, wire transfer fees, bank fees or any other fees associated with making any and all payments to Licensor, slotting fees, advertising or other expenses of any kind (including, without limitation, the Advertising Commitment), the costs incurred in the manufacture, sale, distribution or exploitation of the Licensed Products, collection or payment of Royalties or CMF, or the conversion of any currency into United States Dollars.

(d) Payment Allocation. Licensor may, in Licensor's sole discretion, allocate and apply payments it receives from Licensee hereunder. Partial payment by Licensee to Licensor of any amounts due hereunder shall not, in any circumstance, avoid default by Licensee as to the full amount of any such payments, and Licensee shall not be entitled to any return of the amount of any partial payments in the event of any expiration or termination of this Agreement.

(e) Taxes. Licensor and Licensee agree that: all payments to be made by Licensee to Licensor hereunder shall be made free and clear of and without deduction for or on account of withholding tax under the laws of the Territory unless Licensee is required by law to make such a payment subject to the deduction or withholding of tax, in which case, the sum payable by Licensee in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, Licensor receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which Licensor would have received and so retained had no such deduction or withholding been made or required to be made, and Licensee shall furnish Licensor with an official receipt (together with a certified translation thereof into English, when applicable) promptly after each such payment of any such taxes. In the event that any such taxes are not paid when due, all resulting penalties and interest related thereto shall be borne by Licensee. In the event that, following the making of any increased payment by Licensee under this Agreement resulting from a requirement for Licensee to make any deduction or withholding under law, Licensor receives or is granted a credit against, remission or repayment of any tax (a "Tax Credit") payable by Licensor which is directly related to such deduction or withholding or any increased payment made by Licensee to Licensor, Licensor shall reimburse Licensee with such amount as is equivalent to the relevant Tax Credit so as to leave Licensor, after such reimbursement, in no better or worse position than Licensor would have been in had there been no deduction or withholding. All sales, use, value added, local privilege, excise taxes, tariffs, duties or other charges of any kind, character or description which may be levied or imposed upon any of the Licensed Products, the Business or on any aspect of performance of this Agreement, shall be Licensee's responsibility. Licensor shall only be responsible for the actual taxes on Licensor's net income resulting from this Agreement.

(f) Reports.

(i) Statements. Within fifteen (15) days following the end of each Calendar Quarter during the Term (i.e., on or before April 15, July 15, October 15 and January 15), and continuing until all payments required hereunder are made, Licensee shall submit to Licensor, via RoyaltyZone, a complete and accurate statement (each, a "Statement"), detailing: (A) all of the following information for each month included in such Calendar Quarter (as well as year-to-date information), cross-referenced by each 'SKU' of Licensed Product (identified by seasonal collection, if applicable), and broken down first by each country of the Territory, then by Distribution Channel, then by Approved Account: (I) total Net Sales, (II) total quantity (in units) sold, (III) invoiced price, (IV) gross revenue, (V) itemized Deductions, and (VI) Royalty and/or CMF due to Licensor; and (B) Licensee's itemized expenditures of the Advertising Commitment, including, without limitation, spend by Advertisement (as hereinafter defined) type and by media outlet.

(ii) Year-End Summaries. Included with Licensee's Statement for the fourth (4th) Calendar Quarter of each Contract Year (i.e., the Calendar Quarter beginning on October 1 and ending on December 31, the Statement for which is due to Licensor on or before January 15 of the immediately succeeding Contract Year), Licensee shall submit to Licensor, via RoyaltyZone, a complete and accurate statement ("Year-End Summary" and together with the Statements, "Reports"), in the same format as the Statements, detailing all of the same information required for a Statement, in the aggregate, for the applicable Contract Year.

(iii) General. Included with each Report, Licensee shall submit to Licensor: (A) a copy of Licensee's full and complete financial statements for that Calendar Quarter or Contract Year, as applicable; and (B) a certification signed by Licensee's chief financial officer (or equivalent) indicating that he or she has reviewed and agrees with all the information contained in such Report. If and when requested by Licensor, Licensee shall provide Licensor with additional information (e.g., Net Sales and/or orders booked/confirmed for Licensed Products by country, Net Sales by specific Approved Accounts and/or Distribution Channel, etc.), and/or backup and support materials, with respect to any item contained in any Report, such that Licensor will have sufficient information to evaluate the sources of any item contained in such Report, and to track Licensee's Business under this Agreement. Licensor hereby reserves the right to modify the process for submission of Reports (e.g., using a software other than RoyaltyZone, etc.) on reasonable advance written notice to Licensee, but in no event shall Licensor modify the timing or frequency of the same without Licensee's prior written approval, which approval may not be unreasonably withheld, conditioned or delayed.

(g) Books & Records; Audit. Licensor's acceptance of any payment and/or any Statement pursuant to this Agreement shall not preclude Licensor from questioning the correctness thereof at any time or exercising any of its rights related thereto. Licensee shall keep appropriate books of accounts and records with respect to its manufacture, sale, distribution and Advertising & Promotion of Licensed Products ("Books & Records"). Licensee shall maintain such Books & Records throughout the Term of this Agreement, and for a period of three (3) years following the expiration or termination of the Term (the "Retention Period"). Licensor, or a third party designated by Licensor (Licensor and such third party being defined, for purposes of this Section, as an "Auditor"), shall have the right to inspect and copy the Books & Records insofar as they relate to the computation of Royalties and CMF, and other amounts payable to Licensor and/or

amounts that Licensee is required to spend under this Agreement, and Licensee hereby agrees to cooperate with the Auditor, to the best of Licensee's ability, in connection therewith (including, without limitation, by providing the Auditor with backup and support documentation related to any Books & Records, e.g., Licensee's standard wholesale prices for any Products, etc.). In the event Licensee fails to so cooperate with the Auditor: (i) the same shall be deemed a breach of this Agreement by Licensee, and (ii) in order to complete any such inspection / audit and in the absence of information from Licensee, the Auditor may rely on industry-standard information as a replacement thereof. Licensor and/or such Auditor shall be permitted to inspect such Books & Records no more frequently than one (1) time during any six (6) month period, upon reasonable prior written notice to Licensee. In the event that any such inspection is conducted by a third-party Auditor, such Auditor shall agree in advance not to disclose or use for the Auditor's benefit any Confidential Information (as hereinafter defined) of which the Auditor observes or becomes aware. If any such inspection reveals a discrepancy in the amount paid to Licensor equal to three percent (3%) or more of the amount payable to Licensor hereunder for the period in question, then Licensee shall also reimburse Licensor for the cost of such audit. In any event, Licensee shall make all payments required to be made to eliminate any discrepancy revealed by any such inspection within fifteen (15) days after Licensor's demand therefor. Interest, compounded monthly, at the rate of one and three quarters percent (1.75%) per month (or, if not legally permissible, then at the then maximum legal interest rate) shall accrue on any amount due to Licensor from and after the date upon which said payment is due until the date payment is actually received, whether said late payment was discovered in connection with this Section or otherwise.

3. BUSINESS; ADVERTISING & PROMOTION.

(a) Business Plan. No later than September 15th of each Contract Year during the Term, Licensee shall submit to Licensor, in a form and with all information as requested by Licensor, a revised Business Plan, including, without limitation, bona fide projections of Licensee's anticipated and projected Net Sales ("Projections") for: (a) all Contract Years remaining in the then-current Contract Period (if any), and (b) if Licensee qualifies for a Renewal Term and has exercised its Renewal Option, for all Contract Years in the applicable Renewal Term

(b) A&P Plan. No later than September 15th of each Contract Year during the Term, Licensee shall submit to Licensor, in a form and with all information as requested by Licensor, a detailed proposal for Licensee's Advertising & Promotion of the Licensed Products and/or Licensed Property for the immediately succeeding Contract Year, inclusive of budget ("Proposed Plan") for Licensor's Approval. In the event Licensor provides Licensee with comments and/or suggested changes to Licensee's Proposed Plan, Licensee shall, within ten (10) days of receipt of such comments from Licensor, make appropriate adjustments to the Proposed Plan, and re-submit the same to Licensor for Licensor's Approval; it being understood that Licensor's comments and/or suggested changes to the Proposed Plan shall not require Licensee to spend more than the greater of: (i) the Advertising Commitment, or (ii) fifteen percent (15%) of the budget included in Licensee's Proposed Plan. Once Licensee's Proposed Plan is Approved by Licensor (such Approved Proposed Plan being defined herein as the "A&P Plan"), Licensee shall execute all Advertising & Promotion for the applicable Contract Year pursuant to the terms of such A&P Plan.

