

Hasbro International Inc. International Merchandising License Agreement Business Terms

This Agreement incorporates the Standard Terms and Conditions attached hereto –
Please Read Carefully

Contract No. 131139-0: My Little Pony Animated Movie, My Little Pony – Classic, My Little Pony: Friendship is Magic Television Series, My Little Pony – Retro, Transformers Cyberverse, Transformers Evergreen and Transformers Generations
Contract No. 131139-1: Retail Co-Op Fund

Licensed Property:

MY LITTLE PONY ANIMATED MOVIE: the MY LITTLE PONY trademark and the associated logo, copyrights and fictitious characters and their likenesses, all as depicted in the theatrical, animated motion picture produced by Hasbro under the Allspark banner, and the toy products based thereon produced by Licensor. Notwithstanding the foregoing, in no event shall Licensee have the right to utilize any third-party intellectual property, including but not limited to the likenesses or voices of any actors or actresses portraying the characters or audio elements of the motion picture, without Licensor's express prior written approval, which may be granted or withheld at the Licensor's sole and absolute discretion.

MY LITTLE PONY – CLASSIC: MY LITTLE PONY – CLASSIC: the MY LITTLE PONY trademark, the stylized logo, copyrights, and the related characters and their respective likenesses, all as depicted in product sold by Licensor from calendar year 2002 through 2008. In no event shall Licensee have the right to utilize the Licensed Property as depicted in any visual entertainment program or media, including but not limited to any live action or animated theatrical motion picture, television program or series, or direct-to-video feature.

MY LITTLE PONY: FRIENDSHIP IS MAGIC – TELEVISION SERIES: the MY LITTLE PONY trademarks, and the associated logos, copyrights and fictitious characters and their likenesses, all as depicted in "My Little Pony: Friendship is Magic" animated television series first broadcast on network television in 2010. Notwithstanding the foregoing, in no event shall Licensee have the right to utilize any third-party intellectual property, including but not limited to the likenesses or voices of any actors or actresses portraying the characters or audio elements of the television series, without Licensor's express prior written approval, which may be granted or withheld at the Licensor's sole and absolute discretion.

MY LITTLE PONY – RETRO: the MY LITTLE PONY trademark and associated logos, copyrights, and characters and their respective likenesses, all as depicted in product sold by Licensor during the 1980s. In no event shall Licensee have the right to utilize the Licensed Property as depicted in any visual entertainment program or media, including but not limited to any live action or animated theatrical motion picture, television program or series, or direct-to-video feature.

TRANSFORMERS CYBERVERSE: the TRANSFORMERS trademarks and the associated logos, copyrights and the related characters and their respective likenesses, all specifically as used in and referring to the "Transformers Cyberverse" television series produced by Hasbro Studios first broadcast on network television in 2018. Notwithstanding the foregoing, in no event shall Licensee have the right to utilize any third-party intellectual property, including but not limited to the likenesses or voices of any actors or actresses portraying the characters or audio elements of the television series, without Licensor's express prior written approval, which may be granted or withheld at the Licensor's sole and absolute discretion.

TRANSFORMERS EVERGREEN: the modern version of the TRANSFORMERS trademarks and the associated logos, copyrights and the related characters and their respective likenesses, all as depicted in the "Transformers Evergreen" style guide provided to Licensee by Licensor (the "Style Guide"). In no event shall Licensee have the right to refer specifically to the title of any visual entertainment program or media or utilize the Licensed Property as depicted in any visual entertainment program or media, including but not limited to any live action or animated theatrical motion picture, television program or series, or direct-to-video feature (except as set forth in the Style Guide).

TRANSFORMERS GENERATIONS: the classic or retro version of the TRANSFORMERS trademarks and the associated logos, copyrights, and characters and their respective likenesses, all as depicted in product sold by Licensor during the period beginning 1984 and ending 1995 sometimes referred to as "TRANSFORMERS GENERATION 1" and which may also include iconography and various stylized iterations of same created by Licensor such as TRANSFORMERS GENERATIONS launched in 2010 and relaunched in 2012. In no event shall Licensee have the right to utilize the Licensed Property as depicted in any visual entertainment program or media, including but not limited to any live action or animated theatrical motion picture, television program or series, or direct-to-video feature.

Licensor: Hasbro International Inc. Phone:+1 401 727 5000
Address: 1027 Newport Avenue Fax:+1 401 727 5089
PO Box 1059
Pawtucket RI 02861, USA
Contact: Purabi Chatterjee-Das
Notices to be sent to: Hasbro European Services Fax:+44 208 744 5604
(Attention: Legal Dept)
4 The Square, Stockley Park
Uxbridge UB11 1ET
United Kingdom

Representative: Hasbro Iberia S.L. Phone: +(34) 96 271 9418
Address: Ciudad Gran Turia
Valencia 46950
Spain
Contact Fabiola Ortiz
Contact Email: Fabiola.ortiz@hasbro.es

Licensee: Flexmetal S.L. Phone: +34 93 786 2157
Company Registration n°: ES B58358128
Address: Pol. Ind. Sta Margarita II
Albert Einstein 36,
Terrassa 08223
Spain
Authorised Signatory: Rosa Soteras
Authorised Email: rsoteras@flexmetal.com

Licensed Article(s): Party Goods: Foil Balloons (various shapes and sizes)

Territory: Spain, Portugal, Andorra and Russia

Channels of Distribution: All retail and wholesale

Term: 01st January 2020 to 31st December 2021

Earliest On Sale Date: 01st January 2020

Latest On Sale Date: Six months after Term start date

Sell Off Period: Ninety (90) Days

Total Minimum Guaranteed Royalty: €18,750.00 **Currency:** EUR

Split by Year as follows:

Minimum Guaranteed Royalty €12,500.00
Period: 01st January 2020 to 31st December 2020
payable as the following Advance(s):

1 st Advance Amount:	€6,250.00	Due: 01 st January 2020
2 nd Advance Amount:	€6,250.00	Due: 30 th July 2020

Minimum Guaranteed Royalty €6,250.00
Period: 01st January 2021 to 31st December 2021
payable as the following Advance(s):

Advance Amount:	€6,250.00	Due: 31 st July 2021
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Royalty Rate: 14% of Net Sales Value
18% of Net Sales Value (FOB)

Net Sales Value shall mean the gross invoice value charged by Licensee or any of its affiliated, subsidiary or controlled companies for the Licensed Articles on an arms length basis to a non related third party customer less value added and similar sales taxes. No deductions (including, without limitation, deductions for cash discounts, or any other discounts or uncollectible amounts) shall be permitted, unless specified in the Special Conditions below. All costs and expenses incurred in the manufacture, distribution, or sale of the Licensed Articles, or otherwise incurred by Licensee, shall be paid by Licensee, and no such costs or expenses shall be deducted from any royalty payable to Licensor.

Sales or **Sold** shall mean the delivery of the Licensed Articles by the Licensee to a customer or the issue of an invoice in respect of the Licensed Articles by the Licensee to a customer, which ever occurs first.

Sales to related third parties: In the event that the Licensee wishes to sell to any of Licensee's subsidiaries or to any other person, firm or corporation related in any manner to Licensee or its officers, directors or major shareholders the Licensee shall seek consent from the Licensor and Royalties due on such sales shall be agreed with the Licensor before Licensor gives consent.

FOB sales: With respect, however, to all sales of the Licensed Articles which are sold to customers on FOB (as defined by Incoterms 2010 or as amended from time to time) terms to a named port of shipment outside the Territory for shipment to the Territory, the Royalty Rate shall be increased to that indicated in the Business Terms for FOB Sales. FOB Sales are permitted only if a specific FOB Sales Royalty Rate has been specified in the Business Terms. If no such FOB Sales Royalty Rate has been specified in the Business Terms, Licensee must obtain Licensor's prior written approval prior to making any FOB Sales, such approval to be in Licensor's absolute discretion.

Reporting Dates: On or before the fifteenth (15th) day of the month following the 30th of March, 30th of June, 30th of September and 30th of December during the Term.

Agreed Minimum Product Liability Insurance:

The equivalent of Two Million United States Dollars (U.S. \$2,000,000.00) per occurrence and Two Million United States Dollars (U.S. \$2,000,000.00) in annual aggregate for Bodily Injury Liability and Property Damage Liability.

Required Notices:

For **MY LITTLE PONY ANIMATED MOVIE**: MY LITTLE PONY and all related characters are trademarks of Hasbro and are used with permission. © 2017 Hasbro. All Rights Reserved. MY LITTLE PONY: THE MOVIE © 2017 My Little Pony Productions, LLC. Licensed by Hasbro.

For **MY LITTLE PONY – CLASSIC**: MY LITTLE PONY and all related characters are trademarks of Hasbro and are used with permission. © [year] Hasbro. All Rights Reserved. Licensed by Hasbro.

For **MY LITTLE PONY: FRIENDSHIP IS MAGIC – TELEVISION SERIES**: MY LITTLE PONY and all related characters are trademarks of Hasbro and are used with permission. © [year] Hasbro. All Rights Reserved. Licensed by Hasbro.

For **MY LITTLE PONY – RETRO**: MY LITTLE PONY and all related characters are trademarks of Hasbro and are used with permission. © [year] Hasbro. All Rights Reserved. Licensed by Hasbro.

For **TRANSFORMERS CYBERVERSE**: TRANSFORMERS CYBERVERSE and all related characters are trademarks of Hasbro and are used with permission. ©[year] Hasbro. All Rights Reserved. Licensed by Hasbro.

For **TRANSFORMERS EVERGREEN**: TRANSFORMERS and all related characters are trademarks of Hasbro and are used with permission. © [year] Hasbro. All Rights Reserved. Licensed by Hasbro.

For **TRANSFORMERS GENERATIONS**: TRANSFORMERS and all related characters are trademarks of Hasbro and are used with permission. © [year] Hasbro. All Rights Reserved. Licensed by Hasbro.

Number of samples:

- Prior to first production run, as per clause 1.1 of Part B of the STC: up to 1
- Upon start of first production, as per clause 1.3 of Part B of the STC: up to 3
- Additional random samples, as per clause 6.6 of PART A of the STC: up to 10

Promotion Commitment: During the Term Licensee agrees to spend a minimum of 2% of Budgeted Net Sales (as per the Business Plan) or Net Sales Value, whichever is higher on advertising and promotional activities in direct support of the Licensed Articles.

This Percentage shall be reviewed by Licensor and Licensee on a quarterly basis.

Retail Co-Op Fund: In addition to any Royalties, Advances, and Minimum Guaranteed Royalty, Licensee shall be required to pay a non-refundable contribution to Licensor's "Retail Co-Op Fund" (hereinafter, the "RCF") equal to one percent (1%) of Net Sales Value. This amount shall be due and payable periodically on the same dates as those prescribed for Royalties, and could, at the Licensee's option, be included in a single payment with such royalty payments, provided that the corresponding remittance advice clearly specifies the portion covering Royalties and the portion covering the RCF. Such RCF payments shall not be credited or offset against the Minimum Guaranteed Royalty, any Advance or Royalties due hereunder and in no event shall the RCF contribution be less than zero for any reporting period. The statements provided under clause 3.4 of the STC shall include a computation of the RCF payable. Interest shall be paid on late or underpaid RCF payments as provided in this Agreement with respect to late or underpaid Royalties, and Licensor shall have the same rights and remedies on account of Licensee breaching its obligations with respect to payment of RCF payments as for Licensee breaching its obligations with respect to payment of Royalties. The RCF shall not be deemed or interpreted as any royalty or other compensation paid in exchange for Licensee's use of the Licensed Property. Rather, it is understood that the RCF is to be spent in its entirety by Licensor in its reasonable discretion on marketing initiatives to drive the sell-in of key retail programs that are designed to positively affect the Licensed Property and/or Licensee's sales under the Agreement. In the event that the definition of the Licensed Property includes multiple brands and/or product lines, Licensor shall be entitled to allocate the use of the RCF in whatever manner it deems appropriate in support of the Licensed Property and Licensee's sales. Any unused portion of the RCF at the end of any given calendar year may be carried over for use in the following year.

