

FRANCHISE DISCLOSURE DOCUMENT

Pandora Franchising, LLC
A Maryland Limited Liability Company
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Baltimore, MD 21201
(410) 309-0200
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www.pandora.net



The franchise offered is for the operation of a PANDORA® retail store (“**Store**”) which will sell a unique line of custom jewelry. We also offer to qualified entities the right to develop multiple PANDORA® Stores under the terms of a Multi-Unit Development Agreement.

The total investment necessary to begin operation of a PANDORA Store is \$461,500 to \$1,175,000. This includes \$253,000 to \$665,000 that must be paid to the franchisor or an affiliate. If you sign a Multi-Unit Development Agreement, the total initial investment for each store is the same.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, us or an affiliate in connection with the proposed franchise sale. Note, however, that no government agency has verified the information contained in this document.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact David Lamb, Director, Real Estate and Franchise, at DLamb@pandora.net or (410) 309-0200.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: **March 30, 2016**

STATE COVER PAGE

Your state may have a franchise law that requires a franchise to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE STATEMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT PERMIT YOU TO MEDIATE, ARBITRATE OR LITIGATE ONLY IN THE CITY WHERE OUR HEADQUARTERS ARE LOCATED (CURRENTLY, BALTIMORE CITY, MARYLAND). OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN MARYLAND THAN IN YOUR HOME STATE.
2. THERE MAY BE OTHER RISKS ASSOCIATED WITH THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California:	Pending
Hawaii:	Pending
Illinois:	Pending
Indiana:	Pending
Maryland:	Pending
Michigan:	Pending
Minnesota:	Pending
New York:	Pending
North Dakota:	Pending
Rhode Island:	Pending
South Dakota:	Pending
Utah:	Pending
Virginia:	Pending
Washington:	Pending
Wisconsin:	Pending

In all other states, the effective date of this Disclosure Document is the issuance date of **March 31, 2016**.

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
ITEM 2 BUSINESS EXPERIENCE.....	3
ITEM 3 LITIGATION	5
ITEM 4 BANKRUPTCY	6
ITEM 5 INITIAL FEES	6
ITEM 6 OTHER FEES.....	7
ITEM 7 ESTIMATED INITIAL INVESTMENT	9
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	12
ITEM 9 FRANCHISEE’S OBLIGATIONS	14
ITEM 10 FINANCING	16
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	17
ITEM 12 TERRITORY	21
ITEM 13 TRADEMARKS.....	22
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	24
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS.....	26
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	26
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	27
ITEM 18 PUBLIC FIGURES	30
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	30
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	34
ITEM 21 FINANCIAL STATEMENTS.....	42
ITEM 22 CONTRACTS.....	42
ITEM 23 RECEIPTS	43

EXHIBITS

- A. List of State Authorities and Agents to Receive Service of Process
- B. Financial Statements
- C. Franchise Agreement with Appendices
- D. Form Promissory Note
- E. State Specific Addenda
- F. Form of General Release
- G. Manual Table of Contents
- H. List of Franchisees
- I. Multi-Unit Development Agreement
- J. Receipt

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “us,” or “our” means Pandora Franchising, LLC, the franchisor. “You” means the person who buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” also may mean its owners. Certain provisions of the franchise agreement will apply to your owners and will be noted in this Disclosure Document.

The Franchisor

We are a Maryland limited liability company that was formed on October 2, 2009. Our business address is 250 West Pratt Street, Baltimore, Maryland 21201; telephone (410) 309-0200; website: www.pandora.net. We do business under our corporate name and “PANDORA.” Our agents for service of process are disclosed in Exhibit A. We have not operated PANDORA stores, although an affiliate of ours operates PANDORA STORES. We have offered PANDORA franchises since January 2010. We do not have other business activities and we have not offered franchises in other lines of business.

Parents, Predecessors and Affiliates

We have no predecessors. Except as noted below, we have no parents or affiliates.

We have three parent companies, PJ, PJI and PJA, as described below. We are wholly-owned by Pandora Jewelry, LLC (“PJ”). PJ is a Maryland limited liability company with the same principal business address as ours. PJ is wholly-owned by Pandora Jewelry, Inc. (“PJI”), a Maryland corporation formed in June 2008, an entity that, in turn, is wholly-owned by Pandora Jewelry A/S (DK), a Denmark corporation (“PJA”). PJA’s principal business address is Hovedvejen 2 DK-2600 Glostrup, Denmark.

None of our parent companies have offered franchises in any line of business. However, from 2007 through 2009, PJ offered licenses allowing retailers—some of whom operate as PANDORA-branded retailers—the right to carry all or a portion of the PANDORA product line. PJ distributes Pandora jewelry and jewelry components through other non-franchise business models such as multi-brand stores and department stores. In 2010, PJ ceased offering license agreements and assigned its license agreements to us. We have offered, and will continue to offer, the existing licensees in the U.S. the opportunity to join the PANDORA franchise system.