(c) No Promotional Use. Licensee shall not itself, nor shall Licensee permit any third parties to, make use of the Licensed Property or Licensed Products for any promotional purposes (including, without limitation, premium offers, giveaways, sales incentives, charitable giving, donations, gift-with-purchase programs), without Licensor's Approval in each instance.

(d) No Third-Party Endorsements. Licensee shall not contact or solicit any third party, or use the images or services of any such third party, whether as an endorsement, sponsorship or otherwise, in connection with the Licensed Products or the Business, without Licensor's Approval in each instance.

(e) Press Releases. Licensee shall not, either itself or through any agents or representatives, make, issue, distribute or disseminate any information or statements, whether written or verbal, to the press regarding Licensor, any Licensed Products, the Business, and/or any other matters pertaining to or arising out of this Agreement (each, a "Press Release") unless and until Licensor has Approved such Press Release. Licensor shall have the right, at any time, either itself or through its agents or representative, to make, issue, distribute and/or disseminate Press Releases without Licensee's knowledge, consent or approval.

4. APPROVALS; PRODUCTION.

(a) Approvals.

(i) Approval Rights. For purposes of this Agreement, "Approval" (and all grammatical variations thereof, e.g., Approve, Approved, etc.) shall be defined as Licensor's prior written approval, which may be given or withheld in

Licensor's sole discretion. Licensor has the right to Approve all uses of the Licensed Property, whether by Licensee, Approved Accounts or any Sub-Contractors (including, without limitation, Licensed Products, Packaging (as hereinafter defined), Advertising & Promotion, any and all other items produced pursuant to this Agreement) (collectively, "Materials"). Licensee hereby agrees that: (A) no Materials may be released or exhibited publically, in any manner, unless and until Licensor has Approved the same, (B) all Approved Materials must be re-submitted for Approval each time a revision is made incorporating any changes, and (C) Licensor's Approval of Materials hereunder is specifically limited to Approval of the use of the Licensed Property contained therein, and that to the extent any materials owned by third parties (e.g., logos, locations, individuals, etc.) ("Third-Party Materials") are incorporated therein, Licensee shall be solely responsible for identifying such Third-Party Materials, and for obtaining an applicable license from the owners of such Third-Party Materials.

(ii) Approval Process.

(A) General. Licensor shall respond to each request for Approval within fifteen (15) days of Licensor's receipt of such request ("Approval Window"); provided, however that Licensor's silence or failure to respond to any such request prior to the expiration of the Approval Window shall be deemed Licensor's disapproval the Materials contained in such request. Licensee hereby acknowledges that Licensor's Approval of any particular Materials for a given seasonal collection and/or for a specific purpose shall only be deemed an Approval for said collection and/or purpose. Licensee shall be required to re-submit any previously Approved Materials to the extent Licensee wishes to use the same for subsequent collections and/or other purposes. Licensee hereby acknowledges that, in the event Licensee fails to obtain Licensor's consent or approval for any act or omission requiring such consent or approval (e.g., use of Licensed Property, etc.), the same shall be deemed a non-curable breach of this Agreement entitling, but not requiring, Licensor to immediately terminate this Agreement.

(B) Licensed Products. Licensee shall create and submit to Licensor, via RoyaltyZone, Licensee's concept ("Concept") for the design of each SKU of Licensed Products. After Approval of such Concept and prior to the mass production of any Licensed Products, Licensee shall create and submit to Licensor, via personal delivery, messenger or mail, one (1) initial prototype sample (each, a "Prototype") of each SKU of Licensed Products. After Approval of such Prototypes, Licensee shall be permitted to commence mass production of Licensed Products. Prior to, or simultaneously with, Licensee's first (1st) shipment of any SKUs of Licensed Products to Approved Accounts, Licensee shall deliver to Licensor four (4) of each SKU of Licensed Products (including of the Packaging therefor).

(C) Packaging. Licensee shall create and submit to Licensor, via RoyaltyZone, the Concept for the design of all tags, hangtags, labels, wrapping and other packaging for any Licensed Product (collectively, "Packaging"), together with a list of Licensed Product SKUs for which such Packaging is intended to be used. After Approval of such Concept and prior to the mass production of any Packaging, Licensee shall create and submit to Licensor, via personal delivery, messenger or mail, one (1) Prototype of each unit of Packaging. After Approval of such Prototypes, Licensee shall be permitted to commence mass production of Packaging; it being understood by Licensee that (I) Licensee shall be required to purchase Packaging from Licensor's designated suppliers for the same, if any ("Licensor Suppliers"); (II) Licensee shall be required to negotiate all terms of sale directly with such Licensor Supplier; and (III) Licensor shall not be liable for any act or omission of any such Licensor Supplier. Notwithstanding the foregoing, in the event that Licensee is able to obtain pricing for comparable quality Packaging from third-party suppliers which is better than the pricing offered by the Licensor Supplier, and the Licensor Supplier cannot match such better pricing, then: Licensee shall be permitted to submit such third-party supplier (together with a sample of such third-party supplier's Packaging) to Licensor for Licensor's approval, which approval shall not be unreasonably withheld.

(D) Advertising & Promotion. Licensee shall create and submit to Licensor, via RoyaltyZone, the Concept (e.g., story boards, mock-ups, etc.) for each Advertising & Promotion exploitation (each, an "Advertisement"). After Approval of such Concept, and prior to the public exhibition of any Advertisement, Licensee shall create and submit to Licensor, via RoyaltyZone or email (as specified by Licensor), the completed Advertisement intended for public exhibition. After Approval of such Advertisement, Licensee shall be permitted to publically exhibit the same, through those channels (e.g., Approved Accounts, media, etc.) Approved by Licensor.

(b) Brand Standards.

(i) Brand Book & Style Guide. In the event Licensor provides Licensee with a brand book ("Brand Book") and/or style guide ("Style Guide" and collectively with the Brand Book, the "Brand Toolbox"), Licensee shall follow the rules set forth therein. Licensee hereby acknowledges that the Brand Toolbox is subject to seasonal updates and other changes from time to time, and Licensee shall comply with such updates and changes on a prospective basis.

(ii) Nonconformities. If there is a substantial or material departure from any Materials Approved by Licensor, then: (A) Licensor shall have the right, in its sole and absolute discretion, to demand that Licensee immediately cease all manufacture, distribution and/or exploitation of such Materials, Licensee shall immediately comply with any such demand, and (B) notwithstanding anything contained in the Commercial Terms, the Royalty for any Licensed Products sold by Licensee that bear Materials that were not Approved by Licensor, or that have a substantial or material departure from any Materials Approved by Licensor, shall be one hundred percent (100%) of Net Sales of such Licensed Products. Licensee shall be required to re-submit any previously Approved, but non-conforming Materials, to the extent Licensee wishes to subsequently use the same. Licensor may additionally require that any Licensed Product, Packaging or Advertisement be immediately recalled if it believes in its reasonable judgment that any of the foregoing may pose a health or safety hazard, or be detrimental to the goodwill of Licensor, its parent, subsidiaries or affiliated companies.

