

MERCHANDISING LICENSE AGREEMENT

AGREEMENT NO. MLA201902162

DATE: June 10, 2019

LICENSOR: MGA ENTERTAINMENT, INC. (“Licensor”)
16380 Roscoe Boulevard
Van Nuys, CA 91406

Telephone: 818-894-2525
Direct line: +31 (0) 172-758-010
Fax: 818-894-0771
Contact: Egita Di Filippo
Email: edifilippo@mgae.com

LICENSEE: FLEXMETAL S.A (“Licensee”)
Pol. Ind. Santa Margarida II
08223 Terrassa, Barcelona
Spain

Telephone: +34 93 7862157
Fax: None
Contact: Rosa Soteras
Email: rsoteras@flexmetal.com

SCHEDULE

1. **“LICENSED PROPERTY”:** The Licensed Property consists of artwork and other distinctive creative elements derived from the property entitled **“L.O.L. SURPRISE!™”**, along with any characters, artwork and other distinctive creative elements and names associated therewith, along with any other proprietary marks related thereto.
2. **“LICENSED ARTICLES”:** Licensed Articles shall include the following:

Licensed Articles: L.O.L. SURPRISE! <i>No open market products allowed.</i>	Minimum number of designs
Mylar Balloons (all shapes, approximately 13” and 29”)	1
Mylar Balloons (18” heart shaped)	1
Mylar Balloons (18” round shaped)	1
Inflated Mylar Balloons (any shape, 13”)	1

3. **“LICENSED TERRITORY”**: Russia, Uzbekistan, Tajikistan, Turkmenistan, Moldova, Kyrgyzstan, Kazakhstan, Belarus, Azerbaijan, Armenia and Ukraine (“Licensed Territory”). If Licensee markets, promotes, sells or offers for sale, directly or indirectly, any of the Licensed Articles outside of the Licensed Territory, Licensor may, in its sole and absolute discretion, immediately terminate this Agreement. In the event the Licensed Territory in this Agreement consists of a country or countries which are members of the European Union, pursuant to any European laws and regulations, nothing in this Agreement shall prevent Licensee from supplying unsolicited orders from customers having their registered offices and/or place of business outside the Licensed Territory but within the European Union, provided that Licensee shall not pursue an active policy of selling Products outside the Licensed Territory.
4. **“DISTRIBUTION CHANNELS”**: Licensee is authorized to sell the Licensed Articles to retailers in the Licensed Territory for resale to the public in the Licensed Territory (“Distribution Channels”). Licensee is prohibited from selling the Licensed Articles to unauthorized retailers, wholesalers or distributors. The Distribution Channels in which Licensee is authorized to sell the Licensed Articles are as follows: *Wholesalers and *distributors in the Distribution Channels only. Neither Licensee nor its retail customers shall display Licensed Articles or offer them for sale by means of any Internet website that is not a derivative of a “brick and mortar” retail store, except as permitted in writing by Licensor and in conformity with Licensor’s Internet privacy and content policies. Licensee shall not register any domain name incorporating in whole or in part the name of the Property, the names of any characters or phrases associated with the Property.
5. **“TERM” AND “SELL-OFF PERIOD”**: The Term begins June 1, 2019 and ends May 31, 2021 (“Term”), unless sooner terminated as provided in the Standard Terms and Conditions attached hereto. Following the expiration of the Term, Licensee shall have a period of ninety (90) days to sell-off any unsold inventory of Licensed Articles.
6. **RIGHTS GRANTED**: In consideration of the payments set forth below, and subject to the covenants, undertakings and agreements by Licensee in this Agreement, Licensor hereby grants to Licensee the non-exclusive right to use the Licensed Property only in connection with the Licensed Articles, in the Distribution Channels throughout the Licensed Territory for the Term in a manner reasonably acceptable to Licensor. Licensee may not use the Licensed Property as the name of any retail establishment. Unless otherwise specified herein, the rights granted do not include rights to any of Licensor’s animated or live action motion pictures.
7. **PAYMENTS**:
 - (a) **“Advance”**: Licensee shall pay Licensor a non-refundable Advance, in the amount [REDACTED] payable upon signature of this Agreement by Licensee. This Agreement shall immediately terminate without notice if the Advance has not been paid within ten (10) days following Licensee’s receipt of this Agreement as signed by Licensor.
 - (b) **“Royalty”**: [REDACTED] Allowances, markdowns and returns shall not exceed five percent (5%) of Licensee’s actual invoiced billings for the Licensed Articles shipped to Licensee’s retail customers; customary trade discounts actually granted by Licensee shall not exceed ten percent (10%) of the actual invoiced billings for Licensed Articles shipped to