We have four affiliates. The first is Pandora Ventures, LLC (“**Pandora Ventures**”), a Delaware limited liability company with the same principal address as ours. It was formed on September 9, 2011 to own and operate Pandora stores. Pandora Ventures is wholly-owned by PJ. On February 28, 2015, Pandora Ventures acquired 10 PANDORA stores and 1 satellite PANDORA store (operated under the same franchise agreement and located in the same mall as another PANDORA store) from our franchisee, Smyth Enterprises, LLC. Of the 10 stores and 1 satellite store acquired from Smyth Enterprises, LLC, Pandora Ventures sold 5 stores to other franchisees and closed the satellite PANDORA store. On September 14, 2015, Pandora Ventures

acquired one store from Shanif Holdings USA, Inc. As of December 31, 2015, Pandora Ventures operated 37 PANDORA stores in the U.S., including nine outlet stores.

The second affiliate is Pandora Franchise Canada Limited (“**Pandora Canada**”), a Canadian corporation formed under the federal laws of the Canada Business Corporations Act on February 4, 2014. Its principal business address is 5535 Eglinton Avenue West, Unit 234, Toronto, Ontario M9C 5K5. Pandora Canada is a wholly-owned subsidiary of Pandora Jewelry, Ltd. (“**Pandora Ltd.**”), a Canadian corporation formed on January 19, 2007. Pandora Ltd., in turn, is a wholly-owned subsidiary of our parent, PJA. Pandora Canada began offering and selling in Canada franchises of the type described in this Disclosure Document in approximately February 2011. Pandora Canada has not operated PANDORA stores and has not offered franchises in other lines of business.

The third affiliate is Pandora Retail Canada, Ltd. (“**PRC**”), a Canadian corporation. It is a wholly-owned subsidiary of Pandora Jewelry Ltd. and its principal business address is 5535 Eglinton Avenue West, Unit 234, Toronto, Ontario M9C 5K5. PRC opened its first store in Canada in May of 2014. It does not offer franchises in any line of business.

The fourth affiliate is Pandora Ecomm, LLC (“**Pandora Ecomm**”), a Maryland limited liability company formed on August 21, 2014. Its principal business address is the same as ours. Pandora Ecomm was formed to sell PANDORA jewelry directly to consumers via eCommerce. It does not offer franchises in any line of business.

Our Business

We grant franchises to qualified persons for the right to own and operate a PANDORA Store (“**Store**”). We have not operated businesses of the type being franchised, or in any other line of business.

The franchise granted to you is the right to own and operate a retail PANDORA Store under the terms of the standard PANDORA Franchise Agreement (“**Franchise Agreement**”). A copy of the Franchise Agreement is included in this Disclosure Document as Exhibit C.

All of the jewelry and jewelry components that you offer for sale in your PANDORA Store will be purchased from us.

We also offer to qualified entities the right to develop multiple PANDORA Stores in designated malls under the terms of a Multi-Unit Development Agreement. A copy of the Multi-Unit Development Agreement is included in this Franchise Disclosure Document as Exhibit D. For each future unit franchise you agree to develop, you may be required to sign a form of franchise agreement that is different from the form of Franchise Agreement included in this Disclosure Document.

The Market and Competition

The target market for PANDORA Store customers are consumers who purchase jewelry, particularly women aged 18 and over. With PANDORA jewelry currently sold in over 2,500 retail locations in North America, there is consumer awareness of the PANDORA brand. We believe that the market for PANDORA jewelry and, specifically, modifiable charm bracelets, is still developing.

You will compete with large and small jewelry stores, boutique and department stores, including non-franchised stores that offer PANDORA jewelry. You will also compete with full price and outlet Pandora stores owned and operated by our affiliate, Pandora Ventures. In addition, in 2015, our affiliate, Pandora Ecomm, began selling PANDORA jewelry directly to consumers via eCommerce, which may compete with your Store. You will compete with a variety of stores and manufacturers that offer and sell modifiable charm bracelets similar to PANDORA jewelry offered from your Store. The market and competition generally is competitive and may vary from one geographic area to another.

Regulations

There are no regulations specific to the jewelry industry. Your PANDORA Store will be subject to laws and regulations affecting businesses generally. These laws include tax regulations, labor laws, business licensing requirements, and laws relating to building construction, such as the Americans With Disabilities Act. It is solely your responsibility to obtain and keep in force all necessary licenses and permits required by public authorities. You will be required to comply with all local, state and federal laws that apply to the operation of your Store. We urge you to make further inquiries about all of these laws. You must also comply with payment card industry (PCI) data security standards.

