

ROTATING LABEL LICENSE AGREEMENT

THIS AGREEMENT is made and entered into effective the [REDACTED] day of [REDACTED], 2001.

BETWEEN:

CCL LABEL, INC., a corporation incorporated pursuant to the laws of the State of Michigan, having a place of business at, 1616 South, California Avenue, Monrovia, California U.S.A. 91016 on its own behalf and on behalf of its direct and indirect Subsidiaries and Affiliates, as defined hereinafter

(hereinafter collectively referred to as "CCL")

- and -

[REDACTED], a corporation incorporated pursuant to the laws of [REDACTED], having a place of business at [REDACTED]

(hereinafter referred to as "Licensee")

WHEREAS CCL has the right to use and exploit the Original Patents and the Patent Rights and to manufacture and have manufactured, use and sell the Rotating Labels and sublicense to others such rights;

AND WHEREAS Licensee wishes to manufacture and sell the Rotating Labels;

NOW THEREFORE in consideration of the premises and the promises each Party makes to the other in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

ARTICLE I

DEFINITIONS

When used in this Agreement, the recitals hereto and the Schedules attached hereto, each of the terms set forth below will have the meaning indicated:

1.0 "Affiliate" means CCL Industries Inc., a Canadian company, and any Subsidiary thereof.

1.1 "Commencement Date" means the date first recorded above

1.2 "Confidential Information" shall mean all proprietary information, confidential information, know-how, copyright, patent applications, inventions, designs, drawings, specifications, manufacturing and construction methods, compositions, test and performance data, approvals related to the Rotating Labels, whether patentable or not, and includes:

- (a) methods of manufacture of the Rotating Labels in accordance with the Process;
- (b) specifications, materials and designs of the Rotating Labels; and
- (c) methods of quality control for the Rotating Labels.

All documents, designs and drawings, prepared or created pursuant to or as a consequence of this Agreement, unless otherwise expressly agreed by the Parties in writing, shall be treated as Confidential Information.

The following shall not be considered Confidential Information:

- (a) information that is readily available to the public or becomes available to the public through no fault of Licensee,
- (b) information that becomes available to Licensee from a third party who is not under any obligation to CCL to keep information confidential, and
- (c) information that Licensee is legally compelled to disclose.

1.3 "Confidentiality Agreement" means an agreement entered into between the parties as of the [redacted] day of [redacted], 2001 pursuant to which the Licensee undertakes to maintain the confidentiality of the Confidential Information.

1.4 "Quarter Year" means a period of three months and further subsequent 3 month periods beginning on commencement date of this Agreement.

1.5 "Improvement" means any and all improvements and modifications to the Confidential Information and any such Improvements shall for the purposes of this Agreement be deemed to be included in the definition of the Confidential Information.

1.6 "Indemnified Group" means directors, officers, employees, representatives and agents of CCL and its Subsidiaries and Affiliates.

1.7 "Intellectual Property" means any patent, copyright, trade mark, registered design, unregistered design right or any other form of protection, any application for such protection, and any rights in relation to Confidential Information, which are subsisting at the relevant time.

- 1.8 “Minimum Royalty” means the Royalties listed in Schedule Article XII (12.1).
- 1.9 “Net Sales Value” means, in relation to the Rotating Labels:
- (a) where the Rotating Labels are sold on arm's length terms, the amount invoiced to the customer less:
 - (i) any exigible value added tax, goods and services or other sales, use or consumption tax,
 - (ii) any freight charges paid,
 - (iii) cash discounts and allowances actually paid.
 - (b) where the Rotating Labels are sold otherwise than on arm's length terms, but are subsequently sold on arm's length terms, the amount invoiced under the first such arm's length sale, calculated in accordance with paragraph (a) above; or
 - (c) where the Rotating Labels are not sold on arm's length terms but are used or otherwise disposed of on a commercial basis, the amount that would have been invoiced on the first arm's length sale, calculated in accordance with paragraph (a) above.
- 1.10 “Original Patents” means the patent applications with respect to the Rotating Labels that are described in Schedule ”A” hereto, together with any modifications or amendments thereto and any patents issued or granted in connection therewith and any divisionals or continuations of such patents.
- 1.11 “Parties” means CCL and the Licensee and “Party” means either of them.
- 1.12 “Person” means an individual, body corporate, partnership, trustee or trust or unincorporated association, executor, administrator, legal representative or other entity.
- 1.13 “Rotating Labels” means systems or devices to cover a fixed inner label with a moveable partly transparent outer label through which parts of the fixed label may from time to time be seen by rotating the outer label. For the sake of this agreement “Rotating Labels” shall be of the pressure sensitive type only.
- 1.14 “Sites” means Licensees facilities located at (to be added)
- 1.15 “Subsidiaries” means those entities over which CCL Industries Inc., may, from time to time, own, or exercise control or direction over, whether directly or indirectly, more than 50% of the outstanding voting securities or other voting rights of such entity.
- 1.16 “Territory” means _____.