(c) Manufacture; Quality Control. Licensee shall be permitted to manufacture the Licensed Products within or outside the Territory; provided, however, that Licensed Products may only be sold to/through the Approved Accounts in the Territory. Licensee acknowledges that, if the Licensed Products produced hereunder are of inferior quality in material and/or workmanship, then the substantial goodwill which Licensor has built up and now possesses in the Licensed Property will be impaired. As such, throughout the Term, and upon reasonable notice to Licensee, Licensor, or a third party designated by Licensor (Licensor and such third party being defined, for purposes of this Section, as an “Inspector”) shall have the right to enter all premises and/or facilities (including, without limitation, manufacture, storage and shipping facilities) used by Licensee or any Sub-Contractor in connection with the Business (collectively, “Facilities”), such that the Inspector is able to inspect all Facilities to for the purposes of quality control, and to ensure that the Business operated hereunder is in compliance with the terms of this Agreement and all applicable Laws, and Licensee hereby agrees to cooperate with the Inspector, to the best of Licensee’s ability, in connection therewith (including, without limitation, by providing the Inspector with access to the Facilities during regular business hours, etc.). In the event Licensee fails to so cooperate with the Inspector, the same shall be deemed a breach of this Agreement by Licensee. Licensee shall be solely responsible for all of the Inspector’s out-of-pocket costs in connection with any such inspection, including, without limitation, all travel business-class airfare and accommodations at a five-star hotel located within walking distance of the Facilities. In the event that any such inspection is conducted by a third-party Inspector, such Inspector shall agree in advance not to disclose or use for the Inspector’s benefit any Confidential Information (as hereinafter defined) of which the Inspector observes or becomes aware.

(d) Development. All costs and expenses of the Business (including, without limitation, design, development, production, manufacture, distribution and sale of all Licensed Products, Concepts, Prototypes and Packaging, and other costs and expenses related to the Advertising & Promotion of Licensed Products, including, without limitation, to the expense of compliance with the approval requirements set forth in Section 3 of the Standard Terms) shall be borne by Licensee.

5. INTELLECTUAL PROPERTY.

(a) Ownership.

(i) Licensor’s Rights.

(A) Intellectual Property. Licensee hereby acknowledges that Licensor is the owner of all intellectual property rights (including, without limitation, copyright, patent and trademark rights), whether now known or hereafter devised, in and to any and all materials of any sort utilizing, or any rights arising out of, the Licensed Property and/or Assets (including, without limitation, Licensed Products, Packaging, Concepts, designs and Advertisements), including all such materials as may be developed by Licensee (but excluding Licensee’s Reserved Rights set forth in Section 7(c) of the Standard Terms below) and all goodwill that is attached or may become attached to the foregoing (all of the foregoing, together with all other rights of Licensor, the “Brand Rights”), and title thereto is and shall be in the name of Licensor or Licensor’s designees. With respect to any Brands Rights that are developed or created by or on behalf of Licensee hereunder, whether in connection with the Business or otherwise (e.g., any and all additions to, and new renderings, modifications or embellishments of, Licensed Property and/or Assets), the same shall, notwithstanding such development or creation by or on behalf of Licensee, be and remain the sole and exclusive property of Licensor, as follows: (I) to the extent any of the foregoing qualify as ‘works of authorship’ as such term is used in Section 102 et seq. of the United States Copyright Act, Title 17, United States Code (“Copyright Act”), then the same shall be deemed a “work made for hire” as defined in Section 101 et seq. of the Copyright Act; or (II) to the extent any of the foregoing are not deemed a “work made for hire” pursuant to the Copyright Act (e.g., inventions, etc.), then Licensee hereby assigns to Licensor all right, title and interest in and to the same. Licensee shall also enter into written agreements with all of its employees and Sub-Contractors, in a form Approved by Licensor, which agreement shall provide that any Brands Rights created by any of them in the course of the Business shall be the property of Licensor pursuant to this Section (whether

as a “work made for hire” or by assignment to Licensor). Upon the request of Licensor, Licensee shall submit to Licensor copies and/or originals of all such agreements, and full information concerning the invention and creation of any such Brand Rights (e.g., the name of the employee or Sub-Contractor who created the same, the date on which the same was created, etc.). Licensee shall not permit any of its employees or Sub-Contractors to obtain or reserve, by written or oral agreement or otherwise, any rights as “authors” or “inventors” of any such artwork or designs (as such terms are used in the present or any future versions of the Copyright Act, or any other statute or judicial decisions that may govern the same).

(B) Legal Lines. All uses of the Licensed Property and/or Assets shall bear appropriate copyright, trademark and credit notices, as provided by Licensor (“Legal Lines”), either directly on the Materials using the same, or on tags, stickers or labels affixed thereto, and no Materials may be released to the public unless and until Licensor has Approved Licensee’s use of the Legal Lines. Licensor may change the Legal Lines by giving Licensee written notice thereof, and Licensee shall effect such change as promptly as reasonably practical; provided, however, that if Licensee has any inventory of Materials then-existing or in production, which Materials bear the previous form of the Legal Lines, then Licensee may sell-off and/or exploit, as applicable, such Materials in the ordinary course of business. Licensee shall, at all times, comply with best practices with respect to intellectual property notifications and usage, including, without limitation, proper use the “™” or “®” designations, and not using any trademark as a generic term.

(ii) Licensee’s Rights.

(A) Licensee’s Reserved Rights. Licensor acknowledges that: (I) Licensee may have in existence, as of the Effective Date, certain intellectual property rights (“Licensee’s Existing IP Material”) that Licensee may or may not use in conjunction with Licensed Property, and (II) from and after the Effective Date, Licensee may create derivatives of Licensee’s Existing IP Material (“Licensee’s Future IP Material” and collectively with Licensee’s Existing IP Material, the “Licensee’s Reserved Rights”) that Licensee may or may not use in conjunction with Licensed Property. To the extent that, and only so long as, Licensee’s Reserved Rights are separable from the Brand Rights, Licensee’s Reserved Rights shall be and remain vested in Licensee.

(B) Reverse License. If Licensee incorporates into any Materials any of Licensee’s Reserved Rights, Licensee hereby grants to Licensor a non-exclusive, royalty-free, irrevocable, perpetual, worldwide and assignable license to use the same on or in connection with the manufacture, distribution, advertising, promotion, sale and other exploitation of the Materials.

(b) Maintenance of Licensed Property. Licensee hereby acknowledges that Licensee’s exercise of the Licensed Rights (including, without limitation, all uses of the Licensed Property and Assets) shall inure solely to the benefit of Licensor, and that all sales of Licensed Products by Licensee shall be deemed to have been made by Licensor for purposes of trademark registration. Licensee shall cooperate with Licensor, at Licensor’s request and sole cost and expense (excluding Licensee’s outside attorney fees and the costs of Licensed Product samples), in the procurement, maintenance and protection of the Brand Rights. In connection therewith, Licensee shall, without limitation, execute (if necessary) and deliver to Licensor, in such manner as Licensor shall reasonably request, from time to time, all instruments, documents, information and other items (e.g., samples of Licensed Products) that Licensor deems necessary such that Licensor is able to: (i) apply for and effectuate copyright and trademark protection; (ii) record Licensee as a registered user of any trademarks pursuant to this Agreement; and/or (iii) cancel any such registration. With respect to the foregoing, Licensor shall be permitted to employ counsel of Licensor’s own choice to direct the handling thereof. Licensor makes no representation or warranty that copyright or trademark protection shall be secured in all elements of the Brand Rights.

