

Contract Reference Number: TfL 91960

Date:

**Brand Agency Agreement**

**between**

***Transport Trading Limited***

**and**

***Innovation 1<sup>st</sup> Ltd T/A TSBA Group***

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<b>“Agreement”</b>	means this agreement, including the Schedules and all other documents referred to in this agreement;
<b>“Agreement Information”</b>	means (i) the Agreement in its entirety (including from time to time agreed changes to the Agreement); and (ii) data extracted from any invoices;
<b>“Brand Guidelines”</b>	means the brand guidelines attached at Schedule 2 as may be further developed by TTL and the Agency during the Term pursuant to Clause 4, provided that any changes to the Brand Guidelines are subject to the prior written approval of TTL (such approval being at its sole discretion);
<b>“Business Day”</b>	means any day excluding Saturdays, Sundays or public or bank holidays in England;
<b>“Business Plan”</b>	means the Agency’s business plan, a current version of which is set out in Schedule 7, as updated by the Parties in writing from time to time pursuant to Clause 8.8.1;
<b>“Created Materials”</b>	has the meaning given to it in Clause 9.2;
<b>“Commencement Date”</b>	Means 1 <sup>st</sup> May 2017
<b>“Confidential Information”</b>	means all information (whether written or verbal) that by its nature may reasonably be regarded as confidential to TTL (or any member of the TfL Group) whether commercial, financial, technical or otherwise, and including information which relates to the business affairs, customers, suppliers, products, software, telecommunications, networks, trade secrets, know-how or personnel of the TfL Group;
<b>“Employment Costs”</b>	means all salaries, wages, commissions, bonuses, all statutory contributions, holiday pay (including payment for accrued but untaken holiday), social security contributions, pension contributions made to or on behalf of an

employee, taxation (including all income tax deductible under PAYE) and all other employment costs of Transferring Employees as the case may be;

**“Deal Memo”**

means the individual proposal for developing and selling each Product by the Licensee, as submitted by the Agency to TTL for approval (such approval being at its sole discretion) pursuant to Clause 4.5.4 and substantially in the form set out in Schedule 8;

**“Existing Agreements”**

means: (a) the existing agreements listed in Schedule 5; and (b) such other agreements as notified to the Agency, in writing, by TTL within six (6) months of the Commencement Date;

**“Force Majeure Event”**

means any of the following: riot, civil unrest, war, act of terrorism, threat or perceived threat of act of terrorism, fire, earthquake, extraordinary storm, flood, abnormal weather conditions or other natural catastrophe or strikes, lock-outs or other industrial disputes to the extent that such event has materially affected the ability of the Party relying on the Force Majeure Event (“**Affected Party**”) to perform its obligations in accordance with the terms of the Agreement but excluding any such event insofar as it arises from or is attributable to the wilful act, omission or negligence of the Affected Party or the failure on the part of the Affected Party to take reasonable precautions to prevent such Force Majeure Event or its impact;

**“Holding Company”**

means any company which from time to time directly or indirectly controls the Agency as set out by section 1159 of the Companies Act 2006;

**“Insolvency Event”**

means any of the following:

- (a) either or both of the Agency or the Holding Company making any voluntary arrangement with its creditors or becoming subject to

- an administration order;
- (b) a receiver, administrative receiver, manager, or administrator being appointed over all or part of the business of either or both of the Agency or the Holding Company;
  - (c) being a company, either or both of the Agency or the Holding Company having passed a resolution for its winding-up or being subject to a petition for its winding-up (except for the purposes of a voluntary amalgamation, reconstruction or other re-organisation without insolvency);
  - (d) either or both of the Agency or the Holding Company ceasing or threatening to cease to carry on its business for any reason or being unable to pay its debts within the meaning of the Insolvency Act 1986;
  - (e) being an individual or firm, the Agency becoming bankrupt or dying; or
  - (f) any similar event to those in (a) to (e) above occurring in relation to either or both of the Agency or the Holding Company under the law of any applicable jurisdiction for those purposes;

**“Intellectual Property Rights”**

means any patent, know-how, trade mark or name, service mark, design right, copyright, rights in passing off, database right, rights in commercial or technical information, any other rights in any invention, discovery or process and any other intellectual property rights, in each case whether registered or unregistered and including applications for the grant of any such rights and all rights or forms of protection having equivalent or similar effect in each case in the United Kingdom

and anywhere else in the world;

**“IPR Register”**

means the register of Created Materials to be maintained by the Agency pursuant to Clause 9.5 in the format specified in Schedule 6;

**“Licensees”**

means such licensees and sub-contractors (including any sub-agencies, manufacturers and retailers) appointed in accordance with Clause 5;

**“Local Requirements”**

means all relevant statutes, statutory rules or orders or other instruments having the force of law in the country of manufacture, promotion, transportation and/or sale (or other disposal) of Products by the Agency (including any such requirements as to design, manufacture or packaging);

**“Losses”**

means all costs (including legal costs and costs of enforcement), expenses, liabilities (including any tax liability), injuries, direct, indirect or consequential loss (all three of which terms include pure economic loss, loss of profits, loss of business, depletion of goodwill and like loss), damages, claims, demands, proceedings and judgments;

**“Materials”**

means the materials and assets set out in Schedule 1 to be used in accordance with the terms of this Agreement;

**“Net Sales Price”**

means the actual invoiced price in pounds sterling in an arm's length transaction, less, to the extent identified on the invoice, any value added tax and any other government taxes, duties or levies and any reasonable and customary trade discounts, provided that where the Products are:

- (a) let, leased or sold on hire purchase or supplied other than in an arm's length transaction; or
- (b) sold or otherwise supplied to any member of the Agency Group;

the Net Sales Price of each of the Products shall be deemed to be the Net Sales Price that would have been applied under this Agreement, had such Products been transferred to an independent arm's length customer;

- “Parties”** means TTL and the Agency (including their successors and permitted assignees) and **“Party”** shall mean either of them as the case may be;
- “Products”** means the products set out in Schedule 3 or such other products agreed by the Parties from time to time, and related packaging (if any) and the services or promotions in relation to which the Materials are to be used in accordance with this Agreement;
- “Quarterly Periods”** means the periods of three months commencing on 1 January, 1 April, 1 July and 1 October respectively;
- “Replacement Agency”** means any third party who will replace the Agency after termination of this Agreement and who will carry out activities which are the same or similar to or in replacement of the activities described in this Agreement;
- “Sub-Contract”** has the meaning given to it in Clause 5.2.1;
- “Subsidiary”** means a subsidiary as defined in section 1159 of the Companies Act 2006;
- “Territory”** means the territory specified in Schedule 4;
- “Term”** means the period during which the Agreement continues in force as provided in Clause 2, subject to early termination in accordance with Clause 21;
- “TfL”** means Transport for London, a statutory corporation established under the Greater London Authority Act 1999;
- “TfL Group”** means TfL, TTL and all their subsidiaries (as defined in section 1159 of the



Companies Act 2006) from time to time together and reference to any "member of the TfL Group" shall refer to TfL, TTL or any such subsidiary;

- "Transfer Date"** means the date on which an employee's employment transfers under the Transfer Regulations;
- "Transfer Regulations"** means the provisions of the EU Council Acquired Rights Directive 2001/23 (as amended from time to time) ("ARD") or any national laws implementing the ARD, including without limitation the UK Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), or any laws in countries outside the EU which provide for a comparable regime of automatic transfer of employment as envisaged by the ARD;
- "Transferring Employee"** means any Agency Personnel or former member of Agency Personnel whose employment transfers under the Transfer Regulations in connection with any Cessation Event as defined in clause 15.4;
- "Transparency Commitment"** means the transparency commitment stipulated by the UK government in May 2010 (including any subsequent legislation) in accordance with which TTL is committed to publishing its contracts, tender documents and data from invoices;
- "VAT"** means value added tax as provided for in the Value Added Tax Act 1994 and any tax replacing the same or of a similar nature;
- "Year"** means each period of twelve months commencing on the Commencement Date or any anniversary thereof.

1.1.2 In this Agreement:

1.1.3 a reference to the singular includes the plural and vice versa, and a reference to any gender includes all genders;

- 1.1.4 a reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended or re-enacted by any subsequent statute, enactment, order, regulation or instrument and shall include all statutory instruments or orders made pursuant to it whether replaced before or after the date of execution of the Agreement;
- 1.1.5 a reference to any document save as expressed otherwise shall be construed as a reference to the document as at the date of execution of the Agreement;
- 1.1.6 headings are included in the Agreement for ease of reference only and do not affect the interpretation or construction of the Agreement;
- 1.1.7 references to Clauses and Schedules are, unless otherwise provided, references to clauses of, and schedules to, the Agreement and any reference to a paragraph in any Schedule shall, in the absence of provision to the contrary, relate to the paragraph in that Schedule;
- 1.1.8 in the event, and only to the extent, of any conflict between the Clauses and the Schedules, the Clauses prevail, except where the conflicting part of the Schedule is explicitly expressed to take precedence;
- 1.1.9 the Schedules form part of the Agreement and will have the same force and effect as if expressly set out in the body of the Agreement;
- 1.1.10 the expression "person" means any individual, firm, body corporate, unincorporated association, partnership, government, state or agency of a state or joint venture; and
- 1.1.11 the words "including", "includes" and "included" will be construed without limitation unless inconsistent with the context.

## 2. **Duration**

- 2.1.1 The Agreement commences on the Commencement Date and continues in force for an initial period of three (3) years ("**Initial Term**") unless terminated earlier in accordance with Clause 20.
- 2.1.2 TTL may at its sole discretion extend this Agreement beyond the Initial Term by a further period of up to three (3) years, provided it gives the Agency at least six (6) months' written notice of such extension before the expiry of the Initial Term. .