1.17 “Trade Mark” is “Spinformation”® .

1.18 “Term” shall have the meaning set forth in Section 2.6.

1.19 “Year” means each period of 365 (or, in case of a leap year, 366) days.

1.20 “Writing” or any cognate expression includes a reference to any communication effected by facsimile transmission, e-mail or similar means.

ARTICLE II

GRANT OF LICENSE

2.1 CCL hereby grants to Licensee an exclusive right in the Territory to manufacture and sell the Pressure Sensitive Rotating Labels during the Term of this Agreement. Licensee may sell Rotating Labels outside of the Territory except as provided for in section 2.2 of this Agreement. To this end, CCL hereby grants to Licensee the right to use, in accordance with the provisions of this Agreement, the Trade Mark for the Term but not beyond. Any such use shall be in accordance with any instructions given by CCL to the Licensee from time to time.

2.2 Licensee shall not knowingly sell the Rotating Labels in North America and Central America or deliver the Rotating Labels for resale into North America and Central America. CCL shall not knowingly sell the Rotating Labels in the Territory after this Agreement becomes effective and the Licensee has the capability of making such labels. Sales and or customers established prior to the signing of this Agreement in the Territory may be maintained by CCL until such time that it is mutually beneficial to transfer the business to the Licensee.

2.3 CCL may sell Rotating Labels to multi-national US companies knowing that such Rotating Labels may be shipped Globally and into the Territory.

2.4 Licensee shall not grant to any other person a licence to manufacture or sell the Rotating Labels using pressure sensitive technology in the Territory.

2.5 Licensee may not sell Rotating Labels in the nutraceutical market for as long as CCL has an exclusive market agreement with Nutraco International a Swiss corporation. Nutraceuticals are defined as (i) vitamins and minerals, (ii) herbals, (iii) dietary foods, (iv) dietary supplements, (v) functional foods and (vi) active sports nutrition;

2.6 The initial Term of this Agreement shall commence upon the Commencement Date and continue for a period of five years. Upon the expiry of the initial Term, the Term shall automatically be renewed for successive one year renewal periods until the date of expiry of the last to expire of any patents included at any time among the Original Patents or until this Agreement is otherwise terminated in accordance with its terms.

ARTICLE III

DISCLOSURE OF CONFIDENTIAL INFORMATION

3.1 The Parties shall execute the Confidentiality Agreement.

ARTICLE IV

TECHNICAL ASSISTANCE

4.1 From time to time during the Term CCL shall, at the reasonable request of Licensee, consult with Licensee with respect to the Rotating Labels, by telephone or in writing, or by such other means as, in CCL's sole discretion, is appropriate in each instance.

4.2 During the Term:

- (a) Licensee shall be entitled to send to CCL's premises where the Rotating Labels are manufactured, suitably qualified employees of Licensee for training in the manufacture of the Rotating Labels.
- (b) CCL shall at the request of Licensee make available to Licensee the services of suitably qualified employees of CCL, to visit Licensee's premises and to provide assistance in the manufacture of the Rotating Labels. CCL shall provide such engineering and technical support services at a cost as may be agreed upon between the Parties, upon such terms and conditions as are agreed upon between the Parties.

4.3 The numbers of Licensee's employees who are to visit CCL's premises and the numbers of CCL's employees who are to visit Licensee's premises pursuant to section 5.2, and the times and duration of any such visits, shall be as may be agreed in advance between CCL and Licensee.

4.4 Licensee shall give CCL all necessary assistance to obtain any visas, work permits, residence permits or other approvals which are required by any of the employees of CCL who are to be made available by CCL pursuant to section 4.2 for entering into and working in any part of the Territory.

4.5 Any employees of either CCL or Licensee who are sent to visit the premises of the other for the purposes of this Agreement shall remain employed by the party sending them, which shall ensure that each such employee complies with all security, health and safety and other regulations in force at those premises.

4.6 Costs incurred in the attendance of Licensee's employees at CCL's premises and all other expenses of Licensee's employees shall be borne by Licensee. CCL shall not be liable for any

injury however caused to Licensee's employees or agents which attend at CCL's premises pursuant to this Agreement.