(c) Enforcement of Licensed Property. In the event that Licensor elects to implement security measures for the Licensed Products (e.g., state-of-the-art computer or other indelible codes or markings consistent with industry standards for the same or similar Products, such as markings for authenticity, etc.) then Licensee shall, at Licensee’s sole cost and expense, apply such security measures as directed by Licensor (including, without limitation, purchasing any necessary materials from Licensor’s designated supplier for the same, and applying such materials to Packaging and/or on Licensed Products, as directed by Licensor), and cooperate with Licensor in the implementation and enforcement of anti-diversion and anti-counterfeiting measures in connection with the same. Licensee shall assist Licensor to ensure that third parties do not unlawfully infringe on Brand Rights. Licensee shall promptly notify Licensor of any such infringements of the Brand Rights of which Licensee becomes aware. Licensor shall have the exclusive right, at Licensor’s sole cost and expense (excluding Licensee’s outside counsel fees) and exercisable at Licensor’s sole discretion, to institute in its own name and/or Licensee’s name, and to control, all claims, suits and/or actions against third parties relating to the Brand Rights, and other proprietary rights in and to the same (“Infringement Claim”). With respect to any such Infringement Claim, Licensor shall be permitted to employ counsel of Licensor’s own choosing to direct the handling thereof (including, without

limitation, and settlement of any Infringement Claim), and Licensor shall be entitled to receive and retain all amounts awarded, if any, as damages, profits or otherwise, in connection with such Infringement Claims. Licensee shall not take any action on account of, or in connection with, any Infringement Claim, other than to notify Licensor of the same, and to cooperate with Licensor, pursuant to this Section. Licensee hereby acknowledges that: (i) Licensor has no obligation to take any action in connection with any Infringement Claim, and (ii) Licensor shall incur no liability by reason of: (A) Licensor's failure or refusal to take any such action against any Infringement Claim, or (B) any settlement relating to any Infringement Claim to which Licensor may agree. Licensee hereby acknowledges that there are practical limitations on Licensor's ability to prevent third parties who purchased Licensed Products outside the Territory from re-selling such Licensed Products in the Territory, and no such sales shall be deemed a breach of this Agreement by Licensor.

(d) Withdrawn Rights.

(i) Right to Withdraw. Licensor may withdraw any or all elements of the Licensed Rights, in any or all portions of the Territory, in certain Distribution Channels and/or in certain Approved Accounts, or any component part thereof, from the Licensed Rights (any such withdrawn Licensed Rights being defined herein as the "Withdrawn Rights") if: (A) Licensor determines that the exploitation of such Withdrawn Rights would or might: (I) violate or infringe the copyright, trademark or other proprietary rights of any third parties, (II) subject Licensor or Licensee to any liability, or (III) violate any Law, court order, government regulation or other ruling of any governmental agency or authority, or (B) on account of the expiration or earlier termination of any agreement between Licensor and a third party from whom Licensor has obtained certain underlying rights relating to the exploitation of such Withdrawn Rights, Licensor shall no longer have the right to act in the capacity herein contemplated on behalf of any third party or parties, or (C) Licensor determines that it cannot adequately protect its rights in such Withdrawn Rights under the copyright, trademark or other Laws of the Territory or any portion thereof. Any such withdrawal of Withdrawn Rights shall not be deemed a breach of this Agreement.

(ii) Effect of Withdrawal. Within five (5) business days following Licensee's receipt of written notice of such withdrawal, Licensee shall, if so requested by Licensor, in Licensor's sole discretion, destroy, or deliver to Licensor, any Materials (e.g., Licensed Products, Advertisements, etc.) which are in Licensee's possession or control, that bear or feature any of the Withdrawn Rights. So long as Licensee has provided Licensor with: (A) a detailed inventory of all Materials bearing the Withdrawn Rights that Licensee is required to destroy or return to Licensor, (B) source documentation supporting the direct production costs of all Materials bearing the Withdrawn Rights that Licensee is required to destroy or return to Licensor; and (C) if applicable, an affidavit attesting to such destruction in a form acceptable to Licensor, then: Licensor shall reimburse Licensee for the following costs that Licensee may incur in complying with this Section: (I) direct production cost of any Materials bearing the Withdrawn Rights, and (II) the reasonable destruction and/or shipment costs of any Materials required to be destroyed or returned to Licensor.

(e) Misuse of Brand Rights.

(i) No Attack. Licensee shall not, during the Term or at any time thereafter, attack or challenge, or lend assistance to any third party in connection with an attack or challenge, of any right, title or interest of Licensor in and to any Brand Rights (including, without limitation, copyrights, trademarks and/or patents), whether by way of: (i) an application for and/or an opposition against any intellectual property rights relating to the Brand Rights, (ii) adoption of any intellectual property rights confusingly similar to, or that infringes, any of the Brand Rights, or (iii) any lawsuit, cancellation proceeding or action, or otherwise. Licensee shall not represent in any filing, presentation, document or other statement, whether written or verbal, that Licensee or any third party is the owner of the Brand Rights or any other Licensed Rights, and Licensee shall not use or display any of the foregoing except as expressly permitted herein.

(ii) Brand Names/Accounts.

(A) Ownership. Licensor shall own all right, title and interest (including, without limitation, all intellectual property rights) in and to any: (I) domain names that are similar to, use and/or incorporate the Brand Rights, or any variation thereof ("Domain Names"), (II) corporate, trade or business names that are similar to, use and/or incorporate the Brand Rights, or any variation thereof ("Business Names"), and (III) social media accounts (e., on Twitter, Facebook, Instagram, etc.) that are branded with any Brand Rights, or any variation thereof ("Social Media Accounts") and together with the Domain Names and Business Names, the "Brand Names/Accounts").

(B) Restrictions. During the Term and at all times thereafter, Licensee shall have no right to, and hereby agrees not to, register any Brand Name/Account incorporating, in whole or in part, Brand Rights or any variation thereof. Should Licensee register any Brand Name/Account incorporating any Brand Rights or any variation thereof, Licensee shall transfer the same to Licensor, immediately upon Licensor's request. Specifically with respect to Domain

Names, and without limitation: (I) Licensee shall immediately provide Licensor or Licensor's designee with the access code(s) for, and accept a request for transfer of, the Domain Name, through the Domain Name registrar, (II) should Licensee fail to accept any request for transfer, or other documentation (electronic or written) to transfer, any Domain Name, Licensor may submit this Agreement to the Domain Name registrar to effect the transfer, and (III) if the Domain Name registrar does not accept this Agreement to effect the transfer, Licensor may file an arbitration proceeding under ICANN to obtain the transfer of the Domain Name to Licensor. Should Licensor be required to file any proceedings to obtain the return of any Brand Name/Account, Licensee shall reimburse Licensor for all costs incurred whatsoever in connection with such proceeding, including, without limitation, attorneys' fees, filing fees and other costs.

6. REPRESENTATIONS AND WARRANTIES.

(a) Licensor's Representations & Warranties; Disclaimer. Licensor represents and warrants to Licensee that it has the necessary right, power and authority to enter into this Agreement and to perform its obligations hereunder (including, without limitation, to grant the rights granted to Licensee hereunder). Notwithstanding the foregoing or anything contained herein to the contrary, Licensee hereby acknowledges that Licensor has not made, and is not making, any representation or warranty to Licensee, including, without limitation, with respect to Licensor; any Licensor Party; Registrations; as to the popularity, success, continued exploitation of, and/or marketing and advertising budget with respect to, the Licensed Property; or as to the amount of Net Sales or profits Licensee may derive under this Agreement from the sale or distribution of the Licensed Products.

