

CUT THE ROPE - MERCHANDISE LICENSE AGREEMENT

This Agreement is made as of November 11, 2018 by and between the Licensor and the Licensee, and comprises these Deal Terms together with the General Terms and Exhibits. If there is a conflict between the Deal Terms and the General Terms, the Deal Terms will control.

DEAL TERMS

Licensor:	ZeptoLab UK Limited Staple Court, 11 Staple Inn Buildings, London WC1V 7QH, United Kingdom, UK Registration No.: 7493468	
Licensee:	Snezhniy Bars Distribution, Ltd. 125315, Russia, 80/16 Leningradskiy Avenue, premises 1, 4th floor, room 56. Tel: Licensee sales contact: Email:	VAT No.: Registration No.: 1137746369518 Royalties contact: Krutova Tatyana Anatolevna Email: +79035414541
Licensor's Counsel	Hughes Media Law Group, PC 2003 Western Avenue, Suite 460, Seattle, Washington, 98121, USA Attn: Joleen Hughes Email: legal@zeptolab.com	
Term:	January 1, 2019 (" Effective Date ") through the latter of July 1, 2021 (" End Date ") or Sell Off Period, unless terminated early.	
Sell-Off Period:	6 months immediately following expiration, subject to Section 4 of the General Terms.	
Territory:	Russian Federation, Belarus, Ukraine, Armenia, Kazakhstan, Uzbekistan, Turkmenistan, Moldova, Tadjikistan, Kirghizia, Azerbaijan, Georgia, Abkhazia, South Ossetia. Additionally, the Licensee may manufacture the Licensed Products in China, but has no additional rights in China.	
Languages:	The official language of the Territory.	
Property:	Cut the Rope, Cut the Rope 2, Cut the Rope: Experiments, Cut the Rope: Time Travel, My Om Nom (" Game(s) "), and all related logos, images, branding, icons, characters, scenes, themes, concepts, copyrights, trademarks and associated copy (" Game IP "); as well any other future ZL games and related Game IP which the parties may agree to in writing from time to time.	
Licensed Products:	The following, which shall incorporate the Property: Glass and ceramic dishes; Glass and ceramic mugs and drinking glasses; Glasses, flat and deep plates, cups, salad bowl, bowls made out of glass, ceramic, porcelain, and earthenware, in sets and in bulk with and without packaging Packaging for glass and ceramic dishes	
Channels of Distribution:	The Channels of Distribution include: E-Commerce Retailers (e.g. Target.com, ToysRUs.com, Amazon.com) High-End Department Stores (e.g. Macy's, Neiman Marcus, Bloomingdales) Mid-Tier Department Stores (e.g. JC Penney, Sears, Kohl's) Mass Market Retailers (e.g. Wal-Mart, K-Mart) Specialty Stores (e.g. Hot Topic, Urban Outfitters) Kiosks	
Exclusivity:	Non-exclusive.	
Product Due Dates:	Submission of first product concepts/material: tbd via email Sales presentation to retailers: tbd via email Submission of packaging, hangtags and labels cards, etc: tbd via email Submission of samples from first manufacturing run: tbd via email Initial Shipment Date: tbd via email <i>* Product Due Dates may be revised by mutual consent of the parties</i>	
Royalty:		
Royalty Accounting Periods:	Each 31 st March, 30 th June, 30 th September, 31 st December during the Term.	
Bank Account for payments:	Payments to be made directly to Licensor: Bank Name: Coutts & Co Bank Address: 440 Strand, London, United Kingdom WC2R 0QS Bank Account Holder Name: Zeptolab UK Limited Bank Code: 18-00-91 Bank Account No: 10620109 Swift Code: COUTGB22 IBAN No: GB18COUT18009110620109	
Payment Currency:	USD.	
Special Conditions:	<ol style="list-style-type: none"> Licensor reserves the right to terminate this Agreement, effectively immediately upon written to Licensee, if Licensee does not generate any sales of the Licensed Products during the first year of the Term. Royalty reports will be provided in the currency of Russian Federation Rubles. Payments to Licensor will be made in USD applying exchange rate of Central Bank of Russia on 	

	<p>date of payment.</p> <p>4. In accordance with Section 5, samples shall be sent as follows:</p> <p>a. 10 samples to Licensor at the address specified by Licensor and</p> <p>b. 2 samples to Hughes Media Law Group, 2003 Western Avenue, Suite 460, Seattle, Washington, 98121, USA.</p> <p>5. In connection with the amendments to the legislation of the Russian Federation in terms of calculating non-residents value added tax (VAT) on operations of services, the parties specifically stipulate that the transfer of rights to use copyright objects, transfer of materials necessary for the Licensee to exercise the rights specified under this Agreement, are not considered a service, and the results of such have no material expression, and are realized and consumed in the process of this activity (Article 38 of the Tax Code of the Russian Federation).</p> <p>6. Due to the fact that services in electronic form under this Agreement are not provided by Licensor, the Licensor does not pay VAT on operations of sales recognized in the territory of the Russian Federation, the obligation to register with the tax authority of the Russian Federation (clause.4.6 of article 83 of the RF Tax Code as amended valid from 01/01/2019) does not occur for Licensor.</p>
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IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first above written.

