

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

ROYAL LINEN LTD. and ROYAL LINEN
CAPITAL, LTD.,

Plaintiffs,

- against -

ABG INTERNATIONAL, INC., BB IPCO, LLC, and
NAUTICA APPAREL, INC.,

Defendants.

Case No.:

COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs ROYAL LINEN LTD. (“Royal Linen Ltd.”) and ROYAL LINEN CAPITAL, LTD. (“Royal Linen Capital,” and collectively “Royal Linen,” “Licensees,” or “Plaintiffs”) by and through their undersigned counsel, Greenspoon Marder LLP, respectfully submits this Complaint against defendants NAUTICA APPAREL, INC. (“Nautica”), ABG International, Inc. (“ABG”), and BB IPCO, LLC (“BB IPCO,” and collectively “Licensors” or “Defendants”) and allege as follows:

NATURE OF THE ACTION

1. This is a civil action arising out of Defendants’ attempts to improperly terminate licensing agreements with Plaintiffs. Plaintiffs seek a declaratory judgment and monetary relief to remedy Defendants’ implied and express breaches of licensing agreements.

THE PARTIES

2. Plaintiff Royal Linen Ltd. is a limited liability company organized in the country of Israel with a principal place of business located at 1 Beit Hadfos, Jerusalem, Israel 9548301.

3. Plaintiff Royal Linen Capital is a limited liability company organized in the country of Israel with a principal place of business located at 2 Meir Shaham Street, Jerusalem, Israel 945822.

4. Upon information and belief, Defendant Nautica is a Delaware corporation with its principal place of business located at 40 West 57th Street, New York, New York 10019.

5. Upon information and belief, Defendant ABG is a Delaware corporation with its principal place of business located at 1411 Broadway, 21st Floor, New York, New York 10018.

6. Upon information and belief, Defendant BB IPCO is a Delaware limited liability company with its principal place of business located at 1411 Broadway, 21st Floor, New York, New York 10018.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(a) because there is complete diversity of citizenship between the Plaintiffs and the Defendants, and the amount in controversy exceeds \$75,000. Diversity of citizenship exists because Plaintiffs are citizens of Israel and Defendants are citizens of Delaware and New York.

8. This Court has personal jurisdiction because Defendants reside in New York and the parties agreed that the subject licensing agreements “shall be governed by, and construed in accordance with, the law of the State of New York[.]” Exhibit A at B.; Exhibit E at B.

9. Venue in this District is proper pursuant to 28 U.S.C. § 1391(b) because Defendants reside within this Judicial District.

FACTS COMMON TO ALL CLAIMS FOR RELIEF

10. Plaintiffs are leading lifestyle companies that design, produce, and market high quality textile and homeware products throughout Israel and the Palestinian territories, as well as other international markets. In addition to Plaintiffs’ own manufacturing operations, Plaintiffs produce and market licenses for several well-known lifestyle and fashion brands.

The Nautica Agreement

11. On or about March 3, 2020, Royal Linen Ltd. and Nautica entered into an exclusive licensing agreement (the “Nautica Agreement”), whereby Royal Linen Ltd. was granted rights in and to certain Nautica trademarks. A true and correct copy of the Nautica Agreement is attached hereto as **Exhibit A**.

12. Pursuant to the Nautica Agreement, Royal Linen Ltd. was granted rights to Nautica’s trademarked names, “Nautica” and “Nautica Home,” and logo, which would be featured on specified products and marketed for sale throughout Israel and the Palestinian territories. *See* Ex. A ¶¶3(a); 4; 6.

13. The initial contract term of the Nautica Agreement was to be for approximately ten years, from the effective date of March 1, 2020, through December 31, 2030. *See* Ex. A ¶¶1; 5(a).

14. Under the Nautica Agreement, Royal Linen Ltd. was required to meet certain minimum net sales thresholds and pay Nautica minimum upfront guaranteed royalty payment for each contract year, recoupable against the royalties of 10% of net sales earned in each contract year. *See* Ex. A ¶¶10-12.

15. On or about November 5, 2020, Royal Linen Ltd. and Nautica executed Amendment No. 1 to the License Agreement (the “First Amendment to the Nautica Agreement”), which expanded the scope of the Nautica Agreement to include homeware such as bedding, mattress products, bath products, and kitchen products and increased the amounts of the minimum the minimum net sales and guaranteed royalty payments. A true and correct copy of the First Amendment to the Nautica Agreement is attached hereto as **Exhibit B**.

16. On or about April 29, 2021, Royal Linen Ltd. and Nautica executed Amendment No. 2 to the License Agreement (the “Second Amendment to the Nautica Agreement”), which expanded the scope of the Nautica Agreement to include sleepwear and loungewear products and set separate,

additional amounts for minimum net sales and guaranteed minimum royalty payments specific to these product categories. A true and correct copy of the Second Amendment to the Nautica Agreement is attached hereto as **Exhibit C**.

17. On or about September 10, 2023, Royal Linen Ltd. and Nautica executed Amendment No. 3 to the License Agreement (the “Third Amendment to the Nautica Agreement”), which further expanded the scope of the Nautica Agreement to include the limited right for Royal Linen Ltd. to sell licensed products to Landers Stores in the Philippines. A true and correct copy of the Third Amendment to the Nautica Agreement is attached hereto as **Exhibit D**.

The Brooks Brothers Agreement

18. In early 2021, Plaintiffs became interested in licensing certain Brooks Brothers products and requested price lists from Defendants to determine if there was a potential market for their products in Israel. After conducting market research, Plaintiffs concluded that there was indeed a customer base for the licensed items in Israel.

19. As part of their due diligence, Plaintiffs typically inspect goods to ensure they are right for the Israeli market before entering into any licensing agreement. However, Defendants pressed Plaintiffs to execute an agreement expeditiously, before they could travel to the United States, thus preventing Plaintiffs from inspecting the Brooks Brothers products.

20. On or about May 24, 2021, Royal Linen Capital and ABG, as master licensee for BB IPCO, entered into a similar exclusive licensing agreement (the “Brooks Brothers Agreement,” and together with the Nautica Agreement, the “Licensing Agreements”), whereby Royal Linen Capital was granted rights in and to certain BB IPCO trademarks. A true and correct copy of the Brooks Brothers Agreement is attached hereto as **Exhibit E**.

21. Pursuant to the Brooks Brothers Agreement, Royal Linen Capital was granted rights to BB IPCO’s “Brooks Brothers” and “Brooks Brothers Flatiron Shop” trademarks, which would be

featured on specified products and marketed for sale throughout Israel, the Gaza Strip, and the West Bank. See Ex. E ¶¶3(a); 4; 6.

22. The initial contract term of the Brooks Brothers Agreement was to be for ten years, from the effective date of January 1, 2021, through December 31, 2030. See Ex. E ¶¶1; 5(a).

23. Under the Brooks Brothers Agreement, Royal Linen Capital was required to operate a certain number of minimum retail locations—which could be in the form of retail stores, shop-in-shops, pop-up shops, and/or outlet stores—in each contract year and operate an e-commerce website, www.brooksbrothers.co.il. See Ex. E ¶9(d); 10.

24. Under the Brooks Brothers Agreement, Royal Linen Capital was also required to meet certain minimum net sales thresholds and pay ABG minimum upfront guaranteed royalty payment for each contract year, recoupable against the royalties of 4% of net retail sales and 8% of net wholesale sales earned in each contract year. See Ex. E ¶¶12-14.

Plaintiffs Endeavor to Comply with the Licensing Agreements

25. Plaintiffs immediately began operating pursuant to the Licensing Agreements, including making the initial upfront guaranteed minimum royalty payments, preparing purchase orders for large quantities of the licensed products for sale in the territory, and planning the opening of retail locations and launch of an e-commerce website.

26. Plaintiffs made every effort to exploit the trademarks and, at all relevant times, had sufficient resources to fully exploit the trademarks as intended and pursuant to their obligations under the Licensing Agreements.

27. Indeed, Plaintiffs had entered into the **multi-year** Licensing Agreements with the understanding that it would take time to establish the Nautica and Brooks Brothers brands in the territory before they would begin to recoup their investments therein. As sophisticated licensors, Defendants also knew that introducing and establishing these brands in a new territory requires

strategic investment in market penetration, which often does not yield significant profits until the later years of a multi-year contract term.

28. All of Plaintiffs' actions in furtherance of the Licensing Agreements involved considerable time, effort, and expense on Plaintiffs' part.

Defendants Frustrate the Purpose of the Nautica Agreement

29. On or about March 8, 2022, Plaintiffs learned that Defendants had sold the licenses contemplated by the Nautica Agreement to both Royal Linen Ltd. and a third-party Turkish-based company in violation of the Nautica Agreement.

30. The Defendants' dual licensing of the Nautica trademarks created significant problems for Plaintiffs' sale of the Nautica products, including loss of potential customers and price erosion. Plaintiffs struggled to recoup their initial investments made in furtherance of the Nautica Agreement and retained significant overstock of the Nautica products in their warehouses.

31. On or about September 26, 2022, Plaintiffs received a notice letter from ABG regarding the Nautica Agreement (the "September 2022 Nautica Notice of Breach"), alleging Royal Linen Ltd. had failed to submit (i) quarterly financial reports for Q1 and Q2 of 2022, pursuant to Section 2(f) of the Nautica Agreement and (ii) a revised business plan pursuant to Section 3(a) of the Nautica Agreement. A true and correct copy of the September 2022 Nautica Notice of Breach is attached hereto as **Exhibit F**.

32. Plaintiffs rejected the September 2022 Nautica Notice of Breach in writing and continue to maintain their rejection to date. At the time, Plaintiffs were in the process of replacing their Chief Financial Officer, and Plaintiffs and ABG were in communication regarding this change in leadership prior to issuance of the September 2022 Nautica Notice of Breach. Plaintiffs' new Chief Financial Officer was informed about his duty to submit the reports and business plan, and they were completed and submitted shortly thereafter.

33. Nevertheless, Plaintiffs continued their efforts to increase sales of Nautica products in Israel. At least as early as March 2023, Plaintiffs repeatedly requested that it be allowed to increase points of sale for the Nautica products. These requests went ignored or hastily excused until Plaintiffs met with Defendants in-person in New York, at which point Defendants only agreed to the temporary sale of the Nautica products with one additional retailer. At this time, Plaintiffs became concerned that Defendants were actively preventing Plaintiffs from meeting their required sales under the Licensing Agreements.

Defendants Frustrate the Purpose of the Brooks Brothers Agreement

34. Shortly after Royal Linen Capital and ABG executed the Brooks Brothers Agreement Royal Linen Capital swiftly made its first guaranteed minimum royalty payment, which advanced approximately \$1,000,000 to cover the first approximately three and a half contract years' worth of payments in the spirit of the license. Only then were Plaintiffs first apprised that Defendants did not have any product inventory for Plaintiffs to purchase. This impacted Plaintiffs' ability to meet the minimum net sales milestones as required by the Brooks Brothers Agreement.

35. When Plaintiffs traveled to the United States after executing the Brooks Brothers Agreement, Plaintiffs discovered that ABG had no showroom and there was no indication of when Plaintiffs could begin placing orders. While ABG extended the Brooks Brothers Agreement by one year in an attempt to compensate for its shortcomings in the first contract year, they did not refund the royalties paid for this year, during which Plaintiffs had no opportunity to purchase *any* Brooks Brothers products.

36. In or around May 2021, in the same month the parties had executed the Brooks Brothers Agreement, Defendants, without warning, drastically increased the prices for shirts and other line items bearing BB IPCO trademarks. This too was a setback to Plaintiffs' ability to meet sales goals, as Plaintiffs' market research was not premised upon these new, higher prices but rather the

prices they had requested—and Defendants had provided—when negotiating the Brooks Brothers Agreement. Plaintiffs were never able to place an order for even a single product at those prices.

37. Plaintiffs finally received their first shipment of products in September 2022, which were considerably delayed and arrived after the conclusion of major holiday sales, during which Plaintiffs would have made significant sales. Without any product inventory for several months, Plaintiffs were not able to fully stock brick and mortar stores or plan the subsequent launch of e-commerce until that time.

38. On or about September 26, 2022, Plaintiffs received a near-identical notice letter to the September 2022 Nautica Notice of Breach from ABG but regarding the Brooks Brothers Agreement (the “September 2022 Brooks Brothers Notice of Breach”), alleging Royal Linen Capital had also failed to submit (i) quarterly financial reports for Q1 and Q2 of 2022, pursuant to Section 2(f) of the Brooks Brothers Agreement and (ii) a revised business plan pursuant to Section 3(a) of the Brooks Brothers Agreement. A true and correct copy of the September 2022 Brooks Brothers Notice of Breach is attached hereto as **Exhibit G**.

39. As established above, Plaintiffs were in the process of replacing their Chief Financial Officer, which ABG knew about prior to issuing the September 2022 Brooks Brothers Notice of Breach, and Plaintiffs promptly responded by having the new Chief Financial Officer submit the requested reports and business plan. Plaintiffs also rejected the September 2022 Brooks Brothers Notice of Breach in writing and continue to maintain their rejection to date.

40. Over the course of the next few months, Defendants repeatedly hindered Plaintiffs’ ability to perform their obligations under the Brooks Brothers Agreement in the same way they had with the Nautica Agreement:

- Defendants first supplied goods in several shipments over the course of several months rather than in an upfront shipment;

- Defendants refused to sell Plaintiffs factory goods, only mainline goods, despite the fact that there was no such restriction in the Licensing Agreements, which were perceived as non-authentic by customers in the territory;
- Defendants liquidated old BB IPCO stock to suppliers who in turn sold it to Plaintiffs' retail competitors, causing a flooding of the market;
- Defendants supplied damaged BB IPCO products in fulfillment of Plaintiffs' orders, then subsequently promising but never providing a refund thereof, resulting in shortages of stock; and
- Defendants cancelled orders of BB IPCO products placed by Plaintiffs without notice to Plaintiffs, which Plaintiffs only discovered when the ordered products did not arrive as scheduled.

41. Despite the quantifiable consumer demand for Brooks Brothers products in the territory, Defendants repeatedly stifled Plaintiffs' ability to effectively meet that demand, particularly by prohibiting Plaintiffs' access to the products that would be suitable for customers in the territory. Plaintiffs were injured as a result of Defendants intentional and malicious acts.

42. In or around September 2023, ABG's President of Europe, Middle East, and Africa region, Henry Stupp, communicated with Plaintiffs, claiming that Plaintiffs were unable to manage the Brooks Brothers brand properly and stating an intention to terminate the Brooks Brothers Agreement and licensing those rights to an allegedly more capable licensee. At that time, Royal Linen Capital had already prepaid approximately \$100,000 for the 2024 contract term, which was not due until January 1, 2024.

43. In or around May or June 2024, Plaintiffs became aware that Defendants had approached the Israeli brands company, Extra Retail, and offered to license the very same trademarks

contemplated by the Licensing Agreements to Extra Retail. At the time, Defendants had not yet attempted to terminate the Licensing Agreements.

44. On or about June 13, 2024, Plaintiffs also learned that Defendants also contacted Landers Stores, Plaintiffs' authorized customer in the Philippines pursuant to the Third Amendment to the Nautica Agreement and instructed them to halt doing business with Plaintiffs. Plaintiffs had been in the middle of negotiating a significant deal to sell Nautica products to that customer, but it was abruptly cancelled.

45. Upon information and belief, Defendants were engaged in discussions with several other third-parties regarding licensing their trademarks in direct opposition to Plaintiffs' exclusive rights in and to those trademarks under the Licensing Agreements.

46. Upon information and belief, Defendants engaged in the described conduct in an effort to undermine Plaintiffs' abilities to meet their required sales under the Licensing Agreements, creating a pretext for terminating the Licensing Agreements.

Defendants Opportunistically Attempt to Terminate the Licensing Agreements

47. On October 7, 2023, the Israeli government declared war following attacks on Israel civilians by Hamas terrorists in southern Israel.

48. As a result, the majority of Plaintiffs' employees were drafted to serve in the war, including Plaintiffs' Chief Financial Officer. To date, those employees are still in active service, and Plaintiffs have had only minimal and sporadic contact with those employees—including the Chief Financial Officer—in the interim.

49. Plaintiffs had been in the midst of building their first Nautica Home store, which they had invested significant amounts of money, when the Israeli government declared war. In addition to Plaintiffs' own employees' military leave, Plaintiffs are also unable to finish construction on their retail locations due to a lack of available construction workers in the work force. When

construction was finally completed, Plaintiffs were offered a larger and better-positioned store within the mall complex but were already facing Defendants' termination of the Licensing Agreements such that accepting the offer would have been futile.

50. As a result of the ongoing war, Plaintiffs' business, like most others in the region, has come to a near standstill. Plaintiffs' sales have drastically declined because the population in the region has been largely mobilized or displaced.

51. In the immediate aftermath of the attacks, Mr. Stupp stated that he would instruct Defendants' collections department to pause any demands for payments due to the uncertain circumstances faced by Plaintiffs. In fact, Defendants did not cease their collection efforts at all. Defendants purposefully misled Plaintiffs in an effort to conceal their true intentions and motives. Beginning on November 21, 2023, Defendants began sending warning letters for alleged delinquent payments under the Licensing Agreements.

52. Upon information and belief, Defendants sought to take advantage of the circumstances to effect termination of the Licensing Agreements.

53. On November 20, 2023, ABG sent Royal Linen Ltd. a letter notification of its alleged breach of the Nautica Agreement (the "November 2023 Notice of Breach"), alleging Plaintiff failed to pay. \$190,000.00 in outstanding invoices under the Nautica Agreement. A true and correct copy of the November 2023 Notice of Breach is attached hereto as **Exhibit H**.

54. On November 30, 2023, ABG sent Royal Linen Ltd. a letter terminating the Nautica Agreement (the "Nautica Notice of Termination"), citing Plaintiffs alleged failure to (i) submit financial reports and a revised business plan, last addressed more than a year earlier on **September 26, 2022**, and (ii) pay the outstanding \$190,000 as outlined in the Notice of Breach. A true and correct copy of the Nautica Notice of Termination is attached hereto as **Exhibit I**.

55. On November 30, 2023, ABG also sent Royal Linen Capital a letter terminating the Brooks Brothers Agreement (the “Brooks Brothers Notice of Termination,” and together with the Nautica Notice of Termination, the “Notices of Termination”), citing the same alleged failure to submit financial reports and a revised business plan last addressed more than a year earlier on **September 26, 2022**, as the Nautica Notice of Termination. A true and correct copy of the Brooks Brothers Notice of Termination is attached hereto as **Exhibit J**.

56. Even after issuing the Notices of Termination, Defendants represented that Plaintiffs should make a good faith payment for the next quarter, which Plaintiffs made, and Defendants accepted. Defendants’ acceptance of the good faith payment made by Plaintiffs after the issuance of the Notices of Termination effectively rescinded those Notices of Termination and, in equity, reinstated the Licensing Agreements.

57. By reason of Defendants’ intentions to create a pretext for Plaintiffs’ alleged breaches of the Licensing Agreements and predatorily timed notice of breach and termination, Plaintiffs have been damages in an amount to be determined at trial but, upon information and belief, in no event less than \$13,425,900.

COUNT I
(Declaratory Judgment as to the Nautica Agreement)

58. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

59. Plaintiffs contend that the Nautica Agreement is a valid and enforceable agreement between Royal Linen Ltd. and Nautica that entitles Royal Linen Ltd. the right to license Nautica trademarks specified therein subject to certain conditions.

60. Plaintiffs contend that Royal Linen Ltd. has made every effort to comply with all of its obligations under the Nautica Agreement, and any alleged failure to comply with those obligations

was due to an impossibility of performance caused by Defendants' own conduct and the ongoing war in the region, and thus the Nautica Agreement remains in effect.

61. At all times relevant herein, Nautica has claimed Royal Linen Ltd. breached the Nautica Agreement that the Nautica Agreement is terminated.

62. Based on the foregoing, an actual and justiciable controversy has arisen and now exists between Royal Linen Ltd. and Nautica concerning the continued effect of the Nautica Agreement that is ripe for adjudication.

63. By reason of the foregoing, Plaintiff Royal Linen Ltd. is entitled to a declaratory judgment, declaring and determining that the Nautica Agreement remains in effect, entitling Royal Linen Ltd. to the licensing rights in the Nautica trademarks as contemplated by the Nautica Agreement.

COUNT II
(Declaratory Judgment as to the Brooks Brothers Agreement)

64. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

65. Plaintiffs contend that the Brooks Brothers Agreement is a valid and enforceable agreement between Royal Linen Capital and ABG that entitles Royal Linen Capital the right to license BB IPCO trademarks specified therein subject to certain conditions.

66. Plaintiffs contend that Royal Linen Capital has made every effort to comply with all of its obligations under the Brooks Brothers Agreement, and any alleged failure to comply with those obligations was due to an impossibility of performance caused by Defendants' own conduct and the ongoing war in the region, and thus the Brooks Brothers Agreement remains in effect.

67. At all times relevant herein, ABG has claimed Royal Linen Capital breached the Brooks Brothers Agreement that the Brooks Brothers Agreement is terminated.

68. Based on the foregoing, an actual and justiciable controversy has arisen and now exists between Royal Linen Capital and ABG concerning the continued effect of the Brooks Brothers Agreement that is ripe for adjudication.

69. By reason of the foregoing, Plaintiff Royal Linen Capital is entitled to a declaratory judgment, declaring and determining that the Brooks Brothers Agreement remains in effect, entitling Royal Linen Capital to the licensing rights in the BB IPCO trademarks as contemplated by the Brooks Brothers Agreement.

**COUNT III
(Breach of Contract Against Defendant Nautica)**

70. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

71. Plaintiff Royal Linen Ltd. and Defendant Nautica are parties to a valid and enforceable agreement, the Nautica Agreement.

72. Royal Linen Ltd. has endeavored to fulfil all of its obligations under the Nautica Agreement, and any alleged failure to comply with those obligations was due to an impossibility of performance caused by Defendants' own conduct and the ongoing war in the region, and thus cannot be said to be in breach of the Nautica Agreement under the circumstances.

73. Nautica materially breached the Nautica Agreement by attempting to obstruct Royal Linen Ltd.'s abilities to perform its obligations under the Nautica Agreement and providing the Notice of Breach and Notice of Termination when Royal Linen Ltd. was not available to address the alleged breaches complained of therein.

74. As a direct and proximate result of Nautica's breach of contract, Royal Linen Ltd. has suffered and continues to suffer damages in an amount to be determined at trial.

**COUNT IV
(Breach of Contract Against Defendant ABG)**

75. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

76. Plaintiff Royal Linen Capital and Defendant ABG are parties to a valid and enforceable agreement, the Brooks Brothers Agreement.

77. Royal Linen Capital has endeavored to fulfil all of its obligations under the Brooks Brothers Agreement, and any alleged failure to comply with those obligations was due to an impossibility of performance caused by Defendants' own conduct and the ongoing war in the region, and thus cannot be said to be in breach of the Brooks Brothers Agreement under the circumstances.

78. ABG materially breached the Brooks Brothers Agreement by attempting to obstruct Royal Linen Capital's abilities to perform its obligations under the Brooks Brothers Agreement and providing the Notice of Termination when Royal Linen Capital was not available to address the alleged breaches complained of therein.

79. ABG materially breached the Brooks Brothers Agreement by simultaneously granting Royal Linen Capital exclusive rights in BB IPCO trademarks and negotiating granting those same rights with third parties during the term of the Brooks Brothers Agreement.

80. As a direct and proximate result of ABG's breach of contract, Royal Linen Capital has suffered and continues to suffer damages in an amount to be determined at trial.

COUNT V
(Breach of the Implied Covenant of Good Faith and Fair Dealing)

81. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

82. Under New York law, within every contract is an implied covenant of good faith and fair dealing, which prevents any party to a contract from performing acts with the intent to prevent performance of the contract or withhold benefits to the other party.

83. Moreover, when a contract contemplates the exercise of discretion by one party, the covenant of good faith and fair dealing precludes that party from acting arbitrarily or irrationally in the exercise of that discretion.

84. Here, Defendants acted in bad faith to interfere with Plaintiffs ability to perform their obligations under the Licensing Agreements, which could not have been foreseen or guarded against by Plaintiffs and was not caused by Plaintiffs, to create pretextual reasons for terminating the Licensing Agreements.

85. Additionally, Defendants seized upon the ongoing war in the region, during which Plaintiffs could not fully perform under the Licensing Agreements due to unanticipated events beyond the parties' control and made the means of performing the Licensing Agreements objectively impracticable or impossible, to create pretextual reasons for terminating the Licensing Agreements.

86. Defendants acted in a manner that aimed at preventing Plaintiffs from obtaining the benefits of the Licensing Agreements.

87. As a result of Defendants' breach of the covenant of good faith and fair dealing inherent in the Licensing Agreements, Plaintiffs have suffered and continue to suffer damages in an amount to be proven at trial.

**COUNT VI
(Unjust Enrichment)**

88. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

89. Upon information and belief, Defendants have been unjustly enriched and have unfairly benefitted by retaining all moneys made by Plaintiffs, including the upfront guaranteed minimum royalty payments from Plaintiffs, while simultaneously disrupting Plaintiffs' abilities to perform their obligations under the Licensing Agreements.

90. Upon information and belief, Defendants have been unjustly enriched at Plaintiffs' expense.

91. It is against equity and good conscience to permit the Defendants to retain the benefit they have obtained at Plaintiffs' expense.

92. As a result of the Defendants' unjust enrichment, Plaintiffs have suffered and continue to suffer damages in an amount to be proven at trial.

COUNT VII
(Tortious Interference with Contractual Relations)

93. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

94. Defendants knew of Plaintiffs' obligations under the Licensing Agreements.

95. Notwithstanding that knowledge, Defendants interfered with and prohibiting Plaintiffs from performing under the Licensing Agreements, including but not limited to refusing and/or failing to fulfill merchandise orders such that Plaintiffs would be unable to meet minimum sales requirements under the Licensing Agreements.

96. Defendants' interference prevented Plaintiffs from being able to fully exploit their benefit of the bargain under the Licensing Agreements.

97. Defendants' interference was willful and intentional for the purpose of terminating the Licensing Agreements and entering into new agreements with different licensees.

98. As a result of Defendants' interference with Plaintiffs' contractual relations, Plaintiffs have suffered and continue to suffer damages in an amount to be proven at trial.

COUNT VIII
(Tortious Interference with Prospective Economic Advantage)

99. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

100. By willfully and intentionally refusing and interfering with Plaintiffs' performance under the Licensing Agreements, including but not limited to refusing and/or failing to fulfill merchandise orders, Defendants tortiously interference with Plaintiffs' prospective economic advantage thereunder.

101. Defendants' interference was willful and intentional for the purpose of terminating the Licensing Agreements and entering into new agreements with different licensees.

102. As a result of Defendants' interference with Plaintiffs' prospective economic advantage, Plaintiffs have suffered and continue to suffer damages in an amount to be proven at trial.

**COUNT IX
(Fraud)**

103. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

104. Defendants falsely represented an intention to enter into the Licensing Agreements with Plaintiffs with the purpose of licensing certain trademarks to Plaintiffs in Israel and the Palestinian territories.

105. In actuality, Defendants recouped all moneys, including upfront minimum royalty payments, from Plaintiffs pursuant to the Licensing Agreements and then frustrated Plaintiffs abilities to perform their obligations under the Licensing Agreements subsequent thereto.

106. Defendants repeatedly acted to undermine Plaintiffs abilities to perform their obligations under the Licensing Agreements, including refusing Plaintiffs' requests aimed at increasing sales, providing delayed or damages product shipments to Plaintiffs, and offering to license the same trademarks contemplated by the Licensing Agreements to other third-parties.

107. Plaintiffs reasonably relied upon Defendants' representations upon entering into the Licensing Agreements to their detriment.

108. As a result of Defendants' fraudulent actions, Plaintiffs have suffered and continue to suffer damages in an amount to be proven at trial.

COUNT X
(Fraudulent Inducement)

109. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

110. Defendants falsely represented their intention to license Nautica and BB IPCO trademarks to Plaintiff for exploitation throughout Israel and the Palestinian territories pursuant to multi-year Licensing Agreements.

111. Based upon and in justifiable reliance on Defendants' representations, Plaintiffs entered into the Licensing Agreements and endeavored to comply with their obligations thereunder. Plaintiff made payments to Defendants, including upfront guaranteed minimum royalty payments, as well as expending considerable time, effort, and expense to exploit the trademarks.

112. Defendants made the representations with no intention of granting Plaintiffs exclusive rights in the trademarks for the multi-year terms of the respective Licensing Agreements.

113. Defendants intended that the representations would induce Plaintiffs to enter into the Licensing Agreements and make payments in accordance with the Licensing Agreements.

114. Indeed, while receiving and accepting Plaintiffs' payments pursuant to the Licensing Agreements, Defendants acted to frustrate Plaintiffs' abilities to perform their obligations under the Licensing Agreements including refusing Plaintiffs' requests aimed at increasing sales, providing delayed or damages product shipments to Plaintiffs, and offering to license the same trademarks contemplated by the Licensing Agreements to other third-parties.

115. As a result of Defendants' fraudulent actions, Plaintiffs have suffered and continue to suffer damages in an amount to be proven at trial.

COUNT XI
(Business Defamation)

116. Plaintiffs repeat, reallege, and reincorporate by reference the allegations set forth above as if fully set forth herein.

117. Upon information and belief, Defendants, acting intentionally, made defamatory states about Plaintiffs' economic interest, particularly regarding their abilities to properly manage the Nautica and Brooks Brothers brands as contemplated by the Licensing Agreements.

118. Upon information and belief, Defendants' defamatory statements were false, inaccurate, or misleading and were published to one or more third parties, including competing licensees and at least one of Plaintiffs' exclusive customers.

119. Defendants' statements were defamatory in that they called in question Plaintiff's capacity to perform their obligations under the Licensing Agreements and impugned Plaintiffs' reputation as dependable licensees for high quality textiles and homeware.

120. Defendants' statements were made intentionally, maliciously, and without justification. Defendants intended to shine a false light on Plaintiffs' business capabilities with the intention of harming Plaintiffs' business reputation.

121. Defendants published these defamatory statements with malice and with the intent to cause harm to Plaintiffs' business, with either the knowledge that the statements were false, inaccurate, or misleading or, at least, with reckless disregard for the truth.

122. As a direct and proximate result of Defendants' defamatory statements published to third parties, Plaintiffs have been harmed and are entitled to special damages and punitive damages in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court enter judgment against Defendants on all counts, and that Plaintiffs be awarded their reasonable costs and disbursements to the extent available by law, and for such other and further relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby request a jury trial on all the triable issues raised in this Complaint.

Dated: September 18, 2024
New York, New York

GREENSPOON MARDER LLP

By:  _____

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SUMMARY OF COMMERCIAL TERMS
("Commercial Terms")

This Agreement (as hereinafter defined) is effective as of the **Effective Date** defined below, and is by and between **Nautica Apparel, Inc.**, a Delaware corporation ("**Licensor**") and the **Licensee** defined below (Licensor and Licensee may be hereinafter referred to, each individually as a "**Party**", and collectively as the "**Parties**").