(b) Licensee's Representations & Warranties. Licensee represents and warrants to Licensor that:

(i) (A) It has the full right, power and authority to enter into the Agreement and to perform all of its obligations hereunder; (B) it is adequately staffed and financially capable of undertaking the business operations which it conducts and of performing its obligations hereunder; (C) it is duly organized, validly existing and in good standing under the Laws of its state of organization; (D) all necessary acts have been effected by it to render the Agreement valid and binding upon it; (E) in its negotiations relative to the Agreement, it has not utilized the services of any finder, broker or agent and it owes no commission or fees to any such person in relation hereto; and (F) there is no pending or threatened litigation which may affect Licensee's ability to fully perform its obligations herein;

(ii) Licensee and each of Licensee's parent, subsidiary and affiliated companies, and each of their respective officers, directors, shareholders, employees, licensees, agents, attorneys, successors and assigns (collectively, "Licensee Parties") shall comply with and act in accordance with (A) any and all applicable Laws and other legal obligations of or in the Territory including, without limitation, local, state, federal and international directives, rules, assessments, regulations, filing requirements, ordinances, statutes, codes, judgments and civil or common Law (including, without limitation, all laws regarding trademarks, copyrights, rights of publicity or any other intellectual property rights); (B) conventions and treaties to which any country, region and/or portion of the Territory and, if not included in the Territory, the United States, and any legal subdivisions thereof, is a party; and (C) industry and trade-association standards, rules or regulations (all of the foregoing in sub-sections (A), (B) and (C) being defined herein, collectively, as "Laws");

(iii) (A) The Licensed Products and all Advertising & Promotion by Licensee, if applicable, shall be of high quality in design, material and workmanship; (B) no injurious deleterious or defamatory material, writing or images shall be used in or on the Licensed Products or Advertising & Promotion; (C) the Licensed Products shall be merchantable and fit for the intended use herein, shall in all respects be safe to consumers and shall be manufactured and distributed in accordance with all applicable Laws; (D) Licensee shall undertake a level of customer service and provide warranties to consumers at least as favorable as is standard in its industry; and (E) Licensee shall comply with any and all product recalls issued by the Consumer Product Safety Commission (CPSC) or any other local, federal or state agency or Law;

(iv) Licensee shall not create, incur or permit any encumbrance, lien, security interest, mortgage, pledge, assignment or other hypothecation upon this Agreement or permit the commencement of any proceeding or foreclosure action on this Agreement or to obtain any assignment thereof, whether or not involving any judicial or nonjudicial foreclosure sales; and

(v) Licensee has not and will not, during the Term or at any time after expiration of the Term, create any expenses chargeable to Licensor without Approval.

7. INDEMNIFICATION.

(a) Licensor's Indemnification Obligations. Licensor shall indemnify, defend and hold harmless Licensee from and against any and all third-party claims, liabilities, demands, causes of action, judgments, settlements, costs and expenses (including, without limitation, reasonable outside attorney's fees and court costs) (collectively, "Claims") arising solely out of or in connection with the breach by Licensor of any of its express representations or express warranties in this Agreement. Licensor shall not be liable to Licensee or any third party under this Section 7(a) to the extent that: (i) any such Claim has not yet been reduced to a final, non-appealable judgment by a court of competent jurisdiction; (ii) any Claim is determined by a court of competent jurisdiction to result directly from any conduct of Licensee or any of Licensee's Sub-Contractors; or (iii) Licensee is required to indemnify Licensor pursuant to Section 7(b) of the Standard Terms below.

(b) Licensee's Indemnification Obligations. Licensee shall indemnify, defend and hold harmless Licensor and its parents, subsidiaries, affiliated companies and their respective officers, directors, shareholders, employees, licensees, agents, attorneys, successors and assigns (each, individually, a "Licensor Indemnified Party") from and against any and all direct and/or third-party Claims, and any Claims by any local, state or federal government or regulatory agency, authority or board, arising out of or in connection with: (i) the breach by Licensee of any of its express or implied representations, warranties or covenants in this Agreement; (ii) the failure by Licensee to perform any of its obligations under this Agreement; (iii) the design, development, production, manufacture, distribution, shipment, sale and/or other exploitation of the Licensed Products, or any Advertising & Promotion (including, without limitation, any product liability, false advertising and/or infringement Claims); and (iv) any acts, whether by omission or commission, by Licensee or any Licensee Party, which may arise out of, in connection with, or is any way related to, the Business and/or this Agreement. Licensee shall not be liable to any Licensor Indemnified Party under this Section 7(b) to the extent that: (A) any Claim is determined by a court of competent jurisdiction to result directly from any gross negligence or willful misconduct of Licensor; or (B) to the extent that Licensor is required to indemnify Licensee pursuant to Section 7(a) of the Standard Terms above. Licensee hereby agrees that Licensor's Approval shall not waive, diminish or negate Licensee's indemnification obligations to the Licensor Indemnified Parties herein.

(c) Indemnification Process. The Party to be indemnified hereunder (the "Indemnitee") must give the indemnifying Party hereunder (the "Indemnitor") prompt written notice of any Claim, and the Indemnitor, in its sole discretion, may then take such action as it deems advisable to defend such Claim on behalf of the Indemnitee. In the event that appropriate action is not taken by the Indemnitor within thirty (30) days after the Indemnitor's receipt of written notice from the Indemnitee, the Indemnitee shall have the right to defend such Claim with counsel reasonably acceptable to the Indemnitor, and no settlement of any such Claim may be made without the prior written approval of the Indemnitor, which approval shall not be unreasonably withheld, conditioned or delayed. Even if appropriate action is taken by the Indemnitor, the Indemnitee may, at its own cost and expense, be represented by its own counsel in such Claim. In any event, the Indemnitee and the Indemnitor shall keep each other fully advised of all developments and shall cooperate fully with each other in all respects with respect to any such Claim.

8. INSURANCE. In the event that any insurance policy required hereunder includes or permits a waiver of subrogation, such waiver shall apply to Licensor. In the event that any insurance policy required hereunder provides for a waiver of subrogation in the event that such waiver is required by a third-party agreement, then this Agreement shall be deemed to require such waiver. Licensee shall notify Licensor of all claims regarding the Licensed Property, Materials, Licensed Products under any of the foregoing policies of insurance promptly upon the filing thereof. Licensee's indemnification obligations hereunder shall not be limited by the amount of insurance requirements hereunder. Licensor shall be entitled to its proportionate share of the insurance proceeds received by Licensee in respect to the Licensed Rights, and Licensee shall report the same on Licensee's Statement for the Calendar Quarter in which any such insurance proceeds are received.

9. TERMINATION.

(a) Licensor's Right to Terminate.

(i) Licensor shall have the right, but not the obligation, to suspend its performance hereunder and/or terminate this Agreement (or any sell-off rights that may be granted pursuant to Section 10(b) of the Standard Terms below) in its entirety upon the occurrence of any of the following events:

(A) The failure of Licensee to make any payment required to be made under this Agreement, which failure is not cured within five (5) business days of Licensee's receipt of written notice from Licensor of the same; and/or

(B) The breach by Licensee of any of its representations or warranties herein, or the failure of Licensee to comply with any of the other terms of this Agreement or otherwise discharge its duties hereunder (it being understood

that any such failure related to non-payment shall be governed by Section 9(a)(i)(A) above), and such breach or failure, to the extent curable, is not cured within fifteen (15) days of Licensee's receipt of written notice from Licensor of the same; and/or

(C) The breach by Licensee of any provision of this Agreement, or the failure of Licensee to comply with any of the terms of this Agreement or otherwise discharge Licensee's duties hereunder, more than one (1) time during the Term; and/or

(D) The failure by Licensee to procure or maintain insurance pursuant to the terms of this Agreement;

(E) Any act of gross negligence or wanton misconduct by Licensee, and such action is not corrected within ten (10) days of Licensee's receipt of written notice from Licensor of the same; and/or

(F) The cessation of operations by Licensee, including, without limitation, Licensee's failure to continuously and diligently seek to fill all accepted purchase orders for Licensed Products, for a continuous period of ninety (90) days; and/or

(G) The making by Licensee of an assignment for the benefit of creditors, or the filing by or against Licensee of any petition under any federal, national, state or local bankruptcy, insolvency or similar Laws, if such filing shall not have been dismissed or stayed within sixty (60) days after the date thereof.

(ii) Licensee hereby acknowledges that Licensee shall not have an opportunity to cure any breach which, by its terms, cannot be cured, including, without limitation, any failure to make the Minimum Net Sales; selling Licensed products outside the Territory; release of any Materials bearing the Licensed Property without prior Approval; and/or the failure of Licensee to assist with intellectual property maintenance in the manner provided by Licensor.

(b) Licensee's Right to Terminate. Licensee shall have the right, but not the obligation, to terminate this Agreement in its entirety upon the occurrence of the material breach by Licensor of any of its express representations or express warranties herein, and such breach is not cured within thirty (30) business days of Licensor's receipt of written notice from Licensor of the same.

10. EXPIRATION OR TERMINATION OF AGREEMENT.

(a) Effect of Expiration or Termination.