Licensee

Signature: _____
Name: Rodion Pavlovich
Title: CEO
Date: _____



ZeptoLab UK Limited

Signature: _____
Name: SPARTAN 2 LLC
Title: DIRECTOR
Date: 14/02/2019



GENERAL TERMS

1. Definitions. Capitalized terms not defined herein will have the meaning set forth in the Deal Terms.

2. Grant of Rights. Licensor grants Licensee the non-exclusive right during the Term to manufacture or have manufactured for it and to promote, advertise, distribute and sell the Licensed Products through the Channels of Distribution throughout the Territory subject at all times to the terms of this Agreement.

3. Advance, Guarantee and Royalty, and other Licensee Obligations. All amounts payable to Licensor will be paid through and in the name of Licensor in the Payment Currency (defined in the Deal Terms). All Statements (further described in Section 3(h) below) will be sent to Licensor at the address set out in the Deal Terms, or as otherwise directed by Licensor.

- (a) Licensee will pay Licensor the Advance set forth in the Deal Terms.
- (b) Licensee will pay Licensor the minimum guarantee in the amount(s) and manner set forth in the Deal Terms.
- (c) The Royalty percentage is set forth in the Deal Terms.
- (d) Royalties will be computed on Net Sales for each calendar month (or portion thereof) during the Term (and any applicable Sell-Off Period), and paid within thirty (30) days of the end of each calendar quarter and the termination or expiration of this Agreement. Each Royalty payment shall be accompanied by a written statement that complies with Section 3(h) below.
- (e) "Net Sales" means the gross invoice amount billed customers, less returns, discounts and approved allowances reflected in the invoice, and net of all returns actually made or allowed as supported by credit memos issued to customers. Licensee may not deduct: (i) costs incurred in the manufacturing, selling, advertising, or

distributing of Licensed Products; (ii) any indirect expenses; or (iii) allowances or uncollectible accounts. Free Licensed Products delivered by Licensee and Licensed Products sold by Licensee not at arms' length will be treated as if such Licensed Products had been sold by Licensee and will be included in the calculation of Net Sales at Licensee's normal selling price.

- (f) Licensee shall pay Interest at 1.5% per month over the prime rate listed in the Wall Street Journal on Royalties from and after the date due. Interest will not be credited against the Minimum Guarantee. Interest is compounded monthly.
- (g) Advances, Guarantees and Royalties owed by Licensee at the time of termination or expiration will not be refundable under any circumstance.
- (h) **Statements.** Within thirty (30) days following the end of each calendar quarter (31st March, 30th June, 30th September, 31st December) Licensee will send to Licensor a written royalty report (in the form of **Exhibit C**) concerning the computation of Royalties then due to Licensor. Licensor may question the accuracy of a statement at any time within two (2) years of receiving it. If any inconsistencies or mistakes are discovered Licensee shall rectify within a reasonable time (not to exceed forty five (45) days) and prompt adjustments and corresponding payments will be made to correct such inconsistency. For the avoidance of doubt, Royalties due on Licensed Products sold in each country of the Territory must be reported separately.

4. Sell Off. Upon expiration of this Agreement if Licensee is not in default, and in good standing with Licensor, then Licensee may continue to sell previously manufactured Licensed Products on a

non-exclusive basis during the Sell-Off Period provided that: (i) the Royalty Rate during the Sell-Off Period will be calculated based on the prevailing wholesale price or prices charged by Licensee for Licensed Products during the one-hundred eighty (180) day period immediately preceding expiration, regardless of the price at which such Licensed Products are sold during such period; (ii) no Licensed Products are manufactured within one-hundred eighty (180) days of the End Date; (iii) no Licensed Products are manufactured during the Sell-Off Period; (iv) the then-current Royalty Rate prevails for all Licensed Products sold during the Sell-Off Period; (v) Licensee only sells Licensed Products in the Territory through the already-approved Channels of Distribution; and (vi) Licensee shall not sell Licensed Products to dollar/value channels without the express written approval of Licensur.

5. Quality and Approvals.

(a) Prior to manufacture, marketing, sale or distribution of any Licensed Products, or any advertising and promotional materials ("**Ad Materials**"), Licensee will submit to Licensur at each stage, the concept, rough art, and final artwork accompanied by the form in **Exhibit A**. Additionally, Licensee will send Licensur, one (1) prototype or other electronic or digital format of each Licensed Product and Ad Material (including the package) for Licensur's written approval as to artwork, quality, appearance, materials, workmanship and all other construction and aesthetic aspects. Any Licensed Products or Ad Materials not approved or disapproved in writing within fifteen (15) days after receipt of request by Licensur will be deemed approved. Licensee will also submit twelve (12) final physical production samples of the first production run of each Licensed Product as follows: 10 samples to Licensur and 2 samples to Licensur's Counsel. During the Term, Licensee will, at Licensur's request, furnish additional samples of finished Licensed Products to Licensur at cost to ensure consistent quality.