1.	<u>Effective Date:</u>	" <u>Effective Date</u> " shall be defined as: March 1, 2020.				
2.	<u>Licensee:</u> Corporate Organization: Address: Main Contact: Telephone: Facsimile: Email: Finance Contact: Telephone: Facsimile: Email: Website:	" <u>Licensee</u> " shall be defined as: Royal Linen Ltd. Licensee is a limited liability company organized in the country of Israel with a registration number of 516122611. Beit Hadfos 1 Jerusalem, Israel 9548301 Etamar Moses +972-52-5855-600 +972-2-587-9772 etamar@royal-linen.com Elihav Poper +972-52-811-7448 +972-2-587-9772 eliav@royal-linen.com www.royal-linen.com				
3.	<u>Licensed Property:</u>	(a) " <u>Licensed Property</u> " shall be defined as: the rights in and to the following trademarks, whether registered under applicable laws of the Territory (as hereinafter defined) and/or protected under common law of the Territory, to the extent recognized: <table border="1"><tr><td>Licensed Property</td></tr><tr><td>NAUTICA</td></tr><tr><td></td></tr><tr><td>NAUTICA HOME</td></tr></table> (b) The rights in and to the Licensed Property are, as of the Effective Date, also supported by those registered trademarks set forth on <u>Schedule A</u> , which is attached hereto and incorporated herein by reference (" <u>Registrations</u> "). (c) Licensee hereby acknowledges and agrees that the Licensed Property shall specifically exclude any and all derivatives and/or variations of the Licensed Property (" <u>Derivative(s)</u> ").	Licensed Property	NAUTICA		NAUTICA HOME
Licensed Property						
NAUTICA						
						
NAUTICA HOME						

		(d) Disclaimers. Licensee hereby acknowledges and agrees that, notwithstanding anything to the contrary contained in this Agreement, Licensor has not made and is not making any representation or warranty to Licensee with respect to trademark protection, for the Licensed Property or otherwise, for any products, or in any countries, for which Licensor does not have a valid Registration. For the avoidance of doubt and for purposes of clarity, a pending application (including those that may be listed on <u>Schedule A</u>) does not and shall not constitute a Registration or registered trademark protection for purposes hereof. Should Licensee sell and/or distribute any Licensed Products bearing the Licensed Property in a manner not covered by Licensor's Registrations (e.g., for products not included in registrations, and/or for countries and/or regions of the Territory wherein Licensor does not have a Registration), then: (i) the same shall be at Licensee's sole risk with respect to matters of infringement or otherwise; and (ii) Licensee shall indemnify, defend and hold harmless all Licensor Indemnified Parties (as defined in the Standard Terms and Conditions) from and against any and all direct and/or third-party claims, liabilities, demands, causes of action, judgments, settlements, costs and expenses (including, without limitation, reasonable attorney's fees and court costs) arising out of or in connection with the same, and any matter arising out of or related thereto.									
4.	<u>Licensed Products:</u>	(a) "Products" shall be defined, individually and collectively, as the following: <table border="1"> <thead> <tr> <th>Product Category</th><th>Specific Products</th><th>Designed For</th></tr> </thead> <tbody> <tr> <td>Fashion Bedding Product(s)</td><td>Each of the following fashion bedding products designed specifically for adult men, adult women and kids: (i) coordinated bedding ensemble collections, including each of the following items: (A) coordinated non-solid sheets; (B) coordinated pillowcases, but specifically excluding pillowcases for body pillows; (C) coordinated pillow shams; (D) coordinated bed skirts; (E) coordinated comforters; (F) coordinated duvet covers; (G) coordinated quilts; (H) coordinated coverlets; and (I) coordinated decorative pillows; (ii) bed quilts; (iii) duvet covers; (iv) coverlets; (v) day bed covers; (vi) blankets; and (vii) throws.</td><td>Adult Men, Adult Women and Kids</td></tr> <tr> <td>Basic Bedding Product(s)</td><td>Each of the following basic bedding products, in each case: (i) designed in solid colors, specifically for adult men, adult women and kids; and (ii) to be sold to/through the Approved Accounts (as defined in Section 8(a) of the Commercial Terms below) separately on a stand-alone basis (and not as part of a larger coordinated collection or ensemble): (A) bed sheets; (B) pillowcases; and (C) seasonal flannel and fleece bed sheets.</td><td>Adult Men, Adult Women and Kids</td></tr> </tbody> </table>	Product Category	Specific Products	Designed For	Fashion Bedding Product(s)	Each of the following fashion bedding products designed specifically for adult men, adult women and kids: (i) coordinated bedding ensemble collections, including each of the following items: (A) coordinated non-solid sheets; (B) coordinated pillowcases, but specifically excluding pillowcases for body pillows; (C) coordinated pillow shams; (D) coordinated bed skirts; (E) coordinated comforters; (F) coordinated duvet covers; (G) coordinated quilts; (H) coordinated coverlets; and (I) coordinated decorative pillows; (ii) bed quilts; (iii) duvet covers; (iv) coverlets; (v) day bed covers; (vi) blankets; and (vii) throws.	Adult Men, Adult Women and Kids	Basic Bedding Product(s)	Each of the following basic bedding products, in each case: (i) designed in solid colors, specifically for adult men, adult women and kids; and (ii) to be sold to/through the Approved Accounts (as defined in Section 8(a) of the Commercial Terms below) separately on a stand-alone basis (and not as part of a larger coordinated collection or ensemble): (A) bed sheets; (B) pillowcases; and (C) seasonal flannel and fleece bed sheets.	Adult Men, Adult Women and Kids
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		Basic Bath Products	Each of the following basic bath products, in each case: (i) designed specifically for adult men, adult women and kids; and (ii) to be sold to/through the Approved Accounts separately on a stand-alone basis (and not as part of a larger coordinated collection or ensemble): (A) bath towels; (B) hand towels; (C) wash cloths; and (D) and bath sheets, but specifically excluding beach towels and all other categories.	Adult Men, Adult Women and Kids
		Bath Rugs & Bath Mats	Each of the following items, in each case: (i) designed specifically adult men, adult women and kids; and (ii) to be sold to/through the Approved Accounts separately on a stand-alone basis (and not as part of a larger coordinated collection or ensemble): (A) bath rugs; and (B) bath mats.	Adult Men, Adult Women and Kids
		Table Linens	Each of the following table linen products, in each case: (i) designed specifically adult men, adult women and kids; and (ii) made out of fabric: (A) placemats; (B) table linens; (C) table runners; (D) napkins; and (E) napkin rings.	Adult Men, Adult Women and Kids
		Window Curtains	Window curtains designed specifically for adult men, adult women and kids.	Adult Men, Adult Women and Kids
		Beach Towels	Beach towels designed specifically for adult men, adult women and kids.	Adult Men, Adult Women and Kids
		Tabletop Kitchen Products	Each of the following tabletop home kitchen items, in each case, made specifically from ceramic, glass, plastic, metal, wood, melamine rubber or silicone: (i) plates; (ii) plate warmers; (iii) bowls; (iv) cups; (v) saucers; (vi) mugs; (vii) pitchers; (viii) decanters; (ix) carafes; (x) creamers; (xi) sugar bowls; (xii) teapots; (xiii) coffee pots; (xiv) gravy boat bowls; (xv) olive boat bowls; (xvi) butter dishes; (xvii) salt and pepper shakers; (xviii) ramekins; (xix) bouillon cups; (xx) egg cups; (xxi) compote dishes; (xxii) dipping dishes; (xxiii) dipping trays; (xxiv) cruets; (xxv) soy dispensers; (xxvi) chopsticks; (xxvii) chopstick holders; (xxviii) serving trays; (xxix) serving platters; (xxx) bread baskets; (xxxi) ice	Adult Men, Adult Women and Kids

			buckets; (xxxii) wine buckets; (xxxiii) bottle openers; (xxxiv) plate and bowl covers; (xxxv) condiment caddies; and (xxxvi) food containers and kitchen vases.																							
		Drinkware & Beverageware Products	Each of the following drinkware, beverage and hydration items: (i) beverage shakers; (ii) beverage stirrers; (iii) beverage strainer; (iv) beer and wine flights; (v) champagne flutes; (vi) chillers; (vii) decanters; (viii) drinking glasses; (ix) drinking cups; (x) wine glasses; (xi) beer glasses; (xii) cocktail glasses; (xiii) pitchers; (xiv) bar knife; (xv) wine openers; (xvi) bottle openers; (xvii) bar spoons; (xviii) mixing glasses; (xix) wine stoppers; (xx) coasters; (xxi) ice molds; and (xxii) ceramic mugs.	Adult Men, Adult Women and Kids																						
		Flatware & Cutlery	Each of the following flatware and cutlery items: (i) knives; (ii) forks; (iii) spoons; (iv) steak knives; (v) serving utensils; and (vi) tongs.	Adult Men, Adult Women and Kids																						
		(b) " <u>Licensed Products</u> " shall be defined as: the Specific Products set forth in Section 4(a) above, that are 'Designed For' those individuals specified in Section 4(a) above, bearing the Licensed Property.																								
5.	<u>Term:</u>	(a) " <u>Initial Term</u> " shall be defined as: the period beginning on the Effective Date and ending on December 31, 2030, unless sooner terminated pursuant to the terms hereof, with each 'Contract Year' included therein being defined as the following: <table><tr><th>Contract Year</th><th>Dates</th></tr><tr><td>1</td><td>Effective Date – December 31, 2021</td></tr><tr><td>2</td><td>January 1, 2022 – December 31, 2022</td></tr><tr><td>3</td><td>January 1, 2023 – December 31, 2023</td></tr><tr><td>4</td><td>January 1, 2024 – December 31, 2024</td></tr><tr><td>5</td><td>January 1, 2025 – December 31, 2025</td></tr><tr><td>6</td><td>January 1, 2026 – December 31, 2026</td></tr><tr><td>7</td><td>January 1, 2027 – December 31, 2027</td></tr><tr><td>8</td><td>January 1, 2028 – December 31, 2028</td></tr><tr><td>9</td><td>January 1, 2029 – December 31, 2029</td></tr><tr><td>10</td><td>January 1, 2030 – December 31, 2030</td></tr></table>			Contract Year	Dates	1	Effective Date – December 31, 2021	2	January 1, 2022 – December 31, 2022	3	January 1, 2023 – December 31, 2023	4	January 1, 2024 – December 31, 2024	5	January 1, 2025 – December 31, 2025	6	January 1, 2026 – December 31, 2026	7	January 1, 2027 – December 31, 2027	8	January 1, 2028 – December 31, 2028	9	January 1, 2029 – December 31, 2029	10	January 1, 2030 – December 31, 2030
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		(b) Licensee shall have one (1) option to renew the Agreement (" <u>Renewal Option</u> ") on the terms set forth herein for a period of, unless sooner terminated pursuant to the terms hereof, ten (10) years (i.e., commencing January 1 2031 and ending December 31, 2040) (" <u>Renewal Term</u> "), which Renewal Option shall be exercised, if at all, by providing written notice to Licensor between June 1 and July 31 of the penultimate Contract Year of the Initial Term (such period being defined herein as the " <u>Renewal Window</u> "), and which Renewal Option may only be exercised and effective if and only if, both at the time the Renewal Option is exercised and throughout the remainder of the Initial Term, Licensee is not in breach of the Agreement (the " <u>Renewal Condition</u> "). In the event that Licensee effectively exercises the Renewal Option during the applicable Renewal																								

		Window but thereafter fails to satisfy the Renewal Condition, then at Licensor's discretion, either: (i) the renewal of this Agreement shall be voided, and the Agreement shall expire on December 31, 2030; or (ii) such failure to satisfy any such Renewal Condition shall be waived and this Agreement shall continue in full force and effect into the Renewal Term on the terms set forth herein. (c) For purposes of the Agreement: (i) the Initial Term and the Renewal Term (if any) are hereinafter individually and collectively referred to as the "<u>Term</u>" and individually as a "<u>Contract Period</u>"; (ii) a "<u>Calendar Quarter</u>" shall be defined as the following three (3) month periods during a given calendar year: from January 1 through March 31; from April 1 through June 30; from July 1 through September 30; and from October 1 through December 31; and (iii) for the Renewal Term (if any), each "<u>Contract Year</u>" included therein shall be defined as: each calendar year, from January 1 through and including December 31, and shall be numbered consecutively beginning with the first number after the last Contract Year during the Initial Term.
6.	<u>Territory:</u>	(a) " <u>Territory</u> " shall be defined as: (i) Israel; and (ii) the Palestinian Territories (i.e., the Gaza Strip and West Bank).
7.	<u>Scope:</u>	Specifically excluding: (i) any rights related to the Derivatives; and (ii) the rights granted to third parties in connection with the operation of Licensed Property branded retail store(s) and/or e-commerce website(s) located in the Territory and the sale of products which are the same as, or similar to, the Licensed Products hereunder to/through such retail store(s) and/or e-commerce website(s), Licensor shall not enter into any agreement with a third party for the production and/or manufacture of Licensed Products to be sold during the Term in the Territory. Notwithstanding the foregoing or anything contained in the Agreement to the contrary, Licensee hereby acknowledges that Licensor has licensed, and will continue to license, the NAUTICA assets, including, without limitation, the Licensed Property in connection with co-branding / endorsement / collaboration projects and partnerships with third party brands (e.g., NAUTICA x KANYE WEST, etc.) (" <u>Collaboration Rights</u> "), and nothing contained herein shall prohibit Licensor from entering into one (1) or more agreements with any third parties for the Collaboration Rights and/or for the use of any and all rights in and to the Derivatives on Products in the Territory.
8.	<u>Distribution Channels & Approved Accounts:</u>	(a) Licensee shall be permitted to sell the Licensed Products solely to/through the accounts (collectively, the "<u>Approved Accounts</u>") for each distribution channel (collectively, the "<u>Distribution Channels</u>") set forth on <u>Schedule B</u>, which is attached hereto and incorporated herein by reference. In the event Licensee wishes to sell the Licensed Products to/through any accounts not included within the Approved Accounts, then Licensee shall submit the same to Licensor for Licensor's prior written approval in each instance. (b) In the event that Licensor, using Licensor's good faith, commercially reasonable judgment, believes that an Approved Account previously identified within any particular Distribution Channel, as set forth on <u>Schedule B</u>, no longer falls within that Distribution Channel or is no longer consistent with the brand positioning for the Licensed Property, Licensor shall have the right, in Licensor's sole discretion, upon notice to Licensee, to: (i) remove such Approved Account from the Distribution Channels completely, or (ii) re-assign such Approved Account to a different Distribution Channel. (c) To the extent Licensee sells any Licensed Products through the e-commerce website for an Approved Account (which, for the avoidance of doubt, include both the E-Commerce Distribution Channel, if any, and the e-commerce websites for other Distribution Channels, if any) ("<u>E-</u>

		<u>Commerce Site(s)</u>): (i) Licensee shall not, nor shall Licensee permit others (including any Approved Account) to, ship Licensed Products outside of the Territory; and (ii) Licensee shall require each Approved Account that sells Licensed Products through an E-Commerce Site to include a statement on such E-Commerce Site stating that Licensed Products can only be shipped to customers located within the Territory.																						
9.	<u>Net Sales:</u>	(a) For purposes of this Agreement: (i) "<u>Net Sales</u>" shall be defined as: Licensee's and any of its subsidiaries' and other affiliates' gross sales of Licensed Products, less only: (A) applicable sales taxes, (B) Deductions (as hereinafter defined), and (C) shipping and insurance costs, but, in each case, only if actually billed to customers and stated separately on the invoice; and (ii) "<u>Deduction(s)</u>" shall be defined as: (A) the amount of any discounts actually earned and taken by customers for prompt payments (but not estimated discounts), (B) authorized returns actually made by customers for damaged or defective Licensed Products; and (C) authorized markdowns and allowances actually given to customers. The total of all Deductions to arrive at Net Sales shall not exceed ten percent (10%) of total gross sales per Contract Year. (b) Net Sales accrue in the Calendar Quarter during which the Licensed Products are sold by Licensee, regardless of when or if Licensee collects the revenue from such sale. For purposes of this Agreement, a Licensed Product shall be considered "sold" upon the date when such Licensed Product is invoiced, shipped or paid for, whichever event occurs first.																						
10.	<u>Minimum Net Sales:</u>	(a) During the Term, Licensee shall be required to meet certain minimum Net Sales thresholds ("<u>Minimum Net Sales</u>"). (i) For each Contract Year during the Initial Term, the Minimum Net Sales shall be: <table><tr><th>Contract Year</th><th>Minimum Net Sales</th></tr><tr><td>1 (2020/2021)</td><td>\$150,000 USD</td></tr><tr><td>2 (2022)</td><td>\$250,000 USD</td></tr><tr><td>3 (2023)</td><td>\$850,000 USD</td></tr><tr><td>4 (2024)</td><td>\$900,000 USD</td></tr><tr><td>5 (2025)</td><td>\$950,000 USD</td></tr><tr><td>6 (2026)</td><td>\$1,000,000 USD</td></tr><tr><td>7 (2027)</td><td>\$1,050,000 USD</td></tr><tr><td>8 (2028)</td><td>\$1,100,000 USD</td></tr><tr><td>9 (2029)</td><td>\$1,150,000 USD</td></tr><tr><td>10 (2030)</td><td>\$1,200,000 USD</td></tr></table> (ii) For the Renewal Term (if any): (A) the first Contract Year's Minimum Net Sales shall be the greater of: (I) one hundred ten percent (110%) of the Minimum Net Sales of the final Contract Year of the Initial Term; or (II) eighty percent (80%) of the actual Net Sales in the final Contract Year of the Initial Term; and (B) the Minimum Net Sales for each subsequent Contract Year within the Renewal Term shall be one hundred ten percent (110%) of the prior Contract Year's Minimum Net Sales.	Contract Year	Minimum Net Sales	1 (2020/2021)	\$150,000 USD	2 (2022)	\$250,000 USD	3 (2023)	\$850,000 USD	4 (2024)	\$900,000 USD	5 (2025)	\$950,000 USD	6 (2026)	\$1,000,000 USD	7 (2027)	\$1,050,000 USD	8 (2028)	\$1,100,000 USD	9 (2029)	\$1,150,000 USD	10 (2030)	\$1,200,000 USD
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11.	<u>Royalty(ies):</u>	" <u>Royalty(ies)</u> " shall be defined as: ten percent (10%) of Net Sales.																						
12.	<u>Guaranteed Minimum Royalty:</u>	(a) "<u>Guaranteed Minimum Royalty(ies)</u>" (also referred to herein as "<u>GMR(s)</u>") shall be defined as non-returnable advances recoupable against Royalties earned in the same Contract Year. (i) For each Contract Year during the Initial Term, the GMR shall be:																						

Contract Year	Guaranteed Minimum Royalty
1 (2020/2021)	\$120,000 USD
2 (2022)	\$120,000 USD
3 (2023)	\$120,000 USD
4 (2024)	\$120,000 USD
5 (2025)	\$120,000 USD
6 (2026)	\$120,000 USD
7 (2027)	\$120,000 USD
8 (2028)	\$120,000 USD
9 (2029)	\$120,000 USD
10 (2030)	\$120,000 USD

- (ii) For the Renewal Term (if any): (A) the first Contract Year's GMR shall be the greater of: (I) one hundred ten percent (110%) of the GMR of the final Contract Year of the Initial Term; or (II) eighty percent (80%) of the actual Royalties in the final Contract Year of the Initial Term; and (B) the GMR for each subsequent Contract Year within the Renewal Term shall be one hundred ten percent (110%) of the prior Contract Year's GMR.
- (b) Licensee hereby acknowledges that the GMR is payable to Licensor even if Licensee fails to manufacture, sell or market the Licensed Products during the Term, and is a condition of Licensor entering into the Agreement.
- (c) For purposes of this Agreement, "Overages" shall be defined as any Royalties actually earned by, and actually paid to, Licensor in a given Contract Year under this Agreement and which Royalties are in excess of the GMR actually paid to Licensor for the same Contract Year under this Agreement.
- (d) Licensee must always make the GMR payments to Licensor as and when required hereunder. In the event that the GMR actually paid to Licensor in any given Contract Year is greater than the Royalties earned by, and actually paid to, Licensor in the same Contract Year (the difference between such earned / paid Royalties and the GMR shall be defined herein as a "Royalty Shortfall"), then so long as Licensee is not in breach of this Agreement, Licensor shall carry any un-recouped Royalty Shortfall to the immediately succeeding Contract Year during the same Contract Period (and Licensor shall continue to carry such un-recouped Royalty Shortfall to successive Contract Years during the same Contract Period, to the extent the same has not yet been fully recouped), and to the extent Licensee has any Overages in the Contract Year to which such Royalty Shortfall has been carried, Licensor shall apply such Overages to such carried Royalty Shortfall; it being understood that: (i) if Overages exceed the Royalty Shortfall, Licensee shall be required to pay the balance of the Overages to Licensor pursuant to the terms of this Agreement; (ii) Overages may be used to offset Royalty Shortfall(s) only: (A) from the immediately preceding Contract Year during the same Contract Period, and (B) if Licensee has actually paid the year to date GMRs to Licensor; and (iii) Royalty Overages cannot be applied to GMR payments.

13. Payments to Licensor:

(a) Timing of Payments.

- (i) Payment Due on Signing of Agreement. Licensee shall pay Two Hundred Forty Thousand United States Dollars (\$240,000 USD) to Licensor within five (5) business days of the date on which this Agreement is fully executed ("Signing Payment") representing one hundred percent (100%) of the GMR payable to Licensor for

		Contract Year 1 (2020/2021) and Contract Year 2 (2022). In the event that Licensee fails or refuses to pay the Signing Payment to Licensor within such five (5)-business day period, Licensor shall be permitted to terminate the Agreement in its entirety, upon written notice to Licensee. (ii) <u>Minimums</u>. Licensee shall pay the full amount of the GMR to Licensor for Contract Year 3 (2023) on or before October 1, 2022; and for each Contract Year thereafter for the remainder of the Term, Licensee shall pay the full amount of the GMR for the immediately following Contract Year on or before October 1. (iii) <u>Actuals</u>. (A) In the event that the actual earned Royalties in a given Calendar Quarter exceed the previously-paid portion of the GMR attributable to the same Contract Year, Licensee shall pay the Royalties in excess of the previously paid portion of the GMR, to Licensor quarterly, within fifteen (15) days of the end of each Calendar Quarter. (B) For the avoidance of doubt, in any given Contract Year, once Licensee has paid to Licensor the total amount of the GMR for such Contract Year (whether by way of quarterly GMR payments, Royalties in excess of the GMR, or both): (I) Licensee shall no longer be required to make quarterly GMR payments to Licensor for that Contract Year, and (II) for the remainder of such Contract Year, Licensee shall pay Licensor based on earned Royalties. (b) <u>Wire Instructions</u>. Licensee shall be solely responsible for any costs and/or fees associated with making any and all payments to Licensor as required under this Agreement, including, without limitation, wire transfer fees. Licensee shall pay all sums due to Licensor by wire transfer to the following account, unless otherwise instructed by Licensor and memorialized in a written amendment to this Agreement, duly executed by authorized signatories of, and delivered by, each of the Parties hereto: Payee: Nautica Apparel, Inc. Bank of America One Bryant Park New York, NY 10036 Account Number: 483043710615 ABA Routing Number (for domestic transfers): Wire: 026009593 / ACH: 021000322 Swift Code (for international transfers): BOFAUS3N (c) <u>Currency</u>. All monetary figures included herein are in United States Dollars.
14.	<u>Advertising & Promotion:</u>	(a) For purposes of this Agreement, "<u>Advertising & Promotion</u>" shall be defined as any and all efforts, products, advertisements, social media posts and the like, made for the purpose of marketing, selling and distributing the Licensed Products. (b) Beginning in January 1, 2021, and for each Contract Year thereafter for the remainder of the Term, Licensee shall spend a minimum of Twenty Thousand United States Dollars (\$20,000 USD) in each Contract Year during the Term on Advertising & Promotion expenditures for the Licensed Property and/or Licensed Products (the "<u>Advertising Commitment</u>"). The Advertising Commitment may be spent on costs and expenses attributable to each of the following, so long as the same arise directly from, and relate

		directly to, the Licensed Products: digital advertising (e.g., search engine optimization, search engine marketing, etc.), public relations, and point-of-sale advertising. In no event shall the Advertising Commitment be utilized for any general overhead, administrative or development costs or expenses, or co-op advertising, store fixtures, Tradeshows (as hereinafter defined), or Summits (as hereinafter defined). At the end of each Contract Year, if Licensee has not spent the entire Advertising Commitment if and as required hereunder (Licensee's actual spend being defined herein as the "<u>Actual AC Spend</u>"), Licensee shall pay to Licensor the difference between the Advertising Commitment and the Actual AC Spend, within fifteen (15) days of the end of the applicable Contract Year.
15.	<u>Tradeshows & Summits & Travel:</u>	(a) Licensee shall participate in at least one (1) major tradeshow(s), located in the Territory, per calendar year during the Term (each, a "<u>Tradeshow</u>"). Licensee's participation in Tradeshows shall be at Licensee's sole cost and expense. (b) In the event that Licensor elects to host one (1) or more licensing summit(s) for Licensor's other licensees and/or partners ("<u>Summit(s)</u>") during the Term, the Licensee shall attend such Summits, at Licensee's sole cost and expense. (c) Licensee shall reimburse Licensor for the reasonable costs and expenses of and associated with having one or more of Licensor's representative(s) travel to the Territory for any purpose related to this Agreement, as determined by Licensor in its sole discretion. Such costs and expenses shall include costs for five-star lodging, business class travel and meals, incurred by the representative(s) of Licensor in any amount up to Five Thousand United States Dollars (\$5,000 USD) per Contract Year. Licensee shall reimburse Licensor for such costs and expenses within thirty (30) days of receipt of any invoice from Licensor.
16.	<u>Discounted Products & Free Units:</u>	(a) Licensee hereby agrees to sell Licensed Products to Licensor, Licensor's affiliated and/or parent companies, and/or Licensor's licensees / partners, (collectively, "<u>Licensor Party(ies)</u>"): for each such Licensed Product: (I) if the Licensed Products are shipped from the warehouse: Licensee's landed duty paid cost ("<u>LDP Cost</u>"), plus fifteen percent (15%) of LDP Cost, Country of Destination; or (II) if the Licensed Products are picked up at the factory: Licensee's freight on board cost ("<u>FOB Cost</u>"), plus fifteen percent (15%) of FOB Cost, and (ii) on such terms as Licensee extends to its best customers, including, without limitation, first priority treatment with respect to order fulfillment and service. For the sake of clarity, Licensee shall not pay Royalties or CMF on sales of Licensed Products to the Licensor Parties. (b) During the Term, Licensor will use its commercially reasonable efforts to assist Licensee with its sale of Licensed Products to the Licensor Parties, including, without limitation, those Licensor Parties authorized by Licensor to operate Licensed Property branded retail stores and related e-commerce websites inside and outside of the Territory; provided, however, that: (i) Licensee shall only be permitted to sell Licensed Products to Licensor Party(ies) located outside of the Territory upon prior written approval from Licensor in each instance; (ii) any failure by Licensor to actually secure any purchase(s) of Licensed Product(s) and/or any terms of sale for any Licensed Product(s), shall not be deemed a breach of this Agreement by Licensor; and (iii) negotiation for any purchases of Licensed Products (e.g., including, without limitation, the particular price and/or terms of sale for such Licensed Products) shall be the sole responsibility of Licensee. (c) Licensee shall sell Licensed Products to Licensor's employees and other representatives, for their personal use, at the price discounts generally

		offered to Licensee's own employees, but in no event at a price greater than Licensee's regular Israel wholesale prices therefor. (d) Licensee shall provide the Licensors Parties, at no charge, up to Two Thousand United States Dollars (\$2,000 USD) of Licensed Products, and copies of various executions of the Advertising & Promotion, as such Licensors Parties may reasonably request from time to time for fashion shows, special events and presentations, showroom display, promotional photo shoots, photo layouts, retail displays, premium offers, giveaways, sales incentives, charitable giving, donations, gift-with-purchase programs, and for other promotional / public relations efforts ("<u>PR Samples</u>"). In the event that any PR Samples are needed prior to the commencement of production of the same seasonal collection of Licensed Products, Licensee shall provide pre-production samples of Licensed Products. In the event Licensee is unable to supply the Licensors Parties with PR Samples, the Licensors Parties shall have the right to source the same from third parties, and such activity shall not be deemed a breach of exclusivity rights, if any, that may be granted under this Agreement.
17.	<u>Insurance:</u>	(a) Licensee shall procure and maintain, at its sole cost and expense, and cause its Sub-Contractors to obtain, at their sole cost and expense: (i) comprehensive general liability insurance (including, without limitation, product liability insurance, inventory insurance, worker's compensation insurance, operations liability insurance and advertising injury insurance) during the Term of the Agreement; (ii) product liability insurance for a period of three (3) years following the expiration of the Term; and (iii) comprehensive general liability insurance (including, without limitation, product liability insurance, inventory insurance, worker's compensation insurance, operations liability insurance and advertising injury insurance) for a period of one (1) years following the expiration of the Term ("<u>Insurance Period</u>"), to defend and protect the Parties against claims arising out of or in connection with the Business, the Licensed Products and the Advertising & Promotion thereof. Insurance must be obtained from a company reasonably acceptable to Licensor, in an amount not less than Three Million United States Dollars (\$3,000,000 USD) in the aggregate, or Licensee's standard insurance policy limits, whichever is greater. (b) Within thirty (30) days of the date on which this Agreement is fully executed, Licensee shall submit to Licensor a certificate of insurance naming each of Licensor and Authentic Brands Group, LLC ("<u>ABG</u>") as additional insureds ("<u>COI</u>"), which COI, or a renewal or replacement thereof, shall remain in force at all times during the Insurance Period, and shall require the insurer to provide at least thirty (30) days' prior written notice to Licensee, and all additional insureds, of any termination, cancellation or modification thereof.
18.	<u>Miscellaneous:</u>	(a) Within fourteen (14) days of the date on which this Agreement is fully executed, Licensee shall provide Licensor a complete list of key contacts and personnel within Licensee's organization that will be responsible for the business to be conducted by Licensee under to this Agreement ("<u>Business</u>"). (b) Within sixty (60) days of the date on which this Agreement is fully executed, Licensee shall: (i) Provide Licensor a detailed business and marketing plan for the Business in a form and with all information as requested by Licensor, including, without limitation, sales and distribution projections ("<u>Business Plan</u>") covering the Initial Term; (ii) At Licensee's sole cost, meet with Licensor's creative, marketing, and branding team at Licensor's office in New York City, New York, for a

	one-day introductory workshop for the Business; it being understood however that the Parties may mutually agree to conduct such workshop via Zoom (or other similar video conferencing software); and (iii) Licensee shall submit all reports (e.g., royalties, financial) and approval requests under this Agreement to Licensor in the form and format directed by Licensor, which Licensor may update from time to time in Licensor's sole discretion. (c) Notwithstanding anything to the contrary contained herein, the Parties hereby acknowledge and agree that (i) the Agreement is a personal services contract under which Licensor is relying on performance by Licensee, in which Licensor has placed its trust and confidence, (ii) Licensee provides unique goods and services under this Agreement that are personal in nature to the Licensee, and (iii) Licensor is relying on Licensee's performance in particular under this Agreement and would be irreparably harmed by the assignment of this Agreement by Licensee without Licensor's prior written consent. The Parties further hereby acknowledge and agree that (A) this Agreement is subject to applicable law governing trademarks, including 15 U.S.C. § 1051 et seq. (the "<u>Lanham Act</u>"), (B) under applicable law, this Agreement shall not be assignable by Licensee without Licensor's prior written consent, and (C) Licensor is relying on the restrictions on assignability under applicable law, including the Lanham Act, and under this Agreement, to allow Licensor to satisfy its duty to control the quality of goods sold under the Licensed Property. The Parties further hereby acknowledge and agree that as a result of the foregoing, in the event that Licensee becomes a debtor in a bankruptcy case under 11 U.S.C. § 101 et seq. (the "<u>Bankruptcy Code</u>"), (x) this Agreement shall not be assignable by Licensee without Licensor's consent, pursuant to section 365(c)(1) of the Bankruptcy Code, and (y) Licensor shall be permitted to exercise its right to terminate this Agreement, pursuant to section 365(e)(2) of the Bankruptcy Code.
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A. Licensee agrees to, and accepts, the Standard Terms & Conditions ("Standard Terms"), which, in addition to these Commercial Terms and unless otherwise agreed by the parties in writing, govern Licensee's use of the Licensed Property and the operation of the Business contemplated hereunder. The Standard Terms are attached hereto as Schedule C, and incorporated herein by this reference. These Commercial Terms, together with the Standard Terms (collectively, the "Agreement"), collectively: (a) represent the complete agreement of the parties with respect to the subject matter hereof; (b) are fully binding on the parties hereto; and (c) supersede all previous documents and negotiations. In the event of any conflict between the terms contained in the Commercial Terms of the Agreement and the terms contained in the Standard Terms of the Agreement, the Commercial Terms shall govern. Licensee represents and warrants that Licensee, prior to Licensee's execution hereof, had the opportunity to provide a copy of these Commercial Terms and the Standard Terms to, and review the same with, legal counsel of Licensee's own choosing, and that Licensee has either obtained advice from such legal counsel or has declined to seek such advice.

B. In the event of any dispute regarding the definition of Licensed Products, Distribution Channels, Approved Accounts, or other term defined herein, Licensor's good faith interpretation of the same shall control. The Agreement shall be governed by, and construed in accordance with, the law of the State of New York applicable to contracts made and to be performed in the State of New York, without regard to conflicts of law principles. All rights which are not specifically granted and licensed to Licensee in the Agreement are hereby reserved by Licensor, and Licensor may exercise such rights at any time. The Agreement shall not be binding upon Licensor unless or until such time as Licensor has signed this Agreement and received the Signing Payment.

AGREED & ACCEPTED:

LICENSEE:

Royal Linen Ltd.

By: Eliav Popper

Print: רויאל לינין בע"מ

ROYAL LINEN LTD

AGREED & ACCEPTED:

LICENSOR:

Nautica Apparel, Inc.

By: Jay Dubiner

Print: Jay Dubiner

Title: President
Date: August 2, 2020

Title: General Counsel
Date: 8/13/2020 | 10:38 AM EDT

This Schedule A is attached to and made part of the Agreement between **Nautica Apparel, Inc.** ("Licensor") and **Royal Linen Ltd.** ("Licensee") dated March 1, 2020.

SCHEDULE A

Registrations

Trademark	Country	Application Number	Registration Number	Status
NAUTICA	Israel	322222	--	Pending

E.P

This Schedule B is attached to and made part of the Agreement between **Nautica Apparel, Inc.** ("Licensor") and **Royal Linen Ltd.** ("Licensee") dated March 1, 2020.

SCHEDULE B

Distribution Channels & Approved Accounts

Distribution Channel	Approved Accounts	Permitted E-Commerce Sites of Approved Accounts
Department Stores	Hamashbir Lazarchan H&O Massar International Lacasa	--
Specialty Stores	Food Appeal Mazaeit Cotton Avenue Vardinon Golf & Co Soltam	--

e.p

This Schedule C is attached to and made part of the Agreement between **Nautica Apparel, Inc.** ("Licensor") and **Royal Linen Ltd.** ("Licensee") dated March 1, 2020.

SCHEDULE C

STANDARD TERMS & CONDITIONS **("Standard Terms")**

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

1. GRANT OF LICENSE

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

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

(c) Limits on Licensed Rights

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

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

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

to evaluate Licensee's request for Approval of such Sub-Contractor. In the event Licenser Approves any given Sub-Contractor, and only after Licensee delivers to Licenser a written contract, signed by Licensee and the applicable Sub-Contractor, in a form Approved by Licenser ("Sub-Contractor Agreement"), then such Sub-Contractor shall be permitted to carry out only that portion of the Business for which Licenser Approved such Sub-Contractor. Licensee shall use Licensee's best efforts to ensure that all Sub-Contractors abide by the terms of this Agreement, including, without limitation, the Standards of Practice. All acts of all Sub-Contractors shall be deemed to be the acts of the Licensee for all purposes of this Agreement.