## 3. **Rights Granted**

- 3.1 In consideration of the sums payable under this Agreement, and subject to Clause 3.3 and compliance by the Agency with its obligations in this Agreement, TTL hereby grants to the Agency during the Term of this

Agreement an exclusive right in the Territory (save that such right shall be non-exclusive in the United Kingdom) to:

- 3.1.1 feature or reproduce representations of the Materials in or on Products in accordance with the Brand Guidelines; and
  - 3.1.2 promote, distribute and sell those Products,  
and in exercising such rights the Agency may appoint Licensees in accordance with Clause 5.
- 3.2 Subject to Clause 3.3, TTL shall not during the Term grant others the right to use the Materials on any Products to be sold in the Territory excluding the United Kingdom.
- 3.3 The Agency acknowledges and agrees that:
- 3.3.1 where, at the Commencement Date, TTL has legally binding agreements with any third parties for the exploitation of the Intellectual Property Rights in the Materials in the Territory, including without limitation the Existing Agreements set out in Schedule 5, nothing in this Agreement shall require TTL to terminate those agreements and TTL may at its sole discretion amend or extend such agreements from time to time;
  - 3.3.2 TTL and any member of the TfL Group may enter into agreements with third parties for the exploitation of the Intellectual Property Rights in the Materials in the Territory with the Agency's prior written consent (not to be unreasonably withheld, conditioned or delayed);
  - 3.3.3 TTL and any members of the TfL Group may themselves exploit the Intellectual Property Rights in the Materials in the Territory through any physical or online stores owned and operated by (or on behalf of) the TfL Group including the London Transport Museum website;
  - 3.3.4 for the avoidance of doubt, the restriction set out in Clause 3.2 shall not apply in respect of any other uses or exploitation of the Materials, including without limitation any operation of any TfL Group services, sponsorship arrangements or other promotional activities;
  - 3.3.5 TTL may, during the period of three months ending on the date of expiry of this Agreement, appoint a successor to the Agency and may introduce that successor to Licensees and customers and potential Licensees and customers and allow that successor to make itself known as TTL's replacement agency so as to be able to commence business from the day after expiry of this Agreement; and
  - 3.3.6 for the avoidance of doubt, the exclusivity granted in Clause 3.1 and the restriction set out in Clause 3.2 shall not apply in respect

of any direct agreements entered into between TTL and Licensees pursuant to Clause 5.2.2

3.4 This Agreement is personal to the Agency and the Agency shall not assign transfer or otherwise dispose of the rights granted hereunder nor shall the Agency sub-license or authorise any other person to exercise the rights hereby given or have the Products manufactured for the Agency by any third party except as expressly permitted under this Agreement.

#### 4. **Brand Development and Product Design**

4.1 The Agency acknowledges and agrees that:

4.1.1 the TfL brand which includes, without limitation, the Materials (and hereinafter referred to as “**the Brand**”) is famous throughout the world and is worthy of and requires careful management and protection in order that it does not become diminished, diluted or tainted, and that this is particularly important given the unique history and function of TfL; and

4.1.2 the Agency has extensive knowledge of and experience in the business of design, branding and merchandising and in carrying out its obligations under this Agreement will ensure and maintain the integrity of the Brand.

4.2 The Agency shall:

4.2.1 conduct a thorough study of the Brand and merchandising business based on the Materials;

4.2.2 carry out an analysis of present and potential markets;

4.2.3 identify problems and solutions in relation to Brand development, marketing and merchandising based on the Materials; and

4.2.4 at each of the meetings required pursuant to Clause 8.4 (Performance Management):

(a) present the findings of its research carried out pursuant to Clauses 4.2.1 to 4.2.3; and

(b) discuss and agree the scope and manner in which the Brand and the Products shall be developed in the following sales periods,

(a) provided that the decisions arising from such brand direction meetings shall be as agreed between the Parties in writing and any changes to the Brand Guidelines are subject to TTL’s prior written approval (such approval being at its sole discretion).

4.3 For the avoidance of doubt, there are certain areas of design that, if proposed for inclusion within the Brand Guidelines (or otherwise

incorporated into the Products) would not be acceptable to TTL. These include, by way of example only, anything that is or might reasonably be considered:

- 4.3.1 contrary to the overriding responsibilities and obligations of TfL (such as concepts alluding to or derived from graffiti or vandalism);
  - 4.3.2 against social norms or moral or cultural considerations;
  - 4.3.3 against any civil or criminal law;
  - 4.3.4 defamatory;
  - 4.3.5 offensive or likely to be offensive to a reasonable person;
  - 4.3.6 likely to offend ethnic, religious or other major groups; and
  - 4.3.7 likely to offend, on the grounds of race, religion, gender, sexual orientation, or disability.
- 4.4 The Agency agrees and shall procure that the design and exploitation of the Products and any and all use of the Materials shall be strictly in accordance with the Brand Guidelines and in the manner approved by TTL pursuant to this Agreement.
- 4.5 The Agency shall procure that prior to the manufacture, promotion, distribution or sale of any Product, the Agency shall first submit to TTL for approval, which shall be approved or rejected within 15 Business Days of submission, Failure to respond within these timescales shall be deemed an approval:
- 4.5.1 full details including artwork, roughs, prototypes, pre-production and production samples, quality specifications and certification of country of origin of each Product;
  - 4.5.2 designs for each Product and of all printed materials using the Materials for approval as to the manner and the context of the intended use of the Materials provided that the Agency shall remain responsible for compliance with all other requirements (including but not limited to statutory requirements) relating to labelling, packaging, advertising, marketing and other such matters;
  - 4.5.3 any developments proposed in respect of the Brand Guidelines as may be relevant for each Product;
  - 4.5.4 a Deal Memo substantially in the form set out in Schedule 8, which shall include without limitation full details of:
    - (a) the key markets and territories (within the Territory) where each Product would be marketed and sold;

- (b) the Licensees which the Agency proposes to use subject always to Clause 5;
- (c) a list of the retailers from whom it expects to receive orders; and
- (d) the royalties, any advance on royalties and any minimum guarantee,

and the Agency shall not, and shall procure that the Licensees shall not, manufacture, promote or distribute any Product or make use of any such details, designs, materials and samples unless and until they have been approved in writing by TTL, or more than fifteen (15) Business Days have elapsed since the submission of any submission for approval without response from TTL.

## 5. **Appointment of Licensees**

5.1 The Agency shall not sub-contract all or any of its obligations or sub-license all or any of its rights under this Agreement without the prior written consent of TTL. Where the Agency wishes to appoint a Licensee it shall provide (by way of a Deal Memo) full written details of their identity and the nature of their engagement for TTL's prior written approval, which shall be at its sole discretion and may be refused or granted subject to such conditions as TTL sees fit. TTL shall respond to all such proposals within fifteen (15) Business Days.

5.2 Where the Agency sub-contracts and/or sub-licenses to an approved Licensee, the Agency shall:

5.2.1 first provide a copy of the written agreement proposed with the Licensee ("Sub-Contract") for TTL's prior written approval (such approval being at its sole discretion) and (notwithstanding any approval granted by TTL) shall procure that each Sub-Contract contains:

- (a) terms substantially the same as this Agreement insofar as such terms relate to the activities being undertaken by the Licensee;
- (b) a right for TTL and any member of the TfL Group to enforce the terms of the Sub-Contract (in accordance with the Contracts (Rights of Third Parties) Act 1999); and
- (c) a provision enabling the Agency to novate its rights and obligations under the Sub-Contract to TTL or a replacement agency and an obligation on the Licensee to execute such documents and take such actions, as may be requested by the Agency and/or TTL to novate the Sub-Contract.

5.2.2 if required by TTL and without prejudice to the provisions set out in this Clause 5, ensure any Licensee shall first enter into a

supplemental agreement direct with TTL governing, amongst other things, its use of the Materials in a form satisfactory to TTL;

- 5.2.3 ensure that the Licensee is obliged to comply with all of the obligations and duties of the Agency under this Agreement insofar as they relate to the activities being undertaken by the Licensee;
- 5.2.4 ensure that the any Licensee that is a sub-agency is obliged to provide a Deal Memo, in substantially the same form as set out in Schedule 8 prior to the appointment of any Licensee to the Agency in order for the Agency to seek the approval of TTL in accordance with this Agreement;
- 5.2.5 remain solely responsible and liable to TTL for any breach of the Agreement or any performance, non-performance, part-performance or delay by any Licensee to the same extent as if such breach, performance, non-performance, part-performance or delay in performance had been carried out by the Agency; and
- 5.2.6 shall indemnify, keep indemnified and hold harmless TTL and the TfL Group, against all Losses arising out of any act or omission of any Licensee.

## **6. Manufacturing and Quality Control**

- 6.1 The Agency shall procure that all Products incorporating the Materials shall comply with the Brand Guidelines, any specifications and/or standards of quality in relation to their manufacture, materials used, workmanship and design, packaging, storage and distribution as may be specified by TTL from time to time and all Local Requirements.
- 6.2 The Materials supplied by TTL may be subject to a registered user number appearing on the Materials as detailed in Schedule 1, in which case the Agency will ensure that each reproduction of the Materials bears a clearly legible registered user number. The Agency may not delete or alter this registered user number and/or trade mark registered credit. The Agency shall ensure that each reproduction of the Materials complies with all Local Requirements.
- 6.3 For the purpose of ensuring that the Agency and the Licensees are complying with the Brand Guidelines and TTL's specifications and standards:
  - 6.3.1 the Agency shall ensure, unless otherwise agreed by the Parties in writing from time to time, two (2) samples of each of the finished Products and packaging are supplied to TTL for its written approval (such approval being at its sole discretion) prior to promotion or distribution of such Products;
  - 6.3.2 the Agency shall ensure as reasonably requested by TTL, from time to time, supply to TTL at the Agency's or Licensee's expense (as applicable) and in addition to the samples referred to in Clause 6.3.1

above, further samples from production runs of the Products for the purpose of inspecting and testing the same (at a frequency not more than twice a year or once per production run, whichever is greater); and

- 6.3.3 If TTL rejects any sample, it shall give written notice of such rejection to the Agency within fifteen (15) days of receipt by TTL of the sample. In respect of any rejected samples from production runs provided pursuant to Clause 6.3.2, the Agency shall, and shall procure that the Licensees shall, immediately cease distribution of such Products and shall not recommence distribution until TTL confirms in writing that they may do so.
- 6.4 The Agency shall not, and shall procure that the Licensees shall not, sell, market, distribute or use for any purpose, or permit any third party to sell, market, distribute or use for any purpose, any Products or accompanying packaging that are rejected by TTL or that are damaged or defective.
- 6.5 The Agency shall promptly provide TTL with copies of all communications it and/or the Licensees have with any regulatory, industry or other authority relating to the Materials or the Products.
- 6.6 The Agency shall procure that TTL by its authorised representative may on reasonable notice and at its own expense visit the Agency's and the Licensees' premises during normal business hours to inspect the method of manufacture of the Products, the materials used and the packaging or storage of the Products. The Agency shall regularly inspect the Licensees' records to verify compliance with the terms of this Agreement and the relevant Sub-Contracts and shall notify TTL immediately of any breaches of this Agreement and/or the relevant Sub-Contracts.
- 6.7 The Agency shall promptly provide TTL with details of any complaints it receives relating to the Products together with reports on the manner in which such complaints are being, or have been, dealt with and shall comply with any reasonable directions given by TTL in respect thereof.
- 6.8 TTL shall notify the Agency of all modifications, amendments and/or updates to the Materials and the Agency shall notify the Licensees and procure that they incorporate such modifications, amendments and/or updates during the next manufacturing run. The Agency shall not, and shall procure that the Licensees shall not, manufacture Products incorporating the old Materials after three (3) months of such notification, unless otherwise agreed in writing by the Parties.
- 6.9 The Agency shall immediately inform TTL if at any time the Agency becomes aware of any defect or insufficiency in the information provided by TTL, or of any defect in any of the Products manufactured.
- 6.10 The Agency will procure that the Products are sold to customers in accordance with Local Requirements and with the full benefit of any statutory warranties stipulated in the Local Requirements and, without prejudice to



any other rights or remedies of the customers and/or the TfL Group, the Agency shall procure that any of the Products which do not comply with such Local Requirements are promptly repaired or replaced free of charge.