4.7 All technical assistance whether oral or written will be in English.

ARTICLE V

GENERAL DUTIES AND OBLIGATIONS OF LICENSEE

5.1 Licensee agrees at all times during the Term of this Agreement and any extension or renewal thereof to, at its sole cost and expense:

- (a) use its best efforts to advertise and promote the sale of the Rotating Labels and to make regular and sufficient contact with the present and future customers of Licensee in the Territory;
- (b) order promptly for the purpose of facilitating shipments at minimum transportation costs;
- (c) maintain adequate sales, warehouse and service facilities and sufficient stock of the Rotating Labels to ensure prompt service to customers;
- (d) attend such meetings, shows and conventions in the Territory as will promote the sale of the Rotating Labels;
- (e) promptly pursue all sales opportunities referred by CCL or others;
- (f) maintain an adequate place of business for the marketing of the Rotating Labels;
- (g) avoid any sales policies, trade activities, or advertising that would be injurious to the reputation or goodwill of CCL;
- (h) obtain all authorisations, clearances, licences, permits and approvals necessary or advisable to accomplish the purposes of this Agreement; and
- (i) manufacture and sell the Rotating Labels only in accordance with and in a manner permitted by applicable laws and government regulations.

5.2 Licensee will forward to CCL all information regarding responses, criticism, and suggestions as to the Rotating Labels received from customers in the Territory, data relating to market trends, and information on current competition.

5.3 Licensee shall not appoint sub-distributors, dealers or others to perform any of its obligations or functions under this Agreement without prior written consent of CCL.

5.4 Licensee hereby agrees to indemnify, keep indemnified and hold harmless CCL, its Affiliates and Subsidiaries, and the Indemnified Group, from and against any and all actions, suits, claims, demands, loss, costs, charges, damages and expenses brought or made against or incurred by CCL, its Affiliates and Subsidiaries, or the Indemnified Group or any one person or entity in the Indemnified Group arising out of manufacture, use and sale of the Rotating Labels by Licensee. Licensee shall defend, at its own expense, any action, lawsuit or other court proceeding brought against CCL, its Affiliates and Subsidiaries, or any member of the Indemnified Group arising out of or in any way connected with the manufacture, use and sale of the Rotating Labels by Licensee.

5.5 Licensee shall give prompt notice to CCL of any claim or occurrence which may give rise to a claim against Licensee or CCL in connection with this Agreement.

5.6 Except as otherwise provided in this Agreement, Licensee shall be entitled to promote and market the Rotating Labels in the Territory in such manner as Licensee may, in accordance with sound commercial principles, think fit, and to sell the Rotating Labels to its customers at such prices as it may determine.

ARTICLE VI

INTELLECTUAL PROPERTY OWNERSHIP

6.1 CCL acknowledges that patents have been applied for in the Territory.

6.2 All Intellectual Property and Improvements are the exclusive property of CCL, except as such pertains to the Original Patents which are owned by Stephen Key Design, LLC of Oakdale, California.

6.3 If at any time during the Term CCL makes, devises or otherwise acquires any Improvement it shall disclose the Improvement to Licensee, except to the extent that:

- (a) CCL is precluded from doing so by law or any obligation owed to a third party; or
- (b) the disclosure of the Improvement, or its use by Licensee, would prejudice CCL's ability to obtain Intellectual Property protection in respect of the Improvement.

6.4 Any improvements to rotating labels that Licensee deems necessary shall be submitted to CCL Label who in turn will submit them to Stephen Key Design LLC. If such improvements are not already covered by an existing patent or application in the Territory or if CCL or Stephen Key do not wish to file for patents in the Territory on these improvements, then Licensee shall have the right to file for such patents in the Territory.

6.5 Licensee shall be entitled to the same rights noted in section 2.1 in respect of any Improvement disclosed pursuant to section 6.2, and any Intellectual Property obtained or applied for by CCL for such Improvement.

6.6 Licensee shall from time to time during the Term, and forthwith upon request by CCL, provide CCL with information relating to the use by Licensee of the Rotating Labels and the Confidential Information, by telephone or in correspondence, or by such other means as, in CCL's reasonable opinion, is appropriate in each instance.

6.7 Without limiting the scope of section 6.4, if at any time during the Term, Licensee obtains any information as to any new application for the Rotating Labels or makes, devises or otherwise acquires any Improvement, Licensee shall disclose the Improvement to CCL, except to the extent that or for as long as Licensee is precluded from doing so by law or any obligation owed to a third party.

6.8 Any disclosure made in accordance with sections 6.2 or 6.5 shall be in the English language and shall include a written or tangible disclosure of such Improvement in sufficient detail and completeness to enable a person of average skill to understand and implement it.

6.9 In relation to any information or Improvement referred to in sections 6.4 or 6.5:

- (a) CCL shall be entitled to manufacture, use, sell or otherwise deal in any products manufactured through its use, and otherwise to use the Improvement by way of a non-exclusive, royalty-free licence in respect of any Intellectual Property obtained or applied for by Licensee in relation to the Improvement, exercisable (to the extent that Licensee is entitled to grant such a licence) in any country in the world together with the right to grant sub-licences;
- (b) the Confidentiality Agreement referred to in Section 3.1 and the provisions of Sections 10.1 and 1.2, shall apply (to the extent that they are capable of doing so) to the Improvement and to any Intellectual Property obtained or applied for by Licensee in respect of any Improvement with any reference to CCL or Licensee in those provisions being construed as a reference to the other of them, as the case may be, and any other necessary change being made.