Standard Terms and Conditions: Refer to Section A (General) and B (Merchandising) of the Standard Terms and Conditions (attached). For the avoidance of doubt Section C (Publishing) is not applicable.

Special Conditions:

1. Licensor's Bank Details:

Beneficiary Name:	Hasbro International Inc.
Beneficiary Address:	200 Narragansett Park Drive, Pawtucket, RI 02862, United States
Bank Name:	CITIBANK LONDON
Swift Code:	CITIGB2L
Sort Code:	18-50-08
IBAN:	GB97 CITI 1850 0810 6275 34
Account Number:	10627534


Signatures

Agreement effective as of the 01st January 2020 between Licensor and Licensee

This Agreement comprises the aforesaid Business Terms and the terms and conditions set forth in the Standard Terms and Conditions and Appendices attached hereto and incorporated herein by reference. This Agreement shall only be binding upon Licensor provided that Licensee signs and returns this License Agreement and Licensor countersigns the same. In the event of any conflict or discrepancy between the Business Terms and the Standard Terms and Conditions, the Business Terms shall prevail.

Agreed and Accepted by: -

Hasbro International Inc. ("Licensor")

DocuSigned by:

(Authorised Signature)

Date: 20-Sep-19

Name: Casey Collins

Title: General Manager, SVP Consumer Products

Flexmetal S.L. ("Licensee")

DocuSigned by:

(Authorised Signature)

Date: 20-Sep-19

Name: Rosa Soteras

Title: Directora Administración

INTERNATIONAL LICENSE AGREEMENT **STANDARD TERMS AND CONDITIONS**

Licensor has substantial goodwill and value in its brands and intellectual properties (including Licensed Property) and significant reputation as branded play company providing children and families with a wide range of immersive entertainment experiences through its products and materials. Licensor will not permit or allow any use or exploitation of Licensed Property in or associated with Licensed Articles which in the Licensor's opinion might impair, detract from or otherwise damage its brands, intellectual property or reputation. Licensor will not therefore permit the use or exploitation of its intellectual properties in connection with products or services which it deems, at its absolute discretion, to be inappropriate, in bad taste or likely to cause offence or which, in the Licensor's absolute discretion, may have an unacceptably high risk to the health safety and welfare of consumers or to property.

PART A – General

1. INTERPRETATION

- 1.1 Unless the context otherwise requires, the expressions contained or referred to in the Business Terms shall have the meaning set out therein when used in these Standard Terms and Conditions. In the event of conflict the Business Terms shall prevail.
- 1.2 The paragraph and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

2. GRANT OF RIGHTS

- 2.1 In consideration of the payments contained or referred to in the Business Terms, Licensor grants to Licensee the non-exclusive right to use the name, characters, symbols, designs, likenesses and visual representations of the Property (identified in the Business Terms) as provided and approved by Licensor for use under this Agreement and the copyrights and trade marks associated therewith (including but not limited to any trade marks (registered or not) or applications to the extent these are owned or controlled by Licensor (which names, characters, symbols, likenesses, visual representations, copyright and trade marks shall be hereinafter referred to collectively as the "Licensed Property") upon and in connection with the manufacture, sale and distribution of the Articles in the Territory during the Term subject to the terms and conditions of this Agreement. Any Articles (or component thereof) manufactured under this Agreement bearing, incorporating, derived from or otherwise embodying the whole or any part of the Licensed Property shall be referred to herein as "Licensed Articles", including its packaging.
- 2.2 For the avoidance of doubt, unless otherwise expressly specified in the Business Terms, this Agreement does not grant to Licensee usage of any music, audio or film footage, or names, voices or likenesses of actors relating to the Property.
- 2.3 In no event shall the Licensee have any right to use the Licensed Property in any interactive software games whose play pattern provide users with activities involving skill (mental or physical), strategy, role-playing, competition, cash based reward in a digital or virtual environment ("Digital Games") whether such Digital Games are playable on consoles, personal computers, mobile devices, handheld devices, interactive television or any new format, media, method or mode of exploitation that is developed and becomes commercially exploited during the Term.
- 2.4 This Agreement relates solely to the Licensed Property. Licensee is not, by virtue of this Agreement, acquiring any merchandising rights whatsoever with respect to any properties or endeavor which is based upon, derivative of, inspired by, or otherwise related to the Licensed Property, including, without limitation, ports, sequels, sound recordings, publications, or other endeavors in which the

characters, characterizations, signs, or visual representations contained in the Licensed Property may appear. As between Licensor and Licensee, all right, title and interest in and to the foregoing is retained by Licensor including, without limitation, Licensor's right to license the Licensed Property to others during the Term hereof to the extent that it appears again in such derivative properties.

- 2.5 Notwithstanding the foregoing, subject to clauses 2.4, 2.5, 2.6 and 2.7, Licensee agrees that the licence hereby granted extends only to the Territory and only to Sales through the Channels of Distribution save that Licensee shall have the right to manufacture the Licensed Articles outside the Territory provided that the Licensed Articles are sold and distributed only within the Territory.
- 2.6 Licensee agrees that it will sell and distribute the Licensed Articles outright, and not on an approval, consignment basis, and only within the Channels of Distribution.
- 2.7 Without limiting clauses 2.1, 2.2, 2.3 and 2.4 above, Licensee is not granted any rights to and shall not:
- (a) sell the Licensed Articles through door-to-door solicitation or unapproved marketing methods; or
 - (b) sell or otherwise provide Licensed Articles for use as premiums in connection with promotions, giveaways, fund-raisers or entries in sweepstakes, or to customers for inclusion in or with another product; or
 - (c) sell Licensed Articles to any customer which Licensee knows or reasonably should know engages in illegal business practices or ethically questionable methods.
- 2.8 To the extent such restriction is permitted by law, Licensee shall not sell Licensed Articles to third parties outside the Territory or Channels of Distribution or to third parties who intend or are likely to resell them outside the Territory or Channels of Distribution. Notwithstanding the foregoing or anything else contained in this Agreement, it is hereby acknowledged that if the Territory includes an European Economic Area country, Licensee may participate in passive sales from that country in response to unsolicited requests from customers located outside the Territory or Channels of Distribution but within the European Economic Area. The Territory shall not include any country prohibited by U.S. Government trade restrictions or other applicable laws. If a country becomes prohibited due to trade restrictions by the U.S. Government or other applicable laws, the prohibition shall be automatic as of the effective date of the trade restriction or other law. Notwithstanding the definition of the Territory, Licensee shall not sell Licensed Articles to a destination, end-use or end-user, or otherwise use, ship or transfer the Licensed Articles in a manner that violates applicable U.S. export control, anti-boycott and sanctions laws ("U.S. Trade Compliance Laws"), and Licensee shall not undertake any activity with

respect to the Licensed Articles that causes Licensor to be in violation of applicable U.S. Trade Compliance Laws.

- 2.9. All rights not expressly granted to the Licensee hereunder are reserved exclusively to Licensor.
- 2.10. Nothing in this Agreement shall be construed to prevent Licensor from granting any other licences for the use of the Licensed Property or from using the Licensed Property in any manner whatsoever. Without limiting the foregoing reservation, Licensor reserves all rights to use or license others to use the Licensed Property in connection with Premiums. "Premiums" are defined as goods that are given away or sold with or in connection with other goods or services with the primary intention of promoting the sale of those other goods or services.
- 2.11. It is further understood that, without limiting the foregoing reservations, (i) in accordance with prior terminated or expired licence agreements relating to the use of the Licensed Property in the Territory, Licensor reserves the right to permit the licensee thereunder to sell-off such articles on hand or in process within the Territory during the Term, and (ii) third parties granted rights for such exploitation of the Licensed Property after the Term hereof may be granted permission to display proposed product at trade shows during the Term, and/or consult with retailers and other third parties, with regard to the development and manufacturing of Licensed Articles.

3. TERMS OF PAYMENT

- 3.1. Licensee agrees to pay to Licensor, as Royalties, a sum equal to the Royalty Rate specified in the Business Terms on all Net Sales of the Licensed Articles by Licensee or any of its affiliated, subsidiary or controlled companies or on their behalf.
- 3.2. Licensee shall pay the Advances as set out in the Business Terms, each Advance being on account of Royalties to accrue during the period specified in the Business Terms (or in the absence of any specified period, during the Term) for that Advance only. All Advances paid shall be non-returnable and non-refundable. For the avoidance of doubt, Royalties accruing during any sell-off period or in relation to any permitted Sales of Licensed Articles outside the Territory or the Channels of Distribution shall not be offset against any Advance.
- 3.3. Licensee agrees to pay to Licensor a sum not less than the Minimum Guaranteed Royalty as Royalties for Sales of the Licensed Articles during the periods specified in the Business Terms (or in the absence of any specified period, during the Term). Any shortfall between the Minimum Guaranteed Royalty and the actual Royalties (or Advances) paid to Licensor shall be payable with the Royalty statement due at the end of the applicable Minimum Guaranteed Royalty period, or (if earlier) upon termination of the Agreement. Any Advance for a given period shall apply towards meeting the Minimum Guaranteed Royalty for that period specified in the Business Terms but may not be applied to amounts due as Royalties or a Minimum Guaranteed Royalty for any other period. In no event shall Royalties accruing during any sell off period or in relation to any permitted Sales of Licensed Articles outside the Territory or the Channels of Distribution apply towards the meeting of any Minimum Guaranteed Royalty. Royalties on Sales due to be paid and reported in one Minimum Guarantee Royalty period may not be attributed to or set off against those applicable to another guarantee period.
- 3.4. On or before the fifteenth (15th) day of the month following the Reporting Dates specified in the Business Terms, Licensee shall furnish to Licensor complete and accurate statements (the "Royalty Reports") showing the number,

country in which sold or to which shipped, description, gross Net Sales Value, itemized allowable deductions (as identified in the Business Terms) and the Sales of the Licensed Articles distributed and/or sold during the preceding period together with any returns made during the preceding period. Such statements shall be furnished to Licensor whether or not any of the Licensed Articles have been Sold during the period to which such statements refer. The form attached as Appendix 1 hereto or such other form as is subsequently reasonably required by Licensor in writing must be used for reporting Royalties. Licensee shall also provide to Licensor with each reporting statement, a statement indicating the country in which the Licensed Articles being reported were manufactured. In the event that Licensee is late in furnishing its royalty statements and/or payments, Licensor shall be entitled to demand of Licensee, at Licensee's own expense, an independent auditor's report, within fifteen (15) days of such demand, detailing all information pertaining to Licensee's Sales activities as specified above for inclusion in each royalty report.