- 6.11 The Agency shall procure, where agreed in writing by both Parties, that the Licensees provide to its customers a comprehensive and permanently available service for repair and maintenance of the Products and the supply of replacement parts in the Territory. The provisions of this Clause 6.11 relate not only to the repair and maintenance of the Products pursuant to Clause 6.10 but also to such other repair and maintenance as may be reasonable having regard to the nature of the Products.

## 7. **Marketing and Sales**

- 7.1 The Agency shall work with the Licensees to provide such advertising and publicity as specified in the Business Plan and as may reasonably be expected to bring the Products to the attention of as many purchasers and potential purchasers as possible. The Agency shall (or shall procure that the Licensees shall) bear the costs of all advertising, marketing and promotion for Products in the Territory.

- 7.2 The Agency undertakes to ensure that its advertising, marketing and promotion of Products shall in no way reduce or diminish the reputation, image and prestige of TTL and the Materials.

- 7.3 Except for business to business sales presentations and marketing materials, the Agency shall send to TTL for its prior written approval, the text and layout of all proposed advertisements and marketing and promotional material relating to Products. If TTL disapproves of such material, it shall give written notice of such disapproval to the Agency within ten (10) days of receipt by TTL of the material. The Agency shall not use any material in the advertising, marketing or promotion of Products that has not been approved by TTL at its sole discretion.

- 7.4 The Agency shall not, and shall procure that the Licensees shall not:

7.4.1 undertake advertising of Products in, or specifically aimed at, any country outside the Territory, unless otherwise agreed in writing by the Parties; or

7.4.2 establish any branch dealing in, or maintain any distribution depot for, Products outside the Territory.

- 7.5 The Agency shall not, and shall procure that the Licensees shall not, actively solicit orders for the Products outside the Territory but shall not be prohibited from accepting any unsolicited orders for the Products which it may receive from any other country outside the Territory.

- 7.6 The Agency shall procure that the Products are not disposed for less than 75% of the approved or (if higher) current published trade or wholesale price list without the prior written consent of TTL.

## 8. Performance Management, Compliance and Reporting

- 8.1 The Agency shall co-operate with TTL and its representatives in all matters relating to this Agreement.
- 8.2 On or before the Commencement Date, the Agency shall appoint a relationship manager who shall have authority to bind the Agency on all matters relating to this Agreement ("Relationship Manager").
- 8.3 The Relationship Manager shall (at the Agency's expense) meet with TTL's representatives at times and places reasonably specified by TTL, which shall be no less than thirty (30) days from the Commencement Date and thereafter at least once a quarter, to discuss all relevant matters relating to this Agreement.
- 8.4 The Agency shall immediately notify TTL of any changes to the Relationship Manager and shall ensure that any replacement has the necessary skills and experience for the role. The Agency shall promptly inform TTL of the absence (or anticipated absence) of the Relationship Manager. If TTL requires, the Agency shall provide a suitably qualified replacement.
- 8.5 The Agency warrants that it shall, and shall procure that each of the Licensees shall:
  - 8.5.1 carry out its obligations and exercise its rights strictly in accordance with the terms of this Agreement or the relevant Sub-Contract (as applicable);
  - 8.5.2 comply with, and shall ensure that each of the Products sold, or otherwise supplied complies with, all applicable laws, regulations, industry standards and codes of practice, including without limitation any Local Requirements;
  - 8.5.3 trade ethically, comply with international standards regarding child labour and safety and pay above the national living wage for the relevant country and comply with the Ethical Sourcing Policy set out in Schedule 9 or as may be notified by TTL from time to time;
  - 8.5.4 act in the best commercial interests of TTL and use its best endeavours to achieve maximum sales of the Products in the Territory;
  - 8.5.5 ensure that the Products are safe for the use for which they were intended;
  - 8.5.6 ensure that all Products sold or distributed, and all packaging and promotional materials, are marked with such trade mark notices and/or copyright notices stipulated by TTL from time to time;
  - 8.5.7 obtain at its own expense all licences, permits and consents necessary for the provision of the Products in the Territory in accordance with all Local Requirements;

- 8.5.8 perform its obligations under this Agreement or the relevant Sub-Contract (as applicable) with all due skill, care and diligence in accordance with good industry practice;
  - 8.5.9 only make use of the Materials for the purposes authorised in this Agreement or the relevant Sub-Contract (as applicable);
  - 8.5.10 obtain any government approvals required for this Agreement and any Sub-Contracts in any country in the Territory or the country of the Agency and Licensees, before the commencement of this Agreement or the individual Sub-Contract (as applicable) and shall provide TTL with a certified copy of such approval;
  - 8.5.11 where commercially feasible, reduce consumption of non-renewable materials including fossil fuels;
  - 8.5.12 where commercially feasible, consume materials that are natural, recycled, sustainable and biodegradable;
  - 8.5.13 not use chemicals that may cause damage to the natural environment; and
  - 8.5.14 provide TTL with a copy of its environmental policy.
- 8.6 The Agency warrants that it shall:
- 8.6.1 conduct itself professionally in all dealings with Licensees and respond promptly to their queries or requests for information;
  - 8.6.2 be solely responsible for carrying out credit checks in respect of Licensees and rigorously pursue overdue royalty payments; and
  - 8.6.3 procure that each Licensee complies with the terms of the corresponding Sub-Contract.
- 8.7 The Agency warrants that it shall promptly provide to TTL, at no additional cost:
- 8.7.1 prior to the start of each Year any updates proposed to the Business Plan including any revised revenue forecasts for the Products, provided that any updates to the Business Plan are subject to TTL's prior written approval (such approval being at its sole discretion);
  - 8.7.2 a report within sixty (60) days following the end of each Quarterly Period on the activities carried out by the Agency during that Quarterly Period, including the statement regarding royalties to be provided pursuant to Clause 10.7;
  - 8.7.3 such other reports relating to the Agency's performance of this Agreement as TTL may reasonably require.

## 9. Intellectual Property Rights

- 9.1 TTL warrants to the best of its knowledge that TfL is the proprietor of the Intellectual Property Rights in the Materials as set out in Schedule 1 and that it is not aware that any of the said rights or the use of any of them on or in relation to the Products and the Territory infringes the rights of any third party. Nevertheless TTL gives no warranty as to the validity or enforceability of the Intellectual Property Rights either in whole or in part.
- 9.2 The Agency agrees and shall procure that all Intellectual Property Rights created by the Agency and/or the Licensees pursuant to this Agreement in respect of the Materials, including without limitation (i) all design documents incorporating the Materials or any modifications, variations, amendments, or adaptations of the Materials; and (ii) all preparatory materials that incorporate the Materials or any modifications, adaptations, amendments or variations of the Materials, which are prepared as part of the design of the Product and/or for their incorporation into or on the Products ("**Created Materials**"), shall belong to TTL. The Agency hereby assigns to TTL, with full title guarantee and free from all third party rights, all existing and future Intellectual Property Rights and all other rights (if appropriate by present assignment of future rights) in the Created Materials. To give effect to such assignment, the Agency shall procure that each Licensee assigns to the Agency, upon creation and with full title guarantee and free from all third party rights, all Intellectual Property Rights and all other rights in any Created Materials created under or in connection with the Sub-Contract. Notwithstanding the above if, and to the extent that the Agency and/or the Licensees own any existing Intellectual Property Rights in the Products, then, title to such Intellectual Property Rights shall not vest in TTL and shall remain with the Agency and/or the Licensee.
- 9.3 TTL may at any time call for a confirmatory assignment of any Intellectual Property Rights in the Created Materials and the Agency shall, and procure that the Licensees shall, forthwith and at TTL's expense execute such confirmatory assignment and deliver the same to TTL.
- 9.4 TTL grants to the Agency a licence to use the Created Materials solely for the purpose of performing its obligations under this Agreement.
- 9.5 The Agency warrants that the Products and Created Materials shall not infringe the Intellectual Property Rights of any third party and the Agency shall indemnify, keep indemnified and hold harmless TTL and the TfL Group, against all Losses incurred by TTL and/or the TfL Group arising out of or in connection with a breach by the Agency of this Clause, save where such breach arises out of a breach by TTL of Clause 9.1.
- 9.6 TTL will procure that TfL pays all renewal fees necessary to maintain the registration of any Intellectual Property Rights in the Materials during the Term.
- 9.7 The Agency will not, and will procure that any Licensee will not, make any claim or representation or do any act which would or might indicate that it

has any right, title or interest in or to the ownership of any of the Materials nor will it use the Materials in any manner not specifically permitted by TTL under this Agreement.