(b) Sale of "seconds" or "irregulars" is not permitted under this Agreement. Any non-approved Licensed Products must be destroyed by Licensee, unless Licensur directs otherwise in writing.

(c) In the event of any actual or alleged legal action pertaining to the Licensed Products, Licensur may revoke any approval by giving written notice to Licensee. Revocation will be effective for any Licensed Products not yet manufactured. Licensed Products already manufactured or in the process of manufacture, may be purchased by Licensur at their Replacement Value (defined below); Licensee may complete and sell such Licensed Products unless (a) Licensur exercises its purchase rights, or (b) Licensed Products are not in compliance with the requirements of this Agreement. "**Replacement Value**" will mean the out-of-pocket costs, excluding any overhead incurred by Licensee in the manufacture of Licensed Products or other materials, minus costs attributable to damaged or otherwise unusable items, and minus depreciation, if any.

(d) If Licensee will have Licensed Products manufactured by a third party, Licensee shall notify Licensur and provide the name and address of the proposed manufacturer to obtain Licensur's prior written consent using the Licensur's Consent to Manufacturer attached as **Exhibit B-1**. Licensur's approval of Licensee's proposed manufacturer is conditioned on Licensee executing the Manufacturer's Agreement attached as **Exhibit B-2** with such manufacturer. Both Licensur and Licensee, in their respective sole discretion may terminate a Manufacturer's Agreement at any time and for any reason. In such case, Licensee shall identify and retain a new manufacturer (in line with the requirements in this Section 5(d)) within a reasonable

timeframe to minimize disruptions to the manufacture and distribution of Licensed Products.

(e) Licensee will immediately notify Licensur of the recall of any Licensed Product, whether self-induced, government ordered or otherwise. Licensee will bear all costs associated with Licensed Product recalls.

6. Marketing Plan and Obligations. Licensee shall: (a) notify Licensur and obtain Licensur's pre-approval on all press-related activities and announcements; (b) meaningfully consult Licensur in the development of all marketing plans for Licensed Product (by Territory); (c) provide Licensur, on a quarterly basis, with a list of retailers where Licensed Products have been placed within fifteen (15) days of the end of each calendar quarter; and (d) use best efforts to promote and sell Licensed Products within the Territory.

7. Manufacturing Quantities. Licensee will use best efforts to manufacture, sell and ship Licensed Products in sufficient quantity to meet the reasonably anticipated demand. If Licensee fails, Licensur will notify Licensee in writing and Licensee will have thirty (30) days to cure or demonstrate its good faith effort to cure within a commercially reasonable time. If Licensur, in its sole discretion, believes that Licensee's actions are insufficient to cure, Licensur may terminate this Agreement immediately.

8. Sales Projections. At least one (1) month prior to the end of each calendar quarter, Licensee will provide Licensur with sales projections for the upcoming four (4) quarters (for each quarter remaining in the Term based on an informed assessment of the market including category information as requested by Licensur. Licensur understands that projections are only based on the Licensee's estimates on information available to the Licensee.

9. Ownership, Copyright, and Trademark Protection.

(a) As between Licensur and Licensee, Licensur owns all intellectualty and proprietary rights and goodwill in and to the Property (ex. copyrights, trademarks, patents, etc.) (collectively the "**Rights**").

(b) Licensee will maintain control at all times over any and all of Licensur's creative materials relating to the Property ("**Materials**") in its possession in order to protect Licensur's Rights. Licensee will not make any Materials available to third parties except as part of a Licensed Product under the terms of this Agreement or as otherwise agreed to by the parties in writing.

(c) **Notices.** Licensee will ensure that proper copyright and trademark notices are affixed to all Licensed Products, hang-tags, labels, packaging, advertising and promotional materials depicting Licensed Products in accordance with Licensur's then-current style guide as may be updated from time to time during the Term ("**Style Guide**"). The size and positioning of notices will be in accordance with the Style Guide.

(d) Licensee sells, assigns and transfers to Licensur its entire worldwide right, title and interest in and to all new works incorporating the Property. Every such new work will be considered a "work made for hire" for Licensur.

(e) Licensee shall not acquire property rights in and to the Property for any reason. If Licensee is deemed to, or appears to, own any Rights, Licensee will immediately execute any and all documents necessary to confirm or otherwise establish Licensur's Rights in the Property at Licensur's expense. If Licensee fails to execute such documents, Licensee appoints Licensur as its attorney-in-fact for such purpose. Licensee shall

not attack or otherwise harm the Rights of Licensor in the Property.