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

(d) Reserved Channels. Licensee hereby acknowledges and agrees that, for purposes of this Agreement, the 'Territory' specifically excludes all of the following: (A) Licenser Channels (as hereinafter defined) and (B) military bases and exchanges (collectively, the "Reserved Channels"). The Reserved Channels shall be deemed, for all purposes hereof, to be located outside the Territory. For the purposes hereof, "Licenser Channels" shall be defined as any of the following operating under the Licensed Property and/or any intellectual property owned and/or controlled by Licenser or any Licenser Party: (A) retail stores; (B) direct marketing, direct mail, mail order and/or catalogs; and (C) digital commerce channels (e.g., electronic, mobile and/or Internet-based shopping platforms such as websites and applications), whether now known or hereafter devised.

2. CONSIDERATION; PAYMENTS; STATEMENTS.

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

(b) Calculation of Royalties & CMF. Licensee shall have the unfettered right to establish the prices that it charges its customers for any Licensed Products sold pursuant to this Agreement; provided, however, solely for purposes of calculating the Royalty and CMF due to Licenser, and notwithstanding anything contained in the definition of Net Sales: (i) the invoiced billing price of the Licensed Products shall not be less than Licensee's LDP Cost for each such Licensed Product ("Minimum Invoiced Billing Price"); and (ii) if Licensed Products are sold to any party directly or indirectly affiliated or under common ownership or control with Licensee at a price less than the regular price charged to other parties, the Royalty and CMF due to Licenser shall be computed as though such sales were made to non-related but similarly situated third parties in an arms-length transaction, subject to the Minimum Invoiced Billing Price. In the event that Licenser suspects that Licensee has sold any Licensed Products at a discounted price for purposes of selling other products or services (i.e., as a "Loss-Leader"), whether such sales were made to an affiliate of Licensee or any other third party, Licenser shall be permitted to request, and Licensee hereby agrees to deliver, documentation, backup and support materials, such that Licenser will have sufficient information to evaluate such sales. In the event Licenser determines that any Licensed Products were sold as a Loss Leader, Licenser shall be permitted to hold Licensee in breach of this Agreement.

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

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

(e) Taxes. Licenser and Licensee agree that: all payments to be made by Licensee to Licenser hereunder shall be made free and clear of and without deduction for or on account of withholding tax under the laws of the Territory unless Licensee is required by law to make such a payment subject to the deduction or withholding of tax, in which case, the sum

payable by Licensee in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, Licenser receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which Licenser would have received and so retained had no such deduction or withholding been made or required to be made, and Licensee shall furnish Licenser with an official receipt (together with a certified translation thereof into English, when applicable) promptly after each such payment of any such taxes. In the event that any such taxes are not paid when due, all resulting penalties and interest related thereto shall be borne by Licensee. In the event that, following the making of any increased payment by Licensee under this Agreement resulting from a requirement for Licensee to make any deduction or withholding under law, Licenser receives or is granted a credit against, remission or repayment of any tax (a "Tax Credit") payable by Licenser which is directly related to such deduction or withholding or any increased payment made by Licensee to Licenser, Licenser shall reimburse Licensee with such amount as is equivalent to the relevant Tax Credit so as to leave Licenser, after such reimbursement, in no better or worse position than Licenser would have been in had there been no deduction or withholding. All sales, use, value added, local privilege, excise taxes, tariffs, duties or other charges of any kind, character or description which may be levied or imposed upon any of the Licensed Products, the Business or on any aspect of performance of this Agreement, shall be Licensee's responsibility. Licenser shall only be responsible for the actual taxes on Licenser's net income resulting from this Agreement.

(f) Reports.

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

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

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

(g) Books & Records; Audit. Licenser's acceptance of any payment and/or any Statement pursuant to this Agreement shall not preclude Licenser from questioning the correctness thereof at any time or exercising any of its rights related thereto. Licensee shall keep appropriate books of accounts and records with respect to its manufacture, sale, distribution and Advertising & Promotion of Licensed Products ("Books & Records"). Licensee shall maintain such Books & Records throughout the Term of this Agreement, and for a period of three (3) years following the expiration or termination of the Term (the "Retention Period"). Licenser, or a third party designated by Licenser (Licenser and such third party being defined, for purposes of this Section, as an "Auditor"), shall have the right to inspect and copy the Books & Records insofar as they relate to the computation of Royalties and CMF, and other amounts payable to Licenser and/or amounts that Licensee is required to spend under this Agreement, and Licensee hereby agrees to cooperate with the Auditor, to the best of Licensee's ability, in connection therewith (including, without limitation, by providing the Auditor with backup and support documentation related to any Books & Records, e.g., Licensee's standard wholesale prices for any Products, etc.). In the event Licensee fails to so cooperate with the Auditor: (i) the same shall be deemed a breach of this Agreement by Licensee, and (ii) in order to complete any such inspection / audit and in the absence of information from Licensee, the Auditor may rely on industry-

standard information as a replacement thereof. Licensor and/or such Auditor shall be permitted to inspect such Books & Records no more frequently than one (1) time during any six (6) month period, upon reasonable prior written notice to Licensee. In the event that any such inspection is conducted by a third-party Auditor, such Auditor shall agree in advance not to disclose or use for the Auditor's benefit any Confidential Information (as hereinafter defined) of which the Auditor observes or becomes aware. If any such inspection reveals a discrepancy in the amount paid to Licensor equal to three percent (3%) or more of the amount payable to Licensor hereunder for the period in question, then Licensee shall also reimburse Licensor for the cost of such audit. In any event, Licensee shall make all payments required to be made to eliminate any discrepancy revealed by any such inspection within fifteen (15) days after Licensor's demand therefor. Interest, compounded monthly, at the rate of one and three quarters percent (1.75%) per month (or, if not legally permissible, then at the then maximum legal interest rate) shall accrue on any amount due to Licensor from and after the date upon which said payment is due until the date payment is actually received, whether said late payment was discovered in connection with this Section or otherwise.

3. BUSINESS: ADVERTISING & PROMOTION.

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

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

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

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

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

4. APPROVALS: PRODUCTION.

(a) Approvals.

(i) Approval Rights. For purposes of this Agreement, "Approval" (and all grammatical variations thereof, e.g., Approve, Approved, etc.) shall be defined as Licensor's prior written approval, which may be given or withheld in Licensor's sole discretion. Licensor has the right to Approve all uses of the Licensed Property, whether by Licensee, Approved Accounts or any Sub-Contractors (including, without limitation, Licensed Products, Packaging (as hereinafter defined), Advertising & Promotion, any and all other items produced pursuant to this Agreement) (collectively, "Materials"). Licensee hereby agrees that: (A) no Materials may be released or exhibited publicly, in any manner, unless and until Licensor has Approved the same, (B) all Approved Materials must be re-submitted for Approval each time a revision is made incorporating any changes, and (C) Licensor's Approval of Materials hereunder is specifically limited to Approval of the use of the Licensed

Property contained therein, and that to the extent any materials owned by third parties (e.g., logos, locations, individuals, etc.) ("Third-Party Materials") are incorporated therein, Licensee shall be solely responsible for identifying such Third-Party Materials, and for obtaining an applicable license from the owners of such Third-Party Materials.

(ii) Approval Process.

(A) General. Licensors shall respond to each request for Approval within fifteen (15) days of Licensors' receipt of such request ("Approval Window"); provided, however that Licensors' silence or failure to respond to any such request prior to the expiration of the Approval Window shall be deemed Licensors' disapproval the Materials contained in such request. Licensee hereby acknowledges that Licensors' Approval of any particular Materials for a given seasonal collection and/or for a specific purpose shall only be deemed an Approval for said collection and/or purpose. Subject to Section 4(ii)(B) below, Licensee shall be required to re-submit any previously Approved Materials to the extent Licensee wishes to use the same for subsequent collections or other purposes. Licensee hereby acknowledges that, in the event Licensee fails to obtain Licensors' consent or approval for any act or omission requiring such consent or approval in connection with the use Licensed Products, the same shall be deemed a non-curable breach of this Agreement entitling, but not requiring, Licensors to immediately terminate this Agreement.

(B) Licensed Products. Licensee shall create and submit to Licensors, via RoyaltyZone, Licensee's concept ("Concept") for the design of each SKU of Licensed Products. After Approval of such Concept and prior to the mass production of any Licensed Products, Licensee shall create and submit to Licensors, via personal delivery, messenger or mail, one (1) initial prototype sample (each, a "Prototype") of each SKU of Licensed Products. After Approval of such Prototypes, Licensee shall be permitted to commence mass production of Licensed Products. In the event Licensee wishes to create any Prototype(s) to become part of a core line of Licensed Products (i.e., Licensed Products that continue across different seasons, as designated by Licensors) ("Core Prototype(s)"), then Licensee shall specify the same simultaneously with Licensee's submission of the Core Prototype to Licensors for Approval. Following the Approval of a Core Prototype in any season to become part of the core line of Licensed Products ("Core Licensed Products"), Licensee shall not be required to re-submit a Core Prototype for the same Licensed Product in subsequent seasons, provided, however, that Licensee shall be required to submit Prototypes for non-core Licensed Products. Notwithstanding the foregoing, Licensors shall have the right, in its sole discretion, to withdraw its Approval of any such Core Prototype(s) and/or Core Licensed Product(s), upon written notice to Licensee. Prior to, or simultaneously with, Licensee's first (1st) shipment of any SKUs of Licensed Products to Approved Accounts, Licensee shall deliver to Licensors one (1) of each SKU of Licensed Products (including the Packaging therefor).

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

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

(b) Brand Standards.

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

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

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

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

5. INTELLECTUAL PROPERTY.

(a) Ownership.

(i) Licensor's Rights.

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

employees or Sub-Contractors to obtain or reserve, by written or oral agreement or otherwise, any rights as "authors" or "inventors" of any such artwork or designs (as such terms are used in the present or any future versions of the Copyright Act, or any other statute or judicial decisions that may govern the same).

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

(ii) Licensee's Rights.

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

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

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

(c) Enforcement of Licensed Property. In the event that Licensor elects to implement security measures for the Licensed Products (e.g., state-of-the-art computer or other indelible codes or markings consistent with industry standards for the same or similar Products, such as markings for authenticity, etc.) then Licensee shall, at Licensee's sole cost and expense, apply such security measures as directed by Licensor (including, without limitation, purchasing any necessary materials from Licensor's designated supplier for the same, and applying such materials to Packaging and/or on Licensed Products, as directed by Licensor), and cooperate with Licensor in the implementation and enforcement of anti-diversion and anti-counterfeiting measures in connection with the same. Licensee shall assist Licensor to ensure that third parties do not unlawfully infringe on Brand Rights. Licensee shall promptly notify Licensor of any such infringements of the Brand Rights of which Licensee becomes aware. Licensor shall have the exclusive right, at Licensor's sole cost and expense (excluding Licensee's outside counsel fees) and exercisable at Licensor's sole discretion, to institute in its own name and/or Licensee's name, and to control, all claims, suits and/or actions against third parties relating to the Brand Rights, and other proprietary rights in and to the same ("Infringement Claim"). With respect to any such Infringement Claim, Licensor shall be permitted to employ counsel of Licensor's own choosing to direct the handling thereof (including, without limitation, and settlement of any Infringement Claim), and Licensor shall be entitled to receive and retain all amounts awarded, if any, as damages, profits or otherwise, in connection with such Infringement Claims. Licensee shall not take any action on account of, or in connection with, any Infringement Claim, other than to notify Licensor of the same, and to cooperate with Licensor, pursuant to this Section. Licensee hereby acknowledges that: (i) Licensor has no obligation to take any action in connection with any Infringement Claim, and (ii) Licensor shall incur no liability by reason of: (A) Licensor's failure or refusal to take any such action against any Infringement Claim, or (B) any settlement relating to any Infringement Claim to which Licensor may

agree. Licensee hereby acknowledges that there are practical limitations on Licensors ability to prevent third parties who purchased Licensed Products outside the Territory from re-selling such Licensed Products in the Territory, and no such sales shall be deemed a breach of this Agreement by Licensors.

(d) Withdrawn Rights.

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

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

(e) Misuse of Brand Rights.

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

(ii) Brand Names/Accounts.

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

(B) Restrictions. During the Term and at all times thereafter, Licensee shall have no right to, and hereby agrees not to, register any Brand Name/Account incorporating, in whole or in part, Brand Rights or any variation thereof. Should Licensee register any Brand Name/Account incorporating any Brand Rights or any variation thereof, Licensee shall transfer the same to Licensors, immediately upon Licensors request. Specifically with respect to Domain Names, and without limitation: (I) Licensee shall immediately provide Licensors or Licensors designee with the access code(s) for, and accept a request for transfer of, the Domain Name, through the Domain Name registrar, (II) should Licensee fail to accept any request for transfer, or other documentation (electronic or written) to transfer, any Domain Name, Licensors may submit this Agreement to the Domain Name registrar to effect the transfer, and (III) if the Domain Name registrar does not accept this Agreement to effect the transfer, Licensors may file an arbitration proceeding under ICANN to obtain the transfer of the Domain Name to Licensors. Should Licensors be required to file an any proceedings to obtain the return of any Brand Name/Account, Licensee shall reimburse Licensors for all costs incurred whatsoever in connection with such proceeding, including, without limitation, attorneys' fees, filing fees and other costs.

6. REPRESENTATIONS AND WARRANTIES.

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

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

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

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

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

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

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

7. INDEMNIFICATION.

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

(b) Licensee's Indemnification Obligations. Licensee shall indemnify, defend and hold harmless Licensor and its parents, subsidiaries, affiliated companies and their respective officers, directors, shareholders, employees, licensees,

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

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

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

9. TERMINATION.

(a) Licensor's Right to Terminate.

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

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

(B) The breach by Licensee of any of its representations or warranties herein, or the failure of Licensee to comply with any of the other terms of this Agreement or otherwise discharge its duties hereunder (it being understood that any such failure related to non-payment shall be governed by Section 9(a)(i)(A) above), and such breach or failure, to the extent curable, is not cured within fifteen (15) days of Licensee's receipt of written notice from Licensor of the same; and/or

(C) The breach by Licensee of any provision of this Agreement, or the failure of Licensee to comply with any of the terms of this Agreement or otherwise discharge Licensee's duties hereunder, two (2) or more times in any Contract Year during the Term; and/or

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

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

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

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

(ii) Licensee hereby acknowledges that Licensee shall not have an opportunity to cure any breach which, by its terms, cannot be cured, including, without limitation, any failure to make the Minimum Net Sales in any two (2) consecutive Contract Years during the Term; selling Licensed products outside the Territory; release of any Materials bearing the Licensed Property without prior Approval; and/or the failure of Licensee to assist with intellectual property maintenance in the manner provided by Licensor.

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

10. EXPIRATION OR TERMINATION OF AGREEMENT.

(a) Effect of Expiration or Termination.

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

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

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

(b) Sell-Off Period.

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

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

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

11. CUMULATIVE RIGHTS & REMEDIES: LIMITATION OF LIABILITY

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

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

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

12. CONFIDENTIALITY

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

(b) Exclusions from Confidential Information. As used in this Agreement, the term 'Confidential Information' shall not include any information that: (i) now or hereafter becomes, through no unauthorized act by or on behalf of the receiving Party, generally known or available to the public; (ii) known to the receiving Party, by lawful means, at the time the receiving Party receives the same from the disclosing Party; (iii) furnished to the receiving Party by a third party that does not have

an obligation of confidentiality to the disclosing Party with respect thereto; or (iv) independently developed by the receiving Party without use of or access to the disclosing Party's Confidential Information.

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

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

13. LEGAL PROCEEDINGS.

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

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

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

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

15. NOTICES.

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

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

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

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

c/o Authentic Brands Group, LLC
1411 Broadway, 21st Floor
New York, NY 10018
Attention: Approvals Department
Email: approvals@abg-nyc.com
Facsimile Number: (212) 760-2419

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

c/o Authentic Brands Group, LLC
1411 Broadway, 21st Floor
New York, NY 10018
Attention: Finance Department
Email: finance@abg-nyc.com
Facsimile Number: (212) 760-2419

(iii) If to Licensor for any other reason:

c/o Authentic Brands Group, LLC
1411 Broadway, 21st Floor
New York, NY 10018
Attention: Legal Department
Email: legaldept@abg-nyc.com
Facsimile Number: (212) 760-2419

16. MISCELLANEOUS.

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

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

(c) Entire Agreement. This Agreement (inclusive of the Commercial Terms, the Standard Terms, and all Exhibits and/or Schedules referenced herein) sets forth the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersedes all prior agreements, understandings, inducements and conditions, whether

express or implied, oral or written, except as herein contained. This Agreement may only be amended or modified by written agreement, duly executed by authorized signatories of, and delivered by, each of the Parties hereto. The express terms of this Agreement shall control and supersede any course of dealing or performance, and/or usage of trade, that is inconsistent with any of the terms hereof.

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

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

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

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

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

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

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

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

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

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

EXHIBIT A

Standards of Practice

Overview

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

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

Standards of Practice

Forced Labor

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

Child Labor

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

Harassment or Abuse

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

Nondiscrimination

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

Health and Safety

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

Freedom of Association and Collective Bargaining

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

Wages and Benefits

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

Hours of Work/Overtime

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

Benefits

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

Environment

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

Documentation and Inspection

Licensee and all Sub-Contractors must:

(A) Certify to Licensor, on an annual basis, in writing, that each of the above-listed *Standards of Practice* is being met;

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

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**AMENDMENT NO. 1
TO
LICENSE AGREEMENT**

THIS AMENDMENT NO. 1 TO THE LICENSE AGREEMENT ("Amendment No. 1") is effective as of March 1, 2020, and is entered into by and between **Nautica Apparel, Inc.** ("Licensor"), on the one hand, and **Royal Linen Ltd.** ("Licensee"), on the other hand, concerning that certain License Agreement dated as of March 1, 2020 ("Agreement").

In consideration of the mutual covenants and agreements hereinafter contained on the part of each of the parties hereto to be kept, observed and performed, and for such other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **Defined Terms:** Except as otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to them in the Agreement. For the avoidance of doubt, from and after the date hereof, references to the Agreement in both the Agreement and this Amendment No. 1 shall refer to the Agreement as modified by the terms of this Amendment No. 1.

2. **Licensed Products.**

(a) From and after the date hereof, the Parties each hereby acknowledge and agree that Section 4(a) of the Commercial Terms of the Agreement shall be deleted in its entirety and replaced with the following:

"(a) **"Products"** shall be defined, individually and collectively, as the following:

Product Category	Specific Products	Designed For
Fashion Bedding Product(s)	Each of the following fashion bedding products designed specifically for adult men, adult women and kids: (i) coordinated bedding ensemble collections, including each of the following items: (A) coordinated non-solid sheets; (B) coordinated pillowcases, but specifically excluding pillowcases for body pillows; (C) coordinated pillow shams; (D) coordinated bed skirts; (E) coordinated comforters; (F) coordinated duvet covers; (G) coordinated quilts; (H) coordinated coverlets; and (I) coordinated decorative pillows; (ii) bed quilts; (iii) duvet covers; (iv) coverlets; (v) day bed covers; (vi) blankets; and (vii) throws.	Adult Men, Adult Women and Kids
Basic Bedding Product(s)	Each of the following basic bedding products, in each case: (i) designed in solid colors, specifically for adult men, adult women and kids; and (ii) to be sold to/through the Approved Accounts (as defined in Section 8(a) of the Commercial Terms below) separately on a stand-alone basis (and not as part of a larger coordinated collection or ensemble): (A) bed sheets; (B)	Adult Men, Adult Women and Kids

	pillowcases; and (C) seasonal flannel and fleece bed sheets.	
Basic Bath Products	Each of the following basic bath products, in each case: (i) designed specifically for adult men, adult women and kids; and (ii) to be sold to/through the Approved Accounts separately on a stand-alone basis (and not as part of a larger coordinated collection or ensemble): (A) bath towels; (B) hand towels; (C) wash cloths; and (D) and bath sheets, but specifically excluding beach towels and all other categories.	Adult Men, Adult Women and Kids
Bath Rugs & Bath Mats	Each of the following items, in each case: (i) designed specifically adult men, adult women and kids; and (ii) to be sold to/through the Approved Accounts separately on a stand-alone basis (and not as part of a larger coordinated collection or ensemble): (A) bath rugs; and (B) bath mats.	Adult Men, Adult Women and Kids
Table Linens	Each of the following table linen products, in each case: (i) designed specifically adult men, adult women and kids; and (ii) made out of fabric: (A) placemats; (B) table linens; (C) table runners; (D) napkins; and (E) napkin rings.	Adult Men, Adult Women and Kids
Window Curtains	Window curtains designed specifically for adult men, adult women and kids.	Adult Men, Adult Women and Kids
Beach Towels	Beach towels designed specifically for adult men, adult women and kids.	Adult Men, Adult Women and Kids
Tabletop Kitchen Products	Each of the following tabletop home kitchen items, in each case, made specifically from ceramic, glass, plastic, metal, wood, melamine rubber or silicone: (i) plates; (ii) plate warmers; (iii) bowls; (iv) cups; (v) saucers; (vi) mugs; (vii) pitchers; (viii) decanters; (ix) carafes; (x) creamers; (xi) sugar bowls; (xii) teapots; (xiii) coffee pots; (xiv) gravy boat bowls; (xv) olive boat bowls; (xvi) butter dishes; (xvii) salt and pepper shakers; (xviii) ramekins; (xix) bouillon cups; (xx) egg cups; (xxi) compote dishes; (xxii) dipping dishes; (xxiii) dipping trays; (xxiv) cruets; (xxv) soy dispensers; (xxvi)	Adult Men, Adult Women and Kids

	chopsticks; (xxvii) chopstick holders; (xxviii) serving trays; (xxix) serving platters; (xxx) bread baskets; (xxxi) ice buckets; (xxxii) wine buckets; (xxxiii) bottle openers; (xxxiv) plate and bowl covers; (xxxv) condiment caddies; and (xxxvi) food containers and kitchen vases.	
Drinkware & Beverageware Products	Each of the following drinkware, beverage and hydration items: (i) beverage shakers; (ii) beverage stirrers; (iii) beverage strainer; (iv) beer and wine flights; (v) champagne flutes; (vi) chillers; (vii) decanters; (viii) drinking glasses; (ix) drinking cups; (x) wine glasses; (xi) beer glasses; (xii) cocktail glasses; (xiii) pitchers; (xiv) bar knife; (xv) wine openers; (xvi) bottle openers; (xvii) bar spoons; (xviii) mixing glasses; (xix) wine stoppers; (xx) coasters; (xxi) ice molds; and (xxii) ceramic mugs.	Adult Men, Adult Women and Kids
Flatware & Cutlery	Each of the following flatware and cutlery items: (i) knives; (ii) forks; (iii) spoons; (iv) steak knives; (v) serving utensils; and (vi) tongs.	Adult Men, Adult Women and Kids
Mattress Products	All mattress types (temporary and permanent including, but not limited to memory foam, Latex foam, Gel foam, air beds, liquid filled, Gel, foam, air beds, liquid filled, Gel Hybrids and innerspring).	Adult Men, Adult Women and Kids
Mattress Support Products	Mattress foundations to support mattresses and adjustable bases for mattresses.	Adult Men, Adult Women and Kids

(b) From and after the date hereof, the Parties each hereby acknowledge and agree that the following shall be added as a new Section 4(c) to the Commercial Terms of the Agreement:

"(c) For purposes of this Agreement, "Mattress Licensed Product(s)" shall be defined, individually and collectively, unless specifically identified as: those Licensed Products contained in: (i) the Mattress Products 'Product Category' set forth in Section 4(a) of the Commercial Terms that are 'Designed For' those individuals specified in Section 4(a) above, bearing the Licensed Property; and (ii) the Mattress Support Products 'Product Category' set forth in Section 4(a) of the Commercial Terms that are 'Designed For' those individuals specified in Section 4(a) above, bearing the Licensed Property."

3. **Distribution Channels & Approved Accounts.** From and after the date hereof, the Parties each hereby acknowledge and agree that the chart set forth on Schedule B of the Agreement shall be deleted in its entirety and replaced with the chart set forth on Schedule B attached hereto, and incorporated into the Agreement by this reference.

"(B) Licensed Products. Licensee shall create and submit to Licensor, via RoyaltyZone, Licensee's concept ("Concept") for the design of each SKU of Licensed Products. After Approval of such Concept and prior to the mass production of any Licensed Products, Licensee shall create and submit to Licensor: (I) via online file transfer or email, detailed construction cads and actual production photos of each SKU of Mattress Licensed Products; and/or (II) via personal delivery, messenger or mail one (1) initial prototype sample (each, a "Prototype") of each SKU of Licensed Products other than Mattress Licensed Products. After Approval of such Prototypes, Licensee shall be permitted to commence mass production of Licensed Products. In the event Licensee wishes to create any Prototype(s) to become part of a core line of Licensed Products (i.e., Licensed Products that continue across different seasons, as designated by Licensor) ("Core Prototype(s)"), then Licensee shall specify the same simultaneously with Licensee's submission of the Core Prototype to Licensor for Approval. Following the Approval of a Core Prototype in any season to become part of the core line of Licensed Products ("Core Licensed Products"), Licensee shall not be required to re-submit a Core Prototype for the same Licensed Product in subsequent seasons, provided, however, that Licensee shall be required to submit Prototypes for non-core Licensed Products. Notwithstanding the foregoing, Licensor shall have the right, in its sole discretion, to withdraw its Approval of any such Core Prototype(s) and/or Core Licensed Product(s), upon written notice to Licensee. Prior to, or simultaneously with, Licensee's first (1st) shipment of any SKUs of Licensed Products to Approved Accounts, Licensee shall deliver to Licensor one (1) of each SKU of Licensed Products (including the Packaging therefor)."

9. Miscellaneous.

- (a) Except as modified by this Amendment No. 1, all terms and conditions of the Agreement shall remain in full force and effect.
- (b) This Amendment No. 1 may be signed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. Facsimile, photographic and/or PDF copies of counterpart signature pages shall be deemed original counterpart pages for all purposes hereunder. Each of the parties agrees that an electronic signature evidencing a party's execution of this Amendment No. 1 shall be effective as an original signature and may be used in lieu of the original for any purpose.
- (c) This Amendment No. 1 and the legal relations among the parties hereto shall be governed by, and construed in accordance with, the state laws of the State of New York (including, without limitation, with respect to full faith and credit accorded to the United States federal laws, e.g., the United States Lanham Act), notwithstanding any conflict of law provisions to the contrary.
- (d) In the event one (1) or more of the provisions of this Amendment No. 1, should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Amendment No. 1, and this Amendment No. 1, shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the date first set forth above.

AGREED AND ACCEPTED

"Licensor"

Nautica Apparel, Inc.

By: Jay Dubiner

Print: Jay Dubiner

Title: General Counsel

Date: 11/5/2020 | 1:25 PM EST

AGREED AND ACCEPTED

"Licensee"

Royal Linen Ltd.

By: Ethan Mores

Print: Ethan

Title: CEO

Date: 10/29/2020

Em

AMENDMENT NO. 2
TO
LICENSE AGREEMENT

THIS AMENDMENT NO. 2 TO THE LICENSE AGREEMENT (the "Amendment No. 2") is effective as of March 1, 2021, and is entered into by and between Nautica Apparel, Inc. ("Licenser"), on the one hand, and Royal Linen Ltd. ("Licensee"), on the other hand, concerning that certain License Agreement dated as of March 1, 2020 (the "Original Agreement") and amended as of March 1, 2020 ("Amendment No. 1" and together with the Original Agreement, the "Agreement").

In consideration of the mutual covenants and agreements hereinafter contained on the part of each of the parties hereto to be kept, observed and performed, and for such other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **Defined Terms.** Except as otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to them in the Agreement. For the avoidance of doubt, from and after the date hereof, references to the Agreement in both the Agreement and this Amendment No. 2 shall refer to the Agreement as modified by the terms of this Amendment No. 2.

2. **Licensed Products.**

(a) From and after the date hereof, the following shall be added to the table in Section 4(a) of the Commercial Terms of the Agreement:

“

Product Category	Specific Products	Designed For
Sleepwear	Each of the following sleepwear items designed to be worn specifically in the home, to be sold either (i) as a package set containing at least two (2) or more of the foregoing items, or (ii) separately, on a stand-alone basis: (A) sleep pants; (B) sleep tops; (C) pajama coordinates; (D) camisoles; (E) nightgowns; (F) sleep shirts; and (G) coordinated sleeping masks that are made from the same fabric as the foregoing sleepwear Products.	Adult Men, Adult Women and Kids
Knit & Woven Loungewear	Each of the following knit and/or woven loungewear products, designed specifically to be worn inside the home: (i) knit and woven lounge chemise; (ii) knit and woven lounge tops; (iii) knit and woven lounge bottoms (i.e., shorts, pants) with elastic waistbands; (iv) knit and woven spa robes; (v) knit and woven shower wraps; and (vi) knit and woven lounge caftans. The foregoing shall specifically exclude (A) any apparel designed or made to be worn outside the home; and (B) bottoms with zippers and/or finished waistbands.	Adult Men, Adult Women and Kids

”

(b) Notwithstanding anything in the Agreement to the contrary, the rights granted to Licensee hereunder with respect to coordinated sleeping masks products bearing the Licensed Property ("Licensed Sleeping Masks") shall be non-exclusive.

3. **Minimum Net Sales.** From and after the date hereof, Section 10(a)(i) of the Commercial Terms of the Agreement shall be deleted in its entirety and replaced with the following:

"(i) For each Contract Year during the Initial Term, the Minimum Net Sales shall be:

(A) for Licensed Products in the 'Sleepwear' and 'Knit & Woven Loungewear' Product Categories:

Contract Year	Minimum Net Sales
1 (2020/2021)	\$0 USD
2 (2022)	\$300,000 USD
3 (2023)	\$300,000 USD
4 (2024)	\$300,000 USD
5 (2025)	\$300,000 USD
6 (2026)	\$300,000 USD
7 (2027)	\$300,000 USD
8 (2028)	\$300,000 USD
9 (2029)	\$300,000 USD
10 (2030)	\$300,000 USD

and

(B) for Licensed Products in all other Product Categories:

Contract Year	Minimum Net Sales
1 (2020/2021)	\$850,000 USD
2 (2022)	\$900,000 USD
3 (2023)	\$950,000 USD
4 (2024)	\$1,000,000 USD
5 (2025)	\$1,050,000 USD
6 (2026)	\$1,100,000 USD
7 (2027)	\$1,150,000 USD
8 (2028)	\$1,200,000 USD
9 (2029)	\$1,250,000 USD
10 (2030)	\$1,300,000 USD

4. **Guaranteed Minimum Royalty.** From and after the date hereof, Section 12(a)(i) of the Commercial Terms of the Agreement shall be deleted in its entirety and replaced with the following:

"(i) For each Contract Year during the Initial Term, the GMR shall be:

En 

(A) for Licensed Products in the 'Sleepwear' and 'Knit & Woven Loungewear' Product Categories:

Contract Year	Guaranteed Minimum Royalty
1 (2020/2021)	\$30,000 USD
2 (2022)	\$30,000 USD
3 (2023)	\$30,000 USD
4 (2024)	\$30,000 USD
5 (2025)	\$30,000 USD
6 (2026)	\$30,000 USD
7 (2027)	\$30,000 USD
8 (2028)	\$30,000 USD
9 (2029)	\$30,000 USD
10 (2030)	\$30,000 USD

and

(B) for Licensed Products in all other Product Categories:

Contract Year	Guaranteed Minimum Royalty
1 (2020/2021)	\$160,000 USD
2 (2022)	\$160,000 USD
3 (2023)	\$160,000 USD
4 (2024)	\$160,000 USD
5 (2025)	\$160,000 USD
6 (2026)	\$170,000 USD
7 (2027)	\$170,000 USD
8 (2028)	\$170,000 USD
9 (2029)	\$170,000 USD
10 (2030)	\$170,000 USD

5. **Payments to Licensor.** Within five (5) business days of the date upon which this Amendment No. 2 is fully executed, Licensee shall pay Thirty Thousand United States Dollars (\$30,000 USD) to Licensor ("Amendment No. 2 Payment"), representing the GMR payable to Licensor for Licensed Products in the 'Sleepwear' and 'Knit & Woven Loungewear' Product Categories for Contract Year 1 (2020/2021). Licensee shall pay the Amendment No. 2 Payment by wire transfer using the information set forth in Section 13(b) of the Commercial Terms of the Agreement. In the event that Licensee fails or refuses to pay the Amendment No. 2 Payment to Licensor within such five (5)-business day period, Licensor shall be permitted to withdraw all rights granted hereunder to the 'Sleepwear' and 'Knit & Woven Loungewear' Product Categories, upon written notice to Licensee.

6. **Reversion.** If Licensee fails to attain the Minimum Net Sales threshold in any Contract Year for the 'Sleepwear' and 'Knit & Woven Loungewear' Product Categories, Licensor shall have the right to remove such Product Categories from this Agreement, upon written notice to Licensee. After Licensor issues such notice to Licensee, all rights in and to the 'Sleepwear' and 'Knit & Woven Loungewear' Product Categories shall revert to Licensor.

7. **Registrations.** From and after the date hereof, the table in Schedule A to the Agreement shall be deleted in its entirety and replaced with the following:

“

Trademark	Country	Registration Number	Status
NAUTICA	Israel	322,222	Registered
	Israel	212,574	Registered

”

8. **Miscellaneous.**

(a) Except as modified by this Amendment No. 2, all terms and conditions of the Agreement shall remain in full force and effect. For the avoidance of doubt, this Amendment No. 2 and the terms hereof constitute Confidential Information under the Agreement.