- 3.5. Royalties in excess of any Advance paid shall be due on the fifteenth (15th) day after the Royalties Reports are due or on the seventh (7th) day after Licensor issues a Royalty invoice to Licensee, whichever ever occurs first. The receipt or acceptance by Licensor of any of the royalty statements, or of any Royalties paid hereunder (or the cashing of any royalty cheques paid hereunder) shall not preclude Licensor from questioning the correctness thereof at any time within three (3) years after the expiration or termination of this Agreement, and in the event any mistakes are discovered in such statements or payments, they shall immediately be rectified and the appropriate payment made by the Licensee. Licensee shall not be permitted to reduce royalty payments for any reason without Licensor's prior written approval.
- 3.6. All reporting and payments shall be made in the currency specified in the Business Terms calculated using the exchange rate for the relevant currency quoted by the Wall Street Journal, New York edition, on the last working day of the calendar quarter immediately preceding the due reporting and payment date, costs of transfer being for the account of Licensee.
- 3.7. Except as specified in the Business Terms or as otherwise directed by Licensor from time to time all payments shall be made by telegraphic transfer to Licensor's designated bank account. If exchange control or other restrictions prevent or threaten to prevent the remittance to the Licensor of any money payable under this Agreement, the Licensee shall immediately advise the Licensor in writing and follow the Licensor's instructions in respect of the money to be remitted including, if required, depositing the same with any bank or other person designated by the Licensor at such location as may be designated by Licensor.
- 3.8. Licensee shall pay Licensor interest on overdue Royalties or any other payments due from the Licensee under this Agreement which shall accrue at an interest rate of (2%) per annum above the base rate from time to time of Barclays Bank Plc (or, if lower, the highest rate permitted by law) upon such amounts from the date such amounts were due until the date of actual payment and shall be without prejudice to any other rights or remedies Licensor may have against the Licensee. Such interest shall accrue on a daily basis and be compounded quarterly.

4. INTELLECTUAL PROPERTY

- 4.1. Licensee recognises the great value of the goodwill associated with the Licensed Property, and acknowledges that the Licensed Property and all rights therein, including goodwill, belong exclusively to Licensor (or its licensors), and that the Licensed Property has a secondary meaning in

the mind of the public. Licensee further recognises and acknowledges that a breach by Licensee of any of its covenants, agreements or undertakings with respect to use of the Licensed Property, including style guide, legal marking requirements, quality standards, or ethical standards will cause Licensor irreparable damage, which cannot be readily remedied in damages in an action at law, and may, in addition thereto, constitute an infringement of Licensor's intellectual property rights in the Licensed Property, entitling Licensor to equitable remedies, costs and reasonable attorney's fees. Notwithstanding anything herein to the contrary, Licensee hereby waives, and forever releases Licensor from, any and all claims, actions, and suits alleging that Licensor may have failed to adequately promote, advertise or otherwise use or exploit the Licensed Property during or after the Term (such matters being entirely within Licensor's discretion), and Licensor shall be under no obligation to sell any products utilising the Licensed Property at any time.

- 4.2 As a condition to the rights granted, Licensee shall cause to appear on or within each Licensed Article Sold by it, and on all packaging, advertising, promotional, or display material bearing the Licensed Property, the Required Notices set out in the Business Terms or such other notice as may be reasonably required by Licensor from time to time.
- 4.3 All right, title and interest in and to all copyrights, trademarks, service marks, registered designs, patents or other intellectual property rights, in each case whether registered or unregistered and all similar or equivalent rights or forms of protection in any part of the world whether vested, contingent or future, all performers' property rights and all rights of action and all other rights of whatever nature whether now known or in the future created in the Licensed Property or any word, symbol or design colourably similar thereto, or derived from the creation, manufacture or sale by Licensee of the Licensed Articles shall, to the extent permissible by law, be in Licensor's name and shall be owned exclusively by Licensor or its licensors, and/or its designees. All uses of such rights by Licensee hereunder will inure to the Licensor's benefit. Licensee hereby assigns to Licensor all such rights created by its use hereunder together with associated goodwill and agrees to execute and deliver or assist in perfecting Licensor's rights as reasonably requested. In the event of any attempt or actual application by Licensee to register any such rights in its own or its parent or subsidiaries names, Licensee shall at its own expense immediately execute and deliver to Licensor such assignments or other documents as Licensor may require to transfer to Licensor all such rights. To the extent permitted by law, the Licensee hereby unconditionally and irrevocably waives all moral rights (as defined in the Copyright Designs and Patents Act 1988 (as amended) and all similar or equivalent rights in other jurisdictions) in the Licensed Articles, and shall obtain all waivers of moral rights and consents from any employee, agent, subcontractor or other third party necessary to comply with its obligations hereunder. Notwithstanding the foregoing, Licensor acknowledges that it claims no ownership in intellectual property rights that Licensee or any third party demonstrably owned prior to the date of this Agreement or, if earlier, the date of the first use of such trade marks in connection with the Licensed Property.
- 4.4 Licensee will execute such documents as Licensor requires to register Licensee as a registered user or permitted user of the Trade Marks and to follow Licensor's instructions for proper use thereof in order that protection and/or registrations for the Trade Marks may be obtained or maintained.
- 4.5 Licensee agrees that, upon request of Licensor, it shall provide Licensor with copies, in such format as Licensor may reasonably request (including, but not limited to, a

digitized copy downloaded onto a disc), all artwork and text utilising the Licensed Property.

- 4.6 Licensee agrees to assist Licensor to the extent necessary or desirable in the procurement of any protection or to protect any of Licensor's rights to the Licensed Property. Licensor may but shall not be obliged to commence or prosecute any claims or suits in its own name and/or in the name of Licensee (in which case Licensee's reasonable out of pocket expenses will be reimbursed provided Licensor has approved in writing such expenses in advance). Any awards made as a result of such action shall belong to Licensor. Should Licensor and Licensee agree, costs of such action may be shared as well as any awards made. Licensee shall immediately notify Licensor in writing of any (a) actual, suspected or threatened infringement of intellectual property rights in the Licensed Property, (b) any allegation or complaint made by any third party that any of the intellectual property rights in the Licensed Property infringes any third party rights or that the use of that Licensed Property may cause deception or confusion to the public; or (c) any other form of attack or claim to which the Licensed Property may be subject. Infringements or imitations or likely infringements by others of the Licensed Property which may come to Licensee's attention, and Licensor will have the sole right to determine whether or not any action will be taken on account of any infringements or imitations. Licensee shall not make any admissions in respect of these matters other than to the Licensor. Licensee shall not institute any suit or take any action on account of any such infringements or imitations without first obtaining Licensor's prior written consent to do so, such consent to be at Licensor's absolute discretion.
- 4.7 The provisions of section 30 of the UK Trade Marks Act 1994, or any equivalent law, are expressly excluded.
- 4.8 Licensee shall not at any time do or permit to be done any act or thing which may in any way impair the rights of Licensor (or its licensors) in the Licensed Property or obstruct its application for registration or invalidate its registration and in particular, Licensee shall not represent that it has any title in or right of ownership to the Licensed Property and acknowledges that any goodwill arising from the use of the Licensed Property shall inure for the benefit of the Licensor.
- 4.9 Except with Licensor's prior written consent, neither Licensee, its parent or any of its subsidiary or affiliated companies, will use, register or attempt to register whether during the Agreement or thereafter, any copyrights, trade mark, service mark, design patent, design, business or trade name, internet domain name or company name which incorporates or which is substantially identical to or deceptively or confusingly similar to the Licensed Property or Licensed Articles or any other properties owned or controlled by Licensor or any of its affiliated companies (including, without limitation, those properties identified on any of the Hasbro websites) or which is so similar as to suggest an association with or sponsorship by Licensor or any of its affiliated companies. In the event of any breach of the foregoing, Licensee agrees, at its expense and at Licensor's request, immediately to stop the unauthorised use and/or registration activity and promptly to execute and deliver, or cause to be delivered to Licensor, such assignments and other documents as Licensor may require to transfer to Licensor all rights to the registrations and/or applications involved.

5. **CREATIVE APPROVALS OF LICENSED ARTICLES AND PROMOTIONAL MATERIALS**

- 5.1. Licensor will supply to Licensee free of charge one copy of the relevant style guide (or where a style guide is unavailable, relevant artwork designated by Licensor). In all cases where Licensee requests additional artwork or materials from Licensor for use in connection with the Licensed Articles or promotional materials, the cost of such

artwork and materials and the time for the production thereof shall be borne by Licensee.

- 5.2. Each and every concept, tag, label, storyboard, copy and layout imprint, artwork, design or other material containing or derived from the Licensed Property and all advertising, promotional or display material incorporating or derived from the Licensed Property shall be submitted by Licensee to Licensor for written approval (which shall be granted or withheld in Licensor's sole discretion but not unreasonably delayed) prior to use by the Licensee or disclosure to any third party. Approval by Licensor shall not constitute a waiver of Licensor's rights or Licensee's duties under any provision of this Agreement. Licensee must follow Licensor's reasonable instructions for submission, including submitting materials through the Licensing Approval System (the "LAS"). Otherwise, Licensor is not under any obligation to review Licensee's submission.
- 5.3. The Licensee undertakes that nothing in the Licensed Articles will infringe any patents or other third party's intellectual property rights. Licensee acknowledges that Licensor's product approval shall not be deemed as a third party intellectual property clearance.
- 5.4. If Licensee commissions or requires a third party to create or provide any work in connection with the Licensed Articles or Licensed Property in which intellectual property (including, without limitation, moral) rights exist, Licensee shall ensure that all moral rights are waived (to the extent permissible by law) and all intellectual property rights shall vest in the Licensor. Licensee shall procure such third party, at Licensee's expense, to do all things necessary to vest such rights in the Licensor.
- 5.5. Licensee represents and warrants that all advertising and promotional materials shall comply with all applicable laws and regulations.
- 5.6. Licensor may, but will not be obliged to, use the name of Licensee so as to give the Licensed Property, Licensed Articles, Licensee, Licensor and/or Licensor's licensing programs full and favourable prominence and publicity.
- 5.7. Licensee agrees not to offer for sale or advertise or publicise any of the Licensed Articles on any media without Licensor's prior written approval. Licensee also agrees to submit to Licensor for advance approval all advertising and other publicity material which Licensee proposes to use in connection with the promotion and sale of the Licensed Articles.

6. MANUFACTURING STANDARDS AND APPROVALS

- 6.1 Licensee warrants that the Licensed Articles and all packaging, advertising, promotional and display material shall be of a quality and standard equal to best industry practice that satisfies customer expectations, making them merchantable and fit for their intended and foreseeable uses. The Licensed Articles shall be of such style and appearance as to be appropriate for and suited to their exploitation to the best advantage of and to the protection and enhancement of the Licensed Property and the goodwill therein. Licensee warrants and undertakes that the Licensed Articles shall comply with all applicable laws, rules, regulations, industry standards and all applicable safety standards in the Territory carrying all such certificates, test reports, notices or warnings that may be required. Licensee also agrees to abide by retailer regulations and requirements. Licensee further warrants and undertakes that, when additional specifications (the "Specifications") are required by the Licensor the Licensed Articles will also comply with such Specifications. Licensed Articles must comply with all the above but in no case should warnings be used on Licensed Articles to replace compliance with all applicable laws, rules, regulations and

all applicable safety standards in the Territory, even when such warnings are mandated by law or regulations.