ARTICLE VII

MARKING AND QUALITY CONTROL

7.1 Upon the issuance of any Letters Patent of invention in relation to the Rotating Labels, Licensee shall apply such patent markings or notice that the Rotating Labels are manufactured by Licensee under license from CCL as CCL may require on the Rotating Labels and on all catalogues, price lists, advertisements, packaging and other like documents.

7.2 Licensee shall include in a conspicuous place markings on all catalogues, price lists, advertisements, packaging and other like documents relating to the Rotating Labels the Trade Mark as provided in Article "IX".

7.3 Licensee covenants and agrees that it shall produce the Rotating Labels to a quality such as the Rotating Labels produced by CCL and agrees to maintain such quality of the Rotating Labels.

7.4 Licensee covenants and agrees that it will from time to time at CCL's sole discretion allow a representative of CCL to visit the Site during the production of Rotating labels for the purpose of inspecting quality and construction of such Rotating Labels.

ARTICLE XIII

METHODS OF MANUFACTURE AND SALE

8.1 Licensee shall:

- (a) ensure that all the Rotating Labels manufactured by Licensee comply with the methods of manufacture, specifications, formulas, designs, (as stipulated in CCL's production manual or as advised verbally by CCL from time to time) standards of quality and quality control procedures laid down by CCL and forming part of the Confidential Information and with all applicable standards and legal requirements, and are free from defects in workmanship and materials;
- (b) not make or permit to be made any alteration to the Rotating Labels without the prior written approval of CCL;
- (c) submit samples from initial production runs of the Rotating Labels to CCL for prior approval before any of the Rotating Labels are sold in the Territory;
- (d) permit any duly authorized representative of CCL, at any time during normal working hours and on reasonable notice, to enter any premises of Licensee or any third party where any of the Rotating Labels are manufactured or stored by or for Licensee, in order to inspect them and take samples;
- (e) provide CCL with a report each Quarter Year as to the manufacture and sale of and any other dealings in the Rotating Labels, in such form as CCL may reasonably require.

ARTICLE IX

TRADE MARKS

9.1 CCL hereby grants to Licensee an exclusive licence in the Territory to apply the Trade Mark to the Rotating Labels and to use the Trade Mark in the normal course of the sale and advertisement of the Rotating Labels and in accordance with the other provisions of this Agreement and Licensee acknowledges and agrees that under no circumstances will it use the Trade Mark for any other purpose.

9.2 Licensee shall use all reasonable endeavours to preserve the value and validity of the Trade Mark and in particular:

- (a) Licensee accepts that its usage of the Trade Mark shall at all times be under the control of CCL and Licensee will co-operate with CCL in facilitating the exercise of such control by CCL;
- (b) Licensee will supply to CCL, once each year during the Term, or more often if requested by CCL in writing, specimens of its usage of the Trade Mark with the Rotating Labels and specimens of advertising materials for the Rotating Labels and other items bearing the Trade Mark;
- (c) CCL may, upon thirty (30) days written notice to Licensee, at CCL's sole discretion, require Licensee to use the Trade Mark only in the form and manner, with the following legend, or such other legend as may be prescribed from time to time by CCL: "Spinformation is a trade mark of CCL Label, Inc., used under license by (licensee name)".
- (d) Licensee will use the Trade Mark solely with the Rotating Labels and not with any other wares or services;
- (e) Licensee will do nothing inconsistent with the validity of the Trade Mark or inconsistent with CCL's ownership of the Trade Mark; and
- (f) Licensee shall not use the Trade Mark as a generic term nor directly assist or permit, by action or inaction, any other person to do so.
- (g) Licensee shall identify CCL Label, Inc., where practical, as the owner of the Trade Mark as shown in Schedule "B".

9.3 Licensee shall not use the Trade Mark after expiry or termination of this Agreement.

9.4 Licensee shall not use any mark which is confusingly similar to the Trade Mark and shall not use the Trade Mark in conjunction with or as a company or business name.

9.5 Licensee hereby acknowledges that except as expressly provided in this Agreement it shall not acquire any rights in respect of the Trade Mark.

9.6 Licensee agrees that any goodwill which may accrue through its use of the Trade Mark shall be vested in CCL and shall assign the same in writing on request by CCL at any time including after termination or expiry for any reason of this Agreement.

9.7 If appropriate, the parties shall arrange for Licensee to be registered as registered user of the Trade Mark and the expense of so doing shall be born by the Licensee.

ARTICLE X

INTELLECTUAL PROPERTY PROTECTION AND PROCEEDINGS

10.1 CCL shall have full unfettered discretion as to the making of any applications for Intellectual Property protection and any Intellectual Property protection obtained pursuant to any such application shall be or remain the absolute property of CCL.