ITEM 2 BUSINESS EXPERIENCE

President – Scott Burger

Mr. Burger has served as President since July 30, 2012. He was Vice President from January 2012 until July 2012. He has served as PJ's Vice President, Finance and Operations since July 2011. From November 2007 until June 2011, he served as PJ's Chief Operating Officer.

Treasurer and CFO – Tracey Griffin

Ms. Griffin has served as our Treasurer and CFO since February, 2016. Prior to that, Ms. Griffin was Chief Operating Officer of our parent, Pandora Jewelry, LLC from November of 2014 through February, 2016. Prior to joining Pandora, Ms. Griffin served as Senior Partner of McKinsey & Company from October, 1995 through October, 2014.

Secretary and General Counsel – Matthew Scott

Mr. Scott has served as our General Counsel since July 2011 and was elected Secretary in September 2012. He also has served as PJ's Vice President and General Counsel since June

2011. He was Associate General Counsel for Peanuts Worldwide LLC in New York, New York from June 2010 until May 2011. He relocated to Maryland in June 2011. From November 2004 until June 2010, Mr. Scott was Associate General Counsel for United Feature Syndicate, Inc. (dba United Media) in New York, New York.

General Manager – United States – Laurie McDonald

Ms. McDonald has served as PJ's General Manager – United States since February, 2016. Prior to that, she was PJ's Vice President, Sales, Americas since April 2014. From August 2012 until April 2014, she served as PJ's Director of Sales Strategy. From January 2011 until August 2012, she was PJ's Wholesale Director. Ms. McDonald also served as the National Account Manager—North America for PJ from March 2006 through December 2010.

Vice President of Sales, United States – John DePasquale

Mr. DePasquale was appointed as PJ's Vice President of Sales, United States in January 2016. From December, 2014 through December, 2015 he served as PJ's Director of Sales and from October, 2013 through December, 2014. Before joining Pandora, Mr. DePasquale held a number of positions with Newell Rubbermaid in Atlanta Georgia: Director of Channel Marketing (May – October, 2013); Director of Sales (March, 2012 – May, 2013); and Senior National Account Manager (December, 2010 – March, 2012).

Director, Real Estate and Franchise – David Lamb

Mr. Lamb has served as PJ's Director, Real Estate and Franchise since June, 2015. Prior to that, Mr. Lamb served as our Franchise Development Manager since October 2009. From February 2009 to September 2009, he was the Franchise Development Manager for PJ.

Director of Sales (East) – Detria Courtalis

Ms. Courtalis has served as our Director of Sales (East) since January 2015. Prior to that, she was our Director, Retail and Franchise Sales from February 2013 through December 2014. From October 2011 until February 2013, she was our National Training Manager. Ms. Courtalis was Vice President of Operations for Celebree Learning Centers of Lutherville, Maryland, from January 2006 until October 2011.

Director of Sales (West) – Joe DAlessandro

Mr. DAlessandro has served as our Director of Sales (West) since January 2015. Prior to that, he was PJ's Regional Sales Manager (West) from September 2013 through December 2014. From December 2008 through September 2013, Mr. DAlessandro was Regional Sales Manager (Northeast) for Tiffany & Co. of New York, New York.

Chief Marketing Officer – Charisse Ford

Ms. Ford has served as our Chief Marketing Officer in January 2015. Before joining us, Ms. Ford served as Senior Vice President of Global Marketing (September 2010 – October 2014) and Vice President Global Skincare Marketing (July 2007 – September 2010) for Estee Lauder Companies of New York, New York.

ITEM 3 LITIGATION

Pending Action

Kingdom Retail Group, LLLP v. Pandora Franchising, LLC, Case No. 14-CV-0694 (Thomas County Superior Court, Georgia, filed July 15, 2014). Kingdom Retail Group, LLLP (“Kingdom”) is a newly formed entity that was negotiating with a Pandora franchisee to purchase 27 of its Pandora jewelry stores. We maintain that we did not consent to the transfer. Our affiliate, Pandora Ventures, entered into a purchase agreement to buy the 27 Pandora jewelry stores, and the purchase was finalized on September 22, 2014. Kingdom claims tortious interference, fraud, negligent misrepresentation, defamation, promissory estoppel and equitable estoppel. It seeks damages in an amount no less than \$30,000,000, punitive damages and costs and attorneys’ fees. We deny the allegations. On August 29, 2014, we filed a notice of removal to Gwinnett County, Georgia, and the Thomas County Superior Court directed removal accordingly on September 29, 2014. On October 15, 2014, Kingdom initiated the filing of an appeal contesting the removal. On November 20, 2015, the Court of Appeals of Georgia reversed the Thomas County Superior Court and ordered the case remanded to the Superior Court of Thomas County. On December 9, 2015, we filed a Petition for Certiorari with the Supreme Court of Georgia asking the Court to review the Court of Appeals’ decision. On March 7, 2016 the Supreme Court of Georgia granted our Petition for Certiorari. Oral arguments are scheduled for June, 2016.