- 6.2 Licensed Articles considered high risk (as deemed by the Licensor at its sole discretion) may be subject to Licensor's risk assessment approval prior to any development. Approval may be granted at the Licensor's sole discretion following Licensee's submission of a risk assessment or information necessary for the Licensor to perform a risk assessment for each product it proposes to develop under such product category. Approvals will only be granted in writing and nil responses shall not be deemed approvals.
- 6.3 Licensed Articles bearing a Licensed Property which may be deemed by the Licensor, at its sole discretion, as being for children under three (3) years old, shall be suitable for children under three (3) years old as per any applicable laws, regulations, best industry practices and safety standards, including any requirements to minimize choking, suffocation and strangulation hazards. With respect to Licensed Articles that are toys, games or puzzles, Hasbro reserves the right to have additional requirements, including without limitation, with respect to age-grading.
- 6.4 Any item submitted to Licensor shall not be deemed approved unless and until it is approved by Licensor in writing on Licensor's approval form.
- 6.5 Licensor shall have the right to require modification of any Licensed Article it has previously approved. If the Licensed Articles have not yet been manufactured, Licensee shall make such modifications at Licensee's expense or, if the Licensed Articles have already been manufactured, then at Licensor's election, Licensee shall institute such modifications as a "running change" at Licensee's expense.
- 6.6 From time to time after Licensee has commenced selling the Licensed Articles, and upon Licensor's written request, Licensee shall furnish without cost to Licensor, additional random samples (as defined in the Business Terms) of each Licensed Article being manufactured or sold by Licensee hereunder, together with any cartons, containers and packing and wrapping material used in connection therewith. Should Licensor require additional Licensed Articles for any reason whatsoever, Licensor may purchase such at Licensee's cost price. Sale of any Licensed Article by Licensee, the quality and design of which has not been specifically approved by Licensor, shall be deemed to constitute a material breach of this Agreement which, together with other remedies available to Licensor (including, but not limited to immediate termination of this Agreement), shall entitle Licensor to require the Licensee to immediately withdraw the unapproved Licensed Articles from the market at Licensee's sole cost and expense.
- 6.7 The policy of manufacture, sale, distribution, and/or exploitation by Licensee will be of the highest standard, to the best advantage of Licensor, and will not reflect adversely upon the good name of Licensor, any of its products, or the Licensed Property. Licensee acknowledges that Licensor has a significant interest in ensuring that the Licensed Articles are manufactured, distributed, and sold in accordance with the highest ethical and business standards. Licensee covenants and agrees that any manufacturing, printing or packaging facilities producing the Licensed Articles or any component thereof, including Licensee's own such facilities and those of any third party manufacturer, printer or packager of the Licensed Articles or any component thereof (any such manufacturer, printer or packager being referred to herein as a "Manufacturer") as permitted and if approved by Licensor shall strictly comply and will remain in strict compliance throughout the Term with Licensor's Global

Business Ethics Principles (“the Principles”), which can be found at <https://csr.hasbro.com/en-us/csr/global-business-ethics-principles>. Licensor shall have the right to amend the Principles, from time to time, and such amended version shall be deemed incorporated herein by reference ten (10) days after notice to Licensee of such changes, absent Licensee’s notice to Licensor of its formal written objections thereto within such time period. If the parties are unable to agree as to the amendment of the Principles within ten (10) days of such notice received from Licensee, Licensor shall have the right to terminate this Agreement under clause 10.3 (m).

- 6.8 In the event Licensee is not the manufacturer of the Licensed Articles or component thereof, Licensee shall be entitled, subject to Licensee obtaining Licensor’s prior written consent and ensuring that such third party Manufacturer is subject to these terms and in particular but without limitation those set out in clause 6.7 and 6.9, to engage a third party Manufacturer in connection with manufacture and production of the Licensed Articles. Further, the use by Licensee of any such third party shall in no manner whatsoever affect Licensee’s obligations contained in the Licence and Licensee shall be responsible for ensuring that such third party complies with the provisions of the Licence. Licensee shall be fully liable for any acts or omissions of any such third party. For the avoidance of doubt, Licensee is under an obligation to seek Licensor’s consent in accordance with clause 14 in the event Licensee wishes to appoint a third party in relation to Licensee’s activities hereunder.
- 6.9 Licensee covenants and agrees that Licensor or its representative shall have the right from time to time, with or without prior notice, to inspect and audit any such facilities of Licensee or any Manufacturer or proposed Manufacturer, and such inspection and audit process may include, but might not necessarily be limited to, a review of the facility’s policies, records and payroll documents, walkthrough of the entire facility, and confidential interviews with management and workers. Licensor’s approval of any such Manufacturer may be conditioned upon such Manufacturer being determined to be in compliance with the Principles. Licensee shall, prior to production and thereafter on an annual basis on or before each anniversary of the date of this Agreement, provide to Licensor a written disclosure of the name and location of the manufacturing, printing and packaging facilities, both those of Licensee and those of any Manufacturer, producing the Licensed Articles, and if following Licensee providing such a written disclosure there is any change or planned changes of the name or location of such facilities, then Licensee shall give Licensor prompt written notice stating the changes or planned changes, and any such new facility shall be subject to approval as provided in this Agreement prior to production. Licensee shall not engage any Manufacturer that refuses to consent to Licensor’s inspection and audit of such facilities, and upon notice from Licensor shall immediately terminate the services of any such Manufacturer that attempts to prevent any such inspection. Prior to using any Manufacturer or any facility (whether that of Licensee or a Manufacturer) for production of the Licensed Articles, Licensee must obtain Licensor’s written approval of such Manufacturer and any facilities to be used by Licensee or such Manufacturer for production of the Licensed Articles. As part of the approval process Licensee must submit to Licensor for Licensor’s review with respect to each such facility an audit or audits as specified below conducted by a third-party auditor acceptable to Licensor reporting the level of compliance of such facility with the Principles. Licensee shall submit an audit that is not older than twelve months old from the time of production. Licensee shall cooperate with Licensor and cause the Manufacturer to cooperate with Licensor in addressing any issues or concerns raised by any audit. Licensor may condition its approval of a Manufacturer or facility on the submission of a corrective action plan within

ten (10) business days and submission of a third party verification audit prior to factory approval. With respect to each such facility approved by Licensor for production of the Licensed Articles, if Licensee or a Manufacturer continues to use such facility for production of the Licensed Articles, then Licensee shall submit to Licensor for Licensor’s review annually no later than twelve(12) months from the date of the prior audit submission an audit conducted within the prior year by a third-party auditor acceptable to Licensor reporting the level of compliance of the facility with the Principles. The submission of such audits and Licensor’s approval of any Manufacturer or facility shall not be deemed to waive or release the provisions of clause 6.5 above, including, without limitation, the right of Licensor or its representatives to inspect and audit any manufacturing, printing or packaging facilities.

- 6.10 In the event that Licensee is contacted by any governmental body, international organisation or agency concerning any issue of product safety, product quality, allegedly false or deceptive trading or advertising practices, or an alleged failure to comply with governmental regulations or laws, Licensee shall so notify Licensor within twenty four (24) hours of such contact. Furthermore, except as may be otherwise required by law, Licensee agrees not to contact any such governmental body or agency, whether on Licensee’s own volition or in response to any such inquiry, without first notifying Licensor and giving Licensor a right of meaningful consultation as to any such communication and/or response.
- 6.11 Licensee agrees to report to Licensor all consumer complaints and/or quality-related inquiries or notifications related to the Licensed Articles, regardless of whether or not they concerned bodily or physical injury, within 5 business days of receiving such complaint, inquiry or notification. It is further agreed that safety and/or potential safety complaints, inquiries or notifications shall be reported by Licensee to Licensor within two (2) business days. All reports under this clause shall be sent via regular mail as well as by fax, to the attention of Licensor’s Quality Assurance Department.
- 6.12 For the avoidance of doubt, acceptance of payment from Licensee is not a waiver of any rights on the part of the Licensor. Including, but not limited to, payments of Royalties arising from Sales of:
- Licensed Articles placed in the market without Licensor’s approval, as described under this clause; or
 - Licensed Articles sold to distributors who had not been approved by Licensor under clause 7 below.

7. **DISTRIBUTION**

- 7.1 Licensee agrees that it will commence Sales of the Licensed Articles no earlier than the Earliest On-Sale Date and no later than the Latest On-Sale Date set out in the Business Terms, and that during the Term of this license it will diligently manufacture, distribute and sell the Licensed Articles in sufficient quantities to meet at least Licensee’s average order level for its regular distributors and/or customers for similar articles of the type licensed hereunder. Licensee shall make and maintain proper and adequate arrangements for the distribution of the Licensed Articles.
- 7.2 Licensee agrees that it will use its best commercial endeavours to maximise the sale of the Licensed Articles.
- 7.3 For the avoidance of doubt, Licensee shall not appoint any third party distributors without obtaining Licensor’s prior written approval. Licensee should send such request to its Account Manager as identified in the Business Terms or as otherwise designated by the Licensor.

7.4 Any appointment of an approved third party distributor will be subject to the distributor agreeing to these same Standard Terms and Conditions. Such sublicense of the Licensee's distribution rights shall terminate automatically on termination or expiry of this agreement. Such sublicense agreements shall specify Licensor as a third party beneficiary with the right to bring an action directly against the distributor for breach of any sublicense agreement. If breach of such sublicense occurs, then Licensee shall take prompt corrective action to remedy the breach and obtain all other appropriate relief and shall, in addition, notify Licensor of the breach and the corrective action taken. The execution of these duties by Licensee shall not preclude Licensor from also taking corrective action. Licensee shall assign to Licensor, at Licensor's request, any rights that Licensee has against its distributors for breach of any sublicense. Licensee agrees to cooperate with Licensor in any proceeding against any distributor alleging breach of the sublicense. Licensee's foregoing obligations to enforce sublicenses as necessary to protect the interest of Licensor shall survive expiration or termination of this Agreement.

8. TAXES

- 8.1 All payments to be made by the Licensee under this agreement are exclusive of value added tax (if applicable), consumption tax or other sales tax or customs duty which shall, where appropriate, be payable by the Licensee.
- 8.2 All taxes duties import charges or assessments levied assessed or imposed by any government authority with respect to the agreement on the income of the Licensee (or upon Licensor in respect of such income) shall be borne by the Licensee and the Licensee shall indemnify and save harmless Licensor in respect thereof PROVIDED THAT if in accordance with any applicable law any withholding tax is imposed on any royalty, advances or guarantee or other payments payable by the Licensee to Licensor under the Agreement, Licensee or the paying bank shall deduct the sum of tax from the royalty payment and pay it to the competent tax authorities. Within sixty (60) days from such deduction and payment, Licensee or paying bank shall provide Licensor with a receipt, voucher or other document acceptable to the relevant local tax authority, as well as an English translation thereof, which evidences the receipt by the relevant tax authorities of payment of any tax due so that Licensor can secure the necessary tax credits.

9. ACCOUNT AND AUDIT

9.1 Licensee will maintain accurate and complete books and records in accordance with generally accepted accounting principles with respect to all transactions relating to this Agreement during the Term and for a period of not less than three (3) years thereafter. Licensor and its duly authorised representatives shall have the right at all reasonable hours of the day during the Term or any renewal thereof and within three (3) years after the termination thereof, except in circumstances of fraudulent or suspected fraudulent behaviour by Licensee, its officers or employees where Licensor shall have such right without limitation to an inspection of Licensee's books of account, records, customer lists, record retention and/or document destruction policies, and all other documents, materials, and premises under the control of Licensee with the respect to the subject matter and terms of this Agreement and to make copies thereof. In the event that during an inspection the Licensor deems it to be necessary to consult documents which the Licensee claims to be unrelated to this Agreement and cannot be disclosed to the Licensor due to Licensee's confidentiality obligations to third parties, the Licensor has the right to appoint an independent third party auditor to examine such documents. In the event that any such examination reveals a discrepancy in payments due to Licensor of five

percent (5%) or more, or in the event that Licensee attempts to hinder Licensor's reasonable inspection of all materials relevant to such audit, Licensee will pay Licensor's costs in undertaking such examination (including, without limitation, out of pocket expenses). Furthermore, in the event of any such underpayment of five percent (5%) or more, Licensee may be required, within thirty (30) days of Licensor's request, thereafter to furnish Licensor, at Licensee's own expense, with a detailed statement by an independent certified public accountant showing the number, country in which manufactured, country in which sold or to which shipped, description, the Net Sales Value, itemized deductions (if such deductions are allowed under the Business Terms) from said price, and the Net Sales price of the Licensed Articles distributed and/or sold by Licensee up through the date of Licensor's demand.