(i) Reversion of Rights, Survival. Except for the limited rights, if any, that may be granted to Licensee pursuant to Section 10(b) of the Standard Terms below, upon any expiration or termination of this Agreement for any reason, all rights granted hereunder (including, without limitation, the Licensed Rights, and the right to manufacture, distribute and sell Licensed Products, and the right to engage in any Advertising & Promotion) shall revert to Licensor, and Licensee shall have no further rights whatsoever. Sections 2, 3(e), 5, 6, 7, 8, 10, 11, 12, 13, 15 and 16 of the Standard Terms, and any other obligations under the provisions of this Agreement which, by their term or implication, have a continuing effect, shall survive any expiration or termination of this Agreement

(ii) Payments. Any and all unpaid amounts under this Agreement for the balance of the then-current Contract Period (including, without limitation, any and all Advertising Commitment, CMF and Royalties accrued as of the date of expiration or termination, in addition to any and all Guaranteed Minimum Royalties and Minimum CMF that would have accrued but for the termination) shall be immediately due as of the effective date of expiration or termination, and shall be paid to Licensor no later than: (A) fifteen (15) days from the expiration of this Agreement, or (B) five (5) days from the termination of this Agreement. In no event shall any expiration or termination of this Agreement, or any payment to Licensor pursuant to the preceding sentence, excuse Licensee from any breach or violation of this Agreement, and Licensor shall have and hereby reserves all rights and remedies that Licensor has, or are granted to Licensor by operation of law.

(iii) Transition. Notwithstanding any provision of this Agreement to the contrary: (A) Licensor shall have the right, prior to the expiration or termination of this Agreement, to enter into a new license agreement with a third party for the same or similar rights granted to Licensee hereunder, and such third party shall be permitted to design, manufacture and show its Licensed Products, and accept orders therefor; provided, however, that none of such third party's Licensed Products produced pursuant to such new license agreement are shipped, to the same Distribution Channels in the Territory, until the expiration or termination of this Agreement; and (B) Licensee hereby agrees that Licensee shall not,

in anticipation of the expiration of the Term, increase manufacturing of, or accept orders for, Licensed Products for sale during the Sell-Off Period.

(b) Sell-Off Period.

(i) Rights. In the event that: (A) this Agreement has expired (i.e., pursuant to its terms, and not, for the avoidance of doubt, terminated pursuant to the terms hereof), (B) Licensee is not in breach of this Agreement, (C) all Guaranteed Minimum Royalties, Royalties, Minimum CMF, CMF and other required payments have been received in full by Licensor, and all Advertising Commitments have been spent by Licensee (and/or paid to Licensor, as applicable), and (D) Licensee has provided to Licensor a report showing all of Licensee's then-current inventory of Licensed Products ("Inventory"), in a form acceptable to Licensor, then: Licensee shall have the non-exclusive right, for a period of ninety (90) days following the expiration of this Agreement (the "Sell-Off Period"), to sell-off such Inventory pursuant to all terms and conditions of this Agreement, but only to Approved Accounts that are specifically Approved for the Sell-Off Period.

(ii) Terms. During the Sell-Off Period: (A) Licensee shall deliver Statements to Licensor, and pay to Licensor all earned Royalties and CMF, on a monthly basis, within ten (10) days following the expiration of each calendar month during the Sell-Off Period; (B) Licensee shall not have the right to manufacture or have manufactured any Licensed Products that were not already in production prior to the Sell-Off Period, and (C) Licensee shall not engage in any Advertising & Promotion of the Licensed Products. Licensee hereby acknowledges and agrees that no Royalties or CMF earned from Net Sales during the Sell-Off Period may be credited towards any Guaranteed Minimum Royalties or Minimum CMF, respectively, previously paid to Licensor during any prior Contract Year.

(c) Return & Destruction. Within ten (10) days of any expiration or termination of this Agreement, Licensee shall, as directed by Licensor, destroy or return to Licensor, at Licensee's sole cost, any and all materials bearing the Licensed Property and/or Brand Rights, as well as all materials used for the manufacture, distribution and/or sale of Licensed Products and/or for Advertising & Promotion efforts hereunder, including, without limitation, the Brand Toolbox, Prototypes, all design information and materials relating to Licensed Products (including patterns, tech-packs and designs) and related materials as may be necessary or appropriate to produce Licensed Products. Upon any termination of this Agreement or any sell-off rights that may have been granted pursuant to Section 10(b) of the Standard Terms above, and/or upon the expiration of the Sell-Off Period, Licensor shall have the right, but not the obligation, to purchase Licensee's remaining Inventory. In the event Licensor elects not to purchase such Inventory, then Licensee shall promptly destroy the same, and furnish Licensor with a certificate of destruction within thirty (30) days of the applicable expiration or termination hereunder.

11. CUMULATIVE RIGHTS & REMEDIES; LIMITATION OF LIABILITY.

(a) All Rights Cumulative. All rights and remedies conferred upon or reserved by the Parties in this Agreement shall be cumulative and concurrent and shall be in addition to all other rights and remedies available to such Parties at law or in equity or otherwise, including, without limitation, requests for temporary and/or permanent injunctive relief. Such rights and remedies are not intended to be exclusive of any other rights or remedies and the exercise by either Party of any right or remedy herein provided shall be without prejudice to the exercise of any other right or remedy by such Party provided herein or available at law or in equity.

(b) Equitable Relief. The Licensee acknowledges that any breach by Licensee shall cause Licensor irreparable harm for which there is no adequate remedy at law, and in the event of such breach, Licensor shall be entitled to, in addition to other available remedies, injunctive or other equitable relief, including, without limitation, interim or emergency relief, including, without limitation, a temporary restraining order or injunction, before any court with applicable jurisdiction, to protect or enforce its rights.

(c) LIMITATION OF LIABILITY. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, NEITHER LICENSOR NOR ABG SHALL BE LIABLE TO LICENSEE OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR SPECIAL DAMAGES, OR FOR LOSS OF GOOD WILL OR BUSINESS PROFITS, REGARDLESS OF THE FORM OR ACTION, WHETHER IN CONTRACT OR IN TORT, EVEN IF LICENSOR OR ABG HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES. IN NO EVENT SHALL LICENSOR'S TOTAL LIABILITY UNDER THIS AGREEMENT EXCEED THE AMOUNTS ACTUALLY RECEIVED BY LICENSOR (EXCLUSIVE OF REIMBURSEMENT OF EXPENSES) HEREUNDER, REGARDLESS OF THE NUMBER OR TYPE OF CLAIMS.

12. CONFIDENTIALITY.

(a) Confidential Information. For purposes of this Agreement, "Confidential Information" shall be defined as, with respect to each Party: non-public and/or proprietary information relating to a Party's business or operations, which information may be written, oral or maintained in electronic or any other form, which information is obtained, received, developed or derived by such Party, either directly or indirectly, by any means of communication or expression, prior to or during the Term of this Agreement, and shall include, without limitation: (i) finances, technology or other technical data, trade secrets, inventions, processes, formulas and know-how, (ii) designs, drawings, services, products, product plans, product development, marketing, marketing plans and information, customers, potential business partners, market information, suppliers, vendors, retailers, manufacturers, factories, (iii) all documents, analyses, reports, research, business plans, studies, diagrams, marketing information or other materials that contain information, (iv) the existence of this Agreement and the terms hereof. All Confidential Information is and shall remain the property of the disclosing Party.

(b) Exclusions from Confidential Information. As used in this Agreement, the term 'Confidential Information' shall not include any information that: (A) now or hereafter becomes, through no unauthorized act by or on behalf of the receiving Party, generally known or available to the public; (B) known to the receiving Party, by lawful means, at the time the receiving Party receives the same from the disclosing Party; (C) furnished to the receiving Party by a third party that does not have an obligation of confidentiality to the disclosing Party with respect thereto; or (D) independently developed by the receiving Party without use of or access to the disclosing Party's Confidential Information.