Concluded Actions

Artisan’s Diamond & Fine Jewelry, Inc. v. Pandora Jewelry, LLC, et al., Case No. 11-122069 CZ (MI Circuit Court for Oakland County, filed September 29, 2011). Artisan’s Diamond and Fine Jewelry, Inc. (“Artisan’s”), an authorized retailer of ours, filed an action against PJ for breach of contract, tortious interference with contract relations, concert of actions, civil conspiracy, fraud and misrepresentation, and innocent and negligent misrepresentation. The lawsuit was based on our decision to open a PANDORA Store in the same mall in which Artisan’s is located. Artisan’s sought injunctive relief to enjoin Pandora Jewelry, LLC and its PANDORA franchisee from soliciting Artisan’s customers and from selling PANDORA goods in the mall. This matter was settled and PJ paid Artisan’s \$190,000. The case was dismissed with prejudice on December 14, 2012.

757212 Ontario, Inc. v. Pandora Jewelry, Ltd., Pandora Jewelry, LLC, Pandora Franchise Canada Limited, Pandora Jewelry AS (DK), Pandora Smykker USA and Pandora A/S, Court File No. CV-12-458441 (Ontario Superior Court of Justice, filed July 10, 2012). 757212 Ontario Inc. (“757”) entered into a License Agreement with Pandora Jewelry Ltd. (which was subsequently

assigned to Pandora Franchise Canada LTD (“LTD”). 757 operated a Pandora Store in Thornhill, Ontario. LTD initially commenced an arbitration proceeding against 757 claiming violations of the License Agreement including the offering of unauthorized promotions. After the arbitration was filed, 757 commenced suit alleging that certain representations were made to it in connection with the License Agreement including: 1) 757 could re-locate its store to another specified mall when its lease expired, and 2) there would be no more than four Pandora stores in the greater Toronto area. 757 claimed, among other things, various forms of relief pursuant to the Arthur Wishart Act, damages for lost profits and damages for alleged breaches of the License Agreement. 757 also requested an order directing the defendants to comply with certain alleged obligations pursuant to the License Agreement and an order staying arbitration. 757 alleged that the defendants failed to abide by various representations and have otherwise engaged in unfair dealing. Further, 757 alleged that it unknowingly executed the Agreement, which 757 claimed was different from the agreement into which it had originally agreed to enter. In January 2013 PVC entered into an Asset Purchase Agreement with 757 under which PVC purchased all of the assets and inventory of the Thornhill store for \$1,213,372. As a part of this Agreement, all parties released their claims against one another. The suit was dismissed with prejudice on February 14, 2013.

Except for the actions disclosed above, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

You do not currently pay us any initial franchise fee. However, you must purchase your entire inventory of jewelry from us. The initial inventory will cost between \$350,000 and \$550,000. In very limited situations, we may finance the initial inventory up to 12 months (generally 30 to 90 days). Subject to applicable law, upon termination or expiration of the Franchise Agreement, we have the option to repurchase from you, but are not contractually required to do so, all unsold inventory items at a price equal to the dollar amount paid by you to acquire such items. If we elect not to repurchase your unsold inventory items upon termination or expiration of your franchise, we may permit you to sell such inventory to an existing PANDORA franchisee.

In addition, you must purchase all of the fixtures for your Store from us, at a cost of \$53,000 to \$115,000. You also must pay to us an amount of \$2,000 to \$6,000 for display accessories necessary for the Store.

The above-described payments are the only payments you must make to us or any affiliate for services or goods provided before your PANDORA Store begins operating. Except as noted above, payments for the items described in this Item 5 are non-refundable. During our fiscal

year ending December 31, 2014, we collected from franchisees amounts ranging from \$201,217 to \$479,806 for the payments referenced in this Item 5.

There are currently no initial development fees or similar fees payable under the Multi-Unit Development Agreement.