9.2 Should any dispute arise with reference to any accounting item, the relevant books and records shall be preserved until the dispute has been resolved.

9.3 Royalties found to be due as a result of Licensor's examination of Licensee's books of accounts should be paid immediately with interest as calculated under clause 3.8 above from the date the amount should have been paid to Licensor until the actual date of payment.

10. TERMINATION

10.1 If Licensee has not commenced in good faith to manufacture and/or distribute all the Licensed Articles in sufficient quantities to meet at least Licensee's average order level for its regular distributors and/or customers for similar articles of the type licensed hereunder by the Latest On-Sale Date designated in the Business Terms, or if at any time thereafter in any calendar quarter Licensee fails to sell any of the Licensed Articles (or any class or category of the Licensed Articles) in any country comprising part of the Territory, Licensor may terminate this Agreement with respect to that country and any Licensed Articles or class or category thereof which have not been manufactured and distributed by the Initial On-Sale Date or during the previous calendar quarter, by giving written notice of termination to Licensee. Such notice shall be effective when mailed by Licensor.

10.2 If Licensee becomes insolvent, or if a petition in bankruptcy or for reorganisation is filed by or against it, if any insolvency proceedings are instituted by or against it under any law, or if it makes an assignment for the benefit of its creditors, or if a receiver is appointed for its property or business and remains undischarged for a period of fifteen (15) days, or if it liquidates its business in any manner whatsoever, or if any distress, execution, or attachment is levied on any of its assets and remains undischarged for a period of fifteen (15) days, or if Licensee abandons the manufacture of the Licensed Articles, Licensor may terminate this Agreement upon ten (10) days notice in writing to Licensee. This Agreement shall terminate upon expiration of said notice period.

10.3 Upon the happening of any of the following events, Licensor may terminate this Agreement, without court action or arbitration, by giving simple written notice of termination:

- (a) If the ownership, control or management of Licensee is changed; or
- (b) If Licensee appoints a third party manufacturer or consultant without Licensor's prior written approval and/or ensuring it complies with the Principles; or
- (c) If Licensee or any of its affiliated companies infringes the trademarks, copyrights, patents, or other property rights belonging to Licensor or any of its affiliates; or

- (d) If Licensee breaches clause 16.3 below; or
- (e) If Licensee submits inaccurate test reports;
- (f) If Licensee ships or places in the market Licensed Articles which have not been approved by the Licensor on LAS;
- (g) If Licensee initiates a recall of any or all of the Licensed Articles for health or safety reasons;
- (h) If Licensee commits any breach (other than those above) of any term of this Agreement and if capable of remedy, shall have failed within 14 days of written request from Licensor to remedy the breach to Licensor's satisfaction; or
- (i) If Licensee commits any breach which is of the same nature, and which breaches the same provision of this Agreement, as a breach of which Licensor has previously given Licensee written notice under clause 10.3(e) above; or
- (j) If Licensee is in breach of any material term of any other agreement with Licensor or any of its affiliated companies resulting in the possible termination of such other agreement; or
- (k) If the Licensee challenges or threatens to challenge the validity or ownership of the Licensed Property; or
- (l) Licensor ceases to have the right to grant licences of the Licensed Property; or
- (m) The parties are unable to agree changes in the Principles or described in clause 6.7.

10.4 Termination under the provisions of this clause 10 shall be without prejudice to any rights Licensor may otherwise have against Licensee, including, without limitation, the right to recover Royalties due hereunder or damages. Upon the termination of this Agreement, notwithstanding anything to the contrary herein, all Royalties on Sales made, all outstanding Advances and all Minimum Guaranteed Royalty balances shall become immediately due and payable. For the avoidance of doubt no Advance or Guarantee will be repayable.

11. **OBLIGATIONS ON TERMINATION/EXPIRATION**

11.1. Sixty (60) days before the expiration of this agreement and again, within ten (10) days after such expiration (or, in the event of termination of this license, ten (10) days after termination), a statement showing the number and description of Licensed Articles in Licensee's possession or control will be furnished by Licensee to Licensor. Licensor will have the right to take a physical inventory and refusal by Licensee to submit to such physical inventory will forfeit any right to sell off under clause 11.2.

11.2. After expiration (but not termination under clause 10) of this Agreement, Licensee shall be entitled to sell Licensed Articles in stock at expiration/termination for the Sell Off Period specified in the Business Terms on a non-exclusive basis provided:

(a) all Royalties, advances, guarantees and other sums due to Licensor have been paid in full and relevant statements furnished to Licensor's satisfaction and Licensee is not in default of any of its other obligations under this Agreement;

(b) Licensee has complied with clause 11.1. above;

(c) Licensed Articles in stock (as notified above) had been offered for sale and shipped prior to the expiration of the Term and does not exceed the

average stock distributed by Licensee over the previous 6 months;

(d) Licensee shall give Licensor a reasonable opportunity to purchase, at Licensee's cost of manufacture, any inventory of the Licensed Articles remaining at the beginning and end of the Sell Off Period, although Licensor shall be under no obligation to exercise such right;

(e) The relevant terms of this agreement will still apply to the Sell Off Period save that Royalties earned during the Sell Off Period may not be set off against any Minimum Guaranteed Royalty or Advance;

(f) All Royalties due shall be paid to Licensor within 30 days of the end of the Sell Off Period.

11.3. Notwithstanding anything to the contrary herein, Licensee shall not manufacture, sell or dispose of any Licensed Articles after termination hereof based on the failure of Licensee to affix any Required Notices, or because of the departure by the Licensee from the quality and style approved by Licensor or by reason of termination for any other causes under clause 10 above. In the event of such termination, Licensee, its receivers, representatives, trustees, agents, administrators and successors shall have no further right to sell, exploit or in any way deal with any of the Licensed Articles, or any advertising matter, packing material, boxes, cartons or other documentation relating thereto. Any inventory of Licensed Articles or any other materials bearing the Licensed Property remaining after expiration or termination of this Agreement and any Sell-Off Period, shall be destroyed, and a certificate of such destruction shall be promptly provided to Licensor by Licensee. Licensee shall at Licensor's direction immediately return to Licensor or destroy at Licensee's cost all artwork or other materials or property belonging to Licensor which it has acquired as a result of this Agreement.

11.4. Upon and after the expiration or termination of this agreement, all rights granted to Licensee hereunder will forthwith revert to Licensor. Licensee will refrain from use of the Licensed Property or any reference to it, direct or indirect, or anything which in Licensor's view would be confusingly similar to the Licensed Property save as permitted under clause 11.2. Upon expiration/termination Licensee will cease to hold itself out as Licensee of the Licensed Property.

11.5. Licensee acknowledges that its failure (save as otherwise provided herein) to cease the manufacture, sale or distribution of the Licensed Articles or any class or category thereof at the termination or expiration of this Agreement will result in immediate and irremediable damage to Licensor and to the rights of any subsequent licensee for which there is no adequate remedy at law. Licensee agrees that in the event of such failure, Licensor shall be entitled by way of temporary and permanent injunctions and such other further relief as any court with jurisdiction may deem just and proper.

12. **NOTICES**

All notices shall be in writing and shall be served personally or by pre-paid recorded delivery or registered post or by fax to the address of the recipient as set out in the Business Terms (or such other address as notified under this clause). Notice given personally shall be deemed given at the time of delivery. Notice given by post shall be deemed given on the date it is recorded as delivered by receipt of courier service or mailing receipt. Notice sent by facsimile transmission shall be deemed

given at the time of its actual transmission as evidenced by the transmission report.

13. **NO JOINT VENTURE**

Nothing herein contained will be construed to constitute a joint venture or partnership between the parties. Nothing herein contained will be construed as constituting Licensee as Licensor's agent or as authorising Licensee to incur any obligations in Licensor's name without Licensor's prior authorisation in writing.

14. **NO ASSIGNMENT OR SUBLICENSE**

14.1. This agreement and all rights and duties hereunder are personal to Licensee and will not, without the written consent of Licensor, be assigned, mortgaged, sublicensed, delegated or otherwise encumbered by Licensee or by operation of law including but not limited to any acquisition, change of control or internal corporate reorganisation of Licensee or disposal of all or substantially all of its assets. In no event shall any sublicense agreement include the right to grant any further sublicenses.

14.2. For purposes of this Agreement, the term "assignment" shall, in addition to the transfer of this Agreement or the rights or obligations thereunder, whether voluntarily, involuntarily, by operation of law or otherwise, be deemed to include

- (i) a sale or other transfer by Licensee of all or substantially all of its assets;
- (ii) the liquidation or dissolution of Licensee;
- (iii) the merger, amalgamation, consolidation or reorganization of Licensee into or with another corporation or other entity as a result of which Licensee is not the surviving corporation; or
- (iv) any transaction (including any of the foregoing transactions, as well as any in which Licensee is the surviving corporation) which, whether by way of sale, gift or other transfer, whether involving Licensee or the record or beneficial owners of equity interests in Licensee, results in more than a twenty percent (20%) change in the voting control of Licensee.

14.3. In the event that Licensee requests Licensor's consent to an assignment of any or all of the rights granted to Licensee under this Agreement or Licensee commits any action constituting an assignment and Licensor consents to such an assignment, it is understood and agreed that Licensee shall be required to pay a license transfer fee to Licensor, calculated as follows:

- one hundred percent (100%) of
 - (1) the royalties earned under this Agreement for sales effectuated in the full calendar year (January 1 to December 31 period) prior to the effective date of the assignment, or
 - (2) the royalties earned under this Agreement for sales effectuated in the twelve (12) full calendar months prior to the effective date of the assignment, or
 - (3) the royalties earned under this Agreement for sales effectuated during the first twelve (12) full calendar months after the effective date of the assignment, or
 - (4) the Total Royalty Guarantee for the entire Term of this Agreement (inclusive of any advance royalty payments),

whichever amount is largest; provided, however, that in no event shall the license transfer fee be less than Five Thousand United States Dollars (U.S. \$5,000.00).

14.4. In the event of any permitted assignment, Licensee shall remain primarily obligated under all of the provisions of this Agreement.

15. **NO WAIVER OR SET OFF**

15.1 No waiver or modification of any of the terms of this agreement will be valid unless in writing and signed by the party to be charged. No waiver by either party of a breach or default hereunder, or a continuing breach or default, shall be deemed a waiver by such party of a subsequent breach or default of like or similar nature. Any approval or consent given by Licensor shall not constitute a waiver of any of Licensor's rights or Licensee's duties or obligations under any provision of this Agreement.

15.2 All amounts due under this Agreement shall be paid in full without any deduction or withholding other than as required by law and Licensee shall not under any circumstances either during or after the termination of this agreement be entitled to assert any credit, set-off or counterclaim against Licensor in order to justify withholding payment of any such amount in whole or in part.

16. **MISCELLANEOUS**

16.1 This agreement embodies the entire agreement and understanding of the parties and supersedes all prior written or oral agreements or understandings between the parties concerning the subject matter hereof.

16.2 Each of the parties acknowledges and agrees that in entering this Agreement, it does not rely on any undertakings, promises, assurances, statements, representations, warranty or undertaking (whether in writing or not) of any person (whether party to this Agreement or not) relating to the subject matter of this Agreement other than as expressly set out in this Agreement, and "this Agreement" includes the documents referred to in it or entered into pursuant to it. There are no representations, promises, warranties, covenants or undertakings other than those contained in this Agreement.