(b) This Amendment No. 2 may be signed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. Facsimile, photographic and/or PDF copies of counterpart signature pages shall be deemed original counterpart pages for all purposes hereunder. Each of the parties agrees that an electronic signature evidencing a party's execution of this Amendment No. 2 shall be effective as an original signature and may be used in lieu of the original for any purpose.

(c) This Amendment No. 2 and the legal relations among the parties hereto shall be governed by, and construed in accordance with, the state laws of the State of New York (including, without limitation, with respect to full faith and credit accorded to the United States federal laws, e.g., the United States Lanham Act), notwithstanding any conflict of law provisions to the contrary.

(d) In the event one (1) or more of the provisions of this Amendment No. 2, should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Amendment No. 2, and this Amendment No. 2, shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 as of the date first set forth above.

AGREED AND ACCEPTED

"Licensor"

Nautica Apparel, Inc.

By: Jay Dubiner

Print: Jay Dubiner

Title: General Counsel

Date: 4/29/2021 | 11:32 AM EDT

"Licensee"

Royal Linen Ltd.

By: Etanar mozes Asher Sebbag

Print: Etanar mozes Asher Sebbag

Title: CEO

Date: 4/22/2021

**AMENDMENT NO. 3
TO
LICENSE AGREEMENT**

THIS AMENDMENT NO. 3 TO LICENSE AGREEMENT ("Amendment No. 3"), is effective as of July 1, 2023, and is entered into by and between **Nautica Apparel, Inc.** ("Licensor"), on the one hand, and **Royal Linen Ltd.** ("Licensee") on the other hand, concerning that certain License Agreement, dated as of March 1, 2020 (the "Original Agreement"), and amended as of March 1, 2020 ("Amendment No. 1") and as of March 1, 2021 ("Amendment No. 2"), and together with Amendment No. 1 and the Original Agreement, the "Agreement").

In consideration of the mutual covenants and agreements hereinafter contained on the part of each of the parties hereto to be kept, observed and performed, and for such other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **Defined Terms.** Except as otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to them in the Agreement. For the avoidance of doubt, from and after the date hereof, references to the 'Agreement' in both the Agreement and this Amendment No. 3, shall refer to the Agreement as modified by the terms of this Amendment No. 3.
2. **Limited Right to sell Licensed Landers Products to/through Landers Stores in the Philippines.** As of the date hereof, and notwithstanding anything to the contrary contained in the Agreement, Licensor and Licensee each hereby agree as follows:
 - (a) For purposes of this Amendment No. 3,
 - (i) "Licensed Towel Products" shall be defined as the following towel products, in each case: (A) specifically designed for adult men & women and (B) bearing the Licensed Property: (I) bath towels, (II) body towels, (III) beach towels and (IV) kitchen towels, to be sold by Licensee solely and specifically to/through the Landers-PH Stores (as defined in this Amendment No. 3 below) in the Limited Region (as defined in this Amendment No. 3 below) during the Limited Period (as defined in this Amendment No. 3 below), subject to, and in accordance with, the terms and conditions of the Agreement and this Amendment No. 3.
 - (ii) "Licensed Underwear Products" shall be defined, collectively, as: the following 'Licensed Women's Intimates & Underwear Products' and the 'Licensed Men's Underwear Products', in each case, to be sold by Licensee solely and specifically to/through the Landers-PH Stores in the Limited Region during the Limited Period, subject to, and in accordance with, the terms and conditions of the Agreement and this Amendment No. 3:
 - (A) "Licensed Men's Underwear Products" shall be defined as the following products, in each case (I) bearing the Licensed Property; (II) designed for adult men and to be worn under apparel and in direct contact with skin; (III) clearly labeled as underwear, in a manner to be approved by Licensor, on the hangtag, neck label and Packaging; and (IV) not containing any graphics or imagery of any kind (with the exception of a small 1' x 1' Licensed Property graphic, logo or spot print, which shall not be located on the chest): (A) boxers, (B) boxer briefs, (C) briefs, and (D) under shirts; and
 - (B) "Licensed Women's Intimates & Underwear Products" shall be defined as the following products, in each case (I) bearing the Licensed Property; (II) designed for adult women and to be worn under apparel and in direct contact with skin and (III) clearly labeled as underwear, in a manner to be approved by Licensor, on the hangtag, neck label and Packaging: (A) bras, (B) bra accessories, (C) bra solutions, (D) panties, and (E) shapewear.
 - (iii) "Licensed SKWLFB Products" shall be defined as the Specific Products in the 'Sleepwear' Product Category, the 'Knit & Woven Loungewear' Product Category and the 'Fashion Bedding' Product Category, each as set forth in Section 4(a) of the Commercial Terms of the Agreement, that are 'Designed For' those individuals specified in Section 4(a) of the Commercial Terms of the Agreement, in each case bearing the Licensed Property.
 - (iv) "Licensed Landers Products" shall be defined, individually and collectively, as the Licensed Towel Products, Licensed Underwear Products and the Licensed SKWLFB Products.



- (b) For the period commencing on the date of this Amendment No. 3 and ending on the December 31, 2023 ("Limited Period"), Licensee shall have the limited, non-exclusive right, to sell the Licensed Landers Products (as defined in this Amendment No. 3 above) solely to/through the following retailer located specifically within the Philippines ("Limited Region"): (i) www.landersonph.com solely within the Limited Region; and (ii) 'LANDERS' branded brick and mortar retail stores located solely in the Limited Region (individually and collectively, the "Landers-PH Store(s)"), subject to, and in accordance with, the terms and conditions of the Agreement.
- (c) The Parties further acknowledge and agree that: (i) Licensee shall be required to account for and pay a six point five percent (6.5%) Royalty to Licensor in connection with any and all sales of Licensed Landers Products sold to/through Landers-PH Stores in the Limited Region, which shall be paid directly to Licensor **within fifteen (15) days from the end of each Calendar Quarter** in accordance with the terms and conditions of the Agreement; (ii) the Royalty payable to Licensor in connection with such sales of Licensed Landers Products to/through either of the Landers-PH Stores in the Limited Region shall not be applied towards the recoupment of the GMR for any Contract Year of the Term under the Agreement; and (iii) any Net Sales attributable to sales of Licensed Landers Products to/through Landers-PH Stores in the Limited Region shall not apply towards the Minimum Net Sales thresholds for any Contract Year of the Term under the Agreement.
- (d) Licensee hereby acknowledges and agrees that, upon the expiration or earlier termination of the Limited Period, any and all rights granted to Licensee hereunder in connection with sales of Licensed Landers Products to/through the Landers-PH Stores in the Limited Region shall immediately revert to Licensor, in their entirety and Licensee shall no longer be permitted to use the Licensed Property in the Limited Region or otherwise sell any Licensed Landers Products in the Limited Region.
- (e) Disclaimer. Notwithstanding anything contained in this Letter to the contrary, Licensee acknowledges that the Philippines is not a part of the Territory, and Licensee shall not sell or distribute (directly or indirectly) any Licensed Landers Products in the Philippines, except to the limited extent expressly set forth in this Letter above. Licensee hereby acknowledges and agrees that, as of the date hereof, Licensor may not have registered the Licensed Property for the Licensed Landers Products under the applicable laws of the Philippines. Licensor has not made, and is not making, any representations or warranties to Licensee under this Agreement or otherwise, with respect to the use or exploitation of the Licensed Property in the Philippines. Should Licensee sell any Licensed Landers Products in the Philippines, then: (A) the same shall be at Licensee's sole risk with respect to matters of infringement or otherwise; and (B) Licensee shall indemnify, defend and hold harmless all Licensor Indemnified Parties (as defined in the Standard Terms) from and against any and all third-party Claims (as defined in the Standard Terms) arising out of or in connection with the same, and any matter arising out of or related thereto.
3. Miscellaneous.
- (a) Except as modified by this Amendment No. 3, all terms and conditions of the Agreement shall remain in full force and effect. For the avoidance of doubt, this Amendment No. 3 and the terms hereof constitute Confidential Information under the Agreement.
- (b) This Amendment No. 3 may be signed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. Facsimile, photographic and/or PDF copies of counterpart signature pages shall be deemed original counterpart pages for all purposes hereunder. Each of the parties agrees that an electronic signature evidencing a party's execution of this Amendment No. 3 shall be effective as an original signature and may be used in lieu of the original for any purpose.
- (c) This Amendment No. 3 and the legal relations among the parties hereto shall be governed by, and construed in accordance with, the state laws of the State of New York (including, without limitation, with respect to full faith and credit accorded to the United States federal laws, e.g., the United States Lanham Act), notwithstanding any conflict of law provisions to the contrary.
- (d) In the event one (1) or more of the provisions of this Amendment No. 3, should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Amendment No. 3, and this Amendment No. 3, shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 as of the date first set forth above.

AGREED & ACCEPTED

Licensee:
Royal Linen Ltd.

By: Ethan Mozes
Print: Ethan
Title: CEO
Date: 8/28/2023

AGREED & ACCEPTED

Licenser:
Nautica Apparel, Inc.

By: Jay Dubiner
Print: Jay Dubiner
Title: Chief Legal Officer
Date: 9/10/2023 | 10:44 AM EDT

BROOKS BROTHERS

SUMMARY OF COMMERCIAL TERMS ("Commercial Terms")

This Agreement (as hereinafter defined) is effective as of the **Effective Date** defined below, and is by and between **ABG International, Inc.** as a master licensee of **BB IPCO, LLC**, a Delaware limited liability company ("**Licensor**") and the **Licensee** defined below (Licensor and Licensee may be hereinafter referred to, each individually as a "**Party**", and collectively as the "**Parties**").

1.	<u>Effective Date:</u>	" <u>Effective Date</u> " shall be defined as: January 1, 2021.			
2.	<u>Licensee:</u> Corporate Organization: Address: Main Contact: Telephone: Email: Finance Contact: Telephone: Email: Website:	" <u>Licensee</u> " shall be defined as: Royal Linen Capital Ltd. Licensee is a limited liability company organized in the country of Israel with a registration number of 516229630. 2 Meir Shaham Street Jerusalem 945822 Israel Etamar Moses +972.52.585.5600 etamar@royal-linen.com Eliav Poper +972.52.811.7448 eliavsara@gmail.com www.royal-linen.com			
3.	<u>Licensed Property:</u>	(a) " <u>Licensed Property</u> " shall be defined as: the rights in and to the following trademarks, whether registered under applicable laws of the Territory (as hereinafter defined) and/or protected under common law of the Territory, to the extent recognized: <table border="1"><tr><td>Licensed Property</td></tr><tr><td>BROOKS BROTHERS</td></tr><tr><td>BROOKS BROTHERS FLATIRON SHOP</td></tr></table> (b) The rights in and to the Licensed Property are, as of the Effective Date, also supported by those registered trademarks set forth on <u>Schedule A</u> , which is attached hereto and incorporated herein by reference (" <u>Registrations</u> "). (c) Licensee hereby acknowledges and agrees that the Licensed Property shall specifically exclude any and all derivatives and/or variations of the Licensed Property (" <u>Derivative(s)</u> ").	Licensed Property	BROOKS BROTHERS	BROOKS BROTHERS FLATIRON SHOP
Licensed Property					
BROOKS BROTHERS					
BROOKS BROTHERS FLATIRON SHOP					
4.	<u>Licensed Products:</u> <u>Disclaimer:</u>	(a) " <u>Licensed Products</u> " shall be defined, individually and collectively, as the Purchased Products and the Manufactured Products, unless specifically identified: (i) " <u>Purchased Products</u> " shall be defined as: those certain product(s) bearing the Licensed Property that are each manufactured by or on behalf of Licensor's contracted third-party suppliers and/or licensees (" <u>Supplier(s)</u> ") under existing license agreement(s) with Licensor (" <u>Existing Agreement(s)</u> "), to be purchased by Licensee directly from such Suppliers and sold solely to/through the Approved Accounts, Retail Locations and E-Commerce Website in the Territory. The Parties hereby acknowledge that a current list of the Purchased Products			

manufactured by each respective Supplier as of the full execution of this Agreement is/are set forth on Schedule B, attached hereto and incorporated herein by this reference, which list may be updated by Licensor in its sole discretion from time-to-time, upon notice to Licensee; and

- (ii) "Manufactured Products" shall be defined as: certain product(s) bearing the Licensed Property that are manufactured directly by Licensee and/or on behalf of Licensee in accordance with the terms and conditions of this Agreement, which shall be sold by Licensee solely through the Approved Accounts, Retail Locations and E-Commerce Website in the Territory in accordance with the terms and conditions of the Agreement. The Parties hereby acknowledge that a current list of the available category(ies) of Manufactured Products as of the full execution of this Agreement is/are set forth on Schedule C, attached hereto and incorporated herein by this reference, which list may be updated upon mutual agreement between the Parties from time-to-time.

(b) Purchases of Purchased Products from the Suppliers.

- (i) During each Contract Year of the Term, Licensee shall purchase any and all Purchased Products directly from the Suppliers, in each case, at a price and on terms of sale to be negotiated and agreed upon directly between Licensee and the applicable Supplier(s) in each instance. A current list of the Purchased Products and the Suppliers is set forth on Schedule B, attached hereto and incorporated herein by this reference, which list may be updated by Licensor from time-to-time, upon notice to Licensee. Licensee shall only be permitted to purchase the Purchased Products from the Suppliers that are set forth on Schedule B, or otherwise approved by Licensor in advance in writing, in each instance; provided, however, that Licensor shall not be liable, and shall incur no liability to Licensee, any Supplier, and/or any other third party, (A) by reason of Licensor providing or not providing any such approval; (B) for any failure by Licensor to secure any particular purchases of Purchased Products or any particular terms of sale for any Purchased Products; and/or (C) for any failure by any Supplier or any other approved source of Purchased Products to sell or supply any Purchased Products to Licensee (in general or on with any particular terms); it being expressly understood that any such failure shall not be deemed a breach of the Agreement by Licensor.
- (ii) Licensee shall contract directly with the Suppliers for the purchase of the Purchased Products, and such Purchased Products shall be shipped directly to Licensee at Licensee's sole cost and expense. In the event of any delivery problems, discrepancies, claims or defects regarding the Purchased Products purchased by Licensee from any Supplier(s), Licensee shall deal directly with the Supplier(s) and shall look solely to the Supplier(s) in the event of such delivery problems, discrepancies, claims and/or defects. Licensee acknowledges that Licensor shall not be liable or responsible in any event in connection with Licensee's dealings with the Suppliers. In the event of any dispute between or among Licensee and the Suppliers, then upon Licensee's written request, Licensor may, but shall have no obligation, to attempt to mediate any such dispute in order to help facilitate a resolution. Licensee shall remain solely responsible to the Supplier(s) for payment of any Purchased Products ordered from such Supplier(s) and shall timely pay them. Licensee's breach of any term, condition or provision in any agreement between Licensee and the Supplier(s) (the "Supplier Agreement(s)") shall be deemed a breach by Licensee of this Agreement. In addition to Licensee's indemnification obligations set forth in the Standard Terms, Licensee shall indemnify, defend and hold

		Licensors and the Licensors Indemnified Parties (as defined in the Standard Terms) against any and all Claims (as defined in the Standard Terms) arising out of Licensee's breach of any term, condition or provision in the Supplier Agreement(s). (c) Licensee hereby acknowledges and agrees that: (i) specifically excluding those Manufactured Products set forth on <u>Schedule C</u>, which are the same as, or similar to, the Purchased Products set forth on <u>Schedule B</u>, Licensee shall not be permitted to manufacture or produce any products which are the same as, or similar to the Purchased Products bearing or otherwise branded under the Licensed Property under this Agreement or otherwise; and (ii) Licensee shall be required to purchase all Purchased Products directly from the Suppliers and/or Licensors's third party Licensee's (e.g., BB OpCo, LLC) in accordance with Section 4(b) of the Commercial Terms above. (d) For purposes of this Agreement: (i) "<u>Licensed Purchased Footwear Products</u>" shall be individually defined as those certain 'Specific Products' expressly included in the 'Men's and Women's Footwear' Product Category as expressly set forth on <u>Schedule B</u> of the Commercial Terms below, that are purchased by Licensee from the applicable Supplier(s), bearing the Licensed Property. (ii) "<u>Licensed Purchased BBH Products</u>" shall be individually defined as those certain 'Specific Products' expressly included in the 'Men's & Women's Bedding, Bath and Home Décor' Product Category as expressly set forth on <u>Schedule B</u> of the Commercial Terms below, that are purchased by Licensee from the applicable Supplier(s), bearing the Licensed Property. (iii) "<u>Licensed Purchased Watch Products</u>" shall be individually defined as those certain 'Specific Products' expressly included in the 'Men's & Women's Watches' Product Category as expressly set forth on <u>Schedule B</u> of the Commercial Terms below, that are purchased by Licensee from the applicable Supplier(s), bearing the Licensed Property. (iv) "<u>Licensed Purchased Fragrance Products</u>" shall be individually defined as those certain 'Specific Products' expressly included in the 'Men's & Women's Fragrance and Personal Care' Product Category as expressly set forth on <u>Schedule B</u> of the Commercial Terms below, that are purchased by Licensee from the applicable Supplier(s), bearing the Licensed Property. (v) "<u>Licensed Non-Exclusive Products</u>" shall be individually and collectively defined as: (A) Licensed Purchased Footwear Products; (B) Licensed Purchased BBH Products; (C) Licensed Purchased Watch Products; and (D) Licensed Purchased Fragrance Products. (e) During the Term, and provided that Licensee is not in breach of this Agreement, Licensee shall have a right of first offer to obtain an exclusive license from Licensors for the use of the Licensed Property in connection with the distribution of: (i) handbags designed for adult men and/or adult women ("<u>Handbag Articles</u>"); (ii) luggage designed for adult men and/or adult women ("<u>Luggage Articles</u>"); (iii) underwear designed solely for adult women ("<u>Women's Underwear Articles</u>"); (iv) sunglasses and eyewear designed for adult men and/or adult women ("<u>Eyewear Articles</u>" and together with the Handbag Articles, Luggage Articles and Women's Underwear Articles, individually and collectively, the "<u>New Article(s)</u>") to be
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		sold during the Term to/through the Approved Accounts, Retail Locations and/or E-Commerce Website in the Territory ("<u>New Article(s) ROFO</u>"). In the event that Licensor wishes to enter into a new license agreement, or is approached by a third party, for the use of the Licensed Property in connection with the distribution of New Article(s) to be sold during the Term to/through the Approved Accounts, Retail Locations and/or E-Commerce Website in the Territory, then Licensor shall notify Licensee in writing of the same, which notice shall include the applicable commercial terms (e.g., the amount of guaranteed minimum royalty thresholds, the amount of minimum net sales thresholds, etc.) offered or otherwise proposed to Licensor with respect to Licensee's potential exploitation of New Article(s) hereunder (the "<u>NA ROFO Notice</u>"). Within ten (10) business days of its receipt of the NA ROFO Notice from Licensor, Licensee shall respond to Licensor in writing with an express and detailed offer for Licensee's potential exploitation of the New Article(s) specified in Licensor's NA ROFO Notice. The Parties hereby acknowledge that, Licensee's silence and/or Licensee's failure to respond with an express written offer for the applicable New Article(s) within such ten (10) business day period, shall be deemed Licensee's waiver of the New Article(s) ROFO. In the event Licensor does not accept Licensee's offer (i.e., Licensor rejects the terms of the offer proposed by Licensee), or in the event of Licensee's waiver, then Licensor shall be free to enter into any agreement with a third party(ies) for the exploitation of the New Article(s) covered in Licensor's NA ROFO Notice during the Term. In the event Licensor accepts Licensee's offer regarding the New Article(s), then all applicable business, financial and legal terms and conditions relating thereto shall be expressly set forth in a written amendment to this Agreement, to be signed by a duly authorized representative of both Licensor and Licensee. (f) <u>Disclaimers</u>. Licensee hereby acknowledges and agrees that, notwithstanding anything to the contrary contained in this Agreement, Licensor has not made and is not making any representation or warranty to Licensee with respect to trademark protection, for the Licensed Property or otherwise, for any Products, or in any countries, for which Licensor does not have a valid Registration. For the avoidance of doubt and for purposes of clarity, a pending application (including those that may be listed on <u>Schedule A</u>) does not and shall not constitute a Registration or registered trademark protection for purposes hereof. Should Licensee sell and/or distribute any Licensed Products bearing the Licensed Property in a manner not covered by Licensor's Registrations (e.g., for products not included in registrations, and/or for countries and/or regions of the Territory wherein Licensor does not have a Registration), then: (i) the same shall be at Licensee's sole risk with respect to matters of infringement or otherwise; and (ii) Licensee shall indemnify, defend and hold harmless all Licensor Indemnified Parties (as defined in the Standard Terms and Conditions) from and against any and all direct and/or third-party claims, liabilities, demands, causes of action, judgments, settlements, costs and expenses (including, without limitation, reasonable attorney's fees and court costs) arising out of or in connection with the same, and any matter arising out of or related thereto. (g) <u>Limited Power of Attorney</u>. Notwithstanding anything to the contrary contained in the Agreement, Licensor and Licensee each hereby acknowledge and agree that Licensor shall grant to Licensee a limited power of attorney in accordance with <u>Schedule J</u>, attached hereto and incorporated herein by reference ("<u>Power of Attorney</u>") and Licensee hereby agrees to comply with the Power of Attorney.
5.	<u>Term:</u>	(a) "<u>Initial Term</u>" shall be defined as: the period beginning on the Effective Date and ending on December 31, 2030, unless sooner terminated

pursuant to the terms hereof, with each 'Contract Year' included therein being defined as the following:

Contract Year	Dates
1	Effective Date – December 31, 2021
2	January 1, 2022 – December 31, 2022
3	January 1, 2023 – December 31, 2023
4	January 1, 2024 – December 31, 2024
5	January 1, 2025 – December 31, 2025
6	January 1, 2026 – December 31, 2026
7	January 1, 2027 – December 31, 2027
8	January 1, 2028 – December 31, 2028
9	January 1, 2029 – December 31, 2029
10	January 1, 2030 – December 31, 2030

- (b) Licensee shall have one (1) option to renew the Agreement ("Renewal Option") on the terms set forth herein for a period of, unless sooner terminated pursuant to the terms hereof, ten (10) years (i.e., commencing on January 1, 2031 and ending on December 31, 2040) ("Renewal Term"), which Renewal Option shall be exercised, if at all, by providing written notice to Licensor between June 1 and July 31 of the penultimate Contract Year of the Initial Term (such period being defined herein as the "Renewal Window"), and which Renewal Option may only be exercised and effective if and only if, both at the time the Renewal Option is exercised and throughout the remainder of the Initial Term, Licensee is not in breach of the Agreement (the "Renewal Condition"). In the event that Licensee effectively exercises the Renewal Option during the applicable Renewal Window but thereafter fails to satisfy the Renewal Condition, then at Licensor's discretion, either: (i) the renewal of this Agreement shall be voided, and the Agreement shall expire on December 31, 2030; or (ii) such failure to satisfy any such Renewal Condition shall be waived and this Agreement shall continue in full force and effect into the Renewal Term on the terms set forth herein.
- (c) For purposes of the Agreement: (i) the Initial Term and the Renewal Term (if any) are hereinafter individually and collectively referred to as the "Term" and individually as a "Contract Period"; (ii) a "Calendar Quarter" shall be defined as the following three (3) month periods during a given calendar year: from January 1 through March 31; from April 1 through June 30; from July 1 through September 30; and from October 1 through December 31; and (iii) for the Renewal Term (if any), each "Contract Year" included therein shall be defined as: each calendar year, from January 1 through and including December 31, and shall be numbered consecutively beginning with the first number after the last Contract Year during the Initial Term.

6. Territory:

- (a) "Territory" shall be defined as: (i) Israel; (ii) the Gaza Strip; and (iii) the West Bank.

7. Scope:

- (a) Specifically excluding: (i) those rights granted to third parties (e.g., the Suppliers, etc.) for use of the Licensed Property in connection with the production, manufacture, distribution and sale of the Licensed Products in the Territory; and (ii) any rights related to the Derivatives, and subject to Section 7(b) and Section 7(c) of the Commercial Terms below, Licensor shall not enter into any agreement with a third party for: (A) the production and/or manufacture of Manufactured Products to be sold during the Term to/through the Approved Accounts, Retail Location(s) and/or E-Commerce Website in the Territory; or (B) the distribution and sale of Purchased Products to be sold during the Term to/through the Approved Accounts, the Retail Locations and/or E-Commerce Website in the Territory; or (C) the

		opening and operation of Retail Location(s) in the Territory during the Term; or (D) the operation of a Licensed Property branded e-commerce website in the Territory which sells the same Licensed Product(s) that Licensee is selling through the E-Commerce Website(s) in the Territory. Notwithstanding the foregoing or anything contained in the Agreement to the contrary, Licensee hereby acknowledges that Licenser has licensed, and will continue to license, the 'BROOKS BROTHERS' assets, including, without limitation, the Licensed Property in connection with co-branding / endorsement / collaboration projects and partnerships with third party brands (e.g., BROOKS BROTHERS x TOM FORD, etc.) ("<u>Collaboration Rights</u>"), and nothing contained herein shall prohibit Licenser from entering into one (1) or more agreements with any third parties for the Collaboration Rights and/or for the use of any and all rights in and to the Derivatives on Products in the Territory. (b) Notwithstanding anything to the contrary contained in the Agreement, including, but not limited to, Section 7(a) of the Commercial Terms above, Licensee hereby acknowledges and agrees that, prior to the Effective Date, Licenser (as successor in interest to Brooks Brothers, Inc.) had in place certain agreements ("<u>Prior Agreement</u>") with a third party ("<u>Prior Partner</u>") for the same or similar rights granted to Licensee hereunder, for past seasons, collections or versions of the same or similar Licensed Products ("<u>Prior Products</u>"). Licensee further acknowledges that, regardless of the fact that the term of the Prior Agreements is set to expire as of the Effective Date hereof, the Prior Partner has a non-exclusive right to sell-off their existing inventory of Prior Products until December 31, 2021 ("<u>Prior-SO-Period</u>"), and such activity and the fact that such Prior Products may still be available for sale in the Territory shall not be deemed a breach of any exclusivity rights that may be granted to Licensee under this Agreement. Following the Prior-SO-Period, Licenser shall not authorize the Prior Partner to continue to sell any Prior Products to/through the Approved Accounts in the Territory during the Term hereof. (c) Notwithstanding anything contained in the Agreement to the contrary, including but not limited to Section 7(a) of the Commercial Terms above, Licensee hereby acknowledges and agrees that the rights granted to Licensee in relation to Licensed Non-Exclusive Product(s) are expressly non-exclusive. For the avoidance of doubt, nothing contained in this Agreement shall prohibit or otherwise restrict Licenser from entering into one (1) or more agreements with any third party(ies) for the manufacture, production, distribution and sale of Licensed Non-Exclusive Product(s) to be sold during the Term to/through the Approved Accounts located in the Territory. Notwithstanding anything to the contrary contained in the Agreement, Licensee further acknowledges that, Licenser has the unfettered right hereafter to enter into agreements with one (1) or more third parties granting them certain exclusive rights with respect to the use of Licensed Non-Exclusive Product(s) in various countries and/or geographic regions in the Territory ("<u>Regional Agreement(s)</u>") and Licensee's right to sell the Licensed Non-Exclusive Products in the Territory shall be subject to any such Regional Agreement(s).
8.	<u>Distribution Channels & Approved Accounts:</u>	(a) Licensee shall be permitted to sell the Licensed Products solely to/through the accounts (collectively, the "<u>Approved Accounts</u>") for each distribution channel (collectively, the "<u>Distribution Channels</u>") set forth on <u>Schedule D</u>, which is attached hereto and incorporated herein by reference. In the event Licensee wishes to sell the Licensed Products to/through any accounts not included within the Approved Accounts, then Licensee shall submit the same to Licenser for Licenser's prior written approval in each instance. (b) In the event that Licenser, using Licenser's good faith, commercially reasonable judgment, believes that an Approved Account previously

		identified within any particular Distribution Channel, as set forth on <u>Schedule D</u>, no longer falls within that Distribution Channel or is no longer consistent with the brand positioning for the Licensed Property, Licensor shall have the right, in Licensor's sole discretion, upon notice to Licensee, to: (i) remove such Approved Account from the Distribution Channels completely, or (ii) re-assign such Approved Account to a different Distribution Channel. (c) To the extent Licensee sells any Licensed Products through the e-commerce website for an Approved Account (which, for the avoidance of doubt, include both the E-Commerce Distribution Channel, if any, and the e-commerce websites for other Distribution Channels, if any) ("<u>E-Commerce Site(s)</u>"): (i) Licensee shall not, nor shall Licensee permit others (including any Approved Account) to, ship Licensed Products outside of the Territory; and (ii) Licensee shall require each Approved Account that sells Licensed Products through an E-Commerce Site to include a statement on such E-Commerce Site stating that Licensed Products can only be shipped to customers located within the Territory.
9.	<u>Retail Rights:</u>	(a) The retail rights granted to Licensee in this Section 9 shall be collectively defined as part of the "<u>Retail Rights</u>". Licensee hereby acknowledges that all terms, definitions and provisions set forth in Sections 1 through 7 above shall apply to the Retail Rights granted to Licensee hereunder. (b) For purposes of this Agreement, the "<u>Retail Locations</u>" shall be defined, individually and collectively, as the Retail Stores, Shop-In-Shops, Pop-Up-Shops and Outlet Store(s), unless specifically identified: (i) "<u>Retail Store(s)</u>" shall be defined as: 'BROOKS BROTHERS' Licensed Property branded, free standing brick and mortar retail stores located in the Territory, which are owned, opened and otherwise operated by Licensee in accordance with the terms and conditions of this Agreement; (ii) "<u>Shop-In-Shop(s)</u>" shall be defined as: 'BROOKS BROTHERS' Licensed Property branded retail concession locations within department stores or malls in the Territory, in each case, opened and operated by Licensee in accordance with the terms of this Agreement; (iii) "<u>Pop-Up-Shop(s)</u>" shall be defined as: full priced 'BROOKS BROTHERS' Licensed Property branded retail sales location(s) within: (A) department stores or (B) malls in the Territory, which are opened and operated by Licensee in the Territory solely with Licensor's Approval for a limited duration and/or specialized sales event for an Approved collection of Licensed Products; and (iv) "<u>Outlet Store(s)</u>" shall be defined as: 'BROOKS BROTHERS' Licensed Property branded, free standing brick and mortar outlet store(s) located in the Territory, in each case, opened and operated by Licensee in accordance with the terms and conditions of this Agreement. (c) <u>Retail Locations</u>. Licensee shall have the right to open and operate Retail Locations in the Territory and to sell solely the Licensed Products therefrom, subject to those certain terms and conditions applicable to the opening and operation of the Retail Locations hereunder, which are expressly set forth on <u>Schedule E</u>, attached hereto and incorporated herein by reference ("<u>Retail Terms & Conditions</u>"). The Retail Locations shall be built and designed according to plans, which have been Approved in advance by Licensor, and the sites and spaces for the Retail Locations shall be leased by Licensee in accordance with all terms and conditions of this Agreement, provided that Licensor has reviewed and approved such

Lease (as defined in the Retail Location(s) Terms & Conditions) prior to Licensee's execution of the same. In connection with the development and operation of all Retail Locations, Licensee shall submit a true and accurate summary of the terms and conditions of the Lease (including the information as set forth on Schedule F, attached hereto and incorporated herein by this reference).