ITEM 6 OTHER FEES

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Local Advertising Expenditures	4% of Gross Sales annually, although we may increase this fee to a maximum of 6% of Gross Sales on 90 days' prior notice to you. See Notes 2 and 3.	As arranged	
Marketing Fund Fee	An amount not to exceed 3% of monthly Gross Sales	As we specify in the Manual	You must currently contribute 1.5% of your monthly Gross Sales to our Marketing Fund. We reserve the right to increase the amount you must pay to the Marketing Fund up to 3% of your monthly Gross Sales upon 30 days' prior notice to you.
Transfer Fee	\$1,000	At time of transfer	
Interest Expenses; Late Fee	Interest may not exceed 18% per annum; \$50 late fee	Upon billing	See Note 4.
Indemnification	Variable	Upon demand	You pay us for third party claims arising out of the operation of your Store.
Costs and Attorneys' Fees	Variable	Upon demand	Payable under the franchise agreement only if you and we become involved in an action or proceeding, and we prevail. Payable under the promissory note if we must undertake collection efforts if the note is not paid when due.
Renewal Fee	Our then-current renewal fee, not to exceed \$5,000	Before the date of renewal	We do not currently charge a renewal fee. This fee is payable only if you renew your franchise rights and we charge a renewal fee at the time you seek to renew.
Supplier Review Fee	Our actual costs and expenses, not to exceed \$300 per day	Upon demand	Payable if, after receipt of your written request, we review an alternate supplier or product for use in your Store.
Remodeling Costs	\$156,400 to \$383,400	Depends on lease term; due at year 5 on 5 year lease; lease renewal on 7 and 8 year leases; year 5 and lease renewal on 10 year leases	This estimate include costs of fixtures, flooring, lighting, signage, construction and related costs necessary to bring your store up to our then-current standards for new stores.
Reimbursement for Insurance Premiums (Note 5)	Variable	Upon demand	Payable if you fail to obtain required insurance and we choose to obtain it on your behalf.

Notes:

- (1) Except where otherwise noted, all fees are uniformly imposed, payable to us and are not refundable.
- (2) “**Gross Sales**” means all revenues and income from any source derived or received by you from, through, by or on account of the operation of your Store whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise less the amount of any documented refunds given in good faith to customers by you and sales tax actually paid to the appropriate taxing authority.
- (3) All local advertising must be approved by us. You will pay local advertising costs as arranged with vendors. We reserve the right to designate local or regional advertising cooperatives and require you to participate and contribute. Your contributions to cooperative advertising or promotional programs will be credited toward the minimum local advertising expenditures.
- (4) All amounts owed to us will bear interest at the highest legal rate for open account business credit in the state in which your Territory is located, which may not exceed 18% per annum. In addition to interest charges, you must pay us a service charge of \$50 for each delinquent report or payment..
- (5) You must maintain in force at all times during the term of your Franchise Agreement all insurance types and limit amounts as we specify from time to time with an insurance carrier that we designate. Currently, we have designated Jeweler’s Mutual Insurance Co. as the carrier from whom you must purchase your insurance, unless we approve otherwise in writing. Currently, we require you to carry comprehensive general liability insurance, the limits of which may not be less than \$1,000,000 single limit for bodily injury, personal injury, and property damage combined, or any other amount we may specify if we deem it necessary, casualty insurance, and other insurance we designate. In addition, you must procure and maintain a \$2,000,000 umbrella policy covering your Store and business operations. We must be named as an additional named insured on all policies of insurance, and such policies must provide that we be notified in writing at least 30 days prior to the cancellation or other material change of such policies. You must furnish to us, immediately upon receipt, duly executed copies of all insurance policies and renewal notices and notices of changes in coverage, and must be solely responsible for the entire cost of such insurance. If you fail to obtain the specified insurance, we may obtain such insurance and charge the premiums and any other related expenses to you, which you must promptly pay. The cost of insurance varies depending on your locale and accident record. The estimated cost of insurance for our franchisees for the first year, however, ranges from \$4,000 to 7,000 per year. For subsequent years, the cost may vary depending on your insurance carrier, Gross Sales and workers’ salaries. You must also carry Worker’s Compensation insurance at statutory limits. Worker’s Compensation insurance is calculated as a percentage of workers’ salaries or gross sales, depending on the insurance carrier and it varies significantly from state to state. You must also carry