10.2 The Licensee shall, at the request of CCL, enter into such formal licences relating to the Rotating Labels and any other Intellectual Property as may be necessary or desirable in accordance with the relevant law and practice in the Territory for the protection of Intellectual Property.

10.3 Licensee shall take all such steps as CCL may reasonably require to assist CCL in maintaining the enforceability and validity of the Intellectual Property.

10.4 Licensee shall not copy or reproduce in any way any document supplied by CCL and containing or recording any part of the Confidential Information except to the extent necessary for the exercise of the rights granted under this Agreement, and shall ensure that on each such copy or reproduction there is a written notice in a prominent position indicating that all rights are reserved by CCL together with the international copyright symbol, the name of CCL and the relevant year.

10.5 In the event that Licensee should challenge, directly or indirectly, the ownership, enforceability or validity of the Intellectual Property then CCL shall be entitled to terminate this Agreement and the licence hereunder forthwith.

ARTICLE XI

INFRINGEMENT

11.1 If any claim is made or threatened against Licensee by any third party that the exercise by Licensee of any rights granted under this Agreement by CCL infringes any intellectual property or other rights of any other person, Licensee shall fully notify CCL as soon as practicable after it becomes aware of the claim or threatened claim.

11.2 CCL shall in its absolute discretion decide whether the action referred to in section 11.1 should be defended. In the event of CCL deciding that the action should be defended, each of CCL and the Licensee shall be responsible for half of all legal costs of the proceedings provided that:

- (a) CCL is given full control of any proceedings or negotiations in connection with the claim or threatened claim and shall be exclusively entitled to appoint and instruct legal advisers and counsel in connection with any such proceedings or negotiations and to determine the forum for any such proceedings;

- (b) Licensee shall at its own cost give CCL all reasonable assistance for the purpose of any such proceedings or negotiations;
- (c) except pursuant to a final award, Licensee shall not pay or accept any such claim or threatened claim, or compromise any such proceedings, without the consent of CCL (which shall not be unreasonably withheld);
- (d) Licensee shall do nothing which would or might vitiate any policy of insurance or insurance cover which Licensee may have in relation to any such claim or threatened claim;
- (e) CCL shall be entitled to, and Licensee shall accordingly account to CCL for, any damages and costs which are awarded against, or which with the consent of Licensee (which shall not be unreasonably withheld) are agreed to be paid by any other party in respect of any such claim or threat; and
- (f) CCL shall be entitled to require Licensee to take such steps as CCL may reasonably require to mitigate or reduce any loss of Licensee.

11.3 In the event that CCL decides not to be involved in the defence of the action Licensee shall be entitled to defend the proceedings at its expense and shall be responsible for any damages and costs awarded.

11.4 CCL shall have no liability to Licensee under Sections 11.1 or 11.2 otherwise in respect of any claim for infringement of any intellectual property or other rights of any person which is based on the manufacture, use or sale of or any other dealing in the Rotating Labels otherwise than in accordance with this Agreement.

11.5 The preceding provisions state the entire obligation and liability of CCL arising out of or in connection with this Agreement with respect to any claim of infringement of any intellectual property or other rights of any person.

11.6 In the event that it appears that the Original Patents or any of them is infringed within the Territory, the following shall apply:

- a) To the extent that either party learns of an infringement or threatened infringement of the Original Patents by a third party which either party believes may constitute an infringement upon the Licensor's or Licensee's rights or an unauthorised use of the licensed technology, such party shall promptly notify the other and the parties shall consult with each other concerning the actions to be taken to restrain any such infringement;
- b) If the parties agree that legal action should be commenced to restrain the infringement, the Licensee shall have the right to commence and conduct such action at its sole cost;

- c) If the Licensee does not wish to commence and conduct a legal action to restrain the infringement, the Licensor shall be entitled to commence and conduct such action at its own cost;
- d) Each party agrees to co-operate fully with the other, each at its own cost, in the conduct of any action to restrain infringement or unauthorised use of the licensed technology;
- e) In the event that any such action to restrain infringement is successful and damages are recovered, such damages shall be applied first to defray the costs incurred by the party having conduct of the legal action, secondly to defray any costs incurred by the other party in its participation in the legal action, with the balance to be treated as royalty bearing sales under this license.

ARTICLE XII
COMPENSATION

12.1 In consideration of the Rotating Label Licence granted hereby, Licensee shall pay the following to CCL:

- (a) % of Net Sales of the Rotating Labels sold by Licensee, with the following annual minimum royalties payable:

Yr. 1 -	\$10,000 U.S.	minimum
Yr. 2 -	\$15,000 U.S.	minimum
Yr. 3 -	\$25,000 U.S.	minimum
Yr. 4 -	\$35,000 U.S.	minimum
Yr. 5 – and beyond	\$45,000 U.S.	minimum per year

- (b) a one-time disclosure fee of \$25,000 which is due upon execution of this Agreement

(collectively the “Royalties”).