- (d) Minimum Retail Locations. During each Contract Year of the Term, Licensee shall be required to open, operate and maintain a minimum number of Retail Locations in the Territory ("Minimum Retail Locations" or "MRLs").
- (i) For each Contract Year during the Initial Term, the total aggregate number of MRLs (existing and new) shall be:

Contract Year	Minimum Retail Locations
1 (2021)	2
2 (2022)	2
3 (2023)	3
4 (2024)	3
5 (2025)	3
6 (2026)	4
7 (2027)	5
8 (2028)	5
9 (2029)	6
10 (2030)	6

- (ii) For each Contract Year during the Renewal Term (if any): (A) the total aggregate MRL (existing and new) for each Contract Year of the Renewal Term shall be equal to six (6) Minimum Retail Locations.
- (e) Notwithstanding anything contained in this Agreement to the contrary, the total amount of Net Sales of Licensed Products sold to/through the Outlet Locations in each Contract Year of the Term shall not exceed thirty percent (30%) of Licensee's total Net Sales in such Contract Year of the Term.
- (f) Sub-Operation. Licensor hereby agrees to allow Licensee the right to enter into one (1) or more sub-operating agreements, written in the English language, or thereafter translated into the English language by an authorized translator Approved by Licensor ("Sub-Operation Agreement(s)") with one (1) or more sub-operators ("Sub-Operator(s)") for the operation of Retail Locations in the Territory during the Term, pursuant to the following terms and conditions:
- (i) Licensee shall not execute any Sub-Operation Agreement, unless and until Licensor Approves all terms of any such Sub-Operation Agreement;
- (ii) Licensee shall pay Licensor the Royalty and any other amounts due to Licensor under this Agreement, based on one hundred percent (100%) of the actions (e.g., sales and placements of Licensed Products) of the Sub-Operator under the Sub-Operation Agreement, as though Licensee sold and/or placed such Licensed Products itself;
- (iii) The Sub-Operation Agreements shall be in a form reasonably acceptable to Licensor; and
- (iv) Licensee shall manage the Sub-Operation Agreement in accordance with this Agreement, including, without limitation, the collection of

		insurance certificates and all samples and materials for approval and submission of the same to Licensor. (v) All acts of any Sub-Operator shall be deemed to be the acts of Licensee for all purposes of this Agreement, such that Licensor shall have the right to hold Licensee liable for any breach by a Sub-Operator of this Agreement or the Sub-Operation Agreement. (vi) At Licensor's discretion, Licensee shall, upon expiration or termination of this Agreement, and at the election of Licensor either: (A) terminate the Sub-Operation Agreement in the same manner and under the same terms as are applicable to the expiration or termination of this Agreement; or (B) ensure the assignment and transition of the Sub-Operation Agreement to Licensor. Upon termination of this Agreement, Licensee shall no longer be entitled to any monies in connection with the Sub-Operation Agreement, and Licensor may directly collect and retain all sums due thereunder. Upon termination of the Sub-Operation Agreement for any reason whatsoever, Licensee shall be solely responsible for any and all termination and/or indemnification obligations to such Sub-Operator. (vii) Licensee hereby acknowledges that the foregoing right to sub-license the Licensed Rights (as defined in the Standard Terms) hereunder is limited to the rights conferred to Licensee, and subject to the restrictions placed on Licensee throughout this Agreement.
10.	<u>E-Comm Rights:</u>	(a) The e-commerce rights granted to Licensee in this Section 10 shall be collectively defined as the "<u>E-Comm Rights</u>." Licensee and Licensor hereby acknowledge that all terms, definitions and provisions set forth in Sections 1 through 7 above apply to the E-Commerce Rights. (b) For purposes of this Agreement: (i) "<u>E-Commerce Website</u>" shall be defined as: the following e-commerce website for the Territory, including all mobile variations thereof, operated by Licensee, branded with the Licensed Property, located at www.brooksbrothers.co.il ("<u>Designated URL</u>"), which sells solely the Licensed Products to customers located in the Territory; and (ii) "<u>Customer Information</u>" shall be defined as all information provided by or obtained from customers of the E-Commerce Website the name, mailing address, telephone number, e-mail address, mailing and subscriber lists, order and order processing information (including order history) and any other identifying information or related contact information provided by or obtained from customers through the E-Commerce Website and/or provided by or obtained by Licensor; provided, however, for purposes of the Agreement, Customer Information does not include: (A) any information that either Licensee or Licensor owns or to which Licensor or Licensee has the rights and which is obtained from customers other than through transactions contemplated under this Agreement, or (B) any information or data derived from Customer Information, including information relating to the financial performance and/or operations of the E-Commerce Website(s), which in each case is non-personally identifiable information. (c) Notwithstanding anything contained in the Agreement to the contrary, the Parties hereto acknowledge and agree that: (i) Licensor is the owner of the E-Commerce Website, including, without limitation, any URLs and custom top level and second level domains associated with the E-Commerce Website, the Content (as hereinafter defined), the Images (as hereinafter

		defined) and all Customer Information; (ii) Licensee shall undertake, using its best efforts, all acts necessary to surrender control and ownership of the E-Commerce Website to Licensor on expiration or earlier termination of this Agreement; and (iii) the use and operation of the E-Commerce Website shall be subject to Licensor's prior written approval in each instance, and all other terms and conditions set forth in this Agreement. (d) Licensee hereby acknowledges that Licensee shall not be permitted to sell any third-party products or services on/through the E-Commerce Website and Licensee shall not include any third-party content on the E-Commerce Website. Licensee shall only be permitted to sell, and offer for sale, the Licensed Products through the E-Commerce Website in the Territory pursuant to the terms and conditions of this Agreement. (e) The E-Commerce Website shall be built, designed and operated in accordance with all applicable Laws, rules, ordinance and regulations, and in accordance with the plans Approved by Licensor. The E-Comm Site shall be considered "Materials" as such term is defined in the Standard Terms. (f) In connection with Licensee's operation of the E-Commerce Website, Licensee shall be responsible for the following activities which shall at all times be subject to the advance written approval of Licensor: (i) Designing and developing the interface of the E-Commerce Website, consistent with design and operation of the e-commerce website for the BROOKS BROTHERS brand operated for the Territory before the execution of this Agreement ("<u>Prior Website</u>") in all manners, including, without limitation, in design, aesthetic look and feel, operation and functionality of the Prior Website; (ii) Designing and developing the content of the E-Commerce Website, consistent with the Prior Website, including without limitation: (A) drafting product copy, (B) developing site imagery and content, (C) cadence for refresh of landing pages, imagery and content, (D) E-Commerce Website refresh at least once a month, (E) blogs, and (F) video content (collectively, the "<u>Content</u>"). (iii) Providing hosting and maintenance services for the E-Commerce Website, including, without limitation, E-Commerce Website functionality, interface, data storage, management of services and/or tools provided by third party vendors and upgrading such services and/or tools as necessary to keep the E-Commerce Website operating with current and up-to-date technology. (iv) Launching a fully operational E-Commerce Website on or before October 31, 2021 (the "<u>Launch Date</u>"); (v) Creating and maintaining interactive marketing platforms and programs for use on or in connection with the E-Commerce Website; (vi) Conducting comprehensive marketing activities, including, without limitation: (A) Search Engine Ad Programs, (B) Search Engine Optimization, (C) Pay-Per-Click, (D) Affiliate Marketing Programs, (E) E-mail Marketing Programs, (F) Website Analytics, (G) Remarketing Programs, (H) Social Media Marketing, (I) Text Marketing and (J) Direct Mail Campaigns; (vii) Shooting, re-touching and editing high-resolution photos of all Licensed Products purchased by Licensee for sale through the E-Commerce Website, which photos shall reflect the aesthetic qualities
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		of the high-resolution photos of products displayed on the E-Commerce Website ("<u>Image(s)</u>"), and ensuring that the E-Commerce Website displays at least three (3) Images (e.g., front, back and side) for each Licensed Product SKU as directed and Approved by Licensor; (viii) Providing any and all Images, requested by Licensor to Licensor and/or any third party designated by Licensor at no charge to Licensor and/or any such third party, which Licensor and/or any such third party shall be free to use for any purpose. Licensee shall provide Licensor and/or any such third party with details of any and all restrictions regarding the use of any Images (if any); (ix) Providing full-scale customer care services (including, without limitation, a call center, email communications, live chat, etc.) (7) days a week (excluding local holidays), between the hours of 8:00am and 9:00pm local time (at a minimum), in the Territory; (x) Managing the storage and warehousing of Licensed Products, as applicable; (xi) Displaying Licensed Product pricing in all local currencies within the Territory and coordinating payment processing for customer purchases of the Licensed Products; (xii) Managing the fulfillment, shipping, handling and delivery of Licensed Products to customers; (xiii) Offering discounts and markdowns on Licensed Products according to plans Approved by Licensor; (xiv) Providing Licensor with monthly sales reports of sales analytics including, but not limited to: gross sales, Net Sales, quantities, returns, Royalties, etc. ("<u>Monthly Sales Report(s)</u>"), such Monthly Sales Reports shall be submitted to Licensor within ten (10) days of the end of each calendar month during the Term and shall provide information for the immediately preceding calendar month; (xv) Providing Licensor with monthly marketing reports marketing analytics including, but not limited to: E-Commerce Website traffic, references, etc. ("<u>Monthly Marketing Report(s)</u>"), such Monthly Marketing Reports shall be submitted to Licensor within ten (10) days of the end of each calendar month during the Term and shall provide information for the immediately preceding calendar month; (xvi) Developing a safe and secure environment for users of the E-Commerce Website (including, without limitation, when collecting and maintaining Customer Information and processing payment transactions, etc.) as well as an appropriate Privacy Policy and Terms of Use for such users in accordance with the terms of the Agreement and all applicable Laws; (xvii) Ensuring that, pursuant to applicable Laws, the Privacy Policy and Terms of Use for the E-Commerce Website inform all users thereof that Licensor is the owner of all Customer Information, and that Licensee will provide Licensor with such Customer Information, and actually providing Licensor with monthly lists of all such Customer Information which monthly lists shall be submitted to Licensor within ten (10) days of the end of each calendar month during the Term and shall provide all new and existing Customer Information for the immediately preceding calendar month; and
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		(xviii) Providing Licensor with direct access to such Customer Information from a content management system ("<u>CMS</u>") or any successor or similar third-party host service provider. (g) Licensee hereby acknowledges and agrees to comply with the following: (A) E-Commerce Website Terms & Conditions set forth on <u>Schedule G</u> ("<u>E-Comm Terms</u>"); (B) the E-Commerce Website Feature Set set forth on <u>Schedule H</u>; and (C) the Data Breach Response Guidelines set forth on <u>Schedule I</u>, all of which are attached hereto and incorporated herein by reference (collectively, the "<u>E-Commerce Terms and Conditions</u>").																				
11.	<u>Net Sales:</u>	(a) For purposes of this Agreement: "<u>Net Sales</u>" shall be defined, individually and collectively, as Net Retail Sales and Net Wholesale Sales, unless specifically identified: (i) "<u>Net Retail Sales</u>" shall be defined as: Licensee's and any of its subsidiaries' and other affiliates' gross revenue from or relating to sales of Licensed Products to/through/from: (A) the Retail Locations owned and operated by Licensee; and/or (B) the E-Commerce Website owned and operated by Licensee, less only: (I) applicable sales taxes, and (II) actual bona fide returns of Licensed Products supported by credit memoranda actually issued to customers; and (ii) "<u>Net Wholesale Sales</u>" shall be defined as: Licensee's and any of its subsidiaries' and other affiliates' gross sales of Licensed Products to all Approved Accounts, less only: (A) applicable sales taxes, (B) Deductions (as hereinafter defined), and (C) shipping and insurance costs, but, in each case, only if actually billed to customers and stated separately on the invoice. "<u>Deduction(s)</u>" shall be defined as: (X) the amount of any discounts actually earned and taken by customers for prompt payments (but not estimated discounts), (Y) authorized returns actually made by customers for damaged or defective Licensed Products; and (Z) authorized markdowns and allowances actually given to customers. The total of all Deductions to arrive at Net Wholesale Sales shall not exceed ten percent (10%) of total gross sales per Contract Year. (b) Net Sales accrue in the Calendar Quarter during which the Licensed Products are sold by Licensee, regardless of when or if Licensee collects the revenue from such sale. For purposes of this Agreement, a Licensed Product shall be considered "sold" upon the date when such Licensed Product is invoiced, shipped or paid for, whichever event occurs first.																				
12.	<u>Minimum Net Sales:</u>	(a) During the Term, Licensee shall be required to meet certain minimum Net Sales thresholds ("<u>Minimum Net Sales</u>"). (i) For each Contract Year during the Initial Term, the Minimum Net Sales shall be: <table><thead><tr><th>Contract Year</th><th>Minimum Net Sales</th></tr></thead><tbody><tr><td>1 (2021)</td><td>\$350,000 USD</td></tr><tr><td>2 (2022)</td><td>\$2,000,000 USD</td></tr><tr><td>3 (2023)</td><td>\$3,000,000 USD</td></tr><tr><td>4 (2024)</td><td>\$4,000,000 USD</td></tr><tr><td>5 (2025)</td><td>\$5,000,000 USD</td></tr><tr><td>6 (2026)</td><td>\$5,050,000 USD</td></tr><tr><td>7 (2027)</td><td>\$5,050,000 USD</td></tr><tr><td>8 (2028)</td><td>\$5,050,000 USD</td></tr><tr><td>9 (2029)</td><td>\$5,050,000 USD</td></tr></tbody></table>	Contract Year	Minimum Net Sales	1 (2021)	\$350,000 USD	2 (2022)	\$2,000,000 USD	3 (2023)	\$3,000,000 USD	4 (2024)	\$4,000,000 USD	5 (2025)	\$5,000,000 USD	6 (2026)	\$5,050,000 USD	7 (2027)	\$5,050,000 USD	8 (2028)	\$5,050,000 USD	9 (2029)	\$5,050,000 USD
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		(ii) For the Renewal Term (if any): (A) the first Contract Year's Minimum Net Sales shall be the greater of: (I) one hundred ten percent (110%) of the Minimum Net Sales of the final Contract Year of the Initial Term; or (II) eighty percent (80%) of the actual Net Sales in the final Contract Year of the Initial Term; and (B) the Minimum Net Sales for each subsequent Contract Year within the Renewal Term shall be one hundred ten percent (110%) of the prior Contract Year's Minimum Net Sales. (b) Notwithstanding anything to the contrary contained in the Agreement, including, but not limited to Section 9(a)(ii) of the Standard Terms, the Parties each hereby acknowledge and agree that Licensee's failure to achieve the Minimum Net Sales in any Contract Year of the Term shall not be deemed a breach of this Agreement provided that Licensee achieves the Minimum Net Sales in the immediately following Contract Year of the Term.																						
13.	<u>Royalty(ies):</u>	(a) "<u>Royalty(ies)</u>" shall be defined as: (i) Four percent (4%) of Net Retail Sales; and (ii) Eight percent (8%) of Net Wholesale Sales.																						
14.	<u>Guaranteed Minimum Royalty:</u>	(a) "<u>Guaranteed Minimum Royalty(ies)</u>" (also referred to herein as "<u>GMR(s)</u>") shall be defined as non-returnable advances recoupable against Royalties earned in the same Contract Year. (i) For each Contract Year during the Initial Term, the GMR shall be: <table><tr><th>Contract Year</th><th>Guaranteed Minimum Royalty</th></tr><tr><td>1 (2021)</td><td>\$250,000 USD</td></tr><tr><td>2 (2022)</td><td>\$250,000 USD</td></tr><tr><td>3 (2023)</td><td>\$300,000 USD</td></tr><tr><td>4 (2024)</td><td>\$300,000 USD</td></tr><tr><td>5 (2025)</td><td>\$350,000 USD</td></tr><tr><td>6 (2026)</td><td>\$400,000 USD</td></tr><tr><td>7 (2027)</td><td>\$400,000 USD</td></tr><tr><td>8 (2028)</td><td>\$400,000 USD</td></tr><tr><td>9 (2029)</td><td>\$400,000 USD</td></tr><tr><td>10 (2030)</td><td>\$400,000 USD</td></tr></table> (ii) For the Renewal Term (if any): (A) the first Contract Year's GMR shall be the greater of: (I) one hundred ten percent (110%) of the GMR of the final Contract Year of the Initial Term; or (II) eighty percent (80%) of the actual Royalties in the final Contract Year of the Initial Term; and (B) the GMR for each subsequent Contract Year within the Renewal Term shall be one hundred ten percent (110%) of the prior Contract Year's GMR. (b) <u>Shortfall Credit.</u> (i) For purposes of this Agreement, "<u>Overages</u>" shall be defined as any Royalties actually earned by Licensor in a given Contract Year under this Agreement, which Royalties are in excess of the GMR actually paid to Licensor for the same Contract Year under this Agreement. (ii) Licensee must always make the GMR payments to Licensor as and when required hereunder. In the event that the GMR actually paid to	Contract Year	Guaranteed Minimum Royalty	1 (2021)	\$250,000 USD	2 (2022)	\$250,000 USD	3 (2023)	\$300,000 USD	4 (2024)	\$300,000 USD	5 (2025)	\$350,000 USD	6 (2026)	\$400,000 USD	7 (2027)	\$400,000 USD	8 (2028)	\$400,000 USD	9 (2029)	\$400,000 USD	10 (2030)	\$400,000 USD
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		Licensor in any given Contract Year is greater than the Royalties earned by, and actually paid to, Licensor in the same Contract Year (the difference between such earned / paid Royalties and the GMR shall be defined herein as a "<u>Royalty Shortfall</u>"), then so long as Licensee is not then in breach of this Agreement, Licensor shall carry any un-recouped Royalty Shortfall to the immediately succeeding Contract Year during the same Contract Period (and Licensor shall continue to carry such un-recouped Royalty Shortfall to successive Contract Years during the same Contract Period, to the extent the same has not yet been fully recouped), and to the extent Licensee has any Overages in the Contract Year to which such Royalty Shortfall has been carried, Licensor shall apply such Overages to such carried Royalty Shortfall; it being understood that: (A) if Overages exceed the Royalty Shortfall, Licensee shall be required to pay the balance of the Overages directly to Licensor pursuant to the terms of this Agreement; (B) Overages may be used to offset Royalty Shortfall(s) only: (I) from preceding Contract Years during the same Contract Period, and (II) if Licensee has actually paid the year to date GMRs to Licensor; and (C) Overages cannot be applied to GMR payments. (c) Licensee hereby acknowledges that the GMR is payable to Licensor even if Licensee fails to manufacture, sell or market the Licensed Products during the Term, and is a condition of Licensor entering into the Agreement.
15.	<u>Payments to Licensor:</u>	(a) <u>Timing of Payments.</u> (i) <u>Payments Due on Signing of Agreement.</u> Licensee shall pay One Million United States Dollars (\$1,000,000 USD) to Licensor within five (5) business days of the date on which this Agreement is fully executed ("<u>Signing Payment</u>") representing one hundred percent (100%) of the Contract Year 1 (2021), Contract Year 2 (2022) and Contract Year 3 (2023) GMRs and a portion of the Contract Year 4 (2024) GMR. In the event that Licensee fails or refuses to pay the Signing Payment to Licensor within such five (5)-business day period, Licensor shall be permitted to terminate the Agreement in its entirety, upon written notice to Licensee. (ii) <u>Minimums.</u> (A) Licensee shall pay the balance of the GMR for Contract Year 4 (2024) (i.e., a sum of \$100,000 USD) to Licensor on or before January 1, 2024. (B) Beginning with Contract Year 5 (2025), and for each Contract Year thereafter for the remainder of the Term, Licensee shall pay the full amount of the GMR to Licensor on or before January 1 of the applicable Contract Year. (iii) <u>Actuals.</u> (A) In the event that the actual earned Royalties in a given Calendar Quarter exceed the previously-paid portion of the GMR attributable to the same Contract Year, Licensee shall pay the Royalties in excess of the previously paid portion of the GMR, to Licensor quarterly, within fifteen (15) days of the end of each Calendar Quarter. In the event there are no actual earned Royalties in any given Calendar Quarter, the amount of the Royalty due for such Calendar Quarter shall be deemed to be One United States Dollar (\$1 USD).

		(B) For the avoidance of doubt, in any given Contract Year, once Licensee has paid to Licensor the total amount of the GMR for such Contract Year (whether by way of annual GMR payments, Royalties in excess of the GMR, or both): (I) Licensee shall no longer be required to make quarterly GMR payments to Licensor for that Contract Year, and (II) for the remainder of such Contract Year, Licensee shall pay Licensor based on earned Royalties. (b) <u>Wire Instructions</u>. Licensee shall be solely responsible for any costs and/or fees associated with making any and all payments to Licensor as required under this Agreement, including, without limitation, wire transfer fees. Licensee shall pay all sums due to Licensor by wire transfer to the following account, unless otherwise instructed by Licensor: Payee: ABG International, Inc. Bank of America One Bryant Park New York, NY 10036 Account Number: 483075026636 ABA Routing Number (for domestic transfers): Wire: 026009593 / ACH: 122400724 Swift Code (for international transfers): BOFAUS3N Reference: BB IPCO, LLC / Royal Linen (c) <u>Currency</u>. All monetary figures included herein are in United States Dollars.
16.	<u>Advertising & Promotion:</u>	(a) For purposes of this Agreement, "<u>Advertising & Promotion</u>" shall be defined as any and all efforts, products, advertisements, social media posts and the like, made for the purpose of marketing, selling and distributing the Licensed Products. (b) Licensee shall spend a minimum of three percent (3%) of Net Sales in each Contract Year during the Term on Advertising & Promotion expenditures for the Licensed Property and/or Licensed Products (the "<u>Advertising Commitment</u>"). The Advertising Commitment may be spent on costs and expenses attributable to each of the following, so long as the same arise directly from, and relate directly to, the Licensed Products: Tradeshow(s) (as hereinafter defined), Summit(s) (as hereinafter defined), digital advertising (e.g., search engine optimization, search engine marketing, etc.), public relations, point-of-sale advertising, store fixtures, and co-op advertising. In no event shall the Advertising Commitment be utilized for any general overhead, administrative or development costs or expenses. At the end of each Contract Year, if Licensee has not spent the entire Advertising Commitment if and as required hereunder (Licensee's actual spend being defined herein as the "<u>Actual AC Spend</u>"), Licensee shall pay to Licensor the difference between the Advertising Commitment and the Actual AC Spend, within fifteen (15) days of the end of the applicable Contract Year.
17.	<u>Tradeshows & Summits; Staffing:</u>	(a) Licensee shall participate in at least one (1) major tradeshow(s), designated by Licensor in Licensor's sole discretion, per calendar year during the Term (each, a "<u>Tradeshow</u>"). Licensee's participation in Tradeshows shall be at Licensee's sole cost and expense. (b) In the event that Licensor elects to host one (1) or more licensing summit(s) for Licensor's other licensees and/or partners ("<u>Summit(s)</u>") during the Term, the Licensee shall attend such Summits, at Licensee's sole cost and expense.

		(c) Staffing. Licensee shall hire and maintain a dedicated staff in connection with Licensee's operation of the Business contemplated by this Agreement, including, without limitation: (i) one (1) senior level product designer Approved by Licensor, and fluent in the English language; (ii) one (1) junior level product designer; (iii) one (1) person who is fluent in the English language and responsible for the advertising, marketing and promotion efforts related to the Licensed Property and Licensed Products in the Territory; and (iv) one (1) person who is fluent in the English language and is responsible for management of the Business to be operated under this Agreement.
18.	<u>Discounted Products & Free Units:</u>	(a) Licensee hereby agrees to sell Manufactured Products to Licensor, Licensor's affiliated and/or parent companies, and/or Licensor's licensees / partners (collectively, "Licensor Party(ies)"): (i) at the lower of (A) forty-five percent (45%) off the regular wholesale price of each such Manufactured Product, or (B) for each such Manufactured Product: (I) if the Manufactured Products are shipped from the warehouse: Licensee's landed duty paid cost ("<u>LDP Cost</u>"), plus twenty-five percent (25%) of LDP Cost, Country of Destination; or (II) if the Manufactured Products are picked up at the factory: Licensee's freight on board cost ("<u>FOB Cost</u>"), plus twenty-five percent (25%) of FOB Cost, and (ii) on such terms as Licensee extends to its best customers, including, without limitation, first priority treatment with respect to order fulfillment and service. For the sake of clarity, Licensee shall pay Royalties and CMF on all sales of Manufactured Products to the Licensor Parties. (b) Licensee shall sell Manufactured Products to Licensor's employees and other representatives, for their personal use, at the price discounts generally offered to Licensee's own employees, but in no event at a price greater than Licensee's regular United States wholesale prices therefor. (c) Licensee shall ship, at Licensee's sole cost, up to Two Thousand Five Hundred United States Dollars (\$2,500 USD) of Manufactured Products (measured at Licensee's LDP Cost) to Licensor in each Contract Year during the Term ("<u>Free Units</u>"). The assortment of Free Units shall be at Licensor's sole discretion and will not be sold by Licensor. (d) In addition to the Free Units, Licensee shall provide the Licensor Parties, at no charge, such number of Manufactured Products, and copies of various executions of the Advertising & Promotion, as such Licensor Parties may reasonably request from time to time for fashion shows, special events and presentations, showroom display, promotional photo shoots, photo layouts, retail displays, premium offers, giveaways, sales incentives, charitable giving, donations, gift-with-purchase programs, and for other promotional / public relations efforts ("<u>PR Samples</u>"). In the event that any PR Samples are needed prior to the commencement of production of the same seasonal collection of Manufactured Products, Licensee shall provide pre-production samples of Manufactured Products. In the event Licensee is unable to supply the Licensor Parties with PR Samples, the Licensor Parties shall have the right to source the same from third parties, and such activity shall not be deemed a breach of exclusivity rights, if any, that may be granted under this Agreement.
19.	<u>Licensee Equity:</u>	Licensee hereby represents and warrants that (i) as of the Effective Date, the equity of Licensee on its balance sheet (the " <u>Licensee Equity</u> ") is greater than ten percent (10%) of Licensee's net sales for the trailing four (4) Calendar Quarters as reported on Licensee's GAAP income statements (the " <u>Licensee Equity Threshold</u> "), and (ii) at all times during the Term, the Licensee Equity shall be no less than the Licensee Equity Threshold. Included in and as part of each Statement (as defined in the Standard Terms) required under this Agreement, Licensee shall submit to Licensor, via RoyaltyZone or such other

		means specified by Licensor, a complete and accurate statement of (A) Licensee's net sales for the trailing four (4) Calendar Quarters as reported on Licensee's GAAP income statements and (B) the Licensee Equity as of the last day of the Calendar Quarter covered by such Statement (each, a " <u>Licensee Equity Statement</u> "). In the event that the Licensee Equity ever falls below the Licensee Equity Threshold, Licensee shall expressly and immediately notify Licensor of the same in writing. Any failure by Licensee to provide any such notice or any Licensee Equity Statement to Licensor as required hereunder, or any failure by Licensee to maintain the Licensee Equity Threshold, shall be deemed a non-curable breach of this Agreement giving Licensor the right, but not the obligation, to immediately terminate this Agreement.
20.	<u>Letter of Credit:</u>	(a) In the event Licensee defaults or otherwise breaches any of its financial, payment and/or accounting obligations to Licensor under this Agreement, then Licensor shall have the right to require Licensee to immediately secure the payment of all financial obligations due to Licensor under the Agreement, on a Contract Year-by-Contract Year basis for each Contract Year during the Term, with an irrevocable standby or revolving letter of credit naming Licensor as the sole beneficiary and containing terms and conditions which are Approved by Licensor (each such letter of credit, for each Contract Year, a "<u>Letter of Credit</u>"). Each Letter of Credit shall: (i) be issued and confirmed by a New York clearinghouse bank acceptable to Licensor (with any associated costs charged by such bank being the sole responsibility of Licensee); (ii) be issued for one hundred percent (100%) of the Guaranteed Minimum Royalties for the Contract Year for which such Letter of Credit is issued; provided, however, that in the event that Licensee fails to pay Licensor any amount due under the Agreement more than one (1) time during any Contract Period, then the amount of each Letter of Credit shall be increased to one hundred percent (100%) of the Guaranteed Minimum Royalties for both the Contract Year for which such Letter of Credit is issued and the immediately succeeding Contract Year; and (iii) remain effective until ninety (90) days following the end of the Contract Year for which such Letter of Credit is issued. For the avoidance of doubt, the terms and provisions of any Approved Letter of Credit may not be modified in any way without Licensor's Approval. (b) Licensee shall issue the Letter of Credit for Contract Year 1 (2021) within fifteen (15) days after the execution of this Agreement, and Licensee shall issue the Letter of Credit for each subsequent Contract Year at least thirty (30) days prior to the beginning of each such Contract Year. (c) Without waiving its right to terminate the Agreement for Licensee's failure to issue and maintain the necessary Letters of Credit, Licensor may draw down on any Letter of Credit in the event that: (i) Licensor does not receive any payment from Licensee as and when required under the Agreement; or (ii) Licensee fails to issue any Letter of Credit as and when required under the Agreement. If, at any time, Licensor draws down on any Letter of Credit, Licensee shall restore the full amount of the credit obligation which Licensor drew down within fifteen (15) days after the occurrence of such draw down.
21.	<u>Insurance:</u>	(a) Licensee shall procure and maintain, at its sole cost and expense, and cause its Sub-Contractors to obtain, at their sole cost and expense, during the Term and for a period of three (3) years thereafter ("<u>Insurance Period</u>"), comprehensive general liability insurance (including, without limitation, product liability insurance, inventory insurance, worker's compensation insurance, operations liability insurance, and advertising injury insurance), to defend and protect the Parties against claims arising out of or in connection with the Business, the Licensed Products and the Advertising & Promotion thereof. Insurance must be obtained from a company reasonably acceptable to Licensor, in an amount not less than Three Million United

		States Dollars (\$3,000,000 USD) in the aggregate, or Licensee's standard insurance policy limits, whichever is greater. (b) Within thirty (30) days of the date on which this Agreement is fully executed, Licensee shall submit to Licensor a certificate of insurance naming each of Licensor and Authentic Brands Group, LLC ("<u>ABG</u>") as additional insureds ("<u>COI</u>"), which COI, or a renewal or replacement thereof, shall remain in force at all times during the Insurance Period, and shall require the insurer to provide at least thirty (30) days' prior written notice to Licensee, and all additional insureds, of any termination, cancellation or modification thereof.
22.	<u>Termination Option:</u>	Notwithstanding anything to the contrary contained in the Agreement, including but not limited to Section 9 of the Standard Terms of the Agreement, the Parties each hereby acknowledge and agree that between June 1 and July 31 of Contract Year 4 (2024), if either Party desires to review and discuss certain aspects of the Business contemplated hereunder, then the applicable Party shall notify the other of the same. Promptly after receipt of such notice from the other Party, the Parties shall meet and confer (either telephonically or in person) to discuss the Business ("<u>Meet and Confer</u>") and to propose potential adjustments or alterations to the terms of this Agreement; it being understood that any and all adjustments and/or alterations to the terms of this Agreement shall be set forth in a written amendment to this Agreement to be signed by duly authorized representatives of both Parties. After the Meet and Confer, Licensee and/or Licensor shall have the right, but not the obligation, to terminate this Agreement in accordance with this Section 22 of the Commercial Terms ("<u>Termination Option</u>"). The Party exercising the Termination Option shall do so by delivering written notice to the other Party on or before July 31 of Contract Year 4 (2024). The failure by either Party to exercise the Termination Option as and when required hereunder, shall be deemed a waiver of the right to exercise the Termination Option. In the event that either Party exercises the Termination Option as and when required hereunder, this Agreement shall be deemed to terminate at the end of Contract Year 5 (2025) (i.e., on December 31, 2025); it being expressly understood that the Termination Option is exercised as and when required hereunder, Licensee shall remain obligated to pay to Licensor any and all amounts payable, due and/or owing to Licensor as of the effective date of such termination, including, but not limited to, any Royalties and GMR.
23.	<u>Miscellaneous:</u>	(a) Within fourteen (14) days of the date on which this Agreement is fully executed, Licensee shall provide Licensor a complete list of key contacts and personnel within Licensee's organization that will be responsible for the business to be conducted by Licensee under to this Agreement ("<u>Business</u>"). (b) Within thirty (30) days of the date on which this Agreement is fully executed, Licensee shall: (i) Provide Licensor a detailed business and marketing plan for the Business in a form and with all information as requested by Licensor, including, without limitation, sales and distribution projections ("<u>Business Plan</u>") covering the Initial Term; (ii) At Licensee's sole cost, meet with Licensor's creative, marketing, and branding team at Licensor's office in New York City, New York, for a one-day introductory workshop for the Business; it being understood however that the Parties may mutually agree to conduct such workshop via Zoom (or other similar video conferencing software); and (iii) At Licensee's sole cost, schedule and actively participate in a Zoom demonstration of Licensor's reporting and approvals software,

		RoyaltyZone, a detailed explanation of which can be found at www.royaltyzone.com ("<u>RoyaltyZone</u>"). Throughout the Term, Licensee shall comply with all accounting and approvals obligations set forth in the Agreement via RoyaltyZone. (c) Notwithstanding anything to the contrary contained herein, the Parties hereby acknowledge and agree that (i) the Agreement is a personal services contract under which Licensor is relying on performance by Licensee, in which Licensor has placed its trust and confidence, (ii) Licensee provides unique goods and services under this Agreement that are personal in nature to the Licensee, and (iii) Licensor is relying on Licensee's performance in particular under this Agreement and would be irreparably harmed by the assignment of this Agreement by Licensee without Licensor's prior written consent. The Parties further hereby acknowledge and agree that (A) this Agreement is subject to applicable law governing trademarks, including 15 U.S.C. § 1051 et seq. (the "<u>Lanham Act</u>"), (B) under applicable law, this Agreement shall not be assignable by Licensee without Licensor's prior written consent, and (C) Licensor is relying on the restrictions on assignability under applicable law, including the Lanham Act, and under this Agreement, to allow Licensor to satisfy its duty to control the quality of goods sold under the Licensed Property. The Parties further hereby acknowledge and agree that as a result of the foregoing, in the event that Licensee becomes a debtor in a bankruptcy case under 11 U.S.C. § 101 et seq. (the "<u>Bankruptcy Code</u>"), (x) this Agreement shall not be assignable by Licensee without Licensor's consent, pursuant to section 365(c)(1) of the Bankruptcy Code, and (y) Licensor shall be permitted to exercise its right to terminate this Agreement, pursuant to section 365(e)(2) of the Bankruptcy Code. (d) The Parties each hereby acknowledge and agree that upon Licensor's receipt of a written request from Licensee, Licensor shall use commercially reasonable efforts to provide Licensee with authorization letters stating that Licensee is authorized to use the Licensed Property in connection with the Products in the Territory during the Term of the Agreement.
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A. Licensee agrees to, and accepts, the Standard Terms & Conditions ("Standard Terms"), which, in addition to these Commercial Terms, the Retail Terms and Conditions, and the E-Commerce Terms and Conditions and unless otherwise agreed by the parties in writing, govern Licensee's use of the Licensed Property and the operation of the Business contemplated hereunder. The Standard Terms are located at www.abgterms.com/s/Products_June2017.pdf. These Commercial Terms, together with the Standard Terms, the Retail Terms and Conditions, and the E-Commerce Terms and Conditions (collectively, the "Agreement"), collectively: (a) represent the complete agreement of the parties with respect to the subject matter hereof; (b) are fully binding on the parties hereto; and (c) supersede all previous documents and negotiations. In the event of any conflict between the terms contained in the Commercial Terms of the Agreement and the terms contained in the Standard Terms, the Retail Terms and Conditions, and the E-Commerce Terms and Conditions of the Agreement, the Commercial Terms shall govern. Licensee represents and warrants that Licensee, prior to Licensee's execution hereof, had the opportunity to provide a copy of these Commercial Terms, the Retail Terms and Conditions, and the E-Commerce Terms and Conditions and the Standard Terms to, and review the same with, legal counsel of Licensee's own choosing, and that Licensee has either obtained advice from such legal counsel or has declined to seek such advice.