Jeweler's Block insurance and any other insurance that may be required by law or by your lease.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (See Note 1)	Method of Payment	When Due	To Whom Payment is to Be Made
Leasehold Improvements	\$80,000 to \$250,000 See Note 2.	Varies under the circumstances	Varies under the circumstances	Third-party supplier
Design Fees See Note 3.	\$10,000 to \$18,000	As Agreed	Varied under the circumstances	Third-party suppliers
Fixtures	\$53,000 to \$115,000 See Note 4.	Lump sum	Varies under the circumstances	Us
Lighting and Flooring	\$20,000 to \$30,000	Varies under the circumstances	Varies under the circumstances	Third-party suppliers
Display Accessories	\$2,000 to \$6,000 See Note 5.	Varies under the circumstances	Varies under the circumstances	Us
Fixture Installation and Shipping Costs	\$10,000 to \$20,000	Varies under the circumstances	Varies under the circumstances	Third-party suppliers
Custom Signage	\$5,000 to \$12,000	Varies under the circumstances	Varies under the circumstances	Third-party suppliers
Training Attendance Costs and Expenses	\$3,000 to \$5,000 See Note 6.	Varies under the circumstances	Varies under the circumstances	Hotels, transportation carriers, and restaurants
Initial Inventory	\$200,000 to \$550,000 See Note 7.	Lump sum	Upon Receipt	Us
Computer System and POS	\$22,500 to \$26,000 See Note 8.	As agreed	Varied under the circumstances	Third-party Supplier
Pre/Grand Opening Marketing	\$10,000 to \$25,000 See Note 9.	As agreed	Varies under the circumstances	Third-party Suppliers
Professional Fees	\$2,000 to \$6,000 See Note 10.	Lump sum	Varies under the circumstances	Attorney and/or accountant
Lease Payments – 3 Months	\$15,000 to \$60,000 See Note 11.	Varies under the circumstances	Varies under the circumstances	Third-party supplier
Insurance Premiums	\$4,000-\$7,000 See Note 12.	Varies under the circumstances	Varies under the circumstances	Third-party insurance carrier designated by us; Third-party supplier for worker's compensation
Additional Funds - 3 Months	\$25,000 to \$50,000 See Note 13.	As incurred	Before opening and as incurred	Employees, third-party suppliers and others.
TOTAL See Note 14.	\$461,5000 to \$1,175,000			

Notes:

- (1) The chart above describes the *estimated minimum* requirements for beginning operations for a PANDORA Store. The estimated minimum requirements may vary depending on factors such as your financial condition, your financing arrangements and the business decisions you make. Except where otherwise noted, all fees that you pay to us are uniformly imposed and nonrefundable. Third-party lessors and suppliers will decide if payments to them are refundable.
- (2) The cost of leasehold improvements will vary depending upon the type of location, condition of the premises, the terms of your lease, and whether your landlord pays a portion of the leasehold improvements (and, if so, whether your landlord charges those amounts back to you in your lease payment).
- (3) As noted in Item 8, you will purchase an initial design pack for your Store from either Little Diversified Architectural Consulting or Architectural Group International (as we will specify) for approximately \$4,000. The initial design pack is not a registered architectural set from which your store can be built. You will need to hire your own architect to fit the initial design pack drawings to your space and to create registered architectural sets from which any necessary build out can be built, at an additional estimated cost of \$6,000 to \$14,000. The estimate in the above chart includes both costs.
- (4) This is the estimate for your fixtures such as all displays, flooring and non-custom signage. The invoice amount for the fixtures ranges from \$106,000 to \$214,000, however, you will receive a discount and pay only 50% of the invoice amount.
- (5) This estimate for display accessories includes merchandising materials such as trays, earring trees, ribbon pillows, product holders and wall graphics, among others.
- (6) We do not charge you a fee for the Training Program described in Item 11. However, you must bear all travel costs and expenses associated with your and your Store Manager's attendance at our initial Training Program for new franchisees. The estimated expenses assume you incur reasonable travel costs and expenses (e.g., transportation, hotel, meals) for two persons for 3 days of training.
- (7) You will purchase your entire initial and ongoing inventory from us. The amount of inventory will depend, in part on the size of your Store. In very limited circumstances, we may extend credit terms. Payment for all subsequent inventory purchases is due upon order.
- (8) This estimate is for the computer system, point-of-sale system and all related software.
- (9) The pre/grand opening marketing expense is for your required advertising and marketing needed to promote the opening of your PANDORA Store. You must incur these amounts between one month before you open the Store for business and one month after that date.

In addition to public relations costs and direct mail costs, it will include brochures, business cards and miscellaneous items.

- (10) This amount is an estimate for attorneys and accounting fees in connection with your purchase of the franchise and related matters.
- (11) Your PANDORA Store will need to have 600 to 1,100 square feet of retail space and rent typically varies by market.
- (12) You must purchase your insurance through our designated insurance carrier, Jeweler's Mutual Insurance Co., unless we otherwise approve in writing. Insurance premium estimates are for comprehensive liability insurance for your Store and related business operations only. You will also need to obtain Worker's Compensation insurance in such amounts as required by statutory limits in the state where your Store is located, Jeweler's Block insurance and any other insurance required by law or by your lease.
- (13) This amount of working capital is estimated to be sufficient to cover initial operating expenses not covered by initial sales during the first three months of operation and includes wages and miscellaneous expenses. The amounts are estimates based on our estimate of costs and market conditions prevailing as of the date of this Disclosure Document and our experience in opening PANDORA Stores in the United States over the past six years. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, your business skills, local economic conditions, the local market and acceptance of the PANDORA Business, the prevailing wage rate, competition and the sales level reached during the initial three month period.
- (14) This total is an estimate of your initial investment and is based upon our estimate of costs and market conditions prevailing as of the date of this Disclosure Document. You should review this amount carefully with a business advisor before making any decision to purchase the franchise. You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