12.2 Licensee shall render to CCL a written report certified by its chief financial officer within thirty (30) days following the end of each calendar quarter stating the number of units of the Rotating Labels Licensee sold and the Net Sales Value of Rotating Labels. The Royalties shall be payable by Licensee to CCL thirty (30) days following the end of each Quarter Year.

12.3 Licensee shall keep full and true books of account and other records in sufficient detail so that Royalties payable to CCL herein may be properly ascertained. At the written request of CCL, Licensee shall permit CCL or its representatives to inspect said books and records during reasonable business hours and on no less than 5 days written notice to Licensee. Except as provided below, the cost of such inspection shall be at the expense of CCL. If such inspection

should reveal a discrepancy in favour of CCL in excess of 5% of Royalties the fees of the accountant for rendering the inspection shall be borne by Licensee. Any shortfall in Royalties shall bear interest pursuant to Section 12.6.

12.5 The receipt or acceptance by CCL of any royalty statement or payment shall not prevent CCL from subsequently challenging the validity or accuracy of such statement or payment.

12.6 If Licensee fails to pay in full any of the Royalties or other sums payable under this Agreement on the date or within the period specified for payment, the outstanding amount due shall bear interest, both before and after any judgment, at the rate of 4 per cent per annum above the prime rate set by Citibank in New York City from time to time from, the date such payments were originally due or the last day of that period until that amount is paid in full to CCL. Nothing herein will be deemed to be a waiver by CCL of its right to timely and complete payment of amounts due from Licensee.

12.7 All Royalties or other sums payable under this Agreement shall be paid in United States dollars, and where any Royalties are calculated in a currency other than United States dollars, they shall be converted into United States dollars by reference to the average of the relevant buying and selling rates of Citibank in New York City on the day the payment is made.

12.8 All Royalties or other sums payable under this Agreement are exclusive of value added tax or other applicable taxes or duties, for which Licensee shall be additionally liable, and shall be paid in cleared funds to such bank account or in such other manner as CCL may specify from time to time, without any set off, deduction or withholding except any tax which Licensee is required by law to deduct or withhold, and if Licensee is required by law to make any such tax deduction or withholding, Licensee shall do all things in its power which may be necessary to enable or assist CCL to claim exemption from or (if that is not possible) a credit for the deduction or withholding under any applicable double taxation or similar agreement from time to time in force, and shall from time to time give CCL proper evidence as to the deduction or withholding and payment over of the tax deducted or withheld.

12.9 The provisions of this Article XII shall remain in full force and effect notwithstanding the termination of this Agreement for any reason until the settlement of all subsisting claims of CCL under this Agreement.

ARTICLE XIII

TERMINATION PRIVILEGES

13.1 This Agreement shall commence on the date first written above and, subject to the other provisions hereof, remain in force for the Term.

13.2 CCL may, in its sole option and discretion, terminate this Agreement without notice, upon the happening of any one or more of the following events:

- (a) Licensee fails to pay any amount provided for herein when the same is due;

- (b) Licensee fails to keep the Confidential Information confidential;
- (c) Licensee's breaches of any of the terms or conditions of this Agreement, other than those referred to in (a) and (b) above, if such breach continues for 30 days following written notice thereof to Licensee from CCL; or
- (d) Licensee challenges the ownership or validity of the Trade Mark or any of the Intellectual Property.

13.3 In the event Licensee has become subject to voluntary or involuntary liquidation, insolvency, bankruptcy, suspension of payment or similar corporate reorganization proceedings, or has become subject to the appointment of a receiver, assignment for the benefit of, or composition or other arrangements with creditors, CCL may (reserving cumulatively all other rights and remedies under this Agreement, in law, at equity, or otherwise, except as otherwise stated herein), cancel and terminate this Agreement by giving thirty (30) days prior written notice. Notwithstanding the foregoing, this Agreement will not terminate at the end of the notice period if Licensee arranges for dismissal, and such action is dismissed, within thirty (30) days after the filing thereof.

ARTICLE XIV

RIGHTS UPON TERMINATION OR EXPIRATION

14.1 Upon the termination or expiration of this Agreement, Licensee will pay to CCL all outstanding amounts which may then be due and owing to CCL, including without limitation the Royalties up to the date of expiration or termination.

14.2 Any termination of this Agreement by CCL, prior to the end of the Term, will be without prejudice to the rights of Licensee to complete for no more than ninety (90) days the performance of any binding agreement for the supply of the Rotating Labels to any purchaser.

14.3 For greater certainty, upon any termination of this Agreement, Licensee shall not have any rights with respect to the Confidential Information. Licensee shall immediately cease using the Confidential Information and rights granted to Licensee by CCL hereunder in connection therewith. The obligations of confidentiality and non-disclosure with respect to the Confidential Information as set out in the Confidentiality Agreement referred to in Section 3.1 shall survive any termination of this Agreement.