(f) Licensee will assist Licensor, at Licensor's request, in perfecting, preserving and enforcing Licensor's Rights. Licensee will maintain and share with Licensor all records (including invoices, correspondence, and related material) for all Licensed Products and related Materials utilizing the likenesses of any of the characters, scenes, or other elements contained in the Property. Licensee recognizes Licensor's Rights in any and all names of individual characters associated with the Property and during and after the Term, Licensee will refrain from asserting, directly or indirectly, any interest or property right in any of Licensor's Rights.

10. Books and Records. Licensee will keep full and accurate books of account and records concerning all transactions hereunder, and Licensor will have the right (on reasonable notice during ordinary business hours) either itself, its legal counsel, or independent, non-commission-based certified public accountants, to examine and to take excerpts from such books of account and records. Licensee will keep books and records available for inspection by Licensor for at least three (3) years after the expiration or termination of this Agreement. If an audit reveals a shortfall in the payment of royalties by Licensee, that shortfall will be paid within ten (10) days together with interest as noted in Section 3(f). If an audit reveals a shortfall of five percent (5%) or more of Net Sales in any quarter, Licensee will reimburse Licensor for the full out-of-pocket cost of the audit, including cost of auditors for travel and actual working time. Licensor will be permitted to inspect and audit Licensee's books and records up to twice per year.

11. Warranty, Indemnification.

(a) Each party warrants that it is free to enter into this Agreement and has the capability to fully perform its obligations hereunder.

(b) Licensor represents and warrants that it has all right, title and interest in and to the Property.

(c) Licensee warrants that Licensed Products: (i) are suitable for their intended purpose and of good quality and free of defects in design, material and workmanship; (ii) shall not contain or be composed of injurious or poisonous material; (iii) will not be inherently dangerous to its customers; (iv) will be manufactured, packaged, marketed, sold and distributed in compliance with all applicable laws, rules, regulations and voluntary industry standards in the Territory; and (v) do not infringe the proprietary rights of any third party. Licensed Products not meeting the above warranties are deemed unapproved (even if previously approved) and may not be shipped until brought into full compliance.

(d) Licensee will at all times indemnify and hold Licensor, its officers, directors and employees and its affiliated companies harmless from and against any and all claims, suits, demands, litigation proceedings, damages, liabilities, costs and expenses ("Claims"), including reasonable counsel fees, for third party claims arising out of: (i) any breach or alleged breach by Licensee of any representation, warranty or undertaking made herein; (ii) allegations that the Licensed Products infringe on the rights of a third party; or (iii) or out of any defect (latent or patent) in Licensed Products.

(e) Licensor will at all times indemnify and hold Licensee, its officers, directors and employees and its affiliated companies harmless from and against any and all Claims, including reasonable counsel fees, for third party claims arising out

allegations that the Property infringes on the rights of a third party.

(f) A party's obligation to indemnify the other party is expressly conditioned on the indemnified party: (i) giving written notice of the Claim promptly to the indemnifying party; (ii) giving the indemnifying party control of the defense and settlement of the Claim utilizing, if necessary, legal counsel to be selected by the indemnifying party upon reasonable approval of the indemnified party; (iii) providing to the indemnifying party all available information and assistance (at the indemnifying party's expense); and (iv) not compromising or settling such Claim, without the indemnified party's prior written consent which may not be unreasonably withheld. The indemnified party will have the right to participate at its own expense in the defense of any claim instituted against it, and, if the indemnified party does participate, it will not have the right to recover against the indemnifying party the costs and expenses of participation in such suit.

(g) Licensor disclaims any and all express, implied or statutory warranties, including without limitation the implied warranties of merchantability, fitness for a particular purpose or arising out of course of conduct or trade custom or usage. In no event will Licensor be liable for any indirect, special, incidental, consequential or exemplary damages or expenses arising in connection with this agreement or the Property, even if Licensor is advised of the possibility of such damages.

12. Insurance. Licensee will maintain at its own expense, during the Term and for one (1) year after, commercial general liability insurance coverage to cover its obligations and liabilities under this Agreement. Licensor may terminate this Agreement in the event of any cancellation or materially negative change to insurance coverage.

13. Third Party Infringement. Licensee will promptly notify Licensor of any apparent infringement of any rights granted to it by Licensor. Licensor will have the exclusive right to institute legal action (at its own expense) against the infringer or to otherwise terminate such infringement. Licensee will have no right to make any demands or claims, bring suit, effect any settlements or take any other action with respect to such an infringement without the prior written consent of Licensor. Unless the parties otherwise agree in writing, monetary damages recovered by Licensor in connection with an infringement will first be applied for recoupment of expenses, including reasonable legal expenses, incurred by the party prosecuting the action or otherwise terminating the infringement, and the balance of such damages will be awarded to Licensor. If Licensor reasonably believes it is advantageous or desirable to do so, it may join Licensee as a party plaintiff at the expense of the party prosecuting such action and plead the damages of Licensee. The parties will cooperate with each other with respect to any suits or other action taken under this Section and to keep the other party promptly and fully advised with respect thereto.