B. In the event of any dispute regarding the definition of Licensed Products, Distribution Channels, Approved Accounts, Territory or other term defined herein, Licensor's good faith interpretation of the same shall control. The Agreement shall be governed by, and construed in accordance with, the law of the State of New York applicable to contracts made and to be performed in the State of New York, without regard to conflicts of law principles. All rights which are not specifically granted and licensed to Licensee in the Agreement are hereby reserved by Licensor, and Licensor may exercise such rights at any time. The Agreement shall not be binding upon Licensor unless or until such time as Licensor has signed this Agreement and received the Signing Payments.

[Signature Blocks Set Forth on the Following Page]

AGREED & ACCEPTED:

LICENSOR:

ABG International, Inc. as a master licensee for
BB IPCO, LLC

By: Vijay Singh fw
Print: Ashar Singh & Elav Paper
Title: Partners
Date: May/18/2021

By: Jay Dubiner
Print: Jay Dubiner
Title: General Counsel
Date: 5/24/2021 | 3:07 PM EDT

Title:

Date:

This Schedule A is attached to and made part of the Agreement between **ABG International, Inc.** as a master licensee for **BB IPCO, LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE A

Registrations

Trademark	Country	Registration Number	Status
BROOKS BROTHERS	Israel	87348	Registered
BROOKS BROTHERS	Israel	893183	Registered
BROOKS BROTHERS FLATIRON SHOP	Israel	1121316	Registered

This Schedule B is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE B

Purchased Products

Product Category	Specific Products	Designed For	Supplier(s)
Tailored Clothing Products	Each of the following tailored category apparel items made specifically for adult men (i.e., in traditional and big and tall sizes), adult women (i.e., in traditional and plus sizes) and kids: tailored shirts, tailored coats, tailored formal pants, tailored top-coats, tailored jackets and tailored overcoats.	Adult men (i.e., in traditional and big and tall sizes), adult women (i.e., in traditional and plus sizes) and kids	BB OPCO, LLC
Men's Dress Shirts	Dress shirts made specifically for adult men and sized numerically	Adult men and boys	BB OPCO, LLC
Sportswear Products	Each of the following sportswear products designed to be worn specifically for casual wear: shirts and polo shirts, pants, shorts shirts, vests, jackets, skirts, knit shirts, t-shirts, graphic t-shirts, knit, woven and fleece sweaters, sweatshirts, sweatpants, unconstructed coats (i.e., unconstructed coats, but solely as part of a larger sportswear collection together with the foregoing sportswear items), jackets (i.e., jackets, but solely as part of a larger sportswear collection together with the foregoing sportswear items) and sportswear dresses (i.e., dresses, but solely as part of a larger sportswear collection together with the foregoing sportswear items).	Adult men (in traditional and big and tall sizes), adult women (in traditional and plus sizes) and kids	BB OPCO, LLC
Denim Apparel Products	Each of the following apparel products made in denim fabrications: denim jean pants, denim skirts, denim shorts, denim jackets, denim overalls and denim dresses (i.e., denim dresses, but solely as part of a larger denim collection together with the foregoing denim items).	Adult men (in traditional and big and tall sizes), adult women (in traditional and plus sizes) and kids	BB OPCO, LLC
Activewear Products	Each of the following activewear products designed specifically to be worn during exercise activity, and in each case, made with at least one (1) technical performance fabrication(s) (e.g., moisture wicking fabrications, odor control fabrications, UV protection fabrications, etc.), and designed to worn during exercise activity: athletic tank-tops, athletic short and long sleeve t-shirts, athletic leggings, athletic skirts, athletic shorts, athletic track jackets and athletic track pants (but specifically excluding athletic dresses).	Adult men (in traditional and big and tall sizes), adult women (in traditional and plus sizes) and kids	BB OPCO, LLC

Jewelry	Each of the following costume jewelry category items, made specifically for adult men, adult women and kids: bracelets, bangles, wrist cuffs, armlets, anklets, earrings, studs, ear jackets, ear crawlers, necklaces, chokers, chains, lockets, key rings and rings (but specifically excluding any and all fine jewelry).	Adult men, adult women and kids	BB OPCO, LLC
Outerwear	Each of the following, outerwear category apparel items made specifically for adult men, adult women and kids, and designed to be worn during cold or inclement weather, outside other garments: coats, jackets, ponchos, windbreakers, vests and raincoats.	Adult men (in traditional and big and tall sizes), adult women (in traditional and plus sizes) and kids	BB OPCO, LLC
Neckwear	Each of the following formal neckwear category items made specifically for adult men and boys: ties, bow-ties and pocket squares.	Adult men and boys	BB OPCO, LLC
Socks	Socks (e.g. ankle socks, no-show socks, knee-high socks, etc.) made specifically for adult men adult women and kids.	Adult men, adult women and kids	BB OPCO, LLC
Sleepwear & Loungewear	Each of the following loungewear and sleepwear category apparel items, made specifically for adult men and adult women, and designed to be worn in the home for sleep: lounge tops, lounge bottoms, onesies, pajamas, nightgowns and night shirts.	Adult men (in traditional and big and tall sizes), adult women (in traditional and plus sizes) and kids	BB OPCO, LLC
Belts	Belts	Adult men, adult women, and kids	BB OPCO, LLC
Small Leather Goods	Each of the following small leather or imitation-leather accessories made specifically for adult men, adult women and kids: wallets, passport holders, card cases, key fobs and dopp kits.	Adult men, adult women, and kids	BB OPCO, LLC
Cold Weather Accessories	Each of the following cold weather accessory items made specifically for adult men, adult women and kids, and designed to be worn during cold or inclement weather: ear muffs, beanies, gloves, winter hats, head wraps, mittens and winter scarves; and	Adult men, adult women, and kids	BB OPCO, LLC
Underwear	Underwear made and/or designed to be worn under outer clothes (i.e. boxers, and briefs)	Adult men and boys	BB OPCO, LLC
Religious/Special Garment	Tallit, Tefillin, Kippah, and Yarmulke	Adult men and boys	BB OPCO, LLC

Men's and Women's Footwear	Each of the following footwear category items made specifically for adult men and/or adult women: dress shoes, casual shoes, boots, sandals, flip-flops, winter shoes, winter boots, slippers, tennis shoes, running shoes, gym shoes and athletic shoes.	Adult men and adult women	BB OPCO, LLC
Men's and Women's Bedding, Bath and Home Decor	Each of the following home category items: home bedding (i.e., bed sheets, pillows, pillow cases, etc.), bath accessories (i.e., soap dispensers, toilet paper rolls, tooth brush holders) and home décor (i.e., platters, mugs, cups, saucers, serving bowls and lamp shades).	Adult men and adult women	BB OPCO, LLC
Men's and Women's Watches	Watches.	Adult men and adult women	BB OPCO, LLC
Men's and Women's Fragrance and Personal Care	Each of the following made specifically for adult men and adult women: cologne, perfume, eau de perfume, deodorants and body sprays (but specifically excluding any and all cosmetics and skincare items).	Adult Men and adult women	BB OPCO, LLC

This Schedule C is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE C

Manufactured Products

Product Category	Specific Products	Designed For
Socks	Socks (e.g. ankle socks, no-show socks, knee-high socks, etc.)	Adult men, adult women and kids
Underwear	Underwear made and/or designed to be worn under outer clothes (i.e. boxers, and briefs)	Adult men and boys
Religious Garments	Tallit, Tefillin, Kippah, and Yarmulke	Adult men and boys

This Schedule D is attached to and made part of the Agreement between **ABG International, Inc.** as a master licensee for **BB IPCO, LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE D

Distribution Channels & Approved Accounts

The Distribution Channels and Approved Accounts shall be agreed upon between the Parties within thirty (30) days of the full execution of this Agreement.

This Schedule E is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE E

Retail Terms & Conditions

1. RETAIL LOCATIONS.

(a) Site Selection; Development. Licensee shall diligently seek appropriate sites for new Retail Locations, at all times in consultation with Licensor. During the Term, Licensee shall open the new Retail Locations as set forth in Section 9 of the Commercial Terms. Licensee shall submit all new sites, and/or any renovations and/or modifications to existing sites to Licensor for Approval, in the form and manner as Licensor may specify, pursuant to Section 4 of the Standard Terms. All aspects of the Retail Locations shall be subject to Licensor's prior written Approval, as set forth in Section 4 of the Standard Terms. No Retail Location may be opened for business unless and until Licensor has given its final Approval for such Retail Location. Notwithstanding the foregoing, those existing Retail Locations located in the Territory that are owned and/or operated by Licensee shall be deemed Approved for purposes of this Agreement. Licensee shall be required to utilize, at Licensee's sole cost and expense, the services of an architectural firm Approved in writing by Licensor (the "Approved Architect") for the purpose of developing and implementing all architectural plans and design concept layouts for the Retail Location, including all fixturing and rack designs; provided, however, that Licensee acknowledges and agrees that it shall deal directly with the Approved Architect with respect to all matters (including all payment issues) and Licensor shall not have any liability or responsibility in connection with any arrangements and/or agreements made between Licensee and the Approved Architect. In connection with the development and operation of all Retail Locations, Licensee shall submit all of the following to Licensor for Approval (pursuant to Section 4 of the Standard Terms), as applicable: a copy of any Lease (as hereinafter defined), permit, detailed architectural plans, color plans and concept rendering, "rack" space and number of units per "rack" and all other fixturation and store layouts. Licensee shall ensure that all Retail Locations and the site plans therefore are in accordance with all requirements of local Laws, and with each landlord's requirements, if any. Licensee will use commercially reasonable efforts to ensure that all Leases and/or permits for the Retail Locations are assignable, if so allowed by local Law. Licensor and Licensee each hereby acknowledge the existence of certain store fixtures designated for the Licensed Products that are currently in use by Licensee in connection with the Business ("Existing Fixtures"), photos of which were provided by Licensee to Licensor prior to the full execution of this Agreement.

(b) Leases. Licensee agrees that all leases for the Retail Locations ("Lease(s)") shall be on commercially reasonable terms. Licensee will use commercially reasonable efforts to: (A) ensure that such Leases contain a term that ends no earlier than the Term of this Agreement, with options to renew on stated financial terms, and (B) request the landlord to include in the Lease for each stand-alone Retail Location an option that allows for (but does not require) the Lease to be assigned to Licensee's successor in interest to this Agreement or any Licensor Party, but which option does not require any Licensor Party to accept any such assignment. If the landlord allows any such option for assignment, Licensee will use commercially reasonable efforts to ensure that the terms of such assignable Lease do not restrict such parties from operating any stores in the country in which such Retail Location is located, whether under the Licensed Property or otherwise. In no event will any Lease or agreement for a Retail Location in any way restrict any Licensor Party from conducting business in the Territory, either during Term, or after the expiration or termination thereof. Upon request, Licensee shall deliver to Licensor a copy of all Leases for the Retail Locations, along with a certified English translation. Licensee shall immediately notify Licensor of any default notice sent by a landlord, and Licensor shall have the right, but not the obligation, to cure such default on behalf of and at the expense of Licensee, if the Licensee fails to cure such default as and when required by the landlord. Licensee shall not place any lien or financing upon the Lease, without Licensor's prior written consent.

(c) Operation. Within ten (10) days of the opening of each Retail Location, Licensee shall be responsible for delivering to Licensor no less than ten (10) different photographs (no smaller than 4 inches by 6 inches in size) of such Retail Location as follows: (i) at least eight (8) photographs sufficient to show the interior of the Retail Location, and (ii) at least two (2) photographs sufficient to show the exterior of the Retail Location. Licensee shall only sell the Licensed Products out of the Retail Locations and/or other Wholesale Channels, and Licensee shall not sell or offer for sale any other products or offer any other services from the Retail Locations without the prior written approval of Licensor. The Licensed Property shall be displayed in, on and at the Retail Locations only in the type, style, size, color scheme(s) and format(s) as Licensor, in Licensor's sole discretion, shall specify and Approve ("Trade Dress"), and no other form shall be used. Retail Locations shall be used by Licensee exclusively for the sale, at retail, of Licensed Products in accordance with this Agreement and no other merchandise, and for no other purpose whatsoever than the business described herein. No name, mark, image, graphic or logo other than the Licensed Property shall appear on products, signage, hangers, displays, packaging, shopping bags, labels, tags or similar items within the Retail Locations. Notwithstanding any advice, specifications, Approvals or the like given by Licensor, Licensee shall be solely responsible for the structural soundness and safety of each Retail Locations, and Licensee's operation of each Retail Location shall comply in all respects with all local Laws.

(d) Certain Obligations. Licensee shall actively promote, advertise and sell the Licensed Products through the Retail Locations, and Licensee shall use its best efforts to purchase and offer a full line, representing all currently-available categories of Licensed Products, according to Licensor's requirements, which may be updated by Licensor from time-to-time, upon notice to Licensee. Licensee shall continuously operate and stock the Retail Locations in a first-class manner, equal to the local standard of high-end Retail Locations (the "Standard"). Licensee shall supply Licensor, upon Licensor's request, with copies of all bills of lading related to the Licensed Products. Licensee shall operate the Retail Locations during the business hours as are required under each Lease, or if there is no such requirement, in accordance with market standards in the Territory.

(e) Maintenance; Improvements; Refurbishing. Licensee shall, at all times, maintain the interior and exterior of the Retail Locations and the surrounding premises in safe, good, clean and attractive condition, equal to the Standard or the landlord's requirements, whichever is greater. Licensee shall do such lighting, painting, decorating, embellishing and/or repairing as may be required to satisfy such Standards or the landlord's requirements, whichever is greater. Licensee will update the Retail Locations seasonally to ensure that the sales environment therein reflects the current interior design aesthetic (e.g. color schemes, logos, other signage, visuals, props, etc.). From time to time, Licensee will refurbish and remodel the Retail Locations as requested by Licensor. No refurbishing or remodeling will require Licensee to make major structural changes in the Retail Locations, or to rebuild any Retail Locations.

(f) Omni-Channel Retailing. Licensee shall ensure, at Licensee's sole cost, that the Retail Locations support an omni-channel experience for customers of Licensor's BROOKS BROTHERS brand. Specifically, Licensee shall ensure that each Retail Location customer's experience is consistent with their experience with other BROOKS BROTHERS retailers (which may include, without limitation, e-commerce retailers) and retail locations ("Brand Location(s)"). Licensee shall be responsible for ensuring that all Retail Locations support the Brand Location point of sales ("POS") software, and for all training in connection therewith. Licensee shall ensure that any Retail Location customers have the ability to: (A) purchase products from other Brand Locations in the Territory while located within any Retail Location that does not have the desired Product in stock, and (B) return items purchased from other Brand Locations in the Territory to Retail Locations.

2. INDEMNIFICATION. Licensee's indemnification obligations, as set forth in Section 7(b) of the Standard Terms, apply to any Claim (as defined in the Standard Terms) arising out of or in connection with the Business and the design, development and operation of the Retail Locations.

3. ADDITIONAL LICENSEE OBLIGATIONS.

(a) Staffing. During the Term, in connection with the development, operation and Advertising & Promotion of the Retail Locations, and in connection with the purchasing, marketing, distribution, sale and Advertising & Promotion of the Licensed Products, Licensee shall establish and maintain an adequately staffed organization to operate the business contemplated by this Agreement, including, without limitation: (i) a senior level executive with appropriate support staff to work for the business under this Agreement; (ii) a separate management team to work exclusively for the business to be operated under this Agreement; (iii) a dedicated brand executive who is exclusively responsible for management of the business to be operated under this Agreement and who will work directly with Licensor's executives in the United States; (iv) a sufficient number of qualified personnel at each Retail Location; (v) a dedicated merchandising staff to forecast and purchase a full line of the Licensed Products; and (vi) dedicated sales personnel, visual merchandisers and other management personnel who shall work exclusively in connection with the business as contemplated under this Agreement. A cessation of the above efforts for a continuous period of ninety (90) days shall be grounds for immediate termination of this Agreement, in Licensor's sole discretion. Licensee's personnel: (A) shall be sufficiently qualified, (B) shall be the employees of Licensee, and (C) shall wear only Licensed Products when at the Retail Location. As such, Licensee, in its sole discretion, shall fix the salary rate and provisions of employee benefits of its employees, and shall be responsible for all such salaries, benefits, social security taxes, unemployment insurance and similar taxes relating to employees as required under applicable Law in each jurisdiction where a Retail Location is located; provided, however, that all such benefits and employment standards shall either meet or exceed the *Standards of Practice* set forth in the Standard Terms. Upon execution of this Agreement, and then with each Year-End Summary for the remainder of the Term, Licensee shall notify Licensor of Licensee's current senior management and owners (and each owner's percentage of ownership). Licensee's senior management shall actively participate in the management and operations of Licensee and shall devote substantial portion of the business time to the management and operations of the Licensee.

(b) Training. During the Term, Licensee's staff must submit to training by Licensor or Licensor's agent regarding merchandising of, and minor routine repairs to, the Licensed Products ("Training"). Licensee may be supplied, at Licensee's sole cost, with a repair kit, and all routine repairs shall be carried out by Licensee's personnel. Upon request of Licensee, Licensor or Licensor's agent shall provide Licensee with an outline of the Training involved, and with the estimated costs of Training and repair kits.

(c) General Operation. Licensee shall conduct its business in its own name, and Licensee shall not use the Licensed Property, or any other name, logo, image or trademark, or the name "BROOKS BROTHERS", in Licensee's corporate or business name or within its letterhead, stationery, promotional items or promotional products without the prior written approval of Licensor, which may be granted or withheld in Licensor's absolute and sole discretion. Licensee shall, in all of its operations, comply with all of Licensor's reasonable requests in connection with the business operations contemplated under this Agreement. In the event that Licensor's Standards are not complied with, Licensor shall have the right, but not the obligation, to request the replacement of a Retail Location manager or merchandiser.

(d) Additional Reports. Licensee shall submit the following reports to Licensor, as and when specified for each:

(i) On or before December 1 of each Contract Year, and upon other reasonable request from Licensor, a list of the addresses of all of the Retail Locations, as well as photographs of the internal and external facades of each Retail Location that accurately show the current condition of each; and

(ii) Any other information relating to the operation of the Retail Locations and the sale of the Licensed Products that Licensee may reasonably request from time to time, including, without limitation, Monthly Sales Reports.

(e) Permits and Records. Licensee shall, at its sole cost and expense, obtain and maintain in full force and effect all necessary licenses, permits, records and authorizations required by Law in order to fulfill Licensee's obligations as set forth in this Agreement.

4. TERMINATION. Licensor's right to suspend and/or terminate this Agreement, as set forth in Section 9(a) of the Standard Terms, shall also apply to the failure of Licensee to open, operate and/or maintain the Minimum Retail Stores as and when required hereunder.

5. EFFECT OF TERMINATION OR EXPIRATION. Upon any expiration or termination of this Agreement for any reason whatsoever, subject to the terms and conditions of Section 10(b) of the Standard Terms, Licensee shall cease utilizing the Licensed Property in any way, and Licensee shall take all acts necessary, at Licensee's sole cost, in order to cease all uses of the Licensed Property, including, without limitation, removal of all signage and other identifying indicia related to the Retail Locations. In the event that Licensor has to remove any signage and/or indicia of the Licensed Property at the Retail Locations, Licensor shall be permitted to bill Licensee for, and Licensee shall be required to pay, the entire cost of such removal. Licensee shall, at its sole cost and expense, return any of Licensor's intellectual property, artwork or materials of any kind that are then in its possession or under its control. Licensee shall not have any right at any time to 'dump' any Licensed Products; in particular, Licensee may not sell any Licensed Product(s) at a discount of greater than fifty percent (50%) off the actual wholesale price Licensee paid to the Suppliers for such Licensed Products. Licensee shall not authorize or permit the use of signage at, on, or in connection with the Licensed Property or Licensed Products that includes any of the following phrases (or something similar thereto): "brand sale", "going out of business", "out of business", "going out of business sale", "we quit", "quitting business", "everything must go" or "liquidation/liquidating": (i) on the Internet (including, without limitation, any social media accounts that Licensee may operate); (ii) Retail Locations; or (iii) in any Advertisements, without Licensor's prior written approval in each instance. Upon expiration or earlier termination of this Agreement, Licensee shall use commercially reasonable efforts to assist Licensor in the transition of all operations of the Retail Locations to Licensor or Licensor's designee.

This Schedule F is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE F

Form of Lease Summary

Prepared by:

Date of Lease Digest:

SUBJECT	DESCRIPTION / COMMENT
FREESTANDING STORE vs. IN-STORE CONCESSION	
LOCATION	
DATE OF LEASE	
AMENDMENTS (give dates and summary of amended terms)	
LANDLORD (note original Landlord and any subsequent)	
TENANT (note original Tenant and any subsequent)	
USE CLAUSE	
TRADE NAME	
SQUARE FOOTAGE	
COMMENCEMENT DATE	
RENT COMMENCEMENT DATE	
EXPIRATION DATE	
RENEWAL OPTIONS	
EXPANSION OPTION	
RELOCATION OPTION	
TERMINATION RIGHTS (other than standard payment default)	
BASE RENT	
PERCENTAGE RENT	
REAL ESTATE TAXES	
COMMON AREA MAINTENANCE/OPERATING EXPENSES	
PROMOTIONAL FEE	
UTILITIES	
SECURITY DEPOSIT	
RADIUS RESTRICTIONS	
ASSIGNMENT/SUBLETTING RIGHTS (provide English translation of this provision and fill in information requested by a-c below) a. Restrictions on Assignment: b. Does Tenant remain liable (fully or partially) upon assignment: c. Has Landlord's consent been obtained for assignment?	
TENANT IMPROVEMENT FUNDS (amounts contributed by or on behalf of Landlord for improvement of the leased premises)	

This Schedule G is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE G

E-Commerce Website Terms & Conditions

1. E-Commerce Website.

(a) Licensee will construct, operate, host and use the E-Commerce Website as set forth in this Agreement, and which E-Commerce Website will be merchantable and fit for the purposes set forth herein or reasonably implied inferred herefrom. The E-Commerce Website was and/or will be developed and created solely by Licensee's personnel or Licensee's subcontractors on a work-for-hire basis and does not and will not incorporate or include any third-party intellectual property of any kind for which Licensee does not have permission to use, including without limitation, any open source software (as such term is generally defined and understood in the computer programming industry).

(b) E-Commerce Website Functions. Licensee will provide the Software and services necessary to operate the E-Commerce Website in accordance with this Agreement, including the services described in Schedule H. "Software" shall mean any software, information technology platforms, data, databases, code, user interfaces, algorithms, processes, functionality, and other technology used by Licensee in connection with Licensee's services hereunder, including back-end software necessary to connect to Licensor's Designated URL(s) as applicable. Licensee will (i) design the E-Commerce Website to function and be available on all mobile operating browsers that occupy five percent (5%) or more of the worldwide mobile market, calculated by the number of devices purchased and used by consumers, including, without limitation, iOS and Android mobile phone and tablet devices, and (ii) enable the E-Commerce Website to be available on any other class of Internet-enabled computing devices (e.g. Google Glass, smart watches) capable of performing high-fashion ecommerce functions similar to those of the E-Commerce Website, and which are adopted by at least one-fourth (1/4) of the United States Internet users for the same or similar uses. Except for the Licensor Content (as defined herein) to be provided by Licensor hereunder, Licensee will provide Licensee Content and functionality as outlined in Schedule H to facilitate a user experience and online shopping environment on the E-Commerce Website. "Licensee Content" shall mean any and all content or information owned or controlled by Licensee including text, graphics, photographs, Images, video, audio and programming furnished by Licensee for use in connection with the E-Commerce Website or otherwise in connection with the performance of its obligations under this Agreement, specifically excluding the Licensor Intellectual Property and Licensor Content. All feature upgrades to Licensee's software platform that have been used for another web site by Licensee shall be made available for, and implemented into, the E-Commerce Website, upon Licensor's approval of Licensee's implementation. Licensor will provide Licensee with the Licensor Content necessary for the operation of the E-Commerce Website in a format as may be agreed upon by the parties. "Licensor Content" shall mean the content of information owned or controlled by Licensor and furnished by Licensor to Licensee in accordance with the terms of this Agreement, including, without limitation, text, graphics, photographs, video, audio and/or other data or information, and e-mail addresses furnished by Licensor, for use in connection with the E-Commerce Website or the promotion of the E-Commerce Website, and any Licensor Intellectual Property.

(c) Hosting and Technical Operation of the E-Commerce Website. Licensee will host the E-Commerce Website with secure encryption technology and maintain and operate the E-Commerce Website in accordance with this Agreement, including, without limitation, the provisions set forth in Schedule H. Licensee will be responsible for hosting, or, upon Licensor's approval, arranging for the hosting by reputable third-party hosting company, for the E-Commerce Website. Licensee shall not use any other URL with the Licensed Property or any other Intellectual Property owned by Licensor incorporated in the URL for the E-Commerce Website without the express written consent of Licensor. Licensee shall ensure: (i) that the E-Commerce Website will have sufficient bandwidth allocated to enable it to meet the usage demands for customers using the E-Commerce Website; (ii) that sufficient data storage is provided to store the data generated by the E-Commerce Website and that data is backed-up in a commercially reasonable manner; (iii) that the servers on which the E-Commerce Website is/are hosted will be available ninety-nine and nine tenths percent (99.9%) of the time every month, excluding scheduled maintenance or causes outside the control of Licensee. Licensee's scheduled maintenance occurs between 3:00am local time and 7:00am local time ("Standard Maintenance Hours"). Licensor shall have the right to approve (which approval shall not be unreasonably withheld) and shall be given twenty-four (24) hours' notice of, scheduled maintenance that will occur outside of the Standard Maintenance Hours. Licensee shall undertake and perform commercially reasonable efforts to ensure the security, confidentiality and integrity of all content on the E-Commerce Website, including without limitation, the Licensor Content and analytics, through the use of commercially reasonable efforts regarding (a) firewall protection, (b) maintenance of archival and backup copies of the E-Commerce Website, including all Licensor Content at multiple locations, and (c) protection from any network attacks and other malicious, harmful or disabling data work code or programs, including without limitation, adware, spyware, spam, phishing, viruses, key locks, back doors, trap doors, timers, malware or other disabling devices which could disrupt the use of the Website(s) or any other data, software

or hardware or destroy, damage or make inaccessible data, software or hardware. Licensee shall immediately notify Licensor in the event of any breach of security, confidentiality or integrity of the E-Commerce Website, Licensor proprietary information, or Licensee proprietary information. Licensee shall indemnify Licensor for any breach pursuant to this Section and Licensee shall be responsible for any costs related to such breach. Licensee shall submit to Licensor a response plan to a data breach, network intrusion or other similar cyber-attack comparable to or identical to the guidelines set forth in Schedule I, which is attached hereto and incorporated herein by reference.

(i) Customer Payment. Licensee will process credit card payments. Licensee will be the seller of record and the merchant of record. Licensee shall use a reputable third-party payment gateway and credit card merchant account to process all online payments. Credit card descriptor statements of customers purchasing on the E-Commerce Website will identify the transaction as coming from the BROOKS BROTHERS brand. Licensee will guarantee the performance of the merchant account and shall be responsible for credit card processing fees and chargebacks (excluding the value of returns). The E-Commerce Website will, at a minimum, accept Visa and MasterCard.

(ii) Payment Security. Licensee will ensure all credit card related data, including without limitation, any personally-identifiable information of customers of the E-Commerce Website, is encrypted pursuant to the best practices of the Payment Card Industry ("PCI") Data Security Standard and reduce fraud by validating credit card numbers in real-time at the time of checkout using bank data, expiration dates, zip codes, and credit card security codes and other information necessary for payment verification.

(iii) Reporting. Authorized Licensor employees shall have password-protected access to the back-end of the E-Commerce Website to view real-time reports.

(iv) Privacy Policy and Terms of Use. The E-Commerce Website shall have a privacy policy page ("Privacy Policy") and a terms of use page ("Terms of Use") that comply with any and all government agency rules and/or regulations and State and Federal Law and any and all other applicable laws, regulations and guidelines.

(d) Certain Obligations. Licensee shall actively promote, advertise and sell the Products through the E-Commerce Website, and Licensee shall use its best efforts to purchase and offer a full line, representing all currently available categories of Products, according to Licensor's requirements, which may be updated by Licensor from time to time, upon notice to Licensee. Licensee shall continuously operate and stock the E-Commerce Website in a first-class manner equal to the local standard of high-end E-Commerce Website (the "Standard"). Licensee shall supply Licensor, upon Licensor's request, with copies of all bills of lading related to the Products.

(e) Errors. After the launch of the E-Commerce Website and for the duration of the Term, Licensee will maintain mechanisms to monitor the Designated URL(s) and E-Commerce Website for any bugs, defects, errors and/or other nonconformities with the terms and conditions of the Agreement ("Error(s)"), and Licensee will coordinate Error isolation, testing and repair work, and will repair all third-party Errors that are within Licensee's control. Licensee shall, in its commercially reasonable discretion, determine the severity (as specified below) of each Error. Upon Licensee's detection of any such Error, Licensee shall immediately notify Licensor of the same. If Licensor learns of any such Error, Licensor shall notify Licensee of the same. In the event that multiple Errors occur or subsist at the same time, Licensor shall have the right, in Licensor's sole discretion, to assign priority order to Licensee's repair of all such Errors.

(i) If a crucial business function of the E-Commerce Website is severely impacted, and such impact may cause a significant loss of revenue (e.g., the checkout function is inoperable) and/or if a security breach or other fraudulent activity occurs on or in connection with the E-Commerce Website (a "Severity 1 Error"), then Licensee will target the Error to be resolved within six (6) hours of Licensee's first (1st) notice or discovery of the Severity 1 Error, and Licensee shall devote all resources to resolving such Severity 1 Error until the same is resolved; provided, however, that in the event that functionality of the E-Commerce Website is restored to a level where the issue is not completely resolved, but can no longer be classified as a Severity 1 Error, such Error shall be reclassified as a Severity 2 or Severity 3 Error, as applicable (as set forth below). Licensee will use commercially reasonable efforts to ensure that the repair of all Severity 1 Errors occurs immediately, regardless of the timing of the Standard Maintenance Hours, however, in no event shall Licensee's repair efforts commence later than three (3) hours following Licensee's 1st notice or discovery of the Severity 1 Error.

(ii) If a feature or function of the E-Commerce Website is unavailable or malfunctioning, but does not render the E-Commerce Website inoperable to all or substantially all potential customers and does not amount to a Severity 1 Error (a "Severity 2 Error"), then Licensee will target the issue to be resolved within twenty-four (24) hours of Licensee's first (1st) notice or discovery of the Severity 2 Error (or twelve (12) hours from the reclassification of an Error from Severity 1 to Severity 2), and Licensee shall devote all resources to resolving such Severity 2 Error until the same is resolved; provided, however, that in the event that functionality of the E-Commerce Website is restored to a level where the issue has not been completely resolved but can no longer be classified as a Severity 2 Error, such Error shall be reclassified as of Severity 3

Error (as set forth below). Licensee will use commercially reasonable efforts to ensure that the repair of all Severity 2 Errors occurs immediately, regardless of the timing of the Standard Maintenance Hours, however, in no event shall Licensee's repair efforts commence later than six (6) hours following Licensee's 1st notice or discovery of the Severity 2 Error (or the reclassification of an Error from Severity 1 to Severity 2).

(iii) If a feature or function of the E-Commerce Website is malfunctioning and affecting the user's overall experience with the E-Commerce Website, but does not impact the user's ability to browse product or make purchases and does not amount to a Severity 1 or Severity 2 Error (a "Severity 3 Error"), then Licensee will target the issue to be resolved within thirty-six (36) hours of Licensee's first (1st) notice or discovery of the Severity 3 Error (or twenty-four (24) hours from the reclassification of an Error from Severity 1 or Severity 2 to Severity 3), and Licensee shall devote all resources to resolving such Severity 3 Error until the same is resolved. Licensee will use commercially reasonable efforts to ensure that the repair of all Severity 3 Errors occurs during the Standard Maintenance Hours, however, in no event shall Licensee's repair efforts commence later than twenty-four (24) hours following Licensee's 1st notice or discovery of the Severity 3 Error (or the reclassification of an Error from Severity 1 or Severity 2 to Severity 3).

(f) Maintenance; Improvements. Following the initial launch of the E-Commerce Website, Licensee shall be responsible for the operations and maintenance of the E-Commerce Website on a regular basis as outlined in this Agreement. Licensee shall, in a timely and commercially reasonable manner, modify the E-Commerce Website as directed by or approved by Licensor in advance. The obligation to update and maintain the E-Commerce Website, and all content and technical specifications therefor (including, without limitation, refreshing the general look and feel of the E-Commerce Website on a regular basis in order to include, among other things, the most up-to-date product information and/or seasonal content, etc.) shall belong solely with Licensee and shall remain subject to Licensor's approval and Licensee hereby accepts the same. No such upgrades/improvements will require Licensee to make major structural changes to the E-Commerce Website, or to rebuild any E-Commerce Website.

