

CONFIDENTIAL

MERCHANDISE LICENSE AGREEMENT

PARTIES

- (1) **ROVIO ENTERTAINMENT CORPORATION**, a Finnish limited liability company incorporated and existing under the laws of Finland (business identity code 1863026-2) with an address at Keilaranta 7, FI-02150 Espoo, Finland (“Licensor”); and
- (2) **PARTY CITY HOLDINGS INC.**, a company incorporated and existing under the laws of the State of New York, United States of America, whose registered office is at 80 Grasslands Road, Elmsford NY 10523, U.S.A. (“Licensee”);

(1) – (2) together the Parties and individually a Party.

COMMERCIAL TERMS

1 LICENSED PRODUCTS

Licensed Products means the following: Party Goods and Accessories; Foil Balloons and Related Accessories; and Costumes, as further specified in Appendix 2.

2 PROPERTY

For purposes of this Agreement, Property means the designs, fonts, typography, characters, character names, symbols, lay-out, logos, artwork, visual representations and such other elements (subject to change from time to time) which appear in, have become directly associated with, and as depicted in either (i) Angry Birds motion picture production(s) (hereinafter “Angry Birds Generation 3” Property) or (ii) various Angry Birds mobile games (hereinafter “Angry Birds Generation 2” Property). The Property subject to this Agreement is specified in detail on/via Rovio Image Bank online platform (accessible via Sales Force <https://rovio.force.com/agents/RovioLoginPage>). The Property marked with “X” hereunder is licensed under this Agreement:

Angry Birds Generation 2 (excluding Babies and Toddlers Style Guide)

Angry Birds Generation 3 (including Hatchlings)

3 LICENSE GRANT

Subject to Licensee’s compliance of this Agreement, Licensor hereby grants to Licensee a non-exclusive, non-transferable, non-sublicensable, revocable and limited license for the Term to use the Property as delivered by Licensor to Licensee solely for the purpose of manufacturing the Licensed Products and the right to distribute, sell, advertise, market and promote such Licensed Products throughout the Territory and in accordance with the terms and conditions of this Agreement. License and License Restrictions are further defined in Standard Terms and Conditions.

4 TERRITORY

Territory of this Agreement: Worldwide, but specifically excluding Malaysia, Singapore, India, Argentina, Chile, Colombia, Ecuador, Central America (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama), and Scandinavia (Finland, Sweden, Denmark, Norway, Iceland).

Special Provisions:

- A) Licensor shall have a carve back right for China with ninety (90) days prior written notice provided to Licensee.
- B) Scandinavia is excluded from the Territories granted to Licensee, however, Licensee is pre-authorized to sell approved Licensed Products in category 1 (i.e. Licensed Products i–xviii) to Licensor’s local

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licensee (Ilmapalokeskus Balloon Center Oy) in Scandinavia, and no royalties shall be paid by Licensee to Licensor on such sales.

- C) Only Licensed Products in categories 2 and 3 (i.e. Foil Balloons and Related Accessories; Seasonal Costumes) are allowed to be sold in Mexico.
- D) Argentina, Chile, Colombia, Ecuador, and Central America may added, by written agreement of the Parties, to the Territories granted to Licensee under this Agreement after October 1, 2018, if Licensor has not executed written license agreements with local licensees for such countries.

5 TERM

Effective as of April 1, 2018 ("Effective Date") and ends on December 31, 2020.

The sell-off period is from January 1, 2021 until March 31, 2021 ("Sell-Off Period").

6 LAUNCH DATE

The earliest date when Licensee is entitled to make available to the public any new Licensed Products according to this Agreement is October 1, 2018 ("Launch Date"). Licensee may sell existing inventory of the Licensed Products as of the Effective Date. Commercially reasonable quantities of Licensed Products must be available for purchase by the public no later than three (3) months after Launch Date.

Licensee may change the Launch Date only with approval in writing from Licensor. Furthermore, Licensee must follow all instructions from Licensor relating to the Launch Date of any particular Licensed Product.

In the event that one or more of the Licensed Product(s) is not on the market within three (3) months from the Launch Date without a valid business reason, Licensor may terminate the rights granted to Licensee for such Licensed Product(s).

Furthermore, if Licensee (i) undertakes any sale, marketing or distribution or public disclosure of any Licensed Products prior to the Launch Date, or (ii) fails to continue marketing and distributing commercially reasonable quantities of the Licensed Products actively in any country of or substantial area of the Territory after the launch of any Licensed Product, Licensor may terminate the rights granted to Licensee for such Licensed Product or for such country within the Territory upon notice.

7 PAYMENTS AND ROYALTIES

Minimum Guarantee:

Total Minimum Guarantee is [REDACTED] United States Dollars) and it is due and payable as follows:

Advance Payment: [REDACTED] due and payable within fourteen (14) days of Licensee's execution of this Agreement.

Royalties:

Royalty rate: [REDACTED] percent ([REDACTED]) of Net Invoiced Billings

Royalty rate: [REDACTED] percent ([REDACTED]) of Net Invoiced Billings via distributors

Royalty rate: [REDACTED] percent ([REDACTED]) of FOB Sales

Currency:

All payments shall be made in United States Dollars unless otherwise agreed in writing.