14. Breach and Termination.

(a) Licensor will have the right to terminate this Agreement immediately by written notice to the Licensee in the event that: (i) Licensee uses any unapproved Licensed Products, Ad Materials, or other artwork or promotional materials or fails to follow the Style Guide; (ii) Licensee fails to make any payment due as set forth in Section 3 within thirty (30) days of such due date; (iii) Licensee fails to meet Initial Shipment Date as set forth in the Deal Terms; (iv) Licensee attempts to assign or sublicense its rights hereunder, except as permitted by Section 17; (v) Licensed Products are defective or unsafe in any way; (vi) Licensee fails to maintain the insurance required by Section 12; (vii) Licensee is adjudicated bankrupt, becomes insolvent,

makes any assignment for the benefit of its creditors, has its assets placed in the hands of a receiver, files a petition in bankruptcy, has filed against it a petition in bankruptcy which is not discharged within sixty (60) days after its filing, or is dissolved or liquidated (in which case, Licensee, its receivers, representatives, trustees, agents, or successors will have no right to sell, exploit or in any way deal with Licensed Products, except in accordance with the written consent and instructions of Licensor); (viii) Licensed Product manufacturers are found to be exploiting child labor or violate the rights of child workers; (ix) Licensee fails to have the Manufacturer's Agreement attached as Exhibit B-2, executed as required by Section 5(d), prior to the start of manufacturing; or (x) Licensor has reasonable belief that Licensee's conduct or the conduct of any of its agents, sub-agents, or manufacturers retained by Licensee is in violation of the United Kingdom's Anti-Bribery Act of 2010 or any other applicable anti-corruption laws.

(b) Either party may terminate this Agreement immediately upon written notice to the other party if the other party breaches this Agreement, and such breach: (a) is incapable of cure; or (b) being capable of cure: (i) remains uncured ten (10) days after the non-breaching party provides the breaching party with written notice of the breach; or (ii) the breaching party breaches a provision of this Agreement after being notified in writing of a previous breach of the same provision (whether the first breach was cured or not).

(c) In the event of a termination by Licensor pursuant to Section 14(a) or (b), all unpaid Advances and Minimum Guarantees due as of the date of termination will be immediately due and payable.

(d) Except for an authorized Sell-Off Period, Licensee will immediately and permanently discontinue the manufacture, sale and distribution of Licensed Products, and will immediately and permanently discontinue any and all use of the Property.

(e) Termination of this Agreement pursuant to this Section 14 will be without prejudice to any rights, which either party may have against the other party in law or equity.

(f) Except for an authorized Sell-Off Period, Licensee's failure to cease using the Property upon the termination or expiration of this Agreement will result in damage to Licensor and to the rights of any subsequent licensee for which there is no adequate remedy at law. Accordingly, Licensor shall be entitled to equitable relief, including obtaining a restraining order against Licensee, by way of temporary and permanent injunctions without the necessity of posting any bond, or such other relief as any court of competent jurisdiction may deem just and proper.

(g) Upon the expiration or termination of this Agreement, Licensee will within a reasonable time and at Licensor's discretion: (i) sell to Licensor remaining Licensed Product at cost of goods sold, subject to Licensor's prior written consent (email is sufficient); (ii) negotiate in good faith with Licensor on potential sale of the the remaining Licensed Product; or (iii) destroy its remaining inventory of Licensed Products as well as any dies, molds, negatives, plates, or other articles or implements from which the Property can be perceived or produced (other than those which have been rented by Licensor to Licensee which must be returned intact to Licensor). In the event of destruction, Licensee will furnish to Licensor a certificate of such destruction, and Licensor will have the right, at its election, to have a representative selected by it observe any such destruction.

(h) Licensor may withdraw any Property hereunder which would infringe or reasonably be claimed to infringe the right of a third party. Licensor will hold Licensee harmless from its landed cost of all goods which cannot be sold after the date

of withdrawal, and which are manufactured or in the process of manufacture and non-cancellable contracts. Licensee must use commercially reasonable efforts to mitigate damages to Licensor from non-cancellable contracts that may result from the withdrawal of any Property.

(i) Sections 4, 9(a), 9(d-f), 10, 11(d-g), 12, 14(e-g), 14(i), 16, 19, 20, 21, 23 and any other Section which, by its nature, should survive will survive the expiration or termination of this Agreement.

15. Premiums. Licensee will not use or authorize the use of Licensed Products as a Premium. "Premium" means a free or combination item incorporating the Property offered in connection with the sale or promotion of a non-affiliated product or service with the prime intent being to use Licensed Product to sell other products, services or business not incorporating the Property. Nothing in this Section prevents Licensor from offering the Licensed Products as a premium.

16. Notices. Any notice or other communication required or permitted to be given by either party will be mailed by first class, certified mail, return receipt requested, or by an internationally recognized overnight courier addressed as set forth below. Notices or other communications mailed as herein provided will be deemed to have been given when received or when an attempt to deliver same was made as evidenced by a duly executed return receipt.