(i) Press and Media Content Updates. Licensee shall be responsible for uploading marketing materials provided by Licensor for display on the E-Commerce Website, and Licensor shall provide the same upon Licensee's request.

(ii) Miscellaneous Information Updates. Licensee shall upload to the E-Commerce Website any content revisions created by Licensor or on Licensor's behalf for product information, store locator or any other E-Commerce Website pages in a timely and commercially reasonable manner upon receipt of such content from Licensor. For content updates pertaining to store locator, Licensee will upload such updates within three (3) business days of the date of Licensor's request.

(iii) Post Launch Updates. After the launch of the E-Commerce Website, and subject to Licensor's request, Licensee will give Licensor or update the E-Commerce Website, at no additional cost to Licensor, all applicable updates and upgrades (which may include additional or enhanced features and functionality that are generally made available to Licensee and other persons for which Licensee operates web sites) to the common engine at no additional charge and which are applicable to the Licensor's E-Commerce Website, including any third-party software technologies or licenses that may be in use on web sites for Licensee's other clients.

(g) Products. Licensee shall have sufficient quantities of Products in order to satisfy all orders placed on the E-Commerce Website.

(h) Fulfillment. Licensee shall handle all manual fulfillment of orders placed through the E-Commerce Website (pick, pack & ship). Licensee shall set the standard shipping charges and use its shipping accounts with commercial quality common carriers. Licensee has the right to review and change the shipping charges in Licensee's commercially reasonable discretion at any time, so long as charges for shipping and handling are commercially reasonable and comparable with other similar men's and/or women's fashion e-commerce sites on the Internet. Licensor and Licensee may mutually agree to provide free shipping promotions. Licensee shall provide Licensor with standard fulfillment reports and aged inventory reports, outlining each day's sales (e.g., units received, units fulfilled, orders received, orders fulfilled, open orders, etc.), customer receipts, and returns activities. Licensee will manage adherence to Licensee's shipping guidelines and will manage the quality and timeliness of third-party shipping services that ship products to the E-Commerce Websites' customers. For orders which are not accurately fulfilled, Licensee will either provide the correct merchandise at no additional cost to the customer (and no additional revenue split to Licensor) or if the proper merchandise will not be available through no fault of Licensee, reimburse the customer with a corresponding adjustment to the E-Commerce Website proceeds.

(i) Order Management. Licensee will be responsible for all aspects of order management and processing for the E-Commerce Website, including, without limitation, the following:

(i) Licensee shall adhere to all laws and regulations on shipping, delivery and customer email communications (e.g., Licensee must comply with the U.S. Federal Trade Commission's Prompt Delivery Rules), unless otherwise agreed to by Licensee and Licensors in writing.

(ii) Licensee shall be responsible for all customer transactional emails and communications, including, without limitation, order confirmation, ship confirmation, cancellation confirmation.

2. Licensee's Performance. All services performed by Licensee shall be performed in a professional manner at or above applicable industry standards. During the Term of this Agreement Licensee may place a logo or other statement on the E-Commerce Website confirming that E-Commerce Website is/are hosted, administered and fulfilled by Licensee. Such logo or statement must appear below the fold (i.e. at the bottom of such page) and there shall be no sub-branding or co-branding of any type. Licensee's service levels will match or exceed the levels stated throughout this agreement.

3. Product Photography.

(a) In connection with all Image Sets, Licensee shall be solely responsible for any and all costs relating to any third-party photo studios, models or stylists (including wardrobe, hair, and/or makeup), photography productions, and any and all production costs in relation thereto. Licensee shall provide at least one (1) in-house wardrobe stylist for all photo shoots relating to the Images Sets. Licensee shall be required to cast and use models of varied ethnicities/looks in order to ensure a globally diverse representation of the BROOKS BROTHERS brand (e.g., blonde hair, brunette hair, Caucasian, Hispanic, Asian, African-American, etc.). Licensee shall be responsible for all initial model casting calls and shall narrow down the selection to six (6) options for each ethnicity/look and shall submit the same to Licensors for Licensors' selection and approval of the final model for each ethnicity/look. All such model casting submissions pursuant to this Section shall include, without limitation, digital photos from the casting showing both head and body, and, if the applicable casting is for swimwear, images of each model wearing a swimsuit. If Licensors request a recasting for any reason, Licensee will determine the agency fees for a recasting (if any) and inform Licensors of such fees and they will mutually decide how to proceed. If any other additional fees are to be incurred by Licensors pursuant to this Section, Licensee will inform Licensors, and they will mutually decide how to proceed. Licensee shall have commercially reasonable creative control over the Image Sets and Product Video; provided, however, that Licensee will adhere to Licensors' photography and branding guidelines in connection with the Image Sets. Licensee shall be responsible for all pre- and post-production work related to the Image Sets, including, without limitation, re-touching, color-correcting and casting. Prior to uploading any Image Sets to the E-Commerce Website, Licensee shall submit the same to Licensors for Licensors' prior written approval. At Licensee's sole cost and expense, Licensee shall enable and provide for remote viewing of all photo shoots for the Images Sets so that Licensors may attend such photo shoot remotely.

(b) Image Sets. Licensee will obtain samples of Licensors' new and existing products from licensees or Suppliers to photograph such products for the E-Commerce Website. Licensee shall shoot high-resolution web quality digital photos for all of the products (i.e. unique style/color combinations) ("SKU(s)") to be added for sale on the E-Commerce Website. This shall include a series of four (4) images for each SKU: front image, back image, side image, and close-up image (the images are individually and collectively, ("Image(s)"), and all individual images for each SKU together are considered a unique "Image Set(s)"). High-resolution versions of all images in an Image Set will be provided to Licensors upon its written request and may be used by Licensee or its other licensees for any purpose. Licensors may request that Licensee reshoot one or more Image Sets (a "Reshot Image Set"). Any failure by Licensors to respond to any of Licensee's request(s) for Licensors' approval or consent for any item contained in this Section shall be deemed Licensors' disapproval of such request.

4. Advertising Commitment. Licensee shall spend the Advertising Commitment as defined in the Summary of Commercial Terms (if any). In no event shall the Advertising Commitment be utilized for any general administrative expenses or development costs. In no event shall Licensee deduct any costs incurred as an Advertising Commitment from the Commission due to Licensors hereunder. The Advertising Commitment may be spent on costs and expenses attributable to the following:

(a) Search Engine Pay Per Click ("PPC"). Licensee shall implement, administer, monitor and report any search engine PPC keyword campaigns using Licensors' approved marketing direction. All PPC costs paid to third parties pursuant to this Section (e.g., Google and Yahoo!) will be credited against the Advertising Commitment.

(b) Search Engine Optimization ("SEO"). Licensee will provide on-page SEO services for the E-Commerce Website and Designated URL(s) that may include, but are not limited to, the following functions: friendly HTML site map; XML site map (updated daily for crawler to pick); fully descriptive content elements (e.g., title tag, ALT image tags, description metatags, headings, etc.); SEO customizable tags; consolidated URL (streamlined URL structure to allow crawlers to consolidate page ranks and score pages regardless of the navigation path or click stream leading to the page); "not found" errors that will return a 404 response code; navigation links that are navigable with forms, JavaScript, and CSS turned off;

and, Google webmaster registration and webmaster updates published directly to Google on a regular basis. All SEO costs paid to third parties pursuant to this Section will be credited against the Advertising Commitment.

(c) Email Marketing Promotions. Licensee will design create, setup, manage, and track email marketing campaigns for the E-Commerce Website. Licensee will create and send a minimum of four (4) commercial email advertisements for Licensors per calendar month during the Term. The content and schedule for such commercial email advertisements is subject to Licensors prior written approval. Licensee shall, at Licensee's sole cost, utilize a third-party e-mail service provider to deliver Licensors e-mail campaigns. Licensee shall not implement any email marketing campaign without the prior written approval of Licensors. Licensee shall provide Licensors with detailed reports that track the performance of email campaigns. Licensee will track: delivery rate; number of emails opened; unique clicks on embedded links; new subscriptions; unsubscribe requests; pass along rates; bounces; conversions; and sales volumes. Licensors shall own any right, title, and interest in and to the names, data, or other information collected by Licensee pursuant to this Section as the same relates to the E-Commerce Website as part of Customer Information. "Customer Information" shall mean the name, mailing address, telephone number, e-mail address, order and order processing information (including order history) and any other identifying information provided by or obtained from customers through the E-Commerce Website and/or provided by or obtained by Licensors; provided, however, Customer information does not include (A) any information that either Licensee or Licensors owns or to which Licensors or Licensee has the rights and which is obtained from customers other than through transactions contemplated under this Agreement, or (B) any information or data derived from Customer Information, and relating to the financial performance and/or operations of the E-Commerce Website, which in each case is non-personally identifiable information.

(d) Analytics. Licensee shall, at Licensee's sole cost, utilize a third-party web analytics provider to collect data related to the behavior and purchase patterns of visitors to the E-Commerce Website. Licensee will provide authorized Licensors employees with administrative access to view this data directly. Additionally, Licensee will work with Licensors on a regular basis to establish a Key Performance Indicator ("KPI") report, which must be able to be e-mailed to Licensors on a weekly basis, as required by Licensors. All analytics costs paid to third parties pursuant to this Section will be credited against the Advertising Commitment

(e) Social Media Marketing. Except as specifically set forth herein, Licensors shall remain responsible for creating, planning, managing, and otherwise performing social media marketing for the brand included in this Agreement. Upon Licensors request, Licensee agrees to cooperate with Licensors, to the extent it is commercially reasonable to do so, in coordinating Licensee's online marketing activities on behalf of the BROOKS BROTHERS brand with Licensors social media marketing. All social media marketing costs paid to third parties pursuant to this Section will be credited against the Advertising Commitment.

(f) Text Marketing. Licensee and Licensors will jointly determine the feasibility and effectiveness of SMS-based (e.g. mobile phone text message) marketing for Licensors brand, and if practicable and effective, Licensee will design, create, and manage SMS-based marketing. If the parties agree to market the E-Commerce Website using SMS-based marketing, then all text marketing costs paid to third parties pursuant to this Section will be credited against the Advertising Commitment.

(g) Affiliate Marketing Programs. Licensors and Licensee will jointly determine the feasibility and effectiveness of implementing, administering, monitoring and reporting or hiring a reputable third party to implement and administer an affiliate marketing program using Licensors approved marketing direction. All affiliate marketing program costs paid to third parties pursuant to this Section may be credited against the Advertising Commitment.

(h) Remarketing Programs. Licensee shall purchase and install remarketing software or hire a reputable third party to provide remarketing services using Licensors approved marketing direction. All remarketing program costs paid to third parties pursuant to this Section may be credited against the Advertising Commitment.

5. Additional Licensee Obligations.

(a) Staffing. During the Term, in connection with the development, operation and Advertising & Promotion of the E-Commerce Website, and in connection with the purchasing, marketing, distribution, sale and Advertising & Promotion of the Products, Licensee shall establish and maintain an adequately staffed organization to operate the business contemplated by this Agreement.

(b) Customer Support for E-Commerce Website. At Licensee's own expense, Licensee shall hire, train and manage employees to provide telephone, and e-mail customer support for all web-based product orders from the E-Commerce Website in accordance with commercially reasonable industry standards. Licensors (at the sole discretion of Licensors) may, up to four (4) times per year and at such party's own expense, visit Licensee's customer service sites to train Licensee's employees on the Licensors seasonal product line and customer support requirements. Licensee hereby warrants and

represents that all of Licensee's customer service representatives will receive training from Licensee or Licensor for all products sold from the E-Commerce Website, and that such training will be reasonably sufficient in order for such representatives to perform their customer services duties as contemplated hereunder. Should the parties agree that one or more Licensees and/or Supplier provide training to Licensee's customer service representatives, such training will be at the Licensee's and/or Supplier's or Licensee's expense. Licensee's employees shall use such written materials as may be provided by Licensor or Licensees and/or Suppliers to provide customer support to E-Commerce Website customers. Licensee shall include a customer support page on the E-Commerce Website, which shall be easily accessible and viewable for customers at all times and which shall include, without limitation, customer support contact information, hours of service, shipping and return information.

(c) Call Recording. Subject to applicable local laws and regulations of the Territory, Licensee shall provide Licensor with access to the quality assurance software used by Licensee to record and listen in real time to customer interactions with Licensor's customer support employees. Licensee will use commercially reasonable efforts to record and retain and deliver to Licensor, at Licensee's sole cost, Licensor-related customer calls for a period of sixty (60) days. To the extent such recordings and/or monitoring reveals potential customer support, product shipping, product returns, and/or product quality issues, the parties will review and discuss in good faith potential solutions and implement a plan to address any such customer support or product quality issues.

(d) E-mail Support. Licensee shall answer ninety-nine percent (99%) of all customer service e-mails within one (1) Business Day. Licensee shall provide automated e-mails to customers notifying them when their order has been received and when it has left the warehouse. Additionally, Licensee will use its integrated e-mail response platform to efficiently route and manage customer e-mail inquiries on the E-Commerce Website. Non-product or non-ecommerce-related e-mails will be forwarded to appropriate contacts at Licensor within two (2) business days.

(e) Live Chat. Licensee and Licensor will jointly determine the feasibility and effectiveness of providing built-in software functionality for live, Internet-based customer chat support for the E-Commerce Website. If the parties agree to implement live chat support, Licensee will respond to eighty percent (80%) of all live chat requests within thirty (30) seconds of each customer's initial live chat message. Licensee customer support employees shall handle no more than two (2) active live chat sessions concurrently. If any customer live chat inquiry is not resolved within fifteen (15) minutes of customer's initial live chat message, Licensee may request that the customer use an alternative medium (e.g. telephone or email) to obtain further customer support.

(f) General Operation. Licensee shall conduct its business in its own name, and Licensee shall not use the Property, or any other name, logo, image or trademark, or the name "BROOKS BROTHERS" in Licensee's corporate or business name or within its letterhead, stationery, promotional items or promotional products without the prior written approval of Licensor, which may be granted or withheld in Licensor's absolute and sole discretion. Licensee shall, in all of its operations, comply with all of Licensor's reasonable requests in connection with the business operations contemplated under this Agreement. In the event that Licensor's Standards are not complied with, Licensor shall have the right, but not the obligation, to request the replacement of an E-Commerce Website manager.

(g) Additional Reports. Licensee shall submit the following reports to Licensor, as and when specified for each:

(i) Monthly, standard customer service reports summarizing all customer service activities from the prior week, including, without limitation, the number of contacts, their general purposes and services levels, and phone orders (if any); and

(ii) Any other information relating to the operation of the E-Commerce Website and the sale of the Products that Licensee may reasonably request from time to time, including, without limitation, monthly sales reports.

6. Events Upon Termination.

(a) Upon any expiration or termination of this Agreement for any reason whatsoever, all rights in and to E-Commerce Website shall revert to Licensor, and Licensor shall be free to license such rights to any other person or entity, and Licensee shall have no further rights whatsoever with respect to the E-Commerce Website and/or any other intellectual property rights relating thereto. Licensee shall not authorize or permit the use of, on, or in connection with the E-Commerce Website that includes any of the following phrases (or something similar thereto): "brand sale", "going out of business", "out of business", "going out of business sale", "we quit", "quitting business", "everything must go" or "liquidation/liquidating": (i) on the Internet (including, without limitation, any social media accounts that Licensee may operate and the E-Commerce Website); or (ii) in any Advertisements, without Licensor's prior written approval in each instance. In no event shall any expiration or termination of this Agreement excuse any party from any breach or violation of this Agreement and full legal and equitable remedies shall remain available thereof, nor shall it excuse the making of any payment due under this Agreement with

respect to any period prior to the date of expiration or termination. Upon expiration or earlier termination of this Agreement, Licensee shall use commercially reasonable efforts to assist Licensor in the transition of all operations of the E-Commerce Website, including, without limitation, preventing any black out period of the E-Commerce Website and/or Designated URL(s), providing Licensor and/or its subsequent web developer(s) with all necessary data, and software coding for the transfer of the E-Commerce Website to subsequent web developer(s), and all of the following:

(i) Within ten (10) days of termination or expiration of this Agreement, Licensee shall redirect or transfer any URLs, phone numbers, email addresses, or other means by which customers communicate with the E-Commerce Website to Licensor, or as otherwise directed by Licensor;

(ii) To the extent permitted by Licensor in the first place, Licensee agrees to transfer gift card/gift certificate information and actual unredeemed gift card/gift certificate balances to Licensor or to Licensor's new E-Commerce Website provider without penalty or fee to Licensor with the objective of enabling customers to redeem gift cards/gift certificates throughout the transition, and after any such conversion, Licensee shall not retain any such revenue after the transition to the new E-Commerce Website;

(iii) After the expiration or termination of this Agreement, Licensee agrees to transfer to Licensor or Licensor's new E-Commerce Website provider funds associated with purchases placed at the E-Commerce Website hosted by Licensee for goods returned to Licensee but not yet credited to customer in order to allow Licensor or Licensor's new E-Commerce Website Provider to credit those customers for returned goods;

(iv) Licensor shall provide and prepare all content of the Transition Email (as defined herein), and Licensee shall not send any Transition Email without Licensor's prior written approval. Within fifteen (15) days of the termination or expiration of this Agreement, Licensor may request that Licensee send Licensor's customers an email notification of the transition or closing of the E-Commerce Website (the "Transition Email");

(v) Within thirty (30) days of the termination or expiration of this Agreement, or upon Licensor's earlier request, Licensee shall provide the Front-End Graphic Design to Licensor in static form;

(vi) Within thirty (30) days of the termination or expiration of this Agreement, subject to applicable Laws, all Customer Information shall be delivered and/or returned to Licensor, and Licensee shall, upon Licensor's request, destroy any copies of such Customer Information. Notwithstanding the foregoing, and provided that such copy(ies) is (are) kept by Licensee's legal and/or finance department, Licensee may retain a copy of any Customer Information that relates solely and directly to completed transactions made for the purchase of Merchandise from the E-Commerce Website pursuant to this Agreement, which may be retained for the sole purpose of submitting the same to third-party auditors of Licensee. Upon request to Licensee, Licensee shall supply Licensor and its partners and/or licensees' access to such Customer Information;

(vii) Within thirty (30) days of the termination or expiration of this Agreement, Licensee will provide Licensor with Licensee's data on Licensee's marketing activities on behalf of Licensor; and Licensee shall provide the data in this Section in electronic form, in the file format and media type determined by Licensor, unless the parties agree on a different format for the data. Data may be provided to Licensor via email, FTP, cloud file transfer (e.g. Dropbox), compact disc, DVD, USB flash drive, or external hard drive, at Licensor's reasonable discretion.

This Schedule H is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE H

E-COMMERCE WEBSITE FEATURE SET

PRODUCT DETAIL	
Alternate Product Views	Access multiple views of a product (e.g., front, back, detail), which shall be the Image Sets, by clicking on various thumbnail images.
Detail Modal Popup and/or Rollover Zoom	View magnified ('zoom') images of a product by mousing over the product image or by clicking to view the detailed image in a modal window.
Multiple Product Image Size	Reduce browsing fatigue and increase visual interest by using variable product image sizes in product listings.
Product Descriptions	Display up to four different product detail fields (e.g., product description, product details, fit and sizing information, fabric and care instructions, import designation).
Labels Overlay	Quickly identify products in a product listing that belong to a special category (e.g., new, online-only, sale, etc.) using text labels or visual icons.
Swatches	Clickable thumbnails show all available colors for a product and allow shoppers to view the product in each color.
Inventory User Alert with Threshold	Request a personal notification when an out of stock products has replenished inventory. Inventory threshold can be customized to merchant preferences. This is an optional feature.
Stock Availability (Out of Stock Display)	Easily identify whether a product is in stock and available for immediate shipping.
Quantity Selector Adjusts to Inventory Availability	Prevent overselling by automatically limiting the quantity selector to reflect the maximum inventory currently available for a product.
User Stock Alerts (Can't Find Your Size/Color?)	Notify shoppers when an out-of-stock product is available for purchase in the future.
Size Selection	Offer a product in multiple sizes, selectable from an easily navigable menu.
Size Chart	Clarify a product line's fitting with a size chart matching sizes to exact measurements or offer a size chart for each individual product.
Add to Bag	Add in-stock products to a virtual shopping bag prior to completing an online checkout process. The shopping bag shall be accessible from both the header and a persistent footer on the Designated URL(s) in the same manner as depicted on Licensor's previously existing website located at the Designated URL(s).
Markdown Pricing (Was / Now)	Display markdown pricing so that shoppers can readily compare it with standard pricing (e.g., using a display convention approved by Licensor).
Recommendations (May We Suggest)	Increase cross-sell opportunities by displaying products that complement or are similar to a product (using an automated recommendations engine with manual override assignments).
Recently Viewed	Easily review the products you have previously viewed in current or previous shopping session(s).
PRODUCT LISTING	
Alternate Product Image Views Upon Rollover	Mouse over a product image to view front and back views (side views optional).
Thumbnail Overlay on Rollover (i.e. Logo)	Identify which products in a product listing belong to various brands by mousing over product images.
Quick View Rollover & Popup	While reviewing a product list, click to view a product's details in an unobtrusive overlay modal window without having to navigate to the product detail page.
Short Description	Add a summary product description in a shorter format for display in product listings.
Labels Overlay	Quickly identify products in a product listing belonging to a special category (e.g., new, online-only, sale, etc.) using text labels or visual icons.

Swatches	See a product's available colors from category-level, product-level, or quick view pages.
Display Products in All Colors Available	View multiple images of a product at once, each showing a different color available for purchase.
Pagination & View All or Ajax Infinite Scroll	1) Pagination & View All: Navigate between product list pages using a simple numbered navigation or click to view all list results on one page. 2) Ajax Infinite Scroll: Dynamically load additional products as a shopper scrolls down a single page, with subcategories listed as on current site.
Product Sorting Options (i.e. Best Seller, New Arrivals, Price, "Top Rated")	Sort products in a product listing by specific criteria. Common sorting options are "Best Seller," "New Arrivals," "Top Rated," and "Price."
Product Listing Display Options (Different Grid Views)	Change the display of products in a product listing from smaller thumbnails (showing more products) to larger thumbnails (showing fewer products), with three levels of magnification.
Parametric Filters	Filter product listings by individual product attributes (e.g., color, material, popularity, price, size, etc.).
Product List Page Banners	Include a category banner (i.e., an image representing the category) among product listings to visually identify the currently displayed category without reference to breadcrumbs or other navigation. The height of the banner must be configurable, so the first row of products is displayed above the fold.
Global Features	
Product Search	Find available products using a standard site search function (e.g., Apache Solr) that delivers product listing results matched to the merchant's database of product names.
Store Locator	Locate a merchant's brick-and-mortar retail stores by searching by zip code, state, or country. Results are ordered as a list or displayed on a map using Google Maps integration.
Wish List	Collect products in a wish list that can be accessed in the future or shared with friends via email and other social media channels (e.g., Facebook, Twitter, Pinterest, Instagram, etc.)
Breadcrumbs	Display the website navigational path leading to the currently viewed page (e.g., Home > Product Category Name > Product Name).
Supported Browsers (Minimum Versions)	View a list of the minimum versions of the browsers required for proper display of the website(s) and mobile site(s) (the website(s) and mobile site(s) will support browsers comprising 3% of total browser market share or greater, as determined in Licensee's commercially reasonable discretion by reference to Stat Counter (gs.statcounter.com) or Licensee's server logs).
Shop-the-Look/Hotspot Images	Images can contain multiple products, with product information and ordering dynamically displayed for each product in an image.
Blog	Integrate with Licensor's existing WordPress blog relating to Licensor products and services entitled "BROOKS BROTHERS" ("Blog"). Licensee shall work in conjunction with Client for all posting and maintenance of Blog content.
STATIC CONTENT	
Licensor Profile, Terms of Use, Privacy Policy, FAQ, Support, Contact Us	Publish static content related to store policies, Licensor background and philosophy, contact details, and other relevant merchant information.
Splash Page	Publish static content relating to a new BROOKS BROTHERS website and ecommerce Splash Page.
SHOPPING CART & CHECKOUT	
Shopping Cart	
Persistent Shopping Cart	Save shopping cart contents using persistent cookies/logins across multiple devices. All shopping activity is available in subsequent sessions until the cookie expires or is deleted. With a persistent shopping cart, a customer can add a product to his/her shopping cart from one browser session at

	work, review his/her shopping cart and change the product configuration from his/her mobile device and then complete the transaction at home with another computer (session login required initially per browser/device combination to establish the long-term cookie). Licensee will store a long-term cookie in each browser (per device) once the customer logs in or creates an account using that browser/device. Any product a customer adds to his/her shopping cart is subject to product inventory availability at time of customer checkout.
Quick View Shopping Cart (Ajax)	Access and review shopping bag contents from any page on the website without having to initiate the checkout process, from either the header or footer.
Checkout	
Guest Checkout / Registered Checkout	1) Guest Checkout: Complete a purchase on the website without having to create a customer account with the merchant. 2) Registered User Checkout: Create a new (or sign in to an existing) user account to save shopper profile information for future shopping sessions (e.g., shipping and billing addresses), and suggest new products based on shopper's past purchases.
Single-Page Checkout (or Multi-Page Checkout)	Complete a purchase using a simplified, single-page checkout process (supported browsers required). Multiple-page checkout is the default functionality, available through most browsers and operating systems.
Gift Message	Include a gift message with a purchase product, addressed to the recipient to whom the order is shipping.
Form Error Checking	Reduce order errors and fraud by dynamically checking user input fields for incompatible or misformatted data. Individual field input error messages will be displayed in color (e.g. pink) to the right of each input field.
Expected Ship Date Display	Indicate when a product that is not yet in stock will be available to purchase and ship.
Expected Arrival Date Display	Indicate the expected home delivery date of a product that is purchased at the time of browsing.
Secure Checkout (SSL)	Complete the payment portion of the checkout process on a secure server, ensuring the safety of personal and payment information using PCI (as defined below) compliant standards.
Address Verification System (AVS, CyberSource)	Verify the shopper's billing address matches the address associated with the provided credit card (per card issuer records).
Address Verification Service (Experian - QAS)	Dynamically confirm the provided shipping address to reduce fraud and incidents of undeliverable shipments. Upon Licensor's express request, Licensee will use commercially reasonable efforts to modify the user experience for verification of error messaging, with any investigation, development, or other work associated with modifying the user experience of verification of error messaging.
Order Confirmation Page	Receive instant onsite confirmation that an order has been successfully placed and review all relevant order details (e.g., ordered products, shipping method, customer service contact numbers, etc.).
Shipping	
Ship Choice	Choose a preferred delivery option from among a list of available options. Common options include "Next Day," "Second Day," and "Ground."
Pre-Paid Returns	Offer pre-paid return shipping based on custom criteria (e.g., for orders totaling over a certain value).
Shipping Rules	Configure custom shipping rules to reduce cost inefficiencies (e.g., using size, weight, or geographic parameters).
International Shipping	Offer shipping of all or selected products to a custom array of international territories.
Payment	
Credit Card Encryption (PCI Level 1 Compliant)	Ensure all credit card related data are encrypted pursuant to the best practices of the Payment Card Industry ("PCI") Data Security Standard.

Credit Card Validation (CyberSource)	Reduce fraud by validating credit card numbers in real-time at the time of checkout using bank data, expiration dates, zip codes, and credit card security codes.
Gift Certificates	Purchase gift certificates in preset amounts that can be redeemed in the merchant's online store at a later date.
Split Payment Across Tender Types (Currently Certificates & Credit Card Only)	Complete a payment using a combination of standard payment options and store gift certificates (i.e., apply a gift certificate against a purchase balance and use a standard method such as a credit card to pay the difference).
Payment Types (Visa and MasterCard,)	Allow shoppers to complete their purchase using major credit cards.
Payment Gateway (CyberSource)	Leverage the convenience of an integrated payment gateway service.
Tax Code Management (Vertex)	Provide for real-time online tax calculation. Sort and analyze taxable transactions to facilitate the reporting of tax liabilities to individual state and local entities.
MARKETING PROMOTIONS AND TOOLS	
Email	
Transactional Emails (Order Confirmation, Ship Confirmation, Cancellation Confirmation)	Customize and configure automated customer communications concerning order status (e.g., order and shipping confirmation messages).
Triggered Emails (i.e. "Welcome Letter")	Configure custom email communications triggered by specific shopper actions (e.g., send a welcome message to newly registered users).
Newsletter	Easily opt in or out of the merchant's email newsletter at any time.
Email A Friend	Share a product or a website page with friends via email.
Promotions	
Promo Banners Site Wide	Promote features, products, and special offers globally throughout the website via a graphical banner included in the main navigation menu.
Promo Codes (See Appendix A for Full List of Promo Code Types)	Offer customers promotional codes in a variety of different configurations with manually defined or automatically generated names.
Promo Code via URL	Append promotional source codes to website links to track usage and the efficacy of individual promotional efforts.
Other Marketing Tools	
Product Social Share (FB, FB Like, Twitter, Pinterest, Add This, etc.)	Share products and website pages via major social networks, including Facebook share (with comment), Facebook like, Twitter, Pinterest, and Add This.
Universal Tag Container (Tealium)	Simplify the task of capturing multiple marketing and analytics data from third-party services, and reduce instances of data conflict, by unifying all data capture methodologies under a single Tealium universal tag container.

This Schedule I is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE I

DATA BREACH RESPONSE GUIDELINES

A. Step 1: Make an Initial Assessment

During a cyber incident, a victim organization should immediately assess the nature and scope of the incident. In particular, it is important at the outset to determine whether the incident is a malicious act or a technological glitch. The nature of the incident will determine the type of assistance an organization will need to address the incident and the type of damage and remedial efforts that may be required.

Having appropriate network logging capabilities enabled can be critical to identifying the cause of a cyber incident. Using log information, a system administrator should attempt to identify:

- The affected computer systems;
- The apparent origin of the incident, intrusion, or attack;
- Any malware used in connection with the incident;
- Any remote servers to which data were sent (if information was exfiltrated); and
- The identity of any other victim organizations, if such data is apparent in logged data

In addition, the initial assessment of the incident should document:

- Which users are currently logged on;
- What the current connections to the computer systems are;
- Which processes are running; and
- All open ports and their associated services and applications.

Any communications (in particular, threats or extortionate demands) received by the organization that might relate to the incident should also be preserved. Suspicious calls, emails, or other requests for information should be treated as part of the incident.

Evidence that an intrusion or other criminal incident has occurred will typically include logging or file creation data indicating that someone improperly accessed, created, modified, deleted, or copied files or logs; changed system settings; or added or altered user accounts or permissions. In addition, an intruder may have stored "hacker tools" or data from another intrusion on your network. In the case of a root-level intrusion,¹ victims should be alert for signs that the intruder gained access to multiple areas of the network. The victim organization should take care to ensure that its actions do not unintentionally or unnecessarily modify stored data in a way that could hinder incident response or subsequent criminal investigation. In particular, potentially relevant files should not be deleted; if at all possible, avoid modifying data or at least keep track of how and when information was modified.

B. Step 2: Implement Measures to Minimize Continuing Damage

After an organization has assessed the nature and scope of the incident and determined it to be an intentional cyber intrusion or attack rather than a technical glitch, it may need to take steps to stop ongoing damage caused by the perpetrator. Such steps may include rerouting network traffic, filtering or blocking a distributed denial-of-service attack,² or isolating all or

¹ An intruder with "root level access" has the highest privileges given to a user working with an operating system or other program and has as much authority on the network as a system administrator, including the authority to access files, alter permissions and privileges, and add or remove accounts.

² A Distributed Denial of Service (DDOS) attack involves the orchestrated transmission of communications engineered to overwhelm another network's connection to the Internet to impair or disrupt that network's ability to send or receive communications. DDOS attacks are usually launched by a large number of computers infected by malware that permits their actions to be centrally controlled.

parts of the compromised network. In the case of an intrusion, a system administrator may decide either to block further illegal access or to watch the illegal activity to identify the source of the attack and/or learn the scope of the compromise.

If proper preparations were made, an organization will have an existing back-up copy of critical data and may elect to abandon the network in its current state and to restore it to a prior state. If an organization elects to restore a back-up version of its data, it should first make sure that the back-up is not compromised as well.

Where a victim organization obtains information regarding the location of exfiltrated data or the apparent origin of a cyber-attack, it may choose to contact the system administrator of that network. Doing so may stop the attack, assist in regaining possession of stolen data, or help determine the true origin of the malicious activity. A victim organization may also choose to blunt the damage of an ongoing intrusion or attack by “null routing”³ malicious traffic, closing the ports being used by the intruder to gain access to the network, or otherwise altering the configuration of a network to thwart the malicious activity.

The victim organization should keep detailed records of whatever steps are taken to mitigate the damage and should keep stock of any associated costs incurred. Such information may be important for recovering damages from responsible parties and for any subsequent criminal investigation.

C. Step 3: Record and Collect Information

1. *Image the Affected Computer(s)*

Ideally, a victim organization will immediately make a “forensic image” of the affected computers, which will preserve a record of the system at the time of the incident for later analysis and potentially for use as evidence at trial.⁴ This may require the assistance of law enforcement or professional incident response experts. In addition, the victim organization should locate any previously generated backups, which may assist in identifying any changes an intruder made to the network. New or sanitized media should be used to store copies of any data that is retrieved and stored. Once the victim organization makes such copies, it should write-protect the media to safeguard it from alteration. The victim organization should also restrict access to this media to maintain the integrity of the copy’s authenticity, safeguard it from unidentified malicious insiders, and establish a chain of custody. These steps will enhance the value of any backups as evidence in any later criminal investigations and prosecutions, internal investigations, or civil law suits.