Payments:

Unless otherwise indicated by Licensor in writing, all Payments shall be made payable to Licensor's

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agent:

EVOLUTION USA, LLC:

Attn: Travis J. Rutherford – Chief Revenue Officer; and Stanley Lerman – C.O.O

26635 Agoura Rd, Suite 107

Calabasas CA 91302

USA

Phone: +1 (818) 501 3186

Email: travis@evomgt.com; stan@evomgt.com

Royalty Statements and Payments should be sent to Stanley Lerman: stan@evomgt.com

WIRE TRANSFER DETAILS:

Pay To: First Republic Bank,

111 Pine Street,

San Francisco,

California, 94111, U.S.A.

Swift Code: FRBBUS6S

Routing #: 321081669

Account Name: Evolution USA LLC - Rovio

Account Number: 80004016614

Licensee billing details:

Billing Address: 80 Grasslands Road, Elmsford, NY 10523

Finance Contact: Nancy Stetter – email: nstetter@amscan.com Phone: 914 784 4171

VAT number: 4489955

8 MARKETING COMMITMENTS

Central Marketing Fund (“CMF”):

CMF Advance: Intentionally deleted.

CMF Royalty: [redacted] percent [redacted] of Net Invoiced Billings.

Marketing Commitments:

Before the onset of planning any marketing and/or promotional activities, and prior to incurring any expenses, Licensee must contact Licensor for Licensor’s approval of such planned activities. Any marketing and/or promotional activities that Licensee wants to do between January 1, 2019 and January 31, 2020 must be preapproved in writing by Licensor. Licensor may at its sole discretion prevent any marketing and/or promotional activities which have not been approved.

Above the Line (“ATL”) Marketing Commitment: Intentionally deleted.

Below the Line (“BTL”) Marketing Commitment: Intentionally deleted.

9 DISTRIBUTION CHANNELS

For the sake of clarity, Licensee operates its business in the following manner: Licensee owns Amscan Inc., which is the wholesaler that makes and distributes the Licensed Products. Licensee also owns Amscan Inc.’s largest customer Party City Corporation (“PCC”), which is a retail operation selling to consumers. PCC also has franchisees, which are a group of independent businesses that license the “Party City” name. Neither Licensee nor Amscan sell directly to consumers.

Art and Craft Stores

Educational Specialty Stores

Non-Chain Toy Stores

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Rovio Entertainment Corporation / Party City Holdings Inc. via Evolution USA, LLC; Ref. # RPO - 014942

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- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Athletic Apparel and Footwear Stores | <input checked="" type="checkbox"/> Electronics Stores | <input checked="" type="checkbox"/> Non-Profit Organizations |
| <input checked="" type="checkbox"/> Automotive and Carwash Stores | <input checked="" type="checkbox"/> Fashion Accessory Stores | <input checked="" type="checkbox"/> Office Specialty Stores |
| <input checked="" type="checkbox"/> Chain Book Stores | <input checked="" type="checkbox"/> Fashion Specialty Stores | <input checked="" type="checkbox"/> Other Specialty Stores |
| <input checked="" type="checkbox"/> Chain Comic Book Stores | <input checked="" type="checkbox"/> Gift Retailers | <input checked="" type="checkbox"/> Party Stores |
| <input checked="" type="checkbox"/> Chain Toy Stores | <input checked="" type="checkbox"/> Home Specialty Stores | <input checked="" type="checkbox"/> Retail Food Stores and Bakeries |
| <input checked="" type="checkbox"/> Convenience Stores | <input checked="" type="checkbox"/> Internet Retailers | <input checked="" type="checkbox"/> Supermarket/Grocery Stores |
| <input checked="" type="checkbox"/> Department Stores | <input checked="" type="checkbox"/> Location Based Sales Channels | <input checked="" type="checkbox"/> TV Home Shopping Retailers |
| <input checked="" type="checkbox"/> Direct Mail Catalogues | <input checked="" type="checkbox"/> Mass Retailers | <input checked="" type="checkbox"/> Upstairs Department Stores |
| <input checked="" type="checkbox"/> Direct Response | <input checked="" type="checkbox"/> Mid-Tier Department Stores | <input checked="" type="checkbox"/> Vending Machines |
| <input checked="" type="checkbox"/> Drug Stores | <input checked="" type="checkbox"/> Military Exchange Services | <input checked="" type="checkbox"/> Warehouse Clubs |
| <input checked="" type="checkbox"/> Duty Free Stores | <input checked="" type="checkbox"/> Non-Chain Book Stores | <input checked="" type="checkbox"/> Other: Balloon wholesalers, Licensee's retail stores, Licensee's websites. |
| | <input checked="" type="checkbox"/> Non-Chain Comic Book Stores | |

10 SAMPLES

Licensee shall provide to Licensor (or its authorized representative as the case may be) at no charge and at Licensee's cost one (1) sample of each preproduction version of Licensed Product prior to mass manufacture. In case of physical delivery, the samples shall be delivered Incoterms 2010 @ DDP to Rovio HQ (or its representative's address as separately instructed) (as specified below).