- 9.8 All goodwill derived from the use of the Intellectual Property Rights in the Materials pursuant to this Agreement shall at all times accrue to the benefit of TfL. TTL may at any time call for a confirmatory assignment of the goodwill derived from the use by the Agency and Licensees of such Intellectual Property Rights (or any part thereof) and the Agency shall, and procure that the Licensees shall, forthwith and at TTL's expense execute such confirmatory assignment and deliver the same to TTL.
- 9.9 The Agency undertakes not to do or permit to be done any act which would or might jeopardise or invalidate any registration of the Intellectual Property Rights in the Materials nor to do any act which might assist or give rise to an application to remove from the register any of the Intellectual Property Rights in the Materials or which might prejudice the right or title of TfL in such Intellectual Property Rights.
- 9.10 The Agency shall, and shall procure that the Licensees shall, on request give to TTL or its authorised representative any information as to its use of the Intellectual Property Rights in the Materials which TTL may require and will render any assistance required by TTL when maintaining the registrations of the registered Intellectual Property Rights and in applying for any new registrations.
- 9.11 The Agency shall ensure that as soon as it and/or any Licensee becomes aware of an actual or possible infringement of any Intellectual Property Rights give to TTL in writing full particulars of any user or proposed user or any other person, firm or company using the trade name, trade mark or get up of goods or their promotion or advertising which would or might amount to an infringement of any Intellectual Property Rights in the Materials or to passing off.
- 9.12 If the Agency and/or any Licensee becomes aware that any other person, firm or company alleges that the Intellectual Property Rights in the Materials are invalid or that use of the Materials infringes any rights of any other party or the Intellectual Property Rights are otherwise attacked or attackable then the Agency shall immediately give TTL full particulars in writing thereof and shall make, and procure that the Licensee shall make, no comment or admission to any third party in respect thereof.
- 9.13 TTL shall have the conduct of proceedings relating to the Intellectual Property Rights in the Materials and shall in its sole discretion decide what action, if any, to take in respect of any infringement or alleged infringement of the Intellectual Property Rights or passing off or any other claim or counterclaim brought or threatened in respect of the use or registration of such Intellectual Property Rights. TTL shall be entitled to retain all sums recovered in any action for its own account.

- 9.14 The Agency shall, and shall procure that the Licensees shall, at the request of TTL give full co-operation to TTL and/or to any member of the TfL Group in any action, claim or proceedings brought or threatened in respect of the Intellectual Property Rights in the Materials and TTL shall meet any reasonable expenses incurred to third parties in giving such assistance.
- 9.15 TTL shall be liable for and will indemnify the Agency (together with its officers, servants and agents), up to five hundred thousand pounds (£500,000) in the annual aggregate, against any and all direct liability including (but not limited to), losses, damages, costs, legal costs, professional and other expenses of any nature whatsoever incurred or suffered by the Agency arising out of any dispute or contractual tortious or other claims or proceedings brought against the Agency by a third party claiming relief against the Agency by reason of the use by the Agency of the Materials in so far as any claims may arise from:
- 9.15.1 any breach of this Agreement by TTL;
- 9.15.2 any invalidity or defect in the title of TTL to the Materials not caused by any act or default of the Agency.

## 10. **Payments**

- 10.1 Subject to Clause 10.2, the Agency shall retain 35% of the royalties, guaranteed minimum payment, or advances payable by the Licensee and pay the balance to TTL. The royalties, guaranteed minimum payment or advance payable in respect of each Product shall be calculated in accordance with the approved Deal Memo and with reference to the Net Sales Price of each of the Products sold or otherwise supplied by the Licensee (unless otherwise agreed in writing between the Parties). The royalty, guaranteed minimum payment or advance payment shall accrue on the date when the Products are used or supplied, the date it is supplied being the earliest of when the Products are invoiced, paid for, installed or delivered.
- 10.2 For Existing Agreements, the Agency shall retain 20% of the royalties, guaranteed payments or advances in respect of royalties accruing after the Effective Date. TTL shall inform the relevant party in the Existing Agreement that future payments should be made to the Agency and the Agency shall collect monies and remit to TTL as specified in this Clause 10.
- 10.3 On the renewal of any Existing Agreement, during the Term of this Agreement, the Agency shall be entitled to retain 35% of the royalties, guaranteed minimum payment, or advances payable by the licensee and pay the balance to TTL in accordance with this Clause 10.
- 10.4 Agent shall pay all Royalties payable under this Agreement within seventy five (75) days of the end of each successive Quarterly Period. The Agency shall pay such funds in the most cost effective and timely manner and in accordance with any reasonable instructions issued by TTL. For the purpose

of converting the local currency of the Agency and/or Licensees (in which such royalties arise) into sterling, the rate of exchange to be applied shall be no less favourable than the rate of exchange applied by the London bankers to TTL for the purchase of sterling with such foreign currency as at the close of business on the date when the relevant payment first becomes due.

- 10.5 Royalties and other sums payable under this Agreement are exclusive of VAT (or similar tax) and shall be paid free and clear of all deductions and withholdings whatsoever, unless expressly stated otherwise in this Agreement or where the deduction or withholding is required by law. If any deduction or withholding is required by law the Agency shall pay to TTL such sum as will, after the deduction or withholding has been made, leave TTL with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding. If the Agency is required by law to make a deduction or withholding, the Agency shall, within five (5) Business Days of making the deduction or withholding, provide a statement in writing showing the gross amount of the payment, the amount of the sum deducted and the actual amount paid.
- 10.6 Royalties and any other sums payable under this Agreement shall be paid in sterling to the credit of a bank account to be designated in writing by TTL.
- 10.7 At the same time as payment of royalties falls due, the Agency shall submit or cause to be submitted to TTL a statement in writing recording the calculation of such royalties payable, and in particular:
- 10.7.1 the Quarterly Period for which the royalties were calculated;
  - 10.7.2 the number of Products supplied or used during the Quarterly Period;
  - 10.7.3 the Net Sales Price of each of the Products supplied or used during the Quarterly Period;
  - 10.7.4 the amount of royalties due and payable;
  - 10.7.5 the amount of any withholding or other income taxes deductible or due to be deducted from the amount of royalties due and payable; and
  - 10.7.6 any other particulars TTL may reasonably require.
- 10.8 The Agency shall use its best endeavours to procure that Licensees offer to TTL a discount of at least 10% on the lowest published trade or wholesale price after all available discounts should any member of the TfL Group wish to purchase any of the Products at any time during the Term (whether for internal use or for sale through any physical or online store owned and operated by, or on behalf of, the TfL Group).
- 10.9 The Agency shall, and shall procure that each Licensee shall, bear its own expenses incurred in the course of carrying out the activities envisaged under this Agreement (or any Sub-Contract) and shall not charge TTL for

any expenses without the prior written approval of TTL (such approval being at its sole discretion).

10.10 The provisions of this Clause 10 shall remain in effect notwithstanding termination or expiry of this Agreement until the settlement of all subsisting claims by TTL.

11. **Records, Audit and Inspection**

11.1 The Agency shall, and shall procure that its Licensees shall, maintain a complete and correct set of records and books showing the description and price of Products supplied or put into use (which shall be kept separate from any records and books not relating solely to the Products) and all other records relating to the performance of its obligations under this Agreement or the Sub-Contract (as applicable) ("**Records**"). The Agency shall, and shall procure that the Licensees shall, retain all Records during the Term and for a period of not less than six (6) years (or such longer period as may be required by law) following termination or expiry of the Agreement or Sub-Contract (as applicable) ("**Retention Period**").

11.2 The Agency shall procure that TTL and any person nominated by TTL has the right to inspect and audit (and take copies of or extracts from) any and all Records at any time during the Retention Period on giving to the Agency what TTL considers to be reasonable notice (whether in writing or verbally) and at any reasonable time to inspect any aspect of the Agency's compliance with this Agreement and/or the Licensee's compliance with the Sub-Contract and the Agency shall give, and procure that the Licensee shall give, all reasonable assistance to TTL or its nominee in conducting such inspection, including making available documents and staff for interview. The Agency shall regularly inspect and audit the Licensees' Records to verify compliance with the terms of this Agreement and the relevant Sub-Contracts and shall notify TTL immediately of any breaches of this Agreement and/or the relevant Sub-Contracts.

11.3 Within (thirty) 30 days of the end of each Year TTL may, by written request, carry out an audit of the Agents accounts and Records with regard to the aggregate Net Sales Price of Products supplied or put into use by the Agency and/or Licensees in that Year and the amount due to be paid for that Year under Clause 10. The cost of this audit shall be borne by TTL, unless the audit shows a discrepancy of more than 5% between the amount paid and the amount due, to the detriment of TTL. In such an instance, the Agent shall be liable for the cost of the performance of the audit, and shall immediately pay the difference between the amount paid and the amount due to TTL in Clause 11.1.4.

11.4 If an inspection or audit should reveal a discrepancy in the royalties paid from those payable under this Agreement in excess of 5%, the Agency shall immediately make up the shortfall together with interest and reimburse TTL for any professional charges incurred for any such audit or inspection. The interest shall be calculated in accordance with the greater of the rate set out in the:



11.1.4.1 the Late Payment of Commercial Debts (Interest) Act 1998;

11.1.4.2 the statutory interest rate that applies to commercial debts in the jurisdiction in which the Products were sold; or

11.3.1.3 8% above the base lending rate applicable in the jurisdiction in which the Products were sold,

and shall be payable from when the payment first became due to the date of payment in full.

## 12. **Confidentiality and Transparency**

12.1 Subject to Clause 12.6 and Clause 13, the Agency will keep confidential:

12.1.1 the terms of this Agreement; and

12.1.2 any and all Confidential Information that it may acquire in relation to TTL and the TfL Group.

12.2 The Agency will not use TfL's Confidential Information for any purpose other than to perform its obligations under this Agreement. The Agency will ensure that its officers and employees comply with the provisions of Clause 12.1.

12.3 The obligations on the Agency set out in Clause 12.1 will not apply to any Confidential Information:

12.3.1 which either of the Parties can demonstrate is in the public domain (other than as a result of a breach of this Clause 12);

12.3.2 which a Party is required to disclose by order of a court of competent jurisdiction but then only to the extent of such required disclosure; or

12.3.3 to the extent that such disclosure is to the Secretary for Transport (or the government department responsible for public transport in London for the time being) the Office of Rail Regulation, or any person or body who has statutory responsibilities in relation to transport in London and their employees, agents and sub-contractors.

12.4 The Agency shall keep secure all materials containing any information in relation to the Agreement and its performance.

12.5 The Agency shall not communicate with representatives of the general or technical press, radio, television or other communications media in relation to the existence of the Agreement or in relation to any matter under or arising from the Agreement unless specifically granted permission to do so in writing by TTL. TTL shall have the right to approve any announcement before it is made (such approval being at its sole discretion).