ARTICLE XV

ASSIGNMENT OF THIS AGREEMENT

15.1 CCL may assign or transfer this Agreement or any part hereof, and/or any of its rights or obligations hereunder to any one or more of its direct or indirect Affiliates or Subsidiaries without the consent of Licensee provided that CCL provides Licensee with notice of any such assignment or transfer within thirty (30) days thereof. No such assignment shall effect the Licensee's rights to manufacture and sale of Rotating Labels as outlined in sections 2.1, 2.2, and 2.3.

15.2 In the event that CCL should lose its rights to Rotating Labels this agreement will automatically be assigned to Stephen Key Design LLC.

15.3 Licensee agrees not to assign or transfer this Agreement or any part thereof, and/or any of its rights or obligations to any third party without the prior express written permission from CCL.

ARTICLE XVI

NATURE OF AGREEMENT

16.1 CCL shall be entitled to perform any of the obligations undertaken by it and to exercise any of the rights granted to it under this Agreement through its Affiliates or Subsidiaries, provided that any act or omission of such Affiliates or Subsidiaries shall, for the purposes of this Agreement, be deemed to be the act of omission of CCL.

16.2 Subject to Section 16.1, this Agreement is personal to the Parties and neither Party may assign, mortgage, charge, sub-licence or (except as provided in this Agreement) sub-contract or otherwise delegate any of its obligations under this Agreement, except with the prior written consent of the other Party.

16.3 Licensee represents and warrants to CCL that:

- (a) it has the authority to enter into this Agreement;
- (b) the execution by Licensee of, and the performance of its obligations under, this Agreement require no governmental or other approvals or, if required, all such approvals have been obtained;
- (c) all information supplied or to be supplied by Licensee to CCL concerning the business of Licensee or this Agreement is or will, when given, be true and accurate in all material respects.

16.4 Each Party acknowledges that, in entering into this Agreement, it does not do so in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties, guarantees or other terms implied by statute or

common law are excluded from this Agreement.

16.5 Without limiting the scope of Section 16.4, CCL does not give any warranty, representation, commitment or undertaking:

- (a) as to the efficacy or usefulness of the Rotating Labels;
- (b) that any of the Original Patents or any other Intellectual Property is or will be valid or subsisting or, in the case of an application, will proceed to grant; or
- (c) that the exercise of any of the rights granted hereunder will not infringe the intellectual property or other rights of any other person.

16.6 CCL shall not be liable to Licensee by reason of any representation or the breach of any implied condition, warranty or other term or any duty at common law or under any statute for any loss, damages, costs, expenses or other claim for compensation whatsoever, whether occasioned by the negligence of CCL, its servants or agents or otherwise, which arises out of or in connection with this Agreement, or which in any way relates to the manufacture, sale or use of or any other dealing with the Rotating Labels by Licensee, to the extent that:

- (a) the claim is for loss of profits, contracts, goodwill, anticipated savings or for wasted expenditure, or for any indirect, special or consequential loss or damages; or
- (b) the amount of the claim for which CCL would otherwise be liable exceeds the total amounts paid by Licensee under Section 12.1 up to the date of the claim.

16.7 The rights of CCL under this Agreement are cumulative and in addition to any other right or remedy available to it at law or in equity.

16.8 Without limiting the scope of Article XIII, Licensee acknowledges that any breach of this Agreement may cause irreparable damage to CCL, and Licensee accordingly agrees that CCL shall be entitled to injunctive relief in respect of any actual or apprehended breach by Licensee and, in addition to any award by the court in favour of CCL, to be reimbursed in full by Licensee for all costs and expenses (including legal expenses) incurred in enforcing the terms of this Agreement.

ARTICLE XVII

GENERAL AND MISCELLANEOUS

17.1 This Agreement and the License herein granted and the obligations and rights incident to this Agreement shall be binding upon and inure to the benefit of the permitted assigns and successors of Licensee and CCL.

17.2 The provisions of this Agreement are severable, and in the event that any provision of this Agreement is determined to be invalid or unenforceable under any controlling body of law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof. Any unenforceable provision will be replaced by a mutually acceptable provision which comes closest to the intention of the parties hereto at the time the original provision was agreed upon.

17.3 For the purpose of giving any notice permitted or required by this Agreement, the addresses of the parties hereto are as follows:

If to CCL:

CCL LABEL, INC.
1616 South California Avenue,
Monrovia, California, USA
91016
Fax No.: (626) 305-8150
E-Mail: moosterlinck@ccllabel.com
Attention: Marc Oosterlinck

If to Licensee:

[REDACTED]
Fax No.: [REDACTED]
E Mail: [REDACTED]
Attention: [REDACTED]

Either Party hereto may change the address to which notices are directed by giving notice to the other Party. Any notice required to be given pursuant to this Agreement shall be written in English and mailed by registered mail, return receipt requested or delivered by a national overnight express service or by telecopier. Any notice will be deemed given when received.