2. *Keep Logs, Notes, Records, and Data*

The victim organization should take immediate steps to preserve relevant existing logs. In addition, the victim organization should direct personnel participating in the incident response to keep an ongoing, written record of all steps undertaken. If this is done while responding to the incident or shortly thereafter, personnel can minimize the need to rely on their memories or the memories of others to reconstruct the order of events. As the investigation progresses, information that was collected by the organization contemporaneous to the intrusion may take on unanticipated significance.

The types of information that the victim organization should retain include:

- a description of all incident-related events, including dates and times;
- information about incident-related phone calls, emails, and other contacts;
- the identity of persons working on tasks related to the intrusion, including a description, the amount of time spent, and the approximate hourly rate for those persons’ work;

³ A null route directs the system to drop network communications that are destined for specified IP address on the network, so a system will no longer send any response to the originating IP address. This means the system will continue to receive data from the attackers but no longer respond to them.

⁴ A “forensic image” is an exact, sector-by-sector copy of a hard disk. Software capable of creating such copies of hard drives preserve deleted files, slack space, system files, and executable files and can be critical for later analysis of an incident.

- identity of the systems, accounts, services, data, and networks affected by the incident and a description of how these network components were affected;
- information relating to the amount and type of damage inflicted by the incident, which can be important in civil actions by the organization and in criminal cases;
- information regarding network topology;
- the type and version of software being run on the network; and
- any peculiarities in the organization's network architecture, such as proprietary hardware or software.

Ideally, a single, designated employee will retain custody of all such records. This will help to ensure that records are properly preserved and can be produced later on. Proper handling of this information is often useful in rebutting claims in subsequent legal proceedings (whether criminal or civil) that electronic evidence has been tampered with or altered.

3. *Records Related to Continuing Attacks*

When an incident is ongoing (e.g., during a DDOS attack, as a worm is propagating through the network, or while an intruder is exfiltrating data), the victim organization should record any continuing activity. *If a victim organization has not enabled logging on an affected server, it should do so immediately.* It should also consider increasing the default size of log files on its servers to prevent losing data. A victim organization may also be able to use a "sniffer" or other network-monitoring device to record communications between the intruder and any of its targeted servers. Such monitoring, which implicates the Wiretap Act (18 U.S.C. §§2510 et seq.) is typically lawful, provided it is done to protect the organization's rights or property or system users have actually or impliedly consented to such monitoring. An organization should consult with its legal counsel to make sure such monitoring is conducted lawfully and consistent with the organization's employment agreements and privacy policies.

D. Step 4: Notify

1. *People Within the Organization*

Managers and other personnel within the organization should be notified about the incident as provided for in the incident response plan and should be given the results of any preliminary analysis. Relevant personnel may include senior management, IT and physical security coordinators, communications or public affairs personnel, and legal counsel. The incident response plan should set out individual points-of-contact within the organization and the circumstances in which they should be contacted.

2. *Law Enforcement*

If an organization suspects at any point during its assessment or response that the incident constitutes criminal activity, it should contact law enforcement immediately. Historically, some companies have been reticent to contact law enforcement following a cyber incident fearing that a criminal investigation may result in disruption of its business or reputational harm. However, a company harboring such concerns should not hesitate to contact law enforcement.

The FBI and U.S. Secret Service place a priority on conducting cyber investigations that cause as little disruption as possible to a victim organization's normal operations and recognize the need to work cooperatively and discreetly with victim companies. They will use investigative measures that avoid computer downtime or displacement of a company's employees. When using an indispensable investigative measure likely to inconvenience a victim organization, they will do so with the objective of minimizing the duration and scope of any disruption.

The FBI and U.S. Secret Service will also conduct their investigations with discretion and work with a victim company to avoid unwarranted disclosure of information. They will attempt to coordinate statements to the news media concerning the incident with a victim company to ensure that information harmful to a company's interests is not needlessly disclosed.

Victim companies should likewise consider sharing press releases regarding a cyber incident with investigative agents before issuing them to avoid releasing information that might damage the ongoing investigation.

Contacting law enforcement may also prove beneficial to a victim organization. Law enforcement may be able to use legal authorities and tools that are unavailable to non-governmental entities⁵ and to enlist the assistance of international law enforcement partners to locate stolen data or identify the perpetrator. These tools and relationships can greatly increase the odds of successfully apprehending an intruder or attacker and securing lost data. In addition, a cybercriminal who is successfully prosecuted will be prevented from causing further damage to the victim company or to others, and other would-be cyber criminals may be deterred by such a conviction.

In addition, as of January 2015, at least forty-seven states have passed database breach notification laws requiring companies to notify customers whose data is compromised by an intrusion; however, many data breach reporting laws allow a covered organization to delay notification if law enforcement concludes that such notice would impede an investigation. State laws also may allow a victim company to forgo providing notice altogether if the victim company consults with law enforcement and thereafter determines that the breach will not likely result in harm to the individuals whose personal information has been acquired and accessed. Organizations should consult with counsel to determine their obligations under state data breach notification laws. It is also noteworthy that companies from regulated industries that cooperate with law enforcement may be viewed more favorably by regulators looking into a data breach.

3. *The Department of Homeland Security*

The Department of Homeland Security has components dedicated to cybersecurity that not only collect and report on cyber incidents, phishing, malware, and other vulnerabilities, but also provide certain incident response services. The National Cybersecurity & Communications Integration Center (NCCIC) serves as a 24x7 centralized location for cybersecurity information sharing, incident response, and incident coordination. By contacting the NCCIC, a victim organization can both share and receive information about an ongoing incident that may prove beneficial to both the victim organization and the government. A victim organization may also obtain technical assistance capable of mitigating an ongoing cyber incident.

4. *Other Potential Victims*

If a victim organization or the private incident response firm it hires uncovers evidence of additional victims while assessing a cyber incident—for example, in the form of another company's data stored on the network—the other potential victims should be promptly notified. While the initial victim can conduct such notification directly, notifying victims through law enforcement may be preferable. It insulates the initial victim from potentially unnecessary exposure and allows law enforcement to conduct further investigation, which may uncover additional victims warranting notification. Similarly, if a forensic examination reveals an unreported software or hardware vulnerability, the victim organization should make immediate notification to law enforcement or the relevant vendor.

Such notifications may prevent further damage by prompting the victims or vendors to take remedial action immediately. The victim organization may also reap benefits, because other victims may be able to provide helpful information gleaned from their own experiences managing the same cyber incident (e.g., information regarding the perpetrator's methods, a timeline of events, or effective mitigation techniques that may thwart the intruder).

⁵ For instance, data that are necessary to trace an intrusion or attack to its source may not be obtainable without use of legal process (e.g., a search warrant, court order, or subpoena) that may be unavailable to a private party. Furthermore, some potentially useful intrusion detection techniques require law enforcement involvement. For instance, under 18 U.S.C. § 2511(2)(i) a network owner may authorize law enforcement to intercept a computer trespasser's communications on the network owner's computers during an investigation.

This Schedule J is attached to and made part of the Agreement between **ABG International, Inc.**, as master licensee for **BB IPco LLC** ("Licensor") and **Royal Linen Capital Ltd.** ("Licensee") dated January 1, 2021.

SCHEDULE J

Limited Power of Attorney

BB IPCo, LLC ("**BB IPCO**") appoints the true and lawful: director, Yigal Arnon & Co. Yuval Shalheveth) of Royal Linen Capital Ltd. ("Licensee"), to represent BB IPCO and on its behalf in Israel solely in matters relating to the infringement of BB IPCO's copyright, trademark or design right, or any other intellectual or industrial property right, including assistance to the investigation customs agencies.

Licensee is hereby authorized and mandated:

1. To represent BB IPCO and act on its behalf before online service providers in matters relating to the infringement of BB IPCO's BROOKS BROTHERS copyright, trademark or design right, including but not limited to:
 - (a) To file a demand for the removal of websites or adverts offering goods suspected of infringing intellectual property right;
 - (b) To request the service providers or intermediaries to disclose details of the service users infringing intellectual property right; and
 - (c) To conduct expert testimony, to provide evidences and to give opinions, in identification procedures
2. Subject to prior consultation with BB IPCO, such rights shall include representation of BB IPCO in criminal and civil proceedings before all courts of justice of all instances in Israel, as well as administrative tribunals and arbitration boards, in relation to the online infringement of BB IPCO's copyright, trademark or design right, or any other intellectual or industrial property right in connection with its BROOKS BROTHERS brand. In connection with the exercise of the foregoing authority, Licensee is further authorized to:
 - (a) to file a criminal complaint and present before police or prosecutors' office;
 - (b) to file any claims and defenses;
 - (c) to file and respond to counterclaims;
 - (d) to compromise or settle any claims in or out of court, subject to securing BB IPCO's prior consent for same;
 - (e) to discontinue proceedings;
 - (f) to waive or admit claims;
 - (g) to receive delivery of service, or to take custody of property which is the subject of the proceedings;
 - (h) to tender deposits, to demand recovery of items deposited with interest due thereon, and to accept custody of the same;
 - (i) to apply to the court to call on an adversary to exercise its right on security, to apply for cancellation of security, to consent to an adversary's application for cancellation of security, to receive exemplifications enabling recovery of security;
 - (j) to file an appeal or to discontinue appeal;
 - (k) to request cost order and to respond;
 - (l) to claim or disclaim any injunctions;
 - (m) to appeal before the Supreme Court;
 - (n) to commence, perform and carry to completion settlement negotiations with the targets described;

(o) the authority to appoint a legal representative in connection with the foregoing

BB IPCO may terminate such rights granted herein at any time upon written notice to Licensee.

Licensee agrees to coordinate with BB IPCO before taking any actions based on the limited power of attorney, including any filing of a lawsuit.

BB IPCO shall reasonably assist Licensee with actions required to protect the Licensed Property and the Licensed Products and the Registrations, provided that Licensee shall bear all the expenses relating to the use of the limited power of attorney.

LICENSEE:

Royal Linen Capital Ltd.

By: _____

Name: _____

Title: _____

Date: _____



September 26, 2022

WITHOUT PREJUDICE; ALL RIGHTS RESERVED

VIA FEDEX & EMAIL

Royal Linen Capital Ltd.
2 Meir Shaham Street
Jerusalem 945822 Israel
Attn: Etamar Moses
etamar@royal-linen.com

**Re: Notice of Breach of March 1, 2020 License Agreement,
as may have been amended from time to time ("Agreement")**

Dear Mr. Moses:

This notice letter ("Notice") is delivered with reference to that certain Agreement by and between Nautica Apparel, Inc. ("Licensor"), and Royal Linen Capital Ltd. ("Licensee"). All capitalized terms used herein and not specifically defined herein shall have the meanings ascribed to them in the Agreement.

As you know, the Agreement requires Licensee to, among other things, provide a revised Business Plan including, without limitation, Projections, as well as quarterly Reports.

This Notice, delivered pursuant to the terms of the Agreement, serves as notice to Licensee that Licensee is in breach of the following provisions of the Agreement (each, a "Breach"):

- **Section 2(f) of the Standard Terms** for failing to submit Reports to Licensor as and when required under the Agreement. Specifically, Licensee failed to timely submit the following Statements to Licensor:

Contract Year	Calendar Quarter
2 (2022)	1 (January 1 – March 31)
2 (2022)	2 (April 1 – June 30)

- **Section 3(a) of the Standard Terms** for failing to submit a revised Business plan, including Projections to Licensor, as and when required under the Agreement.

Moreover, because of Licensee's failure to provide timely and adequate reporting, Licensor is unable to determine whether Licensee has engaged in other breaches of the agreement (e.g., failure to make payments as and when required hereunder).

Under Sections 9(a)(i)(C)-(D) of the Standard Terms, Licensor has the right, but not the obligation to terminate the Agreement in connection with the foregoing Breaches. Please be reminded that, pursuant to Section 10(a) of the Standard Terms of the Agreement, upon termination of the Agreement, (i) all rights in and to the Licensed Property shall revert to Licensor, and (ii) any and all unpaid amounts payable to Licensor for the Initial Term, shall immediately be due and payable to Licensor.

In order to properly evaluate our relationship going forward, Licensee must provide Licensor with the following by no later than **September 30, 2022**: (a) Reports for each of the Calendar Quarters identified in this Notice that contain all of the information required under the Agreement, (b) a revised Business Plan including, without limitation, Projections, and (c) any and all unpaid amounts owed to Licensor under the Agreement, which may include Royalties, for any Contract Year.

This Notice is not intended as a complete recitation of all the facts and/or claims which Licensor may have and is written without prejudice to any of Licensor's rights and remedies at law and/or in equity with respect to all matters contained herein or omitted herefrom, all of which are hereby expressly reserved.

Sincerely,



Jay Dubiner

General Counsel

ABG International, Inc., Nautica Apparel, Inc. and Authentic Brands Group, LLC

Email: legaldept@authenticbrands.com

Phone: (212) 760-2410

Facsimile: (212) 760-2419



September 26, 2022

WITHOUT PREJUDICE; ALL RIGHTS RESERVED

VIA FEDEX & EMAIL

Royal Linen Capital Ltd.
2 Meir Shaham Street
Jerusalem 945822 Israel
Attn: Etamar Moses
etamar@royal-linen.com

**Re: Notice of Breach of January 1, 2021 License Agreement,
as may have been amended from time to time ("Agreement")**

Dear Mr. Moses:

This notice letter ("Notice") is delivered with reference to that certain Agreement by and between ABG International, Inc., as master licensee for BB IPCO LLC ("Licensor"), and Royal Linen Capital Ltd. ("Licensee"). All capitalized terms used herein and not specifically defined herein shall have the meanings ascribed to them in the Agreement.

As you know, the Agreement requires Licensee to, among other things, provide a revised Business Plan including, without limitation, Projections, as well as quarterly Reports.

This Notice, delivered pursuant to the terms of the Agreement, serves as notice to Licensee that Licensee is in breach of the following provisions of the Agreement (each, a "Breach"):

- **Section 2(f) of the Standard Terms** for failing to submit Reports to Licensor as and when required under the Agreement. Specifically, Licensee failed to timely submit the following Statements to Licensor:

Contract Year	Calendar Quarter
2 (2022)	1 (January 1 – March 31)
2 (2022)	2 (April 1 – June 30)

- **Section 3(a) of the Standard Terms** for failing to submit a revised Business Plan, including Projections, to Licensor as and when required under the Agreement.

Moreover, because of Licensee's failure to provide timely and adequate reporting, Licensor is unable to determine whether Licensee has engaged in other breaches of the agreement (e.g., failure to make payments as and when required hereunder).

Under Sections 9(a)(i)(C)-(D) of the Standard Terms, Licensor has the right, but not the obligation to terminate the Agreement in connection with the foregoing Breaches. Please be reminded that, pursuant to Section 10(a) of the Standard Terms of the Agreement, upon termination of the Agreement, (i) all rights in and to the Licensed Property shall revert to Licensor, and (ii) any and all unpaid amounts payable to Licensor for the Initial Term, shall immediately be due and payable to Licensor.

In order to properly evaluate our relationship going forward, Licensee must provide Licensor with the following by no later than **September 30, 2022**: (a) Reports for each of the Calendar Quarters identified in this Notice that contain all of the information required under the Agreement, (b) a revised Business Plan including, without limitation, Projections, and (c) any and all unpaid amounts owed to Licensor under the Agreement, which may include Royalties, for any Contract Year.

This Notice is not intended as a complete recitation of all the facts and/or claims which Licensor may have and is written without prejudice to any of Licensor's rights and remedies at law and/or in equity with respect to all matters contained herein or omitted herefrom, all of which are hereby expressly reserved.

Sincerely,



Jay Dubiner

General Counsel

ABG International, Inc., BB IPCO LLC LLC and Authentic Brands Group, LLC

Email: legaldept@authenticbrands.com

Phone: (212) 760-2410

Facsimile: (212) 760-2419



November 20, 2023

VIA FEDEX

Royal Linen Ltd.
Beit Hadfos 1
Jerusalem 9548301 Israel
Attn: Etamar Moses

VIA E-MAIL

etamar@royal-linen.com
eliav@royal-linen.com

Re: March 1, 2020 License Agreement ("Agreement") / Notice of Breach

Dear Etamar:

This notice letter ("Notice") is delivered with reference to that certain Agreement by and between Nautica Apparel, Inc. ("Licensor"), and Royal Linen Ltd. ("Licensee"), as may be amended from time to time. All capitalized terms used herein and not specifically defined herein shall have the meanings ascribed to them in the Agreement.

This Notice, delivered pursuant to the terms of the Agreement, serves as notice to Licensee that Licensee is in breach of its obligations under the Agreement for failure to pay to Licensor the following:

- **One Hundred Ninety Thousand United States Dollars (\$190,000.00 USD)/Invoice NAU002810 due on October 1, 2023**

The invoice(s) and/or amount(s) referenced above are the "Unpaid Amounts".

Licensee must immediately pay all outstanding amounts to Licensor pursuant to the terms and conditions of the Agreement, including, without limitation, all of the Unpaid Amounts. In the event Licensee fails to make the aforementioned payments within the time frame permitted under the Agreement, Licensor will have the right, but not the obligation, to terminate the Agreement in its entirety, without any further notice to Licensee.

Upon any such termination: (i) all rights in and to the Licensed Property shall automatically revert to Licensor, including, without limitation, any sell-off rights that may have been otherwise granted under the Agreement, and (ii) all amounts due to Licensor, including, without limitation, the Unpaid Amounts and all other amounts (including any accelerated amounts), shall be paid immediately by the manner (e.g., wire transfer) specifically set forth in the Agreement, in each case, pursuant to the terms and conditions of the Agreement.

This Notice is not intended as a complete recitation of all the facts and/or claims which Licensor may have and is written without prejudice to any of Licensor's rights and remedies at law and/or in equity with respect to all matters contained herein or omitted herefrom, all of which are hereby expressly reserved.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Robel".

Jessel P. Robel | SVP, Controller – Financial Operations

authentic.com

NEW YORK MIAMI LOS ANGELES MEXICO CITY LONDON SHANGHAI



November 30, 2023

VIA FEDEX & EMAIL

Royal Linen Ltd.
Beit Hadfos 1
Jerusalem, Israel 9548301
Attn: Etamar Moses
Email: etamar@royal-linen.com

Re: March 1, 2020 License Agreement ("Agreement") / Notice of Breach & Termination.

Dear Mr. Moses:

This notice letter ("Notice") is delivered with reference to that certain Agreement by and between Nautica Apparel, Inc. ("Licensor") and Royal Linen Ltd. ("Licensee"), as may have been amended from time to time. All capitalized terms used herein and not specifically defined herein shall have the meanings ascribed to them in the Agreement.

This Notice, delivered pursuant to the terms of the Agreement, serves as notice to Licensee that Licensor is hereby terminating the Agreement for the reasons set forth herein.

Licensee's Breaches.

- (a) On September 26, 2022, in conformity with the notice provisions of the Agreement, Licensor sent written notice to Licensee indicating that Licensee was in breach of the Agreement for: (i) failing to submit Reports to Licensor as and when required under the Agreement ("Breach 1"); and (ii) failing to submit a revised Business plan, including Projections to Licensor, as and when required under the Agreement ("Breach 2").
- (b) On November 20, 2023, in conformity with the notice provisions of the Agreement, Licensor sent another written notice to Licensee indicating that Licensee was in breach of the Agreement for failure to pay to Licensor One Hundred Ninety Thousand United States Dollars (\$190,000.00 USD), which was due to Licensor on or before October 1, 2023 (i.e., Invoice NAU002810) ("Breach 3"). Licensee failed to cure Breach 3 within the applicable cure period.
- (c) In addition, Licensee is in breach of the following provisions of the Agreement:
 - (i) **Section 13(a)(ii) of the Commercial Terms of the Agreement** for failure to pay to Licensor the GMR for Contract Year 4 (2024) (i.e., \$190,000 USD) on or before October 1, 2023 ("Breach 4").
 - (ii) **Section 8(a) of the Commercial Terms of the Agreement and Section 1(a) of the Standard Terms of the Agreement** for the distribution and sale of certain Licensed Products to/through certain unauthorized and unapproved accounts, retailers and/or third parties which are prohibited under the Agreement, in material, non-curable breach of the Agreement, including, but not limited to, sales of Licensed Products to/through Osher Ad (the "Unapproved Account(s)") ("Breach 5").
 - (iii) **Section 1(a) of the Standard Terms of the Agreement** for the manufacture, production, distribution and sale of certain unauthorized and unapproved products bearing the Licensed Property (such products, "Unapproved Product(s)") to/through the Unapproved Account(s) ("Breach 6").
 - (iv) **Section 2(f) of the Standard Terms of the Agreement** for failing to submit Reports to Licensor as and when required under the Agreement. Specifically, Licensee failed to timely submit the following Statements to Licensor ("Breach 7"):

Contract Year	Calendar Quarter
3 (2023)	3 (July 1, 2023 – September 30, 2023)

authentic.com

NEW YORK MIAMI LOS ANGELES LONDON MEXICO CITY SHANGHAI



(v) **Section 3(a) of the Standard Terms of the Agreement** for failing to submit a revised Business Plan, including Projections, to Licensor as and when required under the Agreement ("**Breach 8**").

(d) The unpaid invoices and unpaid amount(s) referenced above are, individually and collectively the "**Unpaid Amounts**".

Licensor hereby demands that Licensee provide Licensor with the aforementioned Reports immediately.

Breach 1, Breach 2, Breach 3, Breach 4, Breach 5, Breach 6, Breach 7, and Breach 8 are, individually and collectively, the "**Breaches**".

Termination of the Agreement. Pursuant to Section 9(a)(i)(A) of the Standard Terms of the Agreement, due to Licensee's failure timely pay and cure non-payment of the Unpaid Amounts, and pursuant to Section 9(a)(i)(C) due to Licensee's multiple Breaches, Licensor hereby exercises its right to terminate the Agreement, effective immediately as of the date of this Notice ("**Termination Date**"). Accordingly, the Agreement has been terminated.

Effect of Termination of the Agreement. As of the Termination Date and pursuant to Section 10 of the Standard Terms of the Agreement:

- (a) all rights in and to the Licensed Property (including, without limitation, the Licensed Rights) have reverted to Licensor in their entirety, and Licensee has no further rights whatsoever with respect to Licensed Product(s), the Licensed Property and/or any other intellectual property rights relating thereto under the Agreement or otherwise;
- (b) Licensor is free to license such rights to any other person or entity;
- (c) Licensee shall not be entitled to any Sell-Off Period of any kind, whether under the Agreement or otherwise;
- (d) Licensee shall take all acts necessary, at Licensee's sole cost, in order to cease all uses of the Licensed Property in connection with any retail locations, including, without limitation, removal of all signage and other identifying indicia related to the retail locations;
- (e) Licensee shall use commercially reasonable efforts to assist Licensor in the transition of all operations of the Licensed Property branded retail locations to Licensor or Licensor's designee;
- (f) all rights in and to any Licensed Property branded E-Commerce Websites shall revert to Licensor, and Licensor shall be free to license such rights to any other person or entity, and Licensee shall have no further rights whatsoever with respect to such Licensed Property branded E-Commerce Websites and/or any other intellectual property rights;
- (g) Licensee shall use commercially reasonable efforts to assist Licensor in the transition of all operations of any Licensed Property branded E-Commerce Websites to Licensor or Licensor's designee;
- (h) Within ten (10) days of the date of this Notice (i.e., on or before **December 10, 2023**), Licensee shall, at its sole cost and expense, return to Licensor any materials bearing the Licensed Property and/or Brand Rights, as well as all materials used for the manufacture, distribution and/or sale of Licensed Products and/or for Advertising & Promotion efforts hereunder, including, without limitation, the Brand Toolbox, Prototypes, all design information and materials relating to Licensed Products (including patterns, tech-packs and designs) and related materials as may be necessary or appropriate to produce Licensed Products); and
- (i) Within five (5) days of the date of this Notice (i.e., on or before **December 5, 2023**), Licensee shall pay any and all unpaid amounts to Licensor under the Agreement, including but not limited to: (i) the Unpaid Amounts (i.e., **\$190,000 USD**); (ii) the GMR balance for Contract Year 5 (2025) through Contract Year 10 (2030) (i.e., **\$1,190,000 USD**) and together with subsection (i) herein, the total aggregate sum of **\$1,380,000 USD**), **plus interest** on such unpaid amounts, compounded monthly, at the rate of one percent (1.75%) per month; (iii)



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any and all earned Royalties and all other amounts due and payable to Licensor (including, but not limited to, any and all amounts and/or consideration (including, but not limited to, any and all Royalty(ies)), due to Licensor in connection with any and all Net Sales of Licensed Products to/through the Unapproved Account(s) and/or Unapproved Products) under the Agreement accrued as of the date of this Notice. All payments due to Licensor shall be made by wire transfer to the following account:

Payee: Nautica Apparel, Inc.
Bank of America
One Bryant Park
New York, NY 10036
Account Number: 483043710615
ABA Routing Number (for domestic transfers):
Wire: 026009593 / ACH: 021000322
Swift Code (for international transfers): BOFAUS3N

By executing the Agreement, Licensee expressly agreed to the language in Section 12(b) of the Commercial Terms of the Agreement, which states that "the GMR is payable to Licensor even if Licensee fails to manufacture, sell or market the Licensed Products during the Term, and is a condition to Licensor entering into the Agreement." Further, pursuant to the express language set forth in Section 10(a)(ii) of the Standard Terms of the Agreement, in no event shall any termination of the Agreement excuse Licensee from making any payment payable to Licensor under the terms and conditions of the Agreement (including, without limitation, the Unpaid Amounts and remaining GMRs for Contract Year 5 (2025) through Contract Year 10 (2030), respectively). The full legal and equitable remedies and rights hereby remain available to Licensor in connection with enforcing the foregoing.

This Notice is not intended as a complete recitation of all the facts and/or claims which ABG may have and is written without prejudice to any of Licensor's rights and remedies at law and/or in equity with respect to all matters contained herein or omitted herefrom, all of which are hereby expressly reserved.

Sincerely,

A handwritten signature in black ink that reads "Jay Dubiner".

Jay Dubiner
Chief Legal Officer
Nautica Apparel, Inc. and
Authentic Brands Group, LLC
Email: legaldept@authentic.com
Phone: (212) 760-2410
Facsimile: (212) 760-2419

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NEW YORK MIAMI LOS ANGELES LONDON MEXICO CITY SHANGHAI



November 30, 2023

VIA FEDEX & EMAIL

Royal Linen Capital Ltd.
2 Meir Shaham Street
Jerusalem 945822 Israel
Attn: Etamar Moses
Email: etamar@royal-linen.com

Re: January 1, 2021 License Agreement ("Agreement") / Notice of Breach & Termination.

Dear Mr. Moses:

This notice letter ("Notice") is delivered with reference to that certain Agreement by and between ABG International, Inc. as a master licensee of BB IPCO, LLC ("Licensor") and Royal Linen Capital Ltd. ("Licensee"), as may have been amended from time to time. All capitalized terms used herein and not specifically defined herein shall have the meanings ascribed to them in the Agreement.

This Notice, delivered pursuant to the terms of the Agreement, serves as notice to Licensee that Licensor is hereby terminating the Agreement for the reasons set forth herein.

Licensee's Breaches.

- (a) On September 26, 2022, in conformity with the notice provisions of the Agreement, Licensor sent written notice to Licensee indicating that Licensee was in breach of the Agreement for: (i) failing to submit Reports to Licensor for the first and second Calendar Quarter of Contract Year 2 (2022) as and when required under the Agreement ("Breach 1"); and (ii) failing to submit a revised Business plan, including Projections to Licensor, as and when required under the Agreement ("Breach 2").
- (b) In addition, Licensee is in breach of the following provisions of the Agreement:
- (i) **Section 9(d)(i) of the Commercial Terms of the Agreement** for failing to open, operate and maintain the required number of Minimum Retail Locations during Contract Year 3 (2023) ("Breach 3").
 - (ii) **Section 10(f)(iv) of the Commercial Terms of the Agreement** for failing to launch a fully operational E-Commerce Website on or before June 30, 2022 ("Breach 4").
 - (iii) **Section 2(f) of the Standard Terms of the Agreement** for failing to submit Reports to Licensor as and when required under the Agreement. Specifically, Licensee failed to timely submit the following Statements to Licensor ("Breach 5"):

Contract Year	Calendar Quarter
3 (2023)	3 (July 1, 2023 – September 30, 2023)

- (iv) **Section 3(a) of the Standard Terms of the Agreement** for failing to submit a revised Business Plan, including Projections, to Licensor as and when required under the Agreement ("Breach 6").
- (c) Pursuant to Section 16(h) of the Standard Terms of the Agreement, any breach or default by Licensee under any other agreement between Licensor or any of Licensor's affiliates and Licensee or any of Licensee's parents, subsidiaries, affiliates and/or shareholders, shall constitute a material breach of the Agreement. Thus, the breach by Licensee's affiliate, Royal Linen Ltd., of the license agreement entered into with Licensor's affiliate, Nautica Apparel, Inc., effective as of March 1, 2020, shall be deemed a material breach of the Agreement ("Breach 7").

Licensor hereby demands that Licensee provide Licensor with the aforementioned Reports immediately.

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Breach 1, Breach 2, Breach 3, Breach 4, Breach 5, Breach 6, and Breach 7 are, individually and collectively, the "Breaches".

Termination of the Agreement. Pursuant to Section 9(a)(i)(C) due to Licensee's multiple Breaches, Licensors hereby exercises its right to terminate the Agreement, effective immediately as of the date of this Notice ("Termination Date"). Accordingly, the Agreement has been terminated.

Effect of Termination of the Agreement.

As of the Termination Date and pursuant to Section 5 of the Retail Terms & Conditions, to the extent applicable:

- (a) Licensee shall take all acts necessary, at Licensee's sole cost, in order to cease all uses of the Licensed Property in connection with the Retail Locations, including, without limitation, removal of all signage and other identifying indicia related to the Retail Locations; and
- (b) Licensee shall use commercially reasonable efforts to assist Licensors in the transition of all operations of the Retail Locations to Licensors or Licensors's designee.

As of the Termination Date and pursuant to Section 6 of the E-Commerce Website Terms & Conditions, to the extent applicable:

- (a) all rights in and to E-Commerce Website shall revert to Licensors, and Licensors shall be free to license such rights to any other person or entity, and Licensee shall have no further rights whatsoever with respect to the E-Commerce Website and/or any other intellectual property rights; and
- (b) Licensee shall use commercially reasonable efforts to assist Licensors in the transition of all operations of the E-Commerce Website to Licensors or Licensors's designee.

As of the Termination Date and pursuant to Section 10 of the Standard Terms of the Agreement:

- (a) all rights in and to the Licensed Property (including, without limitation, the Licensed Rights) have reverted to Licensors in their entirety, and Licensee has no further rights whatsoever with respect to Licensed Product(s), the Licensed Property and/or any other intellectual property rights relating thereto under the Agreement or otherwise;
- (b) Licensors is free to license such rights to any other person or entity;
- (c) Licensee shall not be entitled to any Sell-Off Period of any kind, whether under the Agreement or otherwise;
- (d) Within ten (10) days of the date of this Notice (i.e., on or before **December 10, 2023**), Licensee shall, at its sole cost and expense, return to Licensors any materials bearing the Licensed Property and/or Brand Rights, as well as all materials used for the manufacture, distribution and/or sale of Licensed Products and/or for Advertising & Promotion efforts hereunder, including, without limitation, the Brand Toolbox, Prototypes, all design information and materials relating to Licensed Products (including patterns, tech-packs and designs) and related materials as may be necessary or appropriate to produce Licensed Products); and
- (e) Within five (5) days of the date of this Notice (i.e., on or before **December 5, 2023**), Licensee shall pay any and all unpaid amounts to Licensors under the Agreement, including but not limited to: (i) the GMR balance for Contract Year 4 (2024) through Contract Year 10 (2030) (i.e., **\$2,450,000 USD**); and (ii) any and all earned Royalties and all other amounts due and payable to Licensors under the Agreement accrued as of the date of this Notice. All payments due to Licensors shall be made by wire transfer to the following account:

Payee: ABG International, Inc.
Bank of America
One Bryant Park

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New York, NY 10036
Account Number: 483075026636
ABA Routing Number (for domestic transfers):
Wire: 026009593 / ACH: 122400724
Swift Code (for international transfers): BOFAUS3N

By executing the Agreement, Licensee expressly agreed to the language in Section 14(c) of the Commercial Terms of the Agreement, which states that “the GMR is payable to Licensor even if Licensee fails to manufacture, sell or market the Licensed Products during the Term, and is a condition to Licensor entering into the Agreement.” Further, pursuant to the express language set forth in Section 10(a)(ii) of the Standard Terms of the Agreement, in no event shall any termination of the Agreement excuse Licensee from making any payment payable to Licensor under the terms and conditions of the Agreement (including, without limitation, the remaining GMRs for Contract Year 4 (2024) through Contract Year 10 (2030), respectively). The full legal and equitable remedies and rights hereby remain available to Licensor in connection with enforcing the foregoing.

This Notice is not intended as a complete recitation of all the facts and/or claims which ABG may have and is written without prejudice to any of Licensor's rights and remedies at law and/or in equity with respect to all matters contained herein or omitted herefrom, all of which are hereby expressly reserved.

Sincerely,

Jay Dubiner
Chief Legal Officer
ABG International, Inc., BB IPCO, LLC,
And Authentic Brands Group, LLC
Email: legaldept@authentic.com
Phone: (212) 760-2410
Facsimile: (212) 760-2419