- 12.6 The Agency acknowledges that TTL is subject to the Transparency Commitment. Accordingly, notwithstanding Clause 12.1 and Clause 13, the Agency hereby gives its consent for TTL to publish the Agreement Information to the general public.
- 12.7 TTL may in its absolute discretion redact all or part of the Agreement Information prior to its publication. In so doing and in its absolute discretion TTL may take account of the exemptions/exceptions that would be available in relation to information requested under the FOI Legislation (as defined in Clause 13.1 below). TTL may in its absolute discretion consult with the Agency regarding any redactions to the Agreement Information to be published pursuant to Clause 12.6. TTL shall make the final decision regarding both publication and redaction of the Agreement Information.
- 12.8 The provisions of this Clause 12 will survive any termination of this Agreement for a period of six (6) years from termination.

### 13. **Freedom of Information**

13.1 For the purposes of this Clause 13:

13.1.1 **“FOI Legislation”** means the Freedom of Information Act 2000, all regulations made under it and the Environmental Information Regulations 2004 and any amendment or re-enactment of any of them; and any guidance issued by the Information Commissioner, the Ministry of Justice or the Department for Environment Food and Rural Affairs (including in each case its successors or assigns) in relation to such legislation;

13.1.2 **“Information”** means information recorded in any form held by TTL or by the Agency on behalf of TTL; and

13.1.3 **“Information Request”** means a request for any Information under the FOI Legislation.

13.2 The Agency acknowledges that TTL:

13.2.1 is subject to the FOI Legislation and agrees to assist and co-operate with TTL to enable TTL to comply with its obligations under the FOI Legislation; and

13.2.2 may be obliged under the FOI Legislation to disclose Information without consulting or obtaining consent from the Agency.

13.3 Without prejudice to the generality of Clause 13.2, the Agency shall and shall procure that its sub-contractors (if any) shall:

13.3.1 transfer to TTL’s authorised representative each Information Request relevant to the Agreement or any member of the TfL Group that it or they (as the case may be) receive as soon as practicable and in any event within two (2) Business Days of receiving such Information Request; and

13.3.2 in relation to Information held by the Agency on behalf of TTL, provide TTL with details about and copies of all such Information that TTL requests and such details and copies shall be provided within five (5) Business Days of a request from TTL (or such other period as TTL may reasonably specify), and in such forms as TTL may reasonably specify.

13.4 TTL shall be responsible for determining whether Information is exempt information under the FOI Legislation and for determining what Information will be disclosed in response to an Information Request in accordance with the FOI Legislation. The Agency shall not itself respond to any person making an Information Request, save to acknowledge receipt, unless expressly authorised to do so by TTL.

#### 14. **Protection of Personal Data**

The Agency shall comply with all of its obligations under the Data Protection Act 1998 and, if Processing Personal Data (as such terms are defined in section 1(1) of that Act) on behalf of TTL, shall only carry out such Processing for the purposes of carrying out its activities in accordance with the Agreement and shall act in accordance with instructions from TTL.

#### 15. **Agency's Personnel**

15.1 The Parties anticipate that the Transfer Regulations will not apply and will not operate to transfer any employees of TTL, any member of the TfL Group or any third party on or from the Commencement Date as a result of the grant of any rights to the Agency under this Agreement.

15.2 Nothing in this Agreement will render the Agency's Personnel an employee, agent or partner of TTL or any member of the TfL Group by virtue of the activities carried out by the Agency under the Agreement, and the Agency shall be responsible for making appropriate deductions for tax and national insurance contributions from the remuneration paid to the Agency's Personnel.

15.3 Without prejudice to Clause 15.1, if contrary to the parties' understanding, the Transfer Regulations operate to transfer the employment of any Agency's Personnel or any liabilities in respect of such persons to TTL, any member of the TfL Group or their respective successors (a "TTL Party") or to a Replacement Agency or its subcontractors (a "Replacement Agency Party") as a result of the termination of all or part of this Agreement or its expiry (a "Cessation Event"):

15.3.1 the Agency shall indemnify each TTL Party and each Replacement Agency Party against any Losses which either may incur in respect of (i) each Transferring Employee where such Loss arises from or as a result of any act or omission of any member of the Agency Group or any of their subcontractors and (ii) any claim by or on behalf of any other Agency Personnel that their employment has or will transfer to a TTL Party or a Replacement Agency Party by operation

of the Transfer Regulations, in either case whether occurring before, on or after the Transfer Date including but not limited to

15.3.1.1 a failure by any member of the Agency Group or their sub-contractors to discharge or procure the discharge of all Employment Costs in respect of the period up to (and including) the Transfer Date;

15.3.1.2 any claim made by or in respect of any person employed or formerly employed by any member of the Agency Group or any of their sub-contractors other than a Transferring Employee for whom it is alleged any TTL Party or any Replacement Agency Party may be liable by virtue of this Agreement and/or the Transfer Regulations; and

15.3.1.3 any claim made by or on behalf of a Transferring Employee relating to any act or omission of any member of the Agency Group or their sub-contractors in relation to its or their obligations under the Transfer Regulations (including but not limited to obligations to inform and consult).

15.4 Without prejudice to Clause 15.1, if in connection with any Cessation Event any Agency Personnel claims that his/her contract of employment has been transferred to any TTL Party or any Replacement Agency Party (an "Alleged Transferee") pursuant to the Transfer Regulations, then:

15.4.1 TTL shall or shall procure that the Alleged Transferee shall, within 14 days of becoming aware of such claim give notice in writing of the claim to the Agency; and

15.4.2 any member of the Agency Group or any of their subcontractors (as the case may be) may offer (employment to such person within 14 days of the notification in clause 15.4.1 and the Agency shall then notify TTL and the Alleged Transferee of any offer so made;

15.4.3 If after the 14 day period specified in clause 15.4.2 has elapsed:

15.4.3.1 no such offer of employment has been made;

15.4.3.2 such offer has been made but not accepted; or

15.4.3.3 the situation has not otherwise been resolved

the Alleged Transferee may within a further 14 day period terminate or give notice to terminate the employment or alleged employment of such person; and.

15.4.4 subject to the Alleged Transferee acting in accordance with the provisions of clauses 15.4.1 to 15.4.3, the Agency shall indemnify

the Alleged Transferee against all Losses arising out of a termination pursuant to the provisions of this clause 15.4.

15.5 The Agency agrees that it shall, subject to and in accordance with any obligations it may have under local data protection laws, within 14 days of receipt of a written request at any time from TTL or any member of the TfL Group or their respective successors provide TTL, any member of the TfL Group or their respective successors with the following information:

15.5.1 a list of all Agency Personnel engaged in or wholly or mainly assigned to the performance of the Agency's obligations under this Agreement at the date of preparation of the list (the "Staffing List");

15.5.2 in relation to the persons identified on the Staffing List, such information as TTL, any member of the TfL Group and their respective successors may reasonably request, including but not limited to information about terms and conditions and employment status; details of any outstanding or potential liabilities (contractual, statutory or otherwise); and copies of all documents and materials relevant to the information requested (the "Staffing Information"),

and TTL, any member of the TfL Group and their respective successors shall be permitted to use and disclose the Staffing List and the Staffing Information for the purpose of discussions with any tenderer or other prospective Replacement Agency.

15.6 The Agency shall provide the Agency's Personnel as necessary for the proper and timely performance and management of its obligations in accordance with the Agreement. All personnel deployed on work relating to the Agreement shall have the appropriate qualifications and competence, be properly managed and supervised and in these and any other respects be acceptable to TTL.

## 16. **Conflict of Interest**

16.1 The Agency warrants that it does not and will not have at the Commencement Date any interest in any matter where there is or is reasonably likely to be a conflict of interest with its activities under this Agreement or any member of the TfL Group, save to the extent fully disclosed to and approved by TTL.

16.2 The Agency shall check for any conflict of interest at regular intervals throughout the Term and in any event not less than once in every six months and shall notify TTL in writing immediately upon becoming aware of any actual or potential conflict of interest with its activities under this Agreement or any member of the TfL Group and shall work with TTL to do whatever is necessary to manage such conflict to the TTL's satisfaction, provided that, where TTL is not so satisfied, it may terminate the Agreement in accordance with Clause 21.1.4.

17. **Corrupt Gifts and Payment of Commission**

The Agency shall not, and shall ensure that its employees, agents and sub-contractors do not, pay any commission, fees or grant any rebates to any employee, officer or agent of any member of the TfL Group nor favour any employee, officer or agent of any member of the TfL Group with gifts or entertainment of significant cost or value nor enter into any business arrangement with employees, officers or agents of any member of the TfL Group other than as a representative of TTL, without TTL's prior written approval (such approval being at its sole discretion).

18. **Liability and Insurance**

18.1 Nothing in this Agreement limits or excludes either Party's liability for:

18.1.1 death or personal injury caused by its negligence;

18.1.2 fraud or fraudulent misrepresentation; or

18.1.3 any other liability which cannot be limited or excluded by applicable law.

18.2 Subject to clause 18.1 and save where otherwise specified in this Agreement, neither Party shall be liable to the other, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this Agreement for any indirect or consequential loss.

18.3 Subject to clause 18.1 and 18.2, the total liability of each Party to the other, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this Agreement shall be limited, in respect of all claims (connected or unconnected) in any consecutive 12 (twelve) month period, to the greater of:

18.3.1 £500,000 (five hundred thousand pounds); and

18.3.2 the equivalent of the total sums paid to TTL in that period.