(c) Obligations. Each Party acknowledges that it may have access to the other Party's Confidential Information, the value of which may be impaired by misuse, or by disclosure to a third party. The receiving Party agrees that it will not disclose such Confidential Information, except that the receiving Party may disclose the other Party's Confidential Information in order to perform the receiving Party's obligations under this Agreement, but solely to those who: (i) have a "need to know" such Confidential Information, (ii) are instructed and have agreed, in writing, not to disclose the Confidential Information, or use the Confidential Information for any purpose other than pursuant to the terms of this Agreement. The receiving Party shall take reasonable precautions to protect the confidentiality of the other Party's Confidential Information. Such precautions may, if requested by the disclosing Party, include the use of separate written confidentiality agreements, in a form approved by the disclosing Party. Following the expiration or termination of this Agreement, no Party shall disclose or use any of the other Parties' Confidential Information for any purpose, unless otherwise agreed in writing by the disclosing Party. Each Party agrees to notify the other Party of the circumstances surrounding any inadvertent disclosure of Confidential Information by the receiving Party.

(d) Mandatory Disclosure. Nothing in this Agreement shall prevent the receiving Party from disclosing Confidential Information of the disclosing Party to the extent the receiving Party is required to do so by the rules of an applicable securities market or exchange, or is legally compelled to do so by any governmental investigative or judicial agency or court pursuant to proceedings over which such agency or court has jurisdiction; provided, however, that prior to any such disclosure, the receiving Party shall (A) assert the confidential nature of the Confidential Information to the market, exchange or agency or court; (B) promptly notify the disclosing Party in writing of the requirement, order or request to disclose; and (C) at the disclosing Party's sole cost and expense (excluding the receiving Party's outside attorney fees), cooperate fully with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of the compelled disclosure and protecting the confidentiality of the Confidential Information. Any Confidential Information that is disclosed under this Section shall otherwise remain subject to the provisions of this Agreement.

13. LEGAL PROCEEDINGS.

(a) Applicable Law. This Agreement and the legal relations among the Parties hereto shall be governed by and construed in accordance with the laws of the State of New York applicable to such agreements wholly made and to be performed within New York, notwithstanding any conflict of law provisions to the contrary. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

(b) Jurisdiction. Except that Licensor may bring: (i) an equitable proceeding in any jurisdiction where appropriate by reason of its subject matter, and/or (ii) any proceeding related to any claims made by Licensor for amounts payable from Licensee hereunder in any jurisdiction where appropriate by reason of Licensee's domicile and/or minimum contacts with such jurisdiction, the Parties hereby agree that: any other action which in any way involves the rights, duties and obligations of any Party hereto under this Agreement shall be brought in courts located in New York County, New York, and the Parties hereby submit to the personal jurisdiction of such courts. Each of the Parties waives any objection that it may have based on improper venue or forum non conveniens to the conduct of any such suit or action in any such court.

The Parties agree that service of process deposited in certified or registered mail addressed to the other Party at the address for the other Party set forth in this Agreement shall be deemed valid service of process for all purposes.

(c) Waiver of Trial by Jury. Each of the Parties hereby waives the right to trial by jury in any and all actions or proceedings in any court, whether the same is between them or to which they may be Parties, and whether arising out of, under, or by reason of this Agreement, or any acts or transactions hereunder or the interpretation or validity thereof, or out of, under or by reason of any other contract, agreement or transaction of any kind, nature or description whatsoever, whether between them or to which they may be Parties.

14. ASSIGNABILITY. This Agreement is of a personal nature with respect to Licensee, and therefore Licensee shall not assign, sub-license, encumber or transfer this Agreement or any of its rights or obligations hereunder, directly or indirectly, whether pursuant to any change of ownership, control or otherwise, without Approval. Any attempted assignment sub-license, encumbrance or transfer by Licensee in violation of the foregoing shall be void and of no force or effect. Licensor shall have the right to assign, encumber and/or transfer any or all of its rights and/or obligations under this Agreement, in any form or manner, without the knowledge, consent or approval of Licensee. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and permitted assigns.

15. NOTICES.

(a) Requirements for Notices. All notices, requests, demands and other communications required or permitted to be made hereunder ("Notices") shall be in writing, in the English language, and signed by a duly authorized officer or signatory of the Party delivering such notice. All such Notices shall be deemed duly given: (i) at the time of delivery, if hand delivered to the corporate office for the Party to whom Notice is being delivered, against a signed receipt therefor; (ii) one (1) day after dispatch, if sent to the Party at the address and/or contact listed in this Agreement for such type of Notice, by: (A) registered or certified mail, return receipt requested, first class postage prepaid, or (B) nationally recognized overnight delivery service; or (iii) at the time of transmission, if sent to the Party at the address and/or contact listed in this Agreement for such type of Notice, by: (A) confirmed facsimile transmission; or (B) e-mail transmission; provided, however, that any such Notice sent pursuant to Section 13(a)(iii) of these Standard Terms shall only be deemed duly given if a copy of such Notice is also sent by one (1) or more methods pursuant to Sections 13(a)(i) and/or 13(a)(ii) herein. Either Party may alter the address to which Notices are to be sent hereunder by giving Notice of such change to the other Party in conformity with the provisions of this Section.

(b) Licensee's Addresses for Notices. All Notices to Licensee shall be delivered to Licensee at the address for Licensee specified in the Commercial Terms.

(c) Licensor's Addresses for Notices. All Notices to Licensor shall be delivered to Licensor as follows:

(i) If to Licensor for questions about submitting Approval requests:

c/o Authentic Brands Group, LLC
1411 Broadway, 4th Floor
New York, NY 10018
Attention: Approvals Department
Email: approvals@abg-nyc.com
Facsimile Number: (212) 760-2419

(ii) If to Licensor for questions about submitting Reports:

c/o Authentic Brands Group, LLC
1411 Broadway, 4th Floor
New York, NY 10018
Attention: Finance Department
Email: finance@abg-nyc.com
Facsimile Number: (212) 760-2419

(iii) If to Licensor for any other reason:

c/o Authentic Brands Group, LLC
Broadway, 4th Floor
New York, NY 10018
Attention: Legal Department
Email: legaldept@abg-nyc.com
Facsimile Number: (212) 760-2419

16. MISCELLANEOUS.

(a) Relationship of the Parties. This Agreement does not constitute and shall not be construed to constitute an agency, partnership, joint venture or any other type of unnamed relationship between Licensor and Licensee. Neither Party shall have the right to obligate or to bind the other Party in any manner whatsoever, and nothing contained in this Agreement shall give or is intended to give any rights of any nature to any third party. Licensor and Licensee both acknowledge and agree that state and federal franchise Laws do not and will not apply to this Agreement or to the relationship between Licensee and Licensor, or to any of their respective rights or obligations hereunder. The Parties agree that, due to their respective business backgrounds and prior licensing experience, they do not need the protection of state or federal franchise Laws.

(b) Default Expenses. If Licensee defaults with respect to any obligation under this Agreement, Licensee shall indemnify Licensor against and reimburse Licensor for all reasonable attorney's fees and all other costs and/or expenses resulting or made necessary by the bringing of any action, motion or other proceeding to enforce any of the terms, covenants or conditions of this Agreement.

(c) Entire Agreement. This Agreement (inclusive of the Commercial Terms, the Standard Terms, and all Exhibits and/or Schedules referenced herein) sets forth the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersedes all prior agreements, understandings, inducements and conditions, whether express or implied, oral or written, except as herein contained. This Agreement may only be amended or modified by written agreement, duly executed by authorized signatories of, and delivered by, each of the Parties hereto. The express terms of this Agreement shall control and supersede any course of dealing or performance, and/or usage of trade, that is inconsistent with any of the terms hereof.

(d) Waiver & Delays. A waiver by any Party of any provision, breach or default of, or rights under, this Agreement, shall: (i) only be effective if signed by an authorized signatory of the Party waiving the same, (ii) not bar the exercise of the same right on any subsequent occasion or any other right at any time, and (iii) not constitute a continuing waiver of such or any other provision, breach, default or right. Neither the failure of nor any delay on the part of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege. Acceptance of payments by Licensor shall not constitute a waiver by Licensor of any breach of or default by Licensee in connection herewith or with its performance hereunder, and shall not be deemed an election from among available remedies.