LICENSOR: Legal Counsel (set out in the Deal Terms)
LICENSEE: As set out in the Deal Terms

17. Assignment. Licensee may not assign or transfer any of its rights or obligations under this Agreement by law, change of control or otherwise without the prior written consent of Licensor. Licensor may assign or transfer its rights and obligations to a successor entity, and shall provide Licensee with written notice of the same.

18. Foreign Taxes. In the event that the Territory includes countries outside the United Kingdom, Licensee will withhold the amount of income or other taxes, if any, payable by Licensor and levied by governmental agencies in such countries on payments payable by Licensee to Licensor pursuant to this Agreement, and will promptly effect payment thereof to the appropriate authority. Licensee will transmit to Licensor within thirty (30) calendar days after such payment, official tax receipts or other documentary evidence issued by said tax authority sufficient to enable Licensor to support a claim for United Kingdom income tax credit, if any, in respect of any such taxes so paid. Licensee will indemnify and hold Licensor harmless from any governmental claim due to Licensee's failure to perform in accordance with this Section.

19. Confidentiality. All proprietary information relating to a party (the "Disclosing Party") or any of its affiliates which the other party may learn, including without limitation, financial information and business plans and, with respect to Licensee, the identity of and other information regarding the manufacturers of Licensed Products, sales and customer information and product design information, creative concepts and marketing, advertising and promotional concepts and plans which Licensee uses or proposes to use in connection with the business to be conducted by it hereunder, is the Disclosing Party's valuable property. Each party acknowledges the need to preserve the confidentiality and secrecy of the other party's such information. Thus, during and after the Term, neither party will use or disclose any such information of the other except as necessary for the conduct of the business to be conducted hereunder.

20. Applicable Law. The validity, construction and performance of this Agreement will be governed by, and interpreted in

accordance with, the laws of England. In any dispute relating to this Agreement, the parties submit themselves to the exclusive venue and jurisdiction of the courts of England, expressly waiving any venue to which they may be entitled by their present or future domiciles.

21. Attorneys' Fees. Each party will pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Agreement. In the event that any suit or action is instituted to enforce any provision of this Agreement, the prevailing party in such dispute will be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which will include, without limitation, all fees, costs and expenses of appeals.

22. No Agency. Nothing in this Agreement will be construed to make either party the agent or representative of the other party and neither party will so hold itself out nor will either party be liable or be bound by any act or omission of the other party, nor may any party bind the other party in any manner.

23. Waiver. Failure of either party at any time to require the performance of any provision under this Agreement will not affect the right of such party to require full performance thereafter and a waiver by either party of a breach of any provision of this Agreement will not be taken or held to be a waiver of any further or similar breach or as nullifying the effectiveness of such provision.

24. Entire Agreement, Amendments and Execution. This Agreement represents the entire agreement between the parties with respect to the matters set forth herein and supersedes all prior discussions, understandings and agreements between them. Licensee acknowledges that it has not executed this Agreement in reliance upon any promise, agreement, representation or warranty not expressly set forth in this Agreement. No amendment or supplementation will be effective or binding on either party unless reduced to writing and executed by the duly authorized representatives of both parties. This Agreement and any amendments may be signed in counterparts by original signature or authorized electronic signature and each counterpart will be considered as part of the original. Upon execution of this Agreement or any amendments, Licensor will coordinate the distribution of electronic copies of the executed document. No original, signed copies will be delivered.

Exhibit A



Cut the Rope® Merchandise Approval Form

Date of Submission: _____ Contact Name: _____
Company: _____ Phone Number: _____
Agreement Date: _____ Email: _____
Name of Product: _____
Purpose / Category (i.e toys, books, clothing): _____
SKU Number: _____ Ship Date: _____
Production Price: _____ In-Store Date: _____
Suggested Retail Price: _____ Territory Sold (Canada, USA): _____

Detailed Description of Product: _____

Included in submission: ☐ Product ☐ Packaging ☐ Non-Product (e.g. catalog, advertising, signage)

Stage of submission: ☐ Concept Art ☐ Pre-Production Sample ☐ Final Samples

PLEASE ATTACH TO THIS FORM A PHYSICAL SAMPLE, SKETCH, IMAGES SCREENSHOTS OR ITEM TO BE PRODUCED

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Zeptolab Only

Approved ☐ Approved with Changes ☐ Rejected ☐

If rejected, (or Approved with Changes) provide detailed descriptions for resubmission

By: _____ Name: _____

Date: _____ Title: _____

Exhibit B-1

CONSENT TO MANUFACTURE

Reference is made to the License Agreement by and between ZeptoLab UK Limited ("Licensor") and _____ ("Licensee") dated as of _____ (the "License Agreement").