18.4 Subject to Clause 18.5, the Agency is responsible for and shall indemnify, keep indemnified and hold harmless TTL and the TfL Group (including their respective employees, sub-contractors and agents) ("**Indemnified Party**") against all Losses which the Indemnified Party incurs or suffers arising out of or in connection with:

18.4.1 any breach or negligent performance of the Agreement by the Agency (or any of its employees, agents or sub-contractors), including in each case any non-performance or delay in performance of the Agreement;

18.4.2 any breach of statutory duty, misrepresentation or misstatement by the Agency (or any of its employees, agents or sub-contractors);

- 18.4.3 the Agency's exercise of its rights granted under this Agreement, including any claim made against TTL for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection therewith;
- 18.4.4 the design, manufacture, marketing, sale or other disposal of Products by or on behalf of the Agency, whether arising out of any matter approved by TTL under this Agreement or not;
- 18.4.5 death, personal injury or damage to property arising out of or in connection with defective Products.
- 18.5 The Agency is not responsible for and shall not indemnify TTL for any Losses to the extent that such Losses are caused by any breach or negligent performance of any of its obligations under the Agreement by TTL or any other member of the TfL Group including by any of their respective employees, agents or sub-contractors.
- 18.6 The Agency acknowledges that the approval of any sample by TTL or the approval or issue of any product specification by TTL shall not be deemed a representation or confirmation that the same (or Products made according thereto) shall not infringe any statutes, statutory rules or other instruments having the force of law in the country of manufacture or sale (or other disposal) of Products or any third party right (including any Intellectual Property Rights) and TTL excludes all and any liability therefore.
- 18.7 The Agency will at its sole cost maintain employer's liability as required by law and insurance cover in the sum of not less than £5 million per claim (in terms approved by TTL) in respect of the following to cover its liabilities under this Agreement ("**Insurances**") and will ensure that TTL's interest is noted on each and every policy or that any public liability, product liability or employer's liability insurance includes an Indemnity to Principal clause:
- 18.7.1 public liability to cover injury and loss to third parties;
- 18.7.2 insurance to cover the loss or damage to the Products;
- 18.7.3 product liability in relation to the manufacture and sale (or other disposal) of the Products;
- 18.7.4 professional indemnity or, where professional indemnity insurance is not available, a "financial loss" extension to the public liability insurance referred to in Clause 18.7.1 or, if applicable, the product liability insurance referred to in Clause 18.7.3. Any professional indemnity insurance or "financial loss" extension shall be renewed for a period of six (6) years (or such other period as TTL may stipulate) following the expiry or termination of the Agreement; and
- 18.7.5 any other Insurances necessary to cover its liabilities under this Agreement.
- 18.8 The insurance cover will be maintained with a reputable insurer.

forty (40) Business Days of the service of the Notice either Party may commence proceedings in accordance with Clause 32.

19.8 For the avoidance of doubt, the Agency shall carry out its obligations in accordance with the Agreement and without delay or disruption while the Dispute is being resolved pursuant to this Clause 19.

19.9 Neither Party shall be prevented from, or delayed in, seeking any order for specific performance or for interim or final injunctive relief as a result of the provisions of this Clause 19 and Clause 19 shall not apply in respect of any circumstances where such remedies are sought.

## 20. **Termination**

20.1 Without prejudice to TTL's right to terminate at common law, TTL may terminate the Agreement immediately upon giving notice to the Agency where:

20.1.1 the Agency has committed any material or persistent breach of the Agreement and in the case of such a breach that is capable of remedy fails to remedy that breach within ten (10) Business Days (or such other timeframe as specified in writing by TTL) from the date of written notice to the Agency giving details of the breach and requiring it to be remedied;

20.1.2 the Agency fails to pay any amount due under this Agreement on the due date for payment and remains in default not less than ten (10) Business Days after being notified in writing to make such payment;

20.1.3 the Agency is subject to an Insolvency Event;

20.1.4 TTL is not satisfied on the issue of any conflict of interest in accordance with Clause 16;

20.1.5 the Agency or any of its officers, employees or agents commits any act of bribery described in the Bribery Act 2010;

20.1.6 the Agency commits any of the money laundering related offences listed in the Public Contract Regulations 2015;

20.1.7 there is a change of control of the Agency or its Holding Company (within the meaning of section 1124 of the Corporation Tax Act 2010) without the written consent of TTL;

20.1.8 as a result of any act or omission by the Agency or Licensees TTL reasonably considers that the Brand, image or reputation of the TfL Group has been, or is likely to be, (if such breach were repeated), materially adversely affected; and

20.1.9 the Agency has not appointed a Licensee of any Products (in accordance with Clause 5) within 18 months of the Commencement Date.



- 20.2 Without prejudice to any of TTL's other rights, powers or remedies (whether under the Agreement or otherwise) if the Agency is in breach of any of its warranties or obligations under this Agreement, the Agency shall, if required to do so by TTL, promptly remedy the breach and/or re-perform the relevant obligation (or part thereof) at its own expense to ensure compliance with such warranties and obligations. Nothing in this Clause 20.2 shall prevent TTL from procuring the provision of services or any remedial action from an alternative contractor and, where TTL so procures any services or any remedial action, TTL shall be entitled to recover from the Agency all additional cost, loss and expense incurred by TTL and attributable to TTL procuring such services or remedial action from such alternative contractor.
- 20.3 Neither Party shall be deemed to be in breach of the Agreement nor liable to the other Party in any manner whatsoever, for any failure or delay in performing its obligations under the Agreement to the extent that such failure or delay is due to a Force Majeure Event. If a Force Majeure Event has continued for more than eight (8) weeks from the date on which that Force Majeure Event first arose and is having a material adverse effect on either Party's performance of its obligations under the Agreement ("**the Affected Party**"), then for as long as such Force Majeure Event continues and has that effect, the Party not affected by such Force Majeure Event ("**Innocent Party**") may terminate the Agreement immediately upon giving notice to the Affected Party. If the Agreement is terminated in accordance with this Clause 20.3 then without prejudice to any rights and liabilities which accrued prior to termination the Affected Party shall not be liable to the Innocent Party by reason of such termination.

## 21. **Consequences of Termination**

- 21.1 Within thirty (30) days of the termination or expiry of this Agreement, the Agency shall procure that all Sub-Contracts signed during the Term of this Agreement (except for those which have expired or been terminated prior to the expiry or termination of this Agreement) are novated to TTL or a replacement agency (such agency to be identified in writing by TTL) and that all such documents are executed and actions taken as may be required to novate such Sub-Contracts.
- 21.2 Subject to 21.2A, on termination, except under clauses 20.1.1, 20.1.2, 20.1.3, 20.1.5, 20.1.6, 20.1.8, or 20.1.9, or expiration of this Agreement, TTL shall continue to pay the Agency commission on all royalties, guaranteed minimum payments, or advance payments due and payable under each Sub-Contract or Existing Agreement (or novations thereof) until the later of either;
- (i) the expiration of the current term of each Sub-Contract or Existing Agreement; or
  - (ii) the expiration of the first renewal of each Sub-Contract or Existing Agreement,

at the rates set out below:

On expiry of this Agreement:

- Year 1 = 30%
- Year 2 = 25%
- Year 3 = 25%

On termination of this Agreement:

- Year 1 = 15%
- Year 2 = 15%
- Year 3 = 10%

21.2A The Agency's right to receive payment under clause 21.2 shall continue for a maximum of three (3) years from and including the date of termination or expiry of this Agreement, unless otherwise agreed in writing between the Parties.

21.3 On expiry or termination of this Agreement (or where applicable, on expiry or termination of an individual Sub-Contract) for any reason and subject to any express provisions set out elsewhere in this Agreement:

21.3.1 all outstanding sums payable by the Agency to TTL shall immediately become due and payable;

21.3.2 all rights and licences, save for those elements outlined in Clause 21.2, granted under this Agreement shall cease;

21.3.3 the Agency shall promptly deliver to TTL at the Agency's expense all originals and copies of the Created Materials;

21.3.4 at TTL's request, the Agency shall provide all reasonable assistance required for the orderly and efficient transition of the Agency's activities under this Agreement to TTL or such other entity as TTL may specify;

21.3.5 the Agency shall return promptly to TTL at the Agency's expense all records and copies of promotional material in the Agency's and/or the Licensees' possession relating to the Products, and any information of a confidential nature communicated to the Agency and/or Licensees by TTL, either preparatory to, or as a result of, this Agreement to the extent such material remains confidential; and

21.3.6 any provision of this Agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this Agreement shall remain in full force and effect.

21.4 Termination or expiry of this Agreement shall not affect any rights, remedies, obligations or liabilities of the Parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry.

21.5 The Agency shall immediately supply, if it has not done so already, any updates to the contacts details set out in the Deal Memos in respect of all Licensees with whom the Agency dealt during the continuance of this Agreement, including without limitation their addresses, e-mail addresses, website details and telephone numbers.

**22. Rights of Third Parties**

22.1 Save that any member of the TfL Group has the right to enforce the terms of the Agreement in accordance with the Contracts (Rights of Third Parties) Act 1999 ("Third Party Act"), the Parties do not intend that any of the terms of the Agreement will be enforceable by virtue of the Third Party Act by any person not a party to it.

22.2 Notwithstanding Clause 22.1, the Parties are entitled to vary or rescind the Agreement without the consent of any other person including any member of the TfL Group.

**23. Variation**

The Agreement may only be varied or amended with the written agreement of both Parties. The details of any variations or amendments shall be set out in such form as TTL may dictate.

**24. Novation**

24.1 TTL may novate or otherwise transfer the Agreement (in whole or in part). Within ten (10) Business Days of a written request from TTL, the Agency shall at its expense execute such agreement as TTL may reasonably require to give effect to any such transfer all or part of its rights and obligations under the Agreement to one or more persons nominated by TTL.

24.2 Subject to Clause 5, the Agreement is personal to the Agency who shall not assign the benefit or delegate the burden of the Agreement or otherwise transfer any right or obligation under the Agreement without the prior written consent of TTL.

**25. Non-Waiver of Rights**

No waiver of any of the provisions of the Agreement is effective unless it is expressly stated to be a waiver and communicated to the other Party in writing in accordance with the provisions of Clause 27. The single or partial exercise of any right, power or remedy under the Agreement shall not in any circumstances preclude any other or further exercise of it or the exercise of any other such right, power or remedy.

**26. Illegality and Severability**

If any provision of the Agreement (in whole or in part) is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed from the Agreement and the remaining provisions shall continue in full force and effect as if the Agreement had been executed

without the invalid, illegal, or unenforceable provision. In the event that in TTL's reasonable opinion such a provision is so fundamental as to prevent the accomplishment of the purpose of the Agreement, TTL and the Agency shall immediately commence good faith negotiations to remedy such invalidity.

**27. Notices**

27.1 Any notice, demand or communication in connection with this Agreement will be in writing and may be delivered by hand, prepaid recorded delivery first class post or facsimile addressed to the recipient at its registered office or any other address (including a facsimile number) notified to the other Party in writing in accordance with this Clause as an address to which notices, invoices and other documents may be sent.

27.2 The notice, demand or communication will be deemed to have been duly served:

27.2.1 if delivered by hand, at the time of delivery;

27.2.2 if delivered by post, two (2) Business Days after being posted or in the case of International Standard Delivery fourteen (14) Business Days after being posted, provided that where TTL is the recipient such notice shall also be sent by email and copied to TTL's Head of Legal on the same day it was posted; or

27.2.3 if delivered by facsimile, at the time of transmission, provided that a confirming copy is sent by first class post to the other Party within 24 hours after transmission,

and in each case the notifying Party shall promptly send a copy of the notice to the other Party by email, it being acknowledged that the email copy shall not itself constitute deemed service of the notice.