17.4 The headings and titles of various Articles in this Agreement are for purposes of convenience of reference only.

17.5 The Schedules referred to herein are incorporated in this Agreement by reference and are deemed to be an integral part hereof:

17.6 In no event will this Agreement be construed to create a partnership, joint venture, or general agency relationship between the parties hereto.

17.7 A waiver, express or implied, by either any party to the Agreement, of any right hereunder, of any failure to perform, or of any breach by the other Party, will not constitute or be deemed a waiver of any other right hereunder, or of any other failure to perform, or of any other breach hereunder whether of a similar or dissimilar nature.

17.8 This Agreement shall be considered as made in the State of California and shall be governed and construed in accordance with the laws of the State of California excluding the application of its conflict of laws provisions and excluding the application of the United Nations Convention on Contracts for the International Sale of Goods and may be enforced by any court in California having jurisdiction over the subject matter of this Agreement.

17.9 This Agreement and any collateral agreements expressly referenced herein constitute the entire Agreement between the parties hereto with respect to the subject matter hereof. Any amendments and modifications of this Agreement shall be in writing and shall be signed by a duly authorized representative of each party. There are no other understandings, agreements, representations or warranties except as herein expressly set forth in this Agreement.

17.10 In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include all genders.

17.11 All disclosures, oral and written information, manuals, reports, instructions, technical assistance, training and other communications relating to or given pursuant to this Agreement will be in English.

17.12 In the event that any action to be taken under this Agreement falls on a day which is a Saturday, Sunday or statutory holiday, then such action shall be taken on the next succeeding day which is not a Saturday, Sunday or statutory holiday.

17.13 This Agreement may be executed in several counterparts each of which when executed shall be deemed to be an original, and such counterparts shall each constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the day and year first above written.

17.14 Execution and delivery of a facsimile transmission of this Agreement shall constitute, for purposes of this Agreement, delivery of an executed original and shall be binding upon the Party whose signature appears on the transmitted copy. Either Party hereby undertakes to originally execute and deliver to the other Party an original executed copy of this Agreement as soon as possible after execution by facsimile.

17.15 The performance of the respective Parties hereto of their respective obligations hereunder shall be subject to force majeure, including, but not limited to, insurrections, riots, wars and warlike operations, explosions, governmental acts, epidemics, failure of contractors and subcontractors to perform, strikes, fires, accidents, acts of any public enemies, inability to obtain required materials, qualified labour or transportation, or any similar occurrence beyond the reasonable control of the Party affected. Any Party temporarily excused from performance hereunder by any such circumstances shall use its best efforts to avoid, remove or cure such circumstances and shall resume performance with utmost dispatch when such circumstances are removed or cured. Any Party claiming circumstances as an excuse for delay in performance shall give prompt notice in writing thereof to the other Party. If either Party is affected by such force majeure it shall forthwith notify the other Party of its nature and extent. Neither Party shall be

deemed to be in breach of this Agreement, or otherwise be liable to the other, by reason of any delay in the performance, or the non-performance, of any of its obligations hereunder, to the extent that the delay or non-performance is due to any force majeure of which it has notified the other Party, and the time for performance of that obligation shall be extended accordingly. If the force majeure in question prevails for a continuous period in excess of 3 months, the Parties shall enter into discussions in good faith with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

SAMPLE

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement, intending to be legally bound to be executed in duplicate by their duly authorized representatives effective the day and year first written above.



CCL LABEL, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

SAMPLE

Schedule "A"

Patent/Application Description	Geography
"Apparatus & Method for Increasing an Effective Information Carrying Surface Area on a Container"	U.S. Patent 5,809,674
"Apparatus and Method for Constructing a Rotatable Label Device"	U.S. Patent 5,884,421 International pending New Zealand #334683
"Rotating Label System and Method"	U.S. Patent 6,086,697 International Extensions Filed
"Rotatable Label System and Method of Constructing Same"	U.S. Patent 6,129,802 International Extensions filed
"Rotatable Label System Including Tamper Evident Feature and Method of Constructing Same"	U.S. filed International Extensions
"Roll Fed Method for Constructing a Rotatable Label System"	U.S. filed International Extensions Filed
"Method for Constructing a Rotatable Label System on A Drinking Vessel"	U.S. filed International Extensions Filed
"Rotatable Label System and Method of Constructing Same For Prescription Containers"	PCT Filed U.S., Japan, Canada, EEU designated
"Rotating Label System and Method" Continuation -in- part	U.S. Filed International Available

All other patents that may be issued now and in the future related to pressure sensitive rotating label design and manufacture.

Schedule “B”

Trade Mark – Spinformation ®

In US and Japanese Character Format

SAMPLE