Name and address of manufacturer ("Manufacturer"):

One or more Licensed Product(s) (as such term is defined in the License Agreement) and/or packaging and/or components thereof (together, the "Authorized Articles"):

Licensor hereby consents to the manufacture of the Authorized Articles utilizing the Property by Manufacturer for the account of Licensee upon the following conditions to which Licensee agrees: (i) that Manufacturer will sign and endorse the Manufacturer's Agreement hereto appended (a copy of which will be furnished to Licensor within ten (10) calendar days of execution); and (ii) that Manufacturer will fully comply in all respects with the Manufacturer's Agreement. Failure to comply with either of the aforementioned conditions will entitle Licensor to terminate this Consent to Manufacture forthwith and require that any and all copies, molds, plates, engravings and/or other devices used to manufacture the Authorized Articles and/or reproduce the Property and/or Licensor's copyrighted material and/or trademarks in the possession of Licensee and/or Manufacturer be immediately delivered to Licensor or be destroyed to the satisfaction of Licensor.

Licensee acknowledges that: (i) nothing herein will be construed so as to make Manufacturer a party to or third party beneficiary of the License Agreement; (ii) any breach by Manufacturer pursuant to the Manufacturer's Agreement will be treated as a breach by Licensee pursuant to the License Agreement; and (iii) Licensee will fully indemnify and hold harmless Licensor against any and all claims, liabilities and expenses arising out of or connected with any acts and/or omissions of Manufacturer pursuant to the Manufacturer's Agreement.

Dated: As of _____

ZeptoLab UK Limited

By: _____

Name: _____

Title: _____

LICENSEE

By: _____

Name: _____

Title: _____

EXHIBIT B-2

THE MANUFACTURER'S AGREEMENT

This Manufacturer's Agreement is made by and between _____ ("**Manufacturer**") and _____ ("**Licensee**") on the Effective Date. Subject to the terms and conditions hereof, Licensee hereby engages Manufacturer to act as the manufacturer of Licensed Products and Manufacturer accepts such engagement. In consideration, the parties agree as follows.

Property:	Cut the Rope, Cut the Rope: Experiments, Om Nom, and the names and logos including all images, branding, icons, characters, copyrights, trademarks and associated copy thereto	
Licensed Products: (list all or a subset of rights granted in the License Agreement)	incorporating the Property.	
Effective Date:		
Term:		
Licensee:	Primary Contact:	
	Mailing Address:	
	Email Address:	
	Telephone:	
	Fax:	
Manufacturer:	Primary Contact:	
	Mailing Address:	
	Email Address:	
	Telephone:	
	Fax:	
Manufacturing Site(s):	Facility Manager:	
	Mailing Address:	
	Email Address:	
	Telephone:	
	Fax:	

- Ownership.** Licensee is authorized to engage Manufacturer to produce Licensed Products in accordance with the License Agreement between ZeptoLab UK Limited ("**Licensor**") and the **Licensee** dated _____ ("**License Agreement**"). Manufacturer acknowledges the validity of and Licensor's sole title to the Property as well as Licensor's intent to reserve all rights in and to the Property. Manufacturer will not manufacture any materials utilizing the Property, other than Licensed Products, without Licensee's prior written consent. Manufacturer acknowledges that a copy of this Agreement will be furnished to Licensor by Licensee.
- Use of the Property.** Manufacturer represents and warrants that it will use the Property solely for the purposes of performing its obligations under this Agreement and will not create counterfeit merchandise or otherwise cause the Property to be used for any other purpose than manufacturing Licensed Products under this Agreement. Manufacturer acknowledges that Licensed Product is only authorized if distributed via the Licensee. Manufacturer acknowledges that its manufacture of Licensed Product(s) will give Manufacturer no right to use the Property or to sell Licensed Product(s) utilizing the Property beyond the expiration or termination of the License Agreement. If Licensee's right to use the Property expires or terminates, Manufacturer will make no claim against Licensor for any reason.
- Termination.** Licensee may terminate this Agreement at any time and for any reason whatsoever. If terminating without cause for any reason, Licensee will notify Manufacturer of its intent to terminate at least ten (10) calendar days prior to the intended date of termination. If Manufacturer is in material breach of any terms and conditions of this Agreement and fails to cure the breach within five (5) business days after the date of receipt of written notice from Licensee advising of the nature of such breach, or if Manufacturer breaches a provision of this Agreement after being notified in writing of a previous breach of the same provision in the same calendar year (whether the first breach was cured or not), then the Licensee will have the right to terminate this Agreement for any reason immediately by written notice to the Manufacturer.