Unless otherwise specified on a case by case basis, Licensee shall provide to Licensor (or its authorized representative) at no charge and at Licensee's cost six (6) samples of each Licensed Product to Rovio HQ (as specified below), and six (6) samples of each Licensed Product to Rovio Agent (as specified below) prior to commercial distribution. In case of physical delivery, the samples shall be delivered Incoterms 2010 @ DDP.

Rovio HQ:

ATTN: Paula Ropponen
Rovio Entertainment Corporation
Keilaranta 7
FI-02150 Espoo
Finland

Rovio Agent:

EVOLUTION USA, LLC
ATTN: Kirsti Tichenor – V.P Brand Assurance
26635 Agoura Rd, Suite 107
Calabasas CA 91302
USA

11 TRADEMARK AND COPYRIGHT NOTICES

Licensee shall affix the Licensed Products with the following proprietary notice:

“© 201X Rovio Entertainment Corporation and Rovio Animation Ltd. Rovio, Angry Birds, Bad Piggies, Mighty Eagle and all related properties, titles, logos and characters are trademarks of Rovio Entertainment Corporation and Rovio Animation Ltd. All Rights Reserved.”*

If the Licensed Products due to their small physical size do not have enough space for the abovementioned notice, at minimum one of the following shorter notices shall be affixed:

“Angry Birds™ & © 201X Rovio Entertainment Corporation and Rovio Animation Ltd.
All Rights Reserved.”*

Or; “© 201X Rovio.”*

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**The year after © -symbol is the year when you put the product in question on the market. For example, Licensed Products sold in 2018 should have the following legal line: Angry Birds™ & © 2018 Rovio Entertainment Corporation and Rovio Animation Ltd. All Rights Reserved.*

Licensee shall identify itself on the Licensed Product or packaging of the same.

12 AGENT

EVOLUTION USA, LLC:

Attn: Travis J. Rutherford – Chief Revenue Officer; and Stanley Lerman – C.O.O

26635 Agoura Rd, Suite 107

Calabasas CA 91302

USA

Phone: +1 (818) 501 3186

Email: travis@evomgt.com; stan@evomgt.com

13 SPECIAL TERMS

Licensee acknowledges that it is important to Licensor that, after launch, Licensed Products are available in the market during the entire Term of this Agreement. Therefore, Licensee agrees to use its best commercial efforts to have the Licensed Products available for purchase by consumers and in the Distribution Channels at the earliest on the Launch Date and thereafter continuously until the end of the Term of this Agreement.

14 ENTIRE AGREEMENT AND SIGNATURES

The above stated Commercial Terms together with the Standard Terms and Conditions and any Appendices attached hereto all of which are incorporated herein as reference are referred collectively as “Agreement” and constitute the complete and entire agreement between the Parties with respect to the subject matter hereof, superseding and replacing any and all prior agreements, negotiations, communications and understanding (written and oral) regarding the subject matter. In case of any discrepancy or contradiction between these Commercial Terms and the Standard Terms and Conditions in Appendix 1, these Commercial Terms shall prevail.

This Agreement is a renewal to the merchandise license agreement entered into by the Parties on January 1, 2016 (“Previous Agreement”), which Previous Agreement has expired on December 31, 2017.

This Agreement shall become effective on the Effective Date, subject to signing by duly authorized representatives of both Parties and shall be in force for the Term unless terminated as set forth in the Standard Terms and Conditions. In the event Licensee commences any activities in connection with the Property prior to the Effective Date, all provisions of this Agreement for the benefit and protection of Licensor shall apply in full to such activities.

This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which taken together will constitute one instrument. The Parties acknowledge that copies of this Agreement (including, without limitation, copies of any signatures) that are reproduced or transmitted electronically, by email, facsimile or otherwise, will be equivalent to original documents until such time as original documents are completely executed and delivered. However, upon Licensor's request, Licensee shall immediately provide Licensor with original hard copies of the signed Agreement. Once executed by both Parties, this Agreement shall be deemed effective on the Effective Date.

This Agreement has been executed when signed by duly authorized representatives of both Parties.

ROVIO ENTERTAINMENT CORPORATION

PARTY CITY HOLDINGS INC.

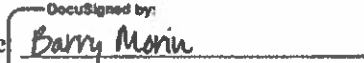
Signature: 

Name: Simo Hämäläinen

Position: SVP, Brand Licensing
Rovio Entertainment Corporation

Place: SEP 25 2018

Date: Espoo - Finland

Signature: 

Name: Barry Morin

Position: SVP Global Licensing

Place: Elmsford, NY

Date: 09/23/2018

APPENDICES

- Appendix 1 Standard Terms and Conditions
- Appendix 2 Licensed Products
- Appendix 3 Royalty reporting template
- Appendix 4 Compliance
 - 4.1 Code of Conduct
 - 4.2 Manufacturer Details
 - 4.3 Manufacturer Agreement
 - 4.4 Product Requirements