16.3 Licensee shall comply with local anti-bribery laws as well as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and the Brazil Anti-Corruption Law, if applicable, as well as any other applicable laws and regulations. If required by Licensor, Licensee shall submit to a compliance audit(s). In addition, if requested by Licensor, Licensee shall provide full details of its trading activities in relation to its performance under this Agreement, including but not limited to importation into any territories. Licensee shall participate in all relevant compliance training programs at its own cost.

In connection with its performance under this Agreement, Licensee shall not directly or indirectly: (A) offer, pay, promise to pay, or authorize the payment of any money, gift or other thing of value to any person who is an official, agent, employee, or representative of any government or instrumentality thereof or to any candidate for political or political party office, or to any other person while knowing or having reason to believe that all or any portion of such money, gift or thing of value will be offered, given, or promised, directly or indirectly, to any such official, agent, employee, or representative of any government or political party, political party official or candidate; (B) offer, promise or give any person working for, or engaged by, Licensor a financial or other advantage to (i) induce that person to perform improperly a relevant function or activity, or (ii) reward that person for improper performance of a relevant function or activity; or (C) request, agree to, receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement. Any such offer, payment, promise, authorization, distribution or similar act

effected by Licensee shall be considered an incurable, material breach of this Agreement entitling Licensor to terminate this Agreement immediately upon discovery of such breach without advance notice to Licensee.

Licensee represents and warrants that: (i) all third parties engaged by Licensee to perform services related to this Agreement (including but not limited to customs brokers, logistics providers, and similar parties) shall be qualified and reputable, and Licensee shall conduct appropriate vetting of such third parties and shall require that such third parties agree to comply with all legal requirements required of Licensee under this Agreement; (ii) it and/or its officers, directors, shareholders, partners, proprietors, agents, employees, or anyone acting on its behalf is not currently and has never been listed on (1) the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List as published by the U.S. Department of the Treasury; (2) the Denied Persons List, the Denied Entities List and the Unverified List as published by the Bureau of Industry and Security at the U.S. Department of Commerce; (3) any U.K. list of sanctioned or denied groups, entities or persons, including the Office of Financial Sanctions Implementation list of targets; or (4) the EU's Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions (collectively, the "Export Control Lists"), as such lists may be amended from time to time; (iii) it shall not sell any Licensed Articles in a country against which the United States, the United Kingdom or the European Union maintains trade embargoes or comprehensive economic sanctions programs, as that list may be amended from time to time; and (iv) it shall not sell any Licensed Articles to any individual, organization or entity appearing on any of the Export Control Lists as those lists may be amended from time to time.

Data Privacy & Security Compliance. Licensee hereby represents and warrants that its activities (and the activities of any third-party Licensee engages hereunder) will comply with all applicable Data Protection Laws in accordance with Appendix 2 Data Compliance of this Agreement, and the parties hereby acknowledge and agree that Licensee is a "Controller" all as defined in Article 4 of the Regulations in Appendix 2 for the purposes of this Agreement.

16.4 The terms of this Agreement are confidential to the parties. Each party agrees to maintain secret and confidential all confidential information obtained by the other both pursuant to this Agreement and prior to and in contemplation of it and all other information that it may acquire from the other in the course of this Agreement and to respect the other's proprietary rights in such material and to use the same exclusively for the purposes of this Agreement and to disclose the same only to its professional advisors and those of its employees, officers, agents and representatives pursuant to this Agreement on a need to know basis (and which employees, officers, agents and representatives shall be made aware of and required to acknowledge these confidentiality arrangements in writing). This confidentiality obligation shall not apply to information which (a) prior to its receipt from one party was lawfully in the possession of the other and at its free disposal; or (b) is subsequently disclosed to the recipient party without any obligations of confidence by a third party who is not in breach of any confidentiality obligations; or (c) is or becomes generally

In addition to Part A the following terms shall apply to the Licence Agreement according to whether the Licensed Articles defined in the Business Terms are merchandising or publishing:

PART B – Merchandising

Clauses under this Part B only apply to Merchandising Licence Agreement, as identified in the Business Terms

1. **MANUFACTURING STANDARDS AND APPROVALS** - In addition to clause 6 of PART A , the following shall apply:
 - 1.1. In order to ensure that the Licensed Articles meet the Licensor's requirements, Licensee shall, prior to the first production run, furnish to Licensor free of cost for its written approval, samples (as defined in the Business Terms) of each Licensed Article, its cartons,

available to the public through no act or default of the recipient party, its agents, employees, officers or representatives; or (d) is required by law to be disclosed.

- 16.5 This Agreement shall be governed by and construed in accordance with the laws of England and Wales. Each party irrevocably agrees to submit to the exclusive jurisdiction of the English courts over any claim or matter arising under or in connection with this Agreement or the legal relationships established by this Agreement.
- 16.6 In the event that any provision of this Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable, the parties shall amend that provision in such manner as achieves the intention of the parties without illegality or, at the discretion of the parties, it may be severed from this Agreement and in either event the remaining provisions of this Agreement shall remain in full force and effect.
- 16.7 Licensee shall be released from its obligations hereunder and this license shall terminate in the event that governmental regulations or other causes arising out of a state of national emergency or war or causes beyond the control of the parties render performance impossible (herein any such event to be referred to as a "Force Majeure Event"), and one party so informs the other in writing of such causes and its desire to be so released. In such events, all Royalties on Sales theretofore made shall become immediately due and payable, and no Advance or Minimum Guaranteed Royalty shall be repayable.
- 16.8 Save as set out in this Agreement, this Agreement is not intended to and shall not grant rights to any third party pursuant to the Contracts (Rights of Third Parties) Act 1999 or any similar or subsequent legislation. The parties agree that Section 2(1) of the said Act shall not apply and the parties may vary or rescind this Agreement without the consent of any third party.
- 16.9 The provisions of clauses 3, 4, 6.9, 6.10, 9, 10.4, 11, 12, 13, 16 of PART A and clause 2 of PART B or clause 3 of PART C as well as those Business Terms which are relevant, shall survive the termination or expiration of this Agreement.
- 16.10 To the extent permitted by law, the parties intend to allow for the electronic execution, imaging and storage of this Agreement and the admissibility into evidence of such an image in lieu of the original paper version of this Agreement. The parties stipulate that any computer printout of any such image of this Agreement shall be considered to be an "original" under the applicable court or arbitral rules of evidence when maintained in the normal course of business and shall be admissible as between the parties to the same extent and under the same conditions as other business records maintained in paper or hard copy form. The parties agree not to contest, in any proceeding involving the parties in any judicial or other forum, the admissibility, validity, or enforceability of any image of this Agreement because of the fact that such image was stored or handled in electronic form

containers and packing and wrapping material together with written laboratory reports confirming that the Licensed Articles conform to all applicable laws, rules and regulations. Tests on Licensed Articles must be performed by a national testing laboratory or an independent laboratory that is nationally approved unless another laboratory is approved by Licensor in writing, and submitted on LAS before Licensed Articles are shipped. The quality, content and style of such Licensed Articles as well as of any carton, container or packing or wrapping material, shall be subject to the approval of the Licensor, to be granted or withheld at Licensor's sole discretion. First distribution approval shall not in any event be granted prior to Licensor's approval in the LAS, such approval never to be deemed implied. After samples have been approved pursuant to this clause, Licensee will not then change the Licensed Articles in any material respect without Licensor's prior written consent.

- 1.2. Upon request by Licensor, Licensee shall provide Licensor with specific test data and in any case Licensee agrees to maintain such reports and other safety testing records, as well as all engineering design records, for a period of not less than ten (10) years after the product has been placed in the market.
- 1.3. Licensee shall furnish to Licensor without charge samples (as defined in the Business Terms) of each Licensed Article manufactured hereunder upon start of the first production run for Licensor's prior written approval before commencing distribution.

2. INDEMNIFICATION

2.1. Licensee hereby agrees to defend, indemnify, and hold harmless the Licensor and all subsidiaries, affiliates and assignees of the Licensor, against all claims, judgments, actions, debts or rights of action, suits, loss and damage (including, without limitation, any direct or indirect consequential losses, loss of profit and loss of reputation, and all interest, penalties and legal and other professional costs and expenses) arising out of the manufacture, promotion, marketing, distribution, sale or use of the Licensed Articles, or any use of the Licensed Property in connection with the Licensed Articles, or any actual or alleged defects in the Licensed Articles, whether defects in design, manufacture, or otherwise. Licensee shall be solely responsible for all intellectual property rights searches and clearances which Licensee uses in conjunction with or incorporated in the Licensed Property or the Licensed Articles. Licensee agrees to give Licensor prompt written notice of any such claims or suits and to take such corrective action as Licensor may require in its discretion, including but not limited to product recall and/or changes in product design. In the event of a claim, action, or suit alleging a defect in the design, manufacture or otherwise in the Licensed Articles, or alleging strict liability for damages due to the Licensed Articles, Licensee agrees not to destroy or discard any engineering design records or safety testing records relating to the Licensed Articles.

2.2. Licensor hereby indemnifies Licensee and undertakes to defend Licensee against, and to hold Licensee harmless from, any claims, suits, action, loss and damage arising out of any claims and/or actions of actual or alleged copyright infringement based on the Licensed Property as supplied to Licensee by Licensor and used by Licensee pursuant to the terms of this Agreement, provided that (a) Licensee has given Licensor prompt written notice of any such claim, suit, action, loss and/or damage; (b) Licensee permits Licensor to conduct and control the defence with counsel of Licensor's own choosing; (c) Licensee makes no admission of liability, agreement or compromise in relation to the relevant claim without Licensor's prior written consent; and (d) Licensee provides Licensor with full cooperation with respect thereto. In no event shall Licensor be liable for Licensee's consequential damages or lost profits. No warranties, either express or implied, shall be deemed given by Licensor hereunder. The indemnity described in this provision, and termination of this Agreement without further obligation other than the payment of Royalties on actual Sales to date, shall constitute Licensee's sole remedy in the event of a finding of copyright infringement based on Licensee's use of the Licensed Property as authorised under this Agreement.

2.3. SUBJECT TO CLAUSE 2.2 OF THIS PART B ABOVE, NO WARRANTY OR INDEMNITY IS GIVEN BY LICENSOR FOR LOSS ARISING FROM ANY CLAIM THAT USE OF THE LICENSED PROPERTY ON OR IN CONNECTION WITH THE LICENSED ARTICLES INFRINGES UPON ANY THIRD PARTY TRADE MARK RIGHTS OTHER THAN RIGHTS ACQUIRED FROM LICENSOR. IN SO FAR AS THE TRADE MARKS CONSIST OF APPLICATIONS, NO WARRANTY IS GIVEN THAT SUCH APPLICATIONS WILL PROCEED TO REGISTRATION. IT IS EXPRESSLY AGREED THAT IT IS LICENSEE'S RESPONSIBILITY TO CARRY OUT SUCH TO CARRY OUT SUCH INVESTIGATIONS AS IT MAY DEEM APPROPRIATE TO ESTABLISH THAT LICENSED ARTICLES, PACKAGING, PROMOTIONAL AND ADVERTISING MATERIAL CREATED HEREUNDER DO NOT INFRINGE ANY THIRD PARTY TRADE MARK RIGHTS.