**28. Entire Agreement**

28.2 Subject to Clause 28.2:

28.2.1 the Agreement and all documents referred to in the Agreement, contains all of the terms which the Parties have agreed relating to the subject matter of the Agreement and such documents and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing relating to this Agreement. Neither Party has been induced to enter into the Agreement by a statement which the Agreement does not contain; and

28.2.2 without prejudice to the Agency's obligations under the Agreement, the Agency is responsible for and shall make no claim against TTL in respect of any misunderstanding affecting the basis of the Agency's

tender in respect of the Agreement or any incorrect or incomplete information howsoever obtained.

28.2 Nothing in this Clause 28 excludes any liability which one Party would otherwise have in respect of any statement it has made fraudulently to the other Party.

29. **Counterparts**

This Agreement may be executed in any number of counterparts or duplicates, each of which shall be an original, and such counterparts or duplicates shall together constitute one and the same agreement.

30. **Relationship of the Parties**

Nothing in the Agreement constitutes, or shall be deemed to constitute, a partnership between the Parties. Except as expressly provided in the Agreement, neither Party shall be deemed to be the agent of the other, nor shall either Party hold itself out as the agent of the other.

31. **Further Assurance**

Each Party will do or procure the doing of all acts and things and execute or procure the execution of all such documents as the other Party reasonably considers necessary to give full effect to the provisions of the Agreement.

32. **Governing Law and Jurisdiction**

The Agreement shall be governed by and construed in accordance with the law of England and Wales. Without prejudice to Clause 19, the courts of England will have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Agreement provided that TTL has the right in its absolute discretion to enforce a judgment and take proceedings in any other jurisdiction in which the Agency is incorporated or in which any assets of the Agency may be situated. The Parties agree irrevocably to submit to that jurisdiction.

**THE AGREEMENT** has been signed for and on behalf of the Parties the day and year written above.

Signed by )  
for and on behalf of )

## SCHEDULE 1 – MATERIALS

### PART A – TRADE MARKS

Registered and unregistered rights in the following marks:



Other marks can be added as and when required which shall be at the sole discretion of TTL.

A full list of the countries where TfL has registered or trade marks under application to be supplied separately.

### PART B – COPYRIGHT WORKS

All copyright works owned by Transport for London including but not limited to:

- Historic and contemporary Underground maps
- Other historic and contemporary TfL transport, decorative and geographic maps
- Johnston font
- Historic and contemporary posters

- Black and white and colour photographs
- Moquette fabrics
- Design and engineering drawings
- Historic & contemporary publications
- Signage
- Pictograms

## **PART C – OTHER PROPRIETARY RIGHTS**

To be agreed when required

## **SCHEDULE 2 – BRAND GUIDELINES**

To follow



### **SCHEDULE 3 – PRODUCTS**

- Mens and womens fashion and fashion accessories
- Intimate apparel
- Large and small bags and luggage
- Clocks and Watches
- Toys and games
- Homewares, including kitchenware & soft furnishings
- Furniture
- Electrical products
- Stationery
- Computer games
- Retail services
- Catering services
- Food and beverages
- Mens and womens gifts
- Posters and prints
- Paints
- Rugs

This list may be amended from time to time upon written agreement by both Parties.

## SCHEDULE 4 – TERRITORY

- North America:
  - USA
  - Canada
  - Mexico
- UK
- Europe:
  - All countries covered by the European Union Trade Mark registration system
- Asia / Pacific Rim:
  - Japan
  - China
  - Singapore
  - Hong Kong
  - Australia
  - New Zealand
  - South Korea
  - Thailand
  - Chinese Taipei
  - Malaysia
  - Indonesia
  - The Philippines
- India
- Middle East:
  - UAE
  - Saudi Arabia
  - Kuwait

This list may be amended upon agreement in writing between the Parties.



SCHEDULE 6 -INTENTIONALLY LEFT BLANK

## **SCHEDULE 7 – BUSINESS PLAN**

The Agency's business plan as at the Commencement Date is as follows. The business plan may be updated from time to time provided that such updates are approved by TTL in writing at its sole discretion.

1. Business Plan
2. Sales forecasts for each jurisdiction

# 6. Financial and Business Planning

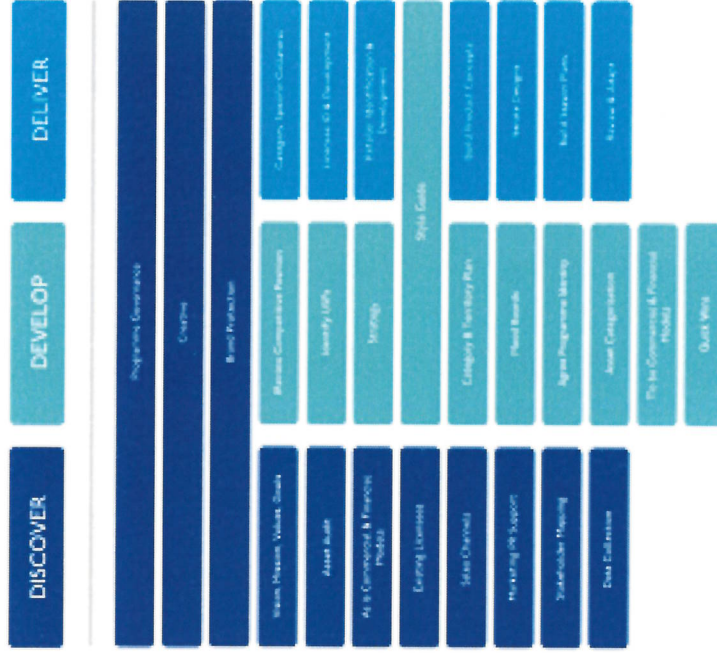
6. As part of the main Contract a 1 year business plan must be submitted and this will also form part of the scoring for the Tender evaluation.

Please submit royalty forecast figures and explain how these figures have been reached. This will form part of the 1 year business plan.

#### TERRITORY DEVELOPMENT PLANS

The initial stages of the programme are all about setting the right foundations for the programme, agreeing processes and allowing our team to understand the TFL brand better. Similar to the creative process outlined above, we follow a 3D process – Discover, Design, Deliver.

The process begins by establishing a programme governance structure – who should attend each meeting, what are the escalation paths and reporting requirements in order to make the programme a success. Both TFL and TSBA are committed to running a design-led programme and to that end, it is imperative that creative input from the TSBA team, TFL and from external sources are involved throughout the establishment of the programme. We are also keen to ensure that the brand protection team from TFL are heavily involved in the programme as they have a crucial role to play both in terms of ensuring that TFL IPs are registered and infringements monitored. In addition, brand protection teams can offer insight into where the TFL brand is popular and can offer a gateway into a number of potential licensees.





**DISCOVER**

During the Discover stage of the programme, there are 3 main concerns:

- Establishing the direction for the programme by holding workshops to agree on a clear mission and vision, and a set of shared values and goals.
- Allowing TSBa to understand the current state of affairs with regard to both TfL and their licensing programme. This extends from gaining insight into current licensing arrangements and retail relationships, to understanding the different stakeholders across the organisation, to gaining an understanding of how licensees have been contracted in the past.
- Collecting a range of assets and data that will form the first step of building sales collateral to support the programme.

**DEVELOP**

During the develop phase of the programme, we set a general programme identity which is informed by the unique selling propositions of the brand both domestically and overseas. We begin to categorise the assets into groups and to create moodboards to support the proposition. We undertake competitor analysis and formulate the strategy for the programme. Out of this fall a range of quick win opportunities for the brand and a range of plans to approach the market which are both territory and category specific.

**DELIVER**

Delivery is all about implementation of the strategy and licensee partners to market, identifying retail opportunity to work with TfL. In order to do this, our creative team builds a range of product concepts which we combine into retailer and category specific sales collateral. We continuously review and adapt

our approach and our collateral as we receive feedback from the market. Also, importantly, we work with licensees and retailers to build long term season plans for the brand - to ensure that the relationships that we develop have longevity and continue to drive value for TfL over the long term.

**TERRITORY DEVELOPMENT PLANS (UK)**

The UK market will be one of the key focal points during the first year of the programme. The intention here is to maximise the potential that may exist with current licensees by engaging existing channels with new artwork and line extensions, and by working with our own retail contacts to build further channel.

Key relationships with retailers such as John Lewis, Debenhams and grocers will be exploited with dedicated presentations for their customer network. We will work with them to develop ranges across multiple categories that meet the needs of their buyers, and, ultimately, their customers.

We will work with our creative teams to ensure that ranges are refreshed. For example, we will ensure Paperchase has up dated style guides and creative direction to keep the brand fresh and engaging for their consumer. The ability to follow trends and maximise the brand at retail for the different target markets will be the key growth. For the UK alone, the year 1 target will be:

- Update and create a detailed style guide to help sell in a coherent range at retail
- Souvenir updates and deployment plan
- Children's style guide, focus on apparel, experiences, toys and games
- LTM product specific offering, allowing them to hold exclusives within the store and online
- Build long term BTR relationships;
- Manage the Paperchase account & introduce new

artwork,

- Engage with a range of department stores, online retailers and supermarkets to maximise coverage across the UK.

**TERRITORY DEVELOPMENT PLANS (INTERNATIONAL)**

We wholeheartedly believe that some of the biggest opportunities for the TfL brand lie in overseas markets. Our intention is to establish TfL as a brand that celebrates London, it's icons, music, fashion, heritage and people. In order for the programme to be successful, it is absolutely necessary that we focus on the higher end of the market, far removed from tourist related markets.

Our approach to the overseas territories has been discussed in some detail elsewhere in this document. The building of the strategy will inform and sharpen that approach, but our initial discussions with our agency partners, licensees and overseas retailers have convinced us that there is enormous passion and possibility for TfL but that execution and design will be key.

Once we have a range of sales collateral in place, we will approach some of the quick wins and obvious candidates that we have identified. For example, we have identified that Alibaba, one of the world's largest retailers would likely be extremely interested in developing a range tailored to the Chinese market and any deal of this nature would constitute a major foothold in the Chinese market.