Estimated Initial Investment for Multi-Unit Development Agreement. If you sign a Multi-Unit Development Agreement, your initial investment for your first Store will be the same as disclosed in the Item 7 chart. There is no additional initial investment for the Multi-Unit Development Agreement. You also should be aware that your initial investment for your second and subsequent Stores may be higher than the above estimates for your first Store due to inflation and other economic factors that may vary over time.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help ensure a uniform image and uniform quality of products, supplies and services in all PANDORA Stores, you must maintain and comply with our quality standards. You must improve and equip your retail space according to our current specifications and standards. In addition, it is your responsibility to ensure that you comply with the Americans with Disabilities Act and all other federal, state and local laws. You also must use equipment (including computer hardware and software), signage, packaging, supplies, display materials, advertising and sales promotion materials that meet our specifications and standards.

You will purchase from us initial inventory (consisting of our patented and copyrighted jewelry and jewelry components), fixtures and other similar pre-opening items. You also must purchase ongoing inventory, fixtures, lighting, flooring, supplies, uniforms, and other products and services from us or approved suppliers, as noted in this Item 8. We may designate a single source of supply for any products or services and we or an affiliate may be that single source. For example, as of the date of this Disclosure Document, (1) iDX (based in Washington) is our only approved sources for fixture shipping and installation services, (2) Kliger-Weiss Infosystems or “**KWI**” (based in Port Washington, NY) is the only approved supplier of the required POS system; (3) Shopper Trak (based in Chicago, Illinois) is the only approved supplier for traffic counters; and (4) Little Diversified Architectural Consulting (based in Charlotte, NC) and Architectural Group International (based in Covington, KY) are the only approved architects for franchisees’ initial design packs. We are not affiliated with iDX, KWI, Shopper Trak, Little Diversified Architectural Consulting, or Architectural Group International. Further, as of the date of this Disclosure Document, we currently are the sole supplier for all jewelry and jewelry components sold in your PANDORA Store, as well as all fixtures for your Store, and you must purchase from us all such products. You will pay the then-current price in effect for all purchases you make from us and any affiliate. We will derive income from the sale of the jewelry, jewelry components and fixtures that you purchase from us, by charging more than our cost. We believe the amount charged for the patented and copyrighted jewelry and jewelry components, as well as fixtures, that you must purchase from us is equal to or lower than the prevailing market price you would pay if you purchased the products through a third-party source authorized by us to distribute such products. Likewise, we believe that the amounts charged to you by iDX, KWI, Shopper Trak, Little Diversified Architectural Consulting, and Architectural Group International, for fixture shipping/installation services, the POS system, traffic counters, insurance and the architectural initial design pack, respectively, are approximately equal to the amounts you would pay to obtain such goods and services from an alternate supplier given each supplier’s demonstrated experience in the specialty retail market and knowledge of the PANDORA system. If we are no longer able to provide you with jewelry, fixtures and jewelry products, or if iDX, KWI, Shopper Trak, Little Diversified Architectural Consulting, and/or Architectural Group International, are unable to provide you with fixture shipping/installation services, the POS system, traffic counters, insurance and the initial design pack (respectively), we will endeavor to provide such products and services through one or more alternate suppliers at comparable cost. During our fiscal year ending December 31, 2015, we received an amount of \$334,368,219 as a result of franchisee required purchases, or approximately 94% of our total 2015 fiscal year revenues of \$355,071,729, as shown on our audited financial statements included as Exhibit B to this Disclosure Document.

We will periodically provide you with a list of approved vendors, manufacturers and suppliers (“**Approved Suppliers List**”) and approved inventory, fixtures, furniture, equipment, signs, trademarked items, supplies and other items or services necessary to operate the Store (“**Approved Supplies List**”). The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment and, unless we specify in writing to the contrary, you may purchase the specific product from any approved source that carries the specific approved products. As mentioned above, from time to time we, an affiliate or third-party vendor or supplier may be the only approved supplier for certain products. The lists also may include other specific products without reference to a particular manufacturer, or they may set forth the specifications and standards for other approved products. From time to time, our officers may have an ownership interest in any affiliate that is an approved supplier. As of the date of this Disclosure Document, no officer of the franchisor owns an interest in any approved supplier.

Except for products and services that you must purchase from a single, designated source, you may make a written request for approval of a specific product of an additional qualified vendor or supplier, except for jewelry, jewelry components and items that contain the PANDORA trademark that you must purchase from us. In addition, each vendor/supplier of a product must meet the following requirements: its product must comply with the applicable specifications and standards; the supplier’s facilities must be adequate to meet the needs of franchisees; and the supplier and its facilities must be accessible to our periodic evaluation. We may charge you an amount equal to our actual cost of evaluating a proposed new supplier and/or its product to you, not to exceed \$300 per day. We do not make these specifications and standards generally available to franchisees or suppliers.