4. **Post-Termination Protocol.** In the event of termination or expiration of the Term, the Manufacturer will immediately cease all manufacture, sale and distribution of products utilizing the Property. Upon such termination or expiration, Manufacturer will not have any further rights to manufacture Licensed Products or use the Property for any reason. Section 1, 2, 4, 7, 8 and 12 will survive the termination of this Agreement.
5. **Legal and Ethical Compliance.** Manufacturer will comply with the applicable laws and regulations of the United Kingdom and those of the respective country of manufacture and exportation. All Licensed Product(s) must be accurately labeled and clearly identified as to their country of origin. Licensed Product(s) will be manufactured only at the Manufacturing Sites and Manufacturer will conform to all local laws and customs regarding hiring practices, wage and working conditions. Under no circumstances will Manufacturer involve the production of Licensed Product(s) in an environment where underage labor is employed. Manufacturer will not utilize factories or production facilities that force work to be performed by unpaid laborers or those who must otherwise work against their will.
6. **Fair Labor Association Workplace Code of Conduct.** Manufacturer further represents and warrants that it has adopted the Fair Labor Association Workplace Code of Conduct (the "**Code**") listed below:
- a. Forced Labor: There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.
 - b. Child Labor: No person will be employed at an age younger than 15 or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.
 - c. Harassment or Abuse: Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.
 - d. Nondiscrimination: No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.
 - e. Health and Safety: Employers will provide 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 employer facilities.
 - f. Freedom of Association and Collective Bargaining: Employers will recognize and respect the right of employees to freedom of association and collective bargaining.
 - g. Wages and Benefits: Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a floor, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.
 - h. Hours of Work: Except in extraordinary business circumstances, employees will: (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.
 - i. Overtime Compensation: In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.
 - j. In addition to complying with all applicable laws and regulations of the country of manufacture, companies must comply with this code, and must require their licensees, contractors and suppliers to do the same.
7. **Right to Audit.** Manufacturer will keep full and accurate books and records concerning the manufacture of Licensed Products, and at any time during the Term and up to three (3) years after the termination of the Agreement, Licensee will have the right upon reasonable notice during ordinary business hours, either itself or through a representative, to examine and audit Manufacturer's books and records arising out of or in correlation with the Property and to inspect the Manufacturer's activities, including but not limited to, Licensed Product quality standards, work conditions and compliance with laws and the Code. Manufacturer will not take any action or inaction that might obstruct an audit or inspection and will refrain from, including but not limited to, withholding, destroying or concealing information,

products, materials, business practices or working conditions. Licensee grants Licensors a pass-through right to audit the Manufacturer.

8. **Publicity.** Manufacturer will not publish or cause the publication of pictures of Licensed Products and/or Property in any publication or promotional material, nor advertise that Manufacturer is permitted to manufacture Licensed Products without the Licensors prior written permission.
9. **Branding.** Manufacturer warrants (i) that Licensed Products will be of good quality and free of defects in design, material and workmanship and will be suitable for their intended purpose; (ii) that no injurious, poisonous, deleterious or toxic substance, material, paint or dye will be used in or on Licensed Products; (iii) that Licensed Products will not be inherently dangerous to the users thereof; and (iv) that Licensed Products will be manufactured in compliance with all applicable laws and regulations and voluntary industry standards. Manufacturer will incorporate correct copyright and/or trademark notices onto Licensed Products and will not use any other branding but Licensors with respect to Property.
10. **Notice.** Manufacturer will immediately inform Licensee in writing of any changes to the Manufacturer's correspondence address or any of the Manufacturing Sites.
11. **Non-Assignability.** Manufacturer may not assign or transfer any of its rights or obligations under this Agreement by law, change of control or otherwise without the prior written consent of Licensee. Licensee may assign or transfer its rights and obligations to a successor entity upon written notice to Manufacturer.
12. **Choice of Law.** This Agreement will be interpreted in accordance with the laws of England and Wales and any dispute or other matter arising hereunder will be subject (and the parties hereby submit) to the exclusive jurisdiction of the English Courts.
13. **Insurance.** Manufacturer will maintain at its own expense, during the Term and for one (1) year after, commercial general liability insurance coverage to cover its obligations and liabilities under this Agreement. Licensee may terminate this Agreement in the event of any cancellation or materially negative change to insurance coverage.
14. **General.** This Agreement expresses the entire understanding of the parties hereto and replaces any prior oral or written agreements or term sheets concerning the subject matter hereof, and Manufacturer acknowledges that it has not executed this Agreement in reliance upon any promise, agreement, representation or warranty not expressly set forth in this Agreement. No amendment or supplementation hereof will be effective or binding on either party hereto unless reduced to writing and executed by the duly authorized representatives of both parties hereto. Manufacturer will at all times be an independent contractor, and not an employee or agent of Licensee or Licensors and each party will be responsible for its own tax liability, including Value Added Tax (VAT) and/or Goods and Services Tax (GST) or their equivalent. Failure of either party at any time to require the performance of any provision under this Agreement will not affect the right of such party to require full performance thereafter and a waiver by either party of a breach of any provision of this Agreement will not be taken or held to be a waiver of any further or similar breach or as nullifying the effectiveness of such provision. The Agreement will be in the English language and no translations will supersede the English terms in writing herein.

ACCEPTED AND AGREED:

Manufacturer	Licensee
<hr/>	<hr/>
Signed	Signed
<hr/>	<hr/>
Print Name	Print Name
<hr/>	<hr/>
Title	Title
<hr/>	<hr/>
Date	Date



Exhibit C
ROYALTY REPORT TEMPLATE
[To be provided]