We have also discussed the opportunity to work with one of the world's largest experiential companies to develop a range of TfL focused opportunities. We also believe that there are a range of global toy manufacturers who would be keen to work with TfL's iconic assets.





We have also discussed our intention to work with iconic British designers and brands to establish TFL as a fashionable mark, one that represents the spirit of London. The process of identifying and securing these partnerships would begin as soon as we have a strong range of assets and a global brand strategy that we can share with partners.

Finally, we will work with our agency partners to develop long term territory development plans. These plans will be shared with and approved by the programme board and will be aimed at establishing the TFL brand as a long term and viable brand. Our focus will be on working with retailers to build multi-category offerings for the brand. Our attendance at licensing exhibitions around the globe, allied to the publicity we will generate for the brand through licensing and retail, press will likely bring a raft of unexpected and exciting possibilities, many of which we might never have imagined.

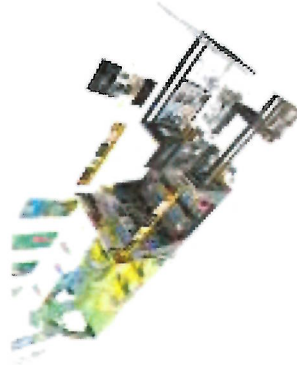
#### PR AND MARKETING

TSGA are unique in their execution of brands at the Licensing Expo, Las Vegas as we present our IP brands above and beyond the TSGA brand. The reason for this is our belief in the fact we are selling the brand of the IP owner not our own, it should be proven in the work we do and results achieved for people or other brand owners to seek us out. Examples of our stand can be seen here

As part of this tender, we will take the TFL brand to Licensing Expo 2017 followed by Brand Licensing Europe in the October, this however will be on a smaller scale than that of Expo because the show is a different proposition and our feelings are to spend more money to gain the international interest in Las Vegas while in London, it's more an invitation based meeting space where we aim to maximise conversations or reconnect with some more niche licensees. From 2017, we are also evaluating taking a stand at the China Licensing Expo in

Shanghai, we will look to confirm our attendance in the next 3 months. After every show that we attend, we write a detailed report on the meetings held and leads managed, this is shared with the IP holder and becomes part of the monthly face-to-face update with your key account manager.

In addition to the trade shows we show at there are the multitude of trade shows we attend to walk and meet with licensees or retailers, these are confirmed as the following for 2017;





Our team will be attending the Hong Kong Toy Fair (which coincides with the Hong Kong Licensing Fair) at the beginning of January. If agreement in principle for our partnership could be in place by this point, this would be a fantastic springboard for the programme. Further international support will come from the UK Trade & Investment board who we actively work with to source new contacts and leads globally for specific product areas, other organisations we are affiliated with include LIMA (Licensing Industry Merchandisers Association) with whom we gain special rates on events, invitations to industry specific lectures and networking opportunities.

More recently we have begun working closely with Max Publishing who manage and organise all the licensing industry official awards, with attendance planned at the Brand & Lifestyle Licensing Awards and The Licensing Awards, both of which will see products produced by our licensees nominated for some of the categories this is a great venue to showcase a brand and the products supported within the programme.

Social media and trade announcements to the industry press goes without saying as we hold strong relations with all the required media, while managing the social channels in-house through our dedicated ecommerce team.

Finally, we would take the opportunity to work with TFL and ensure any exciting announcements, call outs or product launches are advertised on the tube and bus network advertising boards to maximise sales and target the main audience.

**FINANCIAL FORECASTS**

Within year one the focus will be to grow the revenue of the Top 20 licensees by 50% by means of new art direction with a style guide, mood boards, along with close account management and education to the retail

network. Furthermore, we will introduce several new licensees and with advance MG payments we will aim to bring an additional £250,000 in year one. This will grow exceptionally in years two and three as licensees start to deliver on royalties and further new licensees are brought on board. Licensees will normally sign up to a 3 year deal term, in some exceptional circumstances or publishing deals licensees may be signed for 5 years, this will always be discussed and confirmed with TFL Licensing Team before extended the tenure of the license.

Year one expectations need to be managed, in the fact we will require time to cultivate the licensees already in place, time is needed to create a style guide and brand presentations along with marketing the brand to make licensees and retailers alike know that the brand is open to license with a new programme and direction. As global agent for TFL, there are a number of opportunities we would look to reach out to from day one, but we would split the approach to look at the long term licensing, which would include the kids master toy licensees like Mattel and LEGO who's development cycle is a minimum of 18 months, to ensure we hit Q4 2016 Christmas sales, while working on the long term goals the team would also be working on the quick turnaround products like apparel, accessories and gifting, allowing some product to be out in market by Christmas 2017, with a view for majority of the new licensed product to be in market and on-shelf during 2018, maximising the royalty payments for that year.

Once the master toy licensees launches, a plethora of children's product can follow, with deals being done on bedding, back to school and entertainment, these will bring in good money through year two.

The retail network for year one will focus on international and UK direct to retail, the likes of Alibaba in China are likely to sign a deal worth around £90k in year, providing a solid payment in year one, while a UK retailer like John Lewis or Sainsbury's could



	Date	Location
Hong Kong Toy Fair	1 <sup>st</sup> - 17 <sup>th</sup> Jan	Hong Kong
Heimtextil (Bedding)	10 <sup>th</sup> - 13 <sup>th</sup> Jan	Cologne
Top Drawer	1 <sup>st</sup> - 19 <sup>th</sup> Jan	London
London Toy Fair	24 <sup>th</sup> - 26 <sup>th</sup> Jan	London
GM (Sweet show)	23 <sup>rd</sup> Jan - 1 <sup>st</sup> Feb	Cologne
Munich Toy Fair	1 <sup>st</sup> - 4 <sup>th</sup> Feb	Munich
Spring Fair	7 <sup>th</sup> - 11 <sup>th</sup> Feb	Birmingham
New York Toy Fair	18 <sup>th</sup> - 21 <sup>st</sup> Feb	New York
MagiC	26 <sup>th</sup> - 28 <sup>th</sup> Feb	Las Vegas
Australian Toy Fair	3 <sup>rd</sup> - 5 <sup>th</sup> Mar	Melbourne
TFL	March (TBC)	Cologne
Nursery Fair	18 <sup>th</sup> - 20 <sup>th</sup> Mar	Munich
Bologna Book Fair	3 <sup>rd</sup> - 6 <sup>th</sup> Apr	Bologna
Bologna Licensing Fair	3 <sup>rd</sup> - 5 <sup>th</sup> Apr	Bologna
Sanstock Licensing	19 <sup>th</sup> - 22 <sup>nd</sup> Apr	France
London Stationery Show	26 <sup>th</sup> - 28 <sup>th</sup> Apr	London
Progression Creatings	31 <sup>st</sup> - 1 <sup>st</sup> May	London
Podée	15 <sup>th</sup> - 17 <sup>th</sup> May	London
Americanistas	6 <sup>th</sup> - 8 <sup>th</sup> June	Birmingham
E3	13 <sup>th</sup> - 15 <sup>th</sup> Jun	LA
Japan Licensing Expo	28 <sup>th</sup> - 30 <sup>th</sup> Jun	Japan
Munich Home & Gift	17 <sup>th</sup> - 20 <sup>th</sup> Jul	Munich
Pure	24 <sup>th</sup> - 26 <sup>th</sup> Jul	London
GamesCon	12 <sup>th</sup> - 20 <sup>th</sup> Aug	Cologne
Autumn Fair	4 <sup>th</sup> - 7 <sup>th</sup> Sep	Birmingham
Top Drawer	8 <sup>th</sup> - 13 <sup>th</sup> Sep	London
Franchise Book Fair	11 <sup>th</sup> - 15 <sup>th</sup> Oct	Frankfurt
China Licensing Expo	16 <sup>th</sup> - 20 <sup>th</sup> Oct	Shanghai

**SCHEDULE 8 – PRO-FORMA DEAL MEMO:**

**LICENSEE PROPOSAL**

1.1 Please complete all sections of the proposal form. Should you have any questions on any element of this form, please reach out to your TSBA licensing manager who will be able to assist.

**Proposed Licensee Details**

Please provide some high level information about your company:

Company Name:

Address:

Registered Company Number:

Telephone Number: *(including country code)*

Email:

Website:

Primary contact name: Job Title:

**REQUESTED LICENSE AND PRODUCT INFORMATION**

1.2 Please provide some background information about the product categories and specific products you are interested in producing:

Desired product categories with projected annual sales for licensed items:

*In US Dollars, Pounds Sterling or Euros*

Year	Item(s)	Royalty Rate	Advance / Minimum Guarantee	Projected Net Sales Proceeds	Notes
2017					
2018					
2019					
2020					

Requested contract

length:

yea

rs Sales Territories:

Level of product liability insurance currently held:

*Needs to be in excess of £500,000)*

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## DUE DILIGENCE QUESTIONNAIRE

1.3 Any company producing Transport for London branded products is expected to adhere to Transport for London's general business principles and guidelines. Please provide some further background information that we can share with Transport for London to help assess this proposal.

- Primary Business Activity:
- Other Business Activity(s):
- Company annual turnover for last three calendar years  
*In US Dollars, Pounds Sterling or Euros*

2014:

2015:

2016:

2017 (to date):

- Retail Customer Base  
*Please name top 5, and their percentage of sales*

- Proposed New Retailers:
- Other licenses held currently:
- Primary manufacturing location:
- Are your products typically sold wholesale, FOB or direct to consumer?

## Ethical Standards

As a Transport for London licensee your manufacturers are expected to uphold certain ethical standards. Prior to contract signature you will be asked to provide documentation certifying this from your factories. If this cannot be provided a risk assessment will be undertaken on behalf of Transport for London and your manufacturing facilities may be required to carry out an ethical audit.

TSBA are experienced in this area and will walk you through the process, if you have any concerns discuss this with your primary contact.

Our manufacturing facilities can provide the necessary documentation and we agree to provide the necessary documentation to TSBA

We are unsure whether our manufacturing facilities have the necessary documentation at present, but are happy to ensure this will be put in place before any production begins

Note: You will not be granted a Transport for London license until the ethical requirements have been outlined and you can agree to provide the necessary documentation

## Safety Standards

I understand that Transport for London requires that products are certified to demonstrate compliance with local safety & environmental laws for the markets that the products will be sold in:

Yes

No

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Form Completed By:

Date Completed:     /2017

**SCHEDULE 9 – ETHICAL SOURCING POLICY**