3. INSURANCE

Licensee agrees that it will maintain, at its own expense, comprehensive product liability insurance, written on an occurrence basis (not a "claims made" basis), from a recognized insurance company, providing adequate product liability insurance protection in an amount no less than that specified in the Business Terms, effective throughout the Term and any renewal, and for at least three (3) years after any expiration or termination of the Agreement, naming Licensee as named insured and Licensor as additional insured against any claims, suits, loss, or damage arising out of any such actual or alleged defects in the Licensed Articles. It is agreed that such insurance shall be primary and non-contributing to any other insurance. It is agreed that the deductible under said insurance policy or Licensee's self-insurance retention amount may not exceed One Hundred Thousand United States Dollars (U.S. \$100,000.00). As proof of such insurance, a certificate of insurance stating Licensor as an additional insured will be submitted to Licensor by Licensee for Licensor's prior approval before any Licensed Article is distributed or sold, and at the latest, within thirty (30) days after the date first written above. Licensor shall be entitled to a copy of the then-prevailing certificate of insurance, which shall be furnished Licensor by Licensee. As used in this clause, "Licensor" shall include Licensor, the parent, subsidiaries, and affiliates thereof, and the officers, directors, agents and employees of each. The certificate of insurance shall include a provision to notify Licensor in writing, prior to the effective date, of any amendment or cancellation of such insurance before the expiration date thereof.

PART C – Publishing

Clauses under this Part C only apply to Publishing Licence Agreement, as identified in the Business Terms

1. **MANUFACTURING STANDARDS AND APPROVALS** - In addition to clause 6 of PART A the following shall apply:
The quality, content, and style of such Licensed Articles as well as of any covers, labels, carton, container, or packing or wrapping material, shall be subject to the approval of Licensor, to be granted or withheld in Licensor's sole discretion. Licensee shall submit such materials, as well as preliminary artwork, text, layouts, and proofs for the Licensed Articles, for review by Licensor prior to Licensee's first production run. After samples have been approved pursuant to this Clause, Licensee shall not depart there from in any material respect without Licensor's prior written consent. Licensee shall, without charge, furnish Licensor with the number of samples defined in the Business Terms of each Licensed Article manufactured hereunder upon completion of the first production run thereof. Any item submitted to Licensor for approval shall be submitted via Licensor's LAS on-line approval system and shall not be deemed approved unless and until the same shall be approved by Licensor in writing. Licensee warrants that the production samples shall not deviate in any way from the materials submitted by Licensee and approved by Licensor. From time to time after Licensee has commenced selling the Licensed Articles, but no more than once per calendar year upon Licensor's written request, Licensee shall furnish without cost to Licensor, not more than the additional number of random samples defined in the Business Terms of each Licensed Article being manufactured or sold by Licensee hereunder, together with any covers, labels, cartons, containers, and packing and wrapping material used in connection therewith. Should Licensor require additional Licensed Articles for any reason whatsoever, Licensor may purchase such at Licensee's cost. Sale of any Licensed Article by Licensee (other than a reprint of a previously published Licensed Article), the quality of which has not been specifically approved by Licensor as hereinabove provided, shall be deemed to constitute a material breach of this Agreement.

2. **INDEMNIFICATION**
 - 2.1. Licensee hereby indemnifies Licensor and undertakes to defend Licensee and Licensor against, and to hold Licensor harmless from, any claims, suits, loss, and damage (including attorneys' fees) incurred by Licensor and arising out of (a) the development, design, formatting, publication, distribution, sale, or other exploitation or use of the Books; (b) any use of the Property or any design, logo, verbiage, trademark, personal name, patent, process, idea, method, or device by Licensee in connection with the Books; (c) any actual or alleged defects in the Books, whether defects in design, formatting, or otherwise; (d) any breach of any representation, warranty, or covenant made by Licensee hereunder or in connection with the sale of the Books, whether express, implied, or made by law; or (e) the failure of Licensee to perform any of its covenants or obligations contained in this Agreement. Licensee shall be solely responsible for trademark searches, and clearance of the use, of any designs, logos, or verbiage which Licensee may use in conjunction with the Property on the Books. Licensee agrees to give prompt written notice to Licensor of any claims or suits and to take such corrective action as Licensor may require in its discretion. As used in the first two sentences of this Clause, "Licensor" shall also include the officers, directors, agents, and employees of Licensor, or any of its parents, subsidiaries, or affiliates.
 - 2.2. Licensor hereby indemnifies Licensee and undertakes to defend Licensee against, and to hold Licensee harmless from, any claims, suits, action, loss and damage arising out of any claims and/or actions of actual or alleged copyright infringement based on the Licensed Property as supplied to Licensee by Licensor and used by Licensee pursuant to the terms of this Agreement, provided that (a) Licensee has given Licensor prompt written notice of any such claim, suit, action, loss and/or damage; (b) Licensee permits Licensor to conduct and control the defence with counsel of Licensor's own choosing; (c) Licensee makes no admission of liability, agreement or compromise in relation to the relevant claim without Licensor's prior written consent; and (d) Licensee provides Licensor with full cooperation with respect thereto. In no event shall Licensor be liable for Licensee's consequential damages or lost profits. No warranties, either express or implied, shall be deemed given by Licensor hereunder. The indemnity described in this provision, and termination of this Agreement without further obligation other than the payment of Royalties on actual Sales to date, shall constitute Licensee's sole remedy in the event of a finding of copyright infringement based on Licensee's use of the Licensed Property as authorised under this Agreement.
 - 2.3. SUBJECT TO CLAUSE 3.2 OF THIS PART C ABOVE, NO WARRANTY OR INDEMNITY IS GIVEN BY LICENSOR FOR LOSS ARISING FROM ANY CLAIM THAT USE OF THE LICENSED PROPERTY ON OR IN CONNECTION WITH THE LICENSED ARTICLES INFRINGES UPON ANY THIRD PARTY TRADE MARK RIGHTS OTHER THAN RIGHTS ACQUIRED FROM LICENSOR. IN SO FAR AS THE TRADE MARKS CONSIST OF APPLICATIONS, NO WARRANTY IS GIVEN THAT SUCH APPLICATIONS WILL PROCEED TO REGISTRATION. IT IS EXPRESSLY AGREED THAT IT IS LICENSEE'S RESPONSIBILITY TO CARRY OUT SUCH INVESTIGATIONS AS IT MAY DEEM APPROPRIATE TO ESTABLISH THAT LICENSED ARTICLES, PACKAGING, PROMOTIONAL AND ADVERTISING MATERIAL CREATED HEREUNDER DO NOT INFRINGE ANY THIRD PARTY TRADE MARK RIGHTS.

3. **INSURANCE**
Licensee shall, throughout the Term of the Agreement, obtain and maintain at its own cost and expense from a qualified insurance company standard liability insurance, including errors and omissions insurance, written on an occurrence basis (not a "claims made" basis), naming Licensor as an additional insured. Such policy shall provide protection against any and all claims, demands, and causes of action arising out of the Books, including libel, invasion of the right of privacy, plagiarism, infringement of intellectual property, and unfair competition. The amount of coverage shall be as specified in the Business Terms. The policy shall remain effective throughout the Term and any renewal, and for at least one (1) year thereafter, and shall provide for prompt notice to Licensor from the insurer by registered or certified mail, return receipt requested, in the event of any modification, cancellation, or termination thereof. Licensee agrees to furnish Licensor a certificate of insurance evidencing same within thirty (30) days after execution of this Agreement and, in no event, shall Licensee print, manufacture, publish, distribute, or sell the Books prior to receipt by Licensor of such evidence of insurance. It is agreed that the deductible under said insurance policy or Licensee's self-insurance retention amount may not exceed One Hundred Thousand United States Dollars (U.S. \$100,000.00).

APPENDIX 1

ROYALTY STATEMENT

See attached.

Rate Sections	Prod SKU	Description	Units Sold	Gross Sales	Deductions	Net Revenue	Royalty Earned	Rpt Royalty Rate	Last Royalty Rate
Non-FOB	1	Product Name	0	0.00	0.00	0.00	0.00	0.0%	0.00%
FOB	1	Product Name	0	0.00	0.00	0.00	0.00	0.0%	0.00%

Hasbro, Inc. Hasbro Properties Group Royalty Accounting 200 Narragansett Park Drive P.O. Box 200 Pawtucket, RI 02862-0200 Mail Stop C-9177R Telephone: 1-401-431-1015 Fax:	License Report of Sales Activity and Royalties Due Contract # Property Name Hasbro Acct Mgr: 401-431-8026 kopl@hasbro.com Licensing Accountant: Luke Kopl	Period Covered: Report As of: Frequency: Report Due: Report Currency: Qty	To Licensee Name Licensee Address Telephone: Licensee # Fax: Licensee # Contact: License Name
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APPENDIX 2

DATA PROTECTION COMPLIANCE TERMS

This Appendix 2 shall apply in all circumstances where Licensee Processes Data directly or indirectly in connection with this Agreement. Nothing in this Appendix 2 relieves Licensee from obligations imposed on it under Data Protection Laws.

1. General Obligations. Licensee shall:

- (a) only Process the Data in compliance with, and shall not cause itself or Licensor or its affiliates to be in breach of, Data Protection Laws;
- (b) take all reasonable steps to ensure the reliability of any employees, agents or contractors who may have access to, or are authorized to Process, Data and ensure such employees, agents or contractors are bound by appropriate obligations of confidentiality or are under appropriate statutory obligations of confidentiality and shall ensure that such access is strictly limited to those employees, agents and contractors requiring access in connection with their role and the purposes for which the Data is being Processed by Licensee;
- (c) have in place and maintain Protective Measures regarding the security of the Data, including without limitation:
 - (i) a data security program which integrates technology-based security measures, policies, procedures and practices;
 - (ii) ongoing education and awareness designed to protect the security of Data and which meets the standards of general industry practice to safeguard similar Data;
 - (iii) protection against unauthorized disclosure of or access to Data transmitted, stored or otherwise Processed; and
 - (iv) protection against accidental or unlawful destruction of, loss of or alteration to Data transmitted, stored or otherwise;
- (d) provide, on Licensor's request, a written description of the technical and organizational measures, including Protective Measures, employed by Licensee for Processing of Data (within timescales reasonably required by Licensor); and
- (e) implement appropriate technical and organizational measures to ensure the Processing of Data meets the requirements of Data Protection Laws.

2. Sub-Processors. Licensee may engage any third party, including any affiliate of Licensee to carry out Processing of the Data ("**Sub-Processor**"), provided that Licensee shall:

- (a) carry out adequate due diligence to ensure the Sub-Processor is capable of providing a level of protection for the Data required by this Agreement;
- (b) enter into a written agreement with each Sub-Processor containing obligations on the Sub-Processor which are equivalent to, and no less onerous than, those applicable to Licensee set out this Appendix 2;
- (c) provide Licensor for review such copies of the agreements with Sub-Processors (which may be redacted to remove confidential commercial information not relevant to the requirements of this Agreement) as Licensor may request from time to time; and
- (d) remain responsible for all obligations that are performed by and acts or omissions of each Sub-Processor as if they were acts or omissions of Licensee.

3. International Transfers of Data. Licensee shall only transfer Data outside of the jurisdiction in which it was collected subject to implementing appropriate safeguards in respect of such transfers and compliance with all applicable international data transfer requirements in the relevant jurisdictions (including the use of EC-approved Standard Contractual Clauses for transfers of Data from inside the EEA to a jurisdiction outside of the EEA).