(e) Severability. If any term or provision of this Agreement, as applied to either Party or any circumstance, for any reason shall be declared by a court of competent jurisdiction to be invalid, illegal, unenforceable, inoperative or otherwise ineffective, then: (i) such provision shall be eliminated to the minimum extent necessary, and (ii) such provision shall be reformed and rewritten so as to most closely reflect the intention of Licensor and Licensee, such that this Agreement shall otherwise remain in full force and effect and enforceable. Notwithstanding the foregoing, if any term or provision of this Agreement pertaining to the payment of monies to either Party shall be declared invalid, illegal, unenforceable, inoperative or otherwise ineffective, such Party shall have the right to terminate this Agreement as provided herein.

(f) Further Assurances. Licensee shall execute and deliver to Licensor any and all documents (including, without limitation, short form assignments) requested by Licensor, in Licensor's sole discretion, to perfect Licensor's right, title and interest in and to all of the Brand Rights and/or to effectuate the purpose and intent of this Agreement, and Licensee shall cooperate with Licensor in connection with the same. Licensee hereby irrevocably appoints Licensor as Licensee's attorney-in-fact to execute in Licensee's name and on Licensee's behalf any and all instruments and documents which Licensor has requested Licensee to execute in accordance with the terms of this Agreement, but which for whatever reason, Licensee failed to execute and return to Licensor within five (5) days of Licensor's request therefor. This power is coupled with an interest.

(g) Form & Construction. Section and Sub-Section headings in this Agreement are included for ease of reference only and do not constitute substantive matter to be considered in construing the terms of this Agreement. As used in this Agreement: (i) the masculine gender shall include the feminine and the singular form of words shall include the plural, or vice versa, as necessary in order that this Agreement may be interpreted so as to conform to the subject matter actually existing, and (ii) the term 'including' shall mean "including, without limitation" unless otherwise specifically provided. In the event of any dispute regarding any term defined herein, Licensor's good faith interpretation of the same shall control. Each Party has cooperated in the drafting and preparation of this Agreement, and no dispute with respect to this Agreement should be resolved based on the conclusion that either Licensee or Licensor was the drafter. To the extent

that any defined term used in these Standard Terms is not specifically defined in these Standard Terms or in Licensee's Commercial Terms, such provision shall be eliminated to the minimum extent necessary, such that this Agreement shall otherwise remain in full force and effect and enforceable.

(h) Other Agreements. Nothing contained in this Agreement shall be considered a precedent for any future agreements that Licensor or Licensor's affiliates may enter into with Licensee or any other third party, and neither Party hereto shall, either during the Term of at any time thereafter, quote this Agreement as the standard of practice or agreed upon terms in any other agreement between the Parties or their affiliates. Any breach or default under any other agreement between Licensor or any of Licensor's affiliates and Licensee or any of Licensee's parents, subsidiaries, affiliates and/or shareholders, shall constitute a material breach of this Agreement; and any breach or default of this Agreement by Licensee shall constitute a material breach of all such other agreements.

(i) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) agreement binding on all Parties hereto notwithstanding that all of the Parties hereto are not signatories to the same counterpart. Each of the Parties agrees that an electronic signature evidencing a Party's execution of this Agreement shall be effective as an original signature and may be used in lieu of the original for any purpose.

(j) Exhibits and Schedules. All Exhibits and Schedules referenced in this Agreement, if any, are hereby incorporated by reference into, and made a part of, this Agreement.

(k) Transaction Expenses. Each Party shall be responsible for its own expenses relating to the negotiation of this Agreement, except for the contract fee payable to Licensor as specified in the Commercial Terms (if any).

(l) Currency & Exchange Rate. All sums set forth in this Agreement are, and are intended to be, expressed in United States Dollars (\$ USD). All payments of due under this Agreement shall be paid in the United States in United States Dollars at the Foreign Exchange Rate (as hereinafter defined). For the purposes hereof, the term "Foreign Exchange Rate" means, for any particular currency, the spot rate for such currency as quoted at www.oanda.com (to the extent that www.oanda.com provides quotations therefore, or such other resource that is mutually satisfactory to the Licensor and Licensee) at 9:00 a.m. Eastern Time, on the date on which any relevant payment hereunder is due.

This Exhibit A is attached to and made part of the Agreement between **Licensor** and **Licensee** as specified in the Commercial Terms.

EXHIBIT A

Standards of Practice

Overview

In order to maintain high standards for decent and humane working conditions throughout the operations of Licensor's and Licensee's businesses, Licensor has established specific minimum guidelines for all partners around the world, including, without limitation, Licensee and all of Licensee's Sub-Contractors. Licensor requires Licensee and all Sub-Contractors to operate in compliance with local laws and, in addition, these *Standards of Practice*, through a monitored certification process.

Licensor believes that these *Standards of Practice* will help ensure that decent and humane working conditions are provided to the employees of the Licensee and its Sub-Contractors. Where any Licensee or Sub-Contractor is found to be in violation of these *Standards of Practice*, corrective action will be initiated, and unless such violation is promptly and sufficiently corrected, Licensor may require the Licensee to cease business with the offending Sub-Contractor. Licensor believes that consumers can have confidence that products manufactured in compliance with these *Standards of Practice* are not produced under exploitative or inhumane conditions.

Standards of Practice

Forced Labor

Licensee and all Sub-Contractors must certify that neither of them uses any forced labor - prison, indentured, bonded or otherwise.

Child Labor

Licensee and all Sub-Contractors must certify that no person shall be employed at an age younger than: (a) fifteen (15) years of age (or 14 where the law of the country allows), or (b) the age for completing compulsory education in the country of operations, where such age is higher than fifteen (15) years of age.

Harassment or Abuse

Licensee and all Sub-Contractors must certify that every employee shall be treated with respect and dignity, and that no employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Nondiscrimination

Licensee and all Sub-Contractors must certify that no person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, gender, age, disability, sexual orientation, nationality, political opinion, social or ethnic origin, or any other characteristic that is protected by applicable law.

Health and Safety

Licensee and all Sub-Contractors must certify that workers will be provided a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of contractors' facilities.

Freedom of Association and Collective Bargaining

Licensee and all Sub-Contractors must certify that, as applicable, employees' rights to freedom of association and collective bargaining will be recognized and respected.

Wages and Benefits

Licensee and all Sub-Contractors must certify that each of them comply with all applicable wage and hour laws and regulations, and that all of their employees will be paid at least the minimum wage required by local law, or the prevailing industry wage, whichever is higher.

Hours of Work/Overtime

Licensee and all Sub-Contractors must certify that each of them comply with applicable regulations concerning work hours mandated by local laws and uses overtime only when employees are compensated according to local law. Licensee and all Sub-Contractors must further certify that neither of them will allow any employees to exceed the maximum number of overtime hours provided by local law.

Benefits

Licensee and all Sub-Contractors must certify that each of them comply with all applicable provisions for legally-mandated benefits, including, without limitation, health care; child care; sick leave; contributions for social security; life, health, worker's compensation and other insurance mandated by local law.

Environment

Licensee and all Sub-Contractors must certify that each of them complies with applicable country environmental regulations.

Documentation and Inspection

Licensee and all Sub-Contractors must:

- (A) Certify to Licensor, on an annual basis, in writing, that each of the above-listed *Standards of Practice* is being met;
- (B) Maintain on file such documentation as may be needed to demonstrate compliance with the *Standards of Practice*;
- (C) Make such documents available in the English language to Licensor for audit inspection upon request;
- (D) Provide each of them employees with the opportunity to report noncompliance with workplace standards outlined herein, free from punishment or prejudice for so doing; and
- (E) Post these *Standards of Practice* in the language of the country of manufacture in a common area accessible by all employees.