4. Information and data audits.

- (a) On request and at no additional charge, Licensee shall provide to Licensor and/or its authorized representatives or auditors all information required by Licensor and/or allow for and contribute to audits and inspections to assess Licensee's compliance with this Appendix 2 and the Data Protection Laws and all information necessary for Licensor to demonstrate Licensor's compliance with the Data Protection Laws.
- (b) In order that Licensor and/or its authorized representatives or auditors and any Supervisory Authority may audit Licensee's compliance with the Data Protection Laws and the terms of this this Appendix 2, on request and at no additional charge, Licensee shall provide Licensor with:
 - (i) reasonable access to all relevant information, premises, Data, employees, agents, Sub-Processors, equipment and assets at all locations from which obligations of Licensee under this Appendix 2 are being or have been or should have been carried out; and
 - (ii) all reasonable assistance in carrying out the audit, during the Term and for twelve months after the termination of this Agreement, subject to Licensor's giving Licensee seven days' notice of such audit (except where such audit is required by a Supervisory Authority to which Licensor is subject in which case these time limits shall not apply).
- (c) Licensee shall immediately inform Licensor if, in its opinion, an instruction pursuant to Paragraphs 4(a) and/or 4(a) of this Appendix 2 infringes Applicable Law.

5. Records.

- (a) Licensee shall maintain "**Records**", which shall be defined as records of all Processing activities carried out in respect of the Data to comply with Data Protection Laws, including but not limited to:
 - (i) the information described in Paragraphs 4(a) and 4(a) of this Appendix 2;
 - (ii) where applicable, the name and contact details of Licensee, any Sub-Processors, Licensor, and the data protection officer or representative based in the European Union of Licensee and of any Sub-Processors;
 - (iii) a description of the different categories of Processing of the Data being carried out by Licensee;
 - (iv) any international transfers of Data, including the identification of the relevant country or international organization and any documentation required to demonstrate suitable safeguards; and
 - (v) a description of the Protective Measures referred to in Paragraph 1 of this Appendix 2.
- (b) The Records shall be in written electronic form.
- (c) Licensee shall provide the Records to Licensor promptly on request in a format reasonably requested by Licensor.

6. Privacy Policy. If any applicable Data Protection Laws, Supervisory Authority, governmental, municipal or legal authority having jurisdiction over Licensee or the Data covered by this Agreement requires Licensee to adopt a privacy policy related to such Data, Licensee shall adopt and prominently post on any website connected with the Licensed Property, a privacy policy and shall adhere to the terms of such privacy policy. Such privacy policy shall specifically refer to the sharing of Data with Licensor and the purposes for which the Data is being shared.

7. Data Breach.

- (a) Licensee acknowledges that any Data Breach could result in losses and other harm to Licensor. Licensee shall be responsible for any and all Data Breaches involving Data within Licensee's direct or indirect control, including Data stored on Licensee's computer equipment, network, and systems (collectively, "**Licensee System**") and Data which is Processed by any Sub-Processors.
- (b) Licensee represents and warrants that, as of the effective date of this Agreement, Licensee System has not suffered an actual or reasonably suspected security breach involving Data.
- (c) If Licensee discovers or is notified of a Data Breach, Licensee:
 - (i) shall notify Licensor immediately in writing after becoming aware of any Data Breach or any other breach of this Appendix 2, providing such information relating to the same as Licensee has at that time. Failure to notify Licensor shall be deemed a material breach of this Agreement;
 - (ii) shall, if required by Applicable Law (including Data Protection Laws) or warranted under the circumstances, promptly notify applicable law enforcement and regulatory authorities (including Supervisory Authorities)

and/or affected Data Subjects of such Data Breach, all such notices subject to Licensor's prior review and approval in each case; and

- (iii) shall fully cooperate with Licensor in all respects regarding the Data Breach, including without limitation:
 - A. investigating and curing the Data Breach in the most expedient time possible and provide Licensor as soon as possible with complete information relating to it;
 - B. assisting Licensor in investigating, remedying and taking any other action Licensor deems necessary regarding any Data Breach and any dispute, inquiry or claim that concerns such Data Breach;
 - C. providing Licensor with assurances reasonably satisfactory to Licensor that such Data Breach shall not recur;
 - D. unless prohibited by an applicable statute or court order, notifying Licensor of any third-party legal process relating to any Data Breach, including, but not limited to, any legal process initiated by any governmental entity (foreign or domestic); and
 - E. on Licensor's instruction, providing a copy of such Data as is requested by Licensor from time to time. Licensee shall transmit, transfer, and deliver all Data in an encrypted format to be mutually agreed upon by the Parties. If Data is to be shared back and forth, all transfer of such Data between Licensor and Licensee shall be in an agreed-upon secure format.

- (d) Licensee's assistance under Paragraph 7(c) of this Appendix 2 shall not limit its obligation to indemnify Licensor or any of Licensor's other rights or remedies under this Agreement or otherwise.
- (e) Licensee shall investigate the Data Breach in the most expedient time possible and shall then provide Licensor as soon as possible with complete information relating to it, including without limitation: (i) the nature of the Data Breach; (ii) the categories and number of Data Subjects concerned; (iii) the categories and number of Data records concerned; (iv) the name and contact details of Licensee's Data Protection Officer (as defined under any Data Protection Laws) or relevant contact point; (v) the possible consequences of the Data Breach; (vi) the measures taken to, or proposed to be taken, to address the Data Breach and mitigate its possible effects; and (vii) any other information that Licensor may reasonably request concerning the Data Breach.
- (f) Licensee shall maintain a log of Data Breaches including facts, effects and remedial action taken.
- (g) Licensee shall take all steps to restore, re-constitute and/or reconstruct any Data which is lost, damaged, destroyed, altered or corrupted including as a result of a Data Breach.
- (h) On Licensor's request, promptly reimburse Licensor for any costs, expenses and/or other charges incurred by Licensor to remediate the results of the Data Breach, including the preparation and mailing of notices to Data Subjects or Supervisory Authorities to whom notification of a data breach is required by Data Protection Laws.

8. Information minimization. Licensee shall use reasonable information minimization procedures to limit collection, retention and processing of Data.

9. Destruction and disposal of Data. Licensee shall securely destroy or delete all Data (including any Data held in an electronic database and Data held by any Sub-Processors) once it is no longer necessary in connection with the purposes for which it was collected, provided that Licensee may retain such Data as is required by Applicable Law. Licensee shall not, and shall ensure that no third party appointed by Licensee to assist with its use of the Licensed Property under this Agreement shall not, dispose, re-assign or re-use any equipment or any electronic, magnetic or other medium which is or has been used to store Data or any other data that has been generated, obtained, held, used or stored for the purposes of this Agreement without ensuring that such data has been entirely removed, or otherwise securely obliterated.

10. Assistance and co-operation. Licensee shall provide Licensor with such assistance and co-operation as Licensor may reasonably request to enable Licensor to comply with any obligations imposed on Licensor relating to the Data, by Data Protection Laws.

- (a) If Licensee is requested or required (by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demands or other similar processes) to disclose any Data to a third party, Licensee shall exercise any rights it may have under Applicable Law to prevent or limit such disclosure.

- (b) If no such remedy is obtained, Licensee shall disclose only that portion of the Data that is legally required to be disclosed and to extent reasonably practicable, shall ensure that all Data that is disclosed shall be subject to obligations of confidentiality equivalent to those contained in the Agreement.

11. Data Sharing.

- (a) Where Data is shared by Licensee with Licensor, Licensee shall:
 - (i) ensure that such sharing is permitted by applicable Data Protection Laws;
 - (ii) refer to the sharing of the Data with Licensor and the purposes for which it is being shared in any privacy policy which is required pursuant to Paragraph 6 of this Appendix 2; and
 - (iii) collect valid consents (as required) from Data Subjects to enable the sharing of the Data with Licensor.
- (b) By entering into this Agreement, Licensee agrees and warrants that it has full legal and beneficial right and title to supply the Data to Licensor in accordance with this Agreement.

12. Indemnification. In addition to Licensee's other indemnification obligations under this Agreement, Licensee shall fully indemnify Licensor from and against all losses incurred by Licensor or any member of its group arising out of or in connection with any breach, performance or non-performance whether intentional, negligent or otherwise of this Appendix 2 and any other failure of Licensee to comply with Data Protection Laws.

13. COPPA.

- (a) To the extent Licensee's activities under the Agreement trigger COPPA, Licensee shall take all steps necessary to ensure that its activities (and the activities of any Sub-Processor engaged by Licensee) comply with COPPA and all other Data Protection Laws as defined in this Appendix 2, including the following:
 - (i) not collecting, using, or disclosing personal information (as such term is defined under Data Protection Laws) from end users unless expressly permitted under such Data Protection Laws; and
 - (ii) disabling any features that allow retargeting, online profiling or online behavioral advertising).
- (b) Further, to the extent any Digital Content, as defined in the Guidelines, is directed to or collects personal information from children under 13 years of age in the United States, Licensee shall obtain certification verifying compliance with COPPA and Data Protection Laws from an Approved Safe Harbor Program at its own cost and expense.
 - (i) Licensee will maintain such certification for the life of the Digital Content or for the Term of the Agreement, whichever is longer.
 - (ii) Upon Licensor's request, Licensee will provide Licensor with a copy of such certification.

14. Additional Defined Terms:

- (a) **"Approved Safe Harbor Program"** means: (A) the Entertainment Software Rating Board ("ESRB"); (B) TRUSTe; (C) PRIVO, Inc.; or (D) any other FTC-sanctioned safe harbor program approved by Licensor in writing. Licensor may modify the foregoing definition from time to time in its sole discretion; provided, however, that Licensor will use reasonable efforts to provide Licensee with advance written notice of any such modifications.
- (b) **"Data"** means all Personal Data in whatever form or medium relating to Data Subjects which is collected, produced or generated by or on behalf of Licensee in connection with this Agreement and Licensee's use of the Licensed Property as set forth in this Agreement.
- (c) **"Data Breach"** means any event that results, or may result in, unauthorized or unlawful processing of, disclosure of, use of, access to, theft of and/or any accidental or unlawful damage to, destruction of, loss of, alteration to or corruption of the Data.
- (d) **"Data Protection Laws"** means the following, each as amended, supplemented, substituted or replaced from time to time:
 - (i) all applicable privacy and data protection laws (including, in each case, any laws applicable to the processing of personal data that relates to or promulgate the same into national law) including without limitation:

- A. until 25 May 2018, the European Data Protection Directive (95/46/EC), and after such date, the Regulation;
 - B. the European Privacy and Electronic Communications Directive (Directive 2002/58/EC); and
 - C. the Children's Online Privacy Protection Act ("**COPPA**"), 15 U.S.C. § 6501 et seq., and the Children's Online Privacy Protection Rule (the "**COPPA Rule**");
- (ii) any guidance, directions, decisions, determinations, codes of practice, orders, notices or demands issued by any Supervisory Authority, Other Competent Authority or governmental body; and
 - (iii) any other applicable data privacy or data protection laws or regulations and associated binding judgments of any competent tribunal, regulatory body, or court of law.
- (e) "**EEA**" means the European Economic Area.
 - (f) "**Other Competent Authority**" means any competent authority other than a Supervisory Authority including:
 - (i) the Working Party on the Protection of Individuals with regard to the Processing of Personal Data established by Article 29 of European Data Protection Directive (95/46/EC); and
 - (ii) the European Data Protection Board established by Article 68 of the Regulation.
 - (g) "**Personal Data**" means any information relating to an identified or identifiable natural person ("**Data Subject**"); an "**identifiable natural person**" is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;
 - (h) "**Processing**" means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction. The terms "**Process**" and "**Processes**" and "**Processed**" shall be construed accordingly.
 - (i) "**Protective Measures**" means all appropriate technical and organizational measures to ensure an appropriate level of security and to prevent a Data Breach, which shall be compliant with Data Protection Laws including but not limited to preventing a breach resulting from, or arising out of Licensee's internal use, processing or other transmission of Data.
 - (j) "**Regulation**" means the General Data Protection Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as and when it becomes applicable and any law which implements, supplements, relates to or replaces it.
 - (k) "**Supervisory Authority**" means any competent data protection or privacy authority.