You must initiate the formal approval process to have specific products or supplies of an additional supplier approved. As part of this approval process, we may request that the supplier submit samples of its specific product to us. We then conduct an evaluation of the samples to determine whether the product conforms with the specifications and standards. We will notify the supplier of our evaluation results by mail usually within 30 days after our receipt of the sample.

As part of the approval process for a specific product, the supplier may be required to sign an applicable supplier agreement. We may revoke our appointment if the supplier is in violation of any of the terms of the applicable supplier agreement or if we determine in our good faith but exclusive judgment that the supplier is not meeting the standards and specifications that we have established for that product or service.

We may modify the standards and specifications for products, supplies and services from time to time and add or delete from the list of approved vendors and suppliers. Standards may include minimum standards for delivery, performance, warranties, appearance and other restrictions. We reserve the right to (i) limit the number of vendors and suppliers, and (ii) receive consideration from the vendors and suppliers, which consideration may or may not be related to services we perform. We also reserve the right to designate a primary source of supply for certain products. We or an affiliate may be that source. We also reserve the right to receive rebates and

other payments from suppliers based on franchisee purchases. As of the date of this Disclosure Document, we receive a 2% rebate from iDX (fixture shipping and installation supplier).

In addition to approved products, the Franchise Agreement requires you to purchase and maintain liability and other types of insurance in an aggregate amount that we designate periodically and with a carrier that we reserve the right to designate. Currently, we have designated Jeweler's Mutual Insurance Co. as the carrier from whom you must purchase your insurance coverages unless we otherwise approve another carrier. You also must purchase and maintain any other insurance required by any agreement related to the franchise business or by law, such as Worker's Compensation insurance. You must furnish to us copies of all insurance policies. You may use only marketing and promotional materials that meet our standards and are approved by us.

We estimate that your purchase of products, fixtures, displays, promotional items, supplies, and marketing materials from us or that meet our specifications and standards will represent approximately 70% to 85% or more of the cost to establish the franchise business and 50% to 55% or more of the cost to operate the franchise business on an ongoing basis.

We may negotiate purchase arrangements with suppliers for the benefit of franchisees, but not for the benefit of individual franchisees. We do not provide you with material benefits (for example, renewal or granting additional franchises) to you based on your purchase of particular products or services or use of particular suppliers.

We do not currently have any purchasing or distribution cooperatives in the PANDORA system that offer to you certain products used in the franchise business.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation		Section in Franchise Agreement (FA), Promissory Note (PN) and Multi-Unit Development Agreement (MDA)*	Disclosure Document Item
a.	Site selection and acquisition/lease	FA: 2A, 5A MDA: 4	Items 1, 7, 11 and 12
b.	Pre-opening purchases/lease	FA: 6A, 7A-D and 9B	Items 5, 7, and 8
c.	Site development and other pre-opening requirements	FA: 2, 5, and 6A MDA: 2 and 4	Item 7 and 11
d.	Initial and ongoing training	5I; 8B	Item 11
e.	Opening	FA: 2A-B MDA: 4	Items 5 and 11

Obligation		Section in Franchise Agreement (FA), Promissory Note (PN) and Multi-Unit Development Agreement (MDA)*	Disclosure Document Item
f.	Fees	FA: 4B.ix; 9F; 10A; 12C; PN: 1 and 7	Items 5, 6 and 17
g	Compliance with standards and policies/ Operating Manual	FA: 5B; 6; 7; 8; 9; 10B; 11 MDA: 5A	Items 11 and 16
h	Trademarks and proprietary information	FA: 2A; 3 MDA: 5B	Items 13 and 14
i.	Restrictions on products/services offered	FA: 2 and 7	Items 8, 11 and 16
j.	Warranty and customer service requirements	FA: 7A; 7G; 9G	Item 16
k	Territorial development and sales quotas	FA: 2 MDA: 2 and 4	Item 12
l.	Ongoing product/service purchases	FA: 7A-B	Items 8 and 11
m	Maintenance, appearance and remodeling requirements	FA: 6	Items 6 and 11
n	Insurance	FA: 11D	Items 6 and 8
o	Advertising	FA: 9	Items 6, 7 and 11
p	Indemnification	FA: 11C	Item 6
q	Owner's participation/ management/staffing	FA: 8	Items 11 and 15
r.	Records/reports	FA: 10	Item 6
s.	Inspections/audits	FA: 7D,E,G	Item 6
t.	Transfer	FA: 12 MDA: 8	Items 6 and 17
u	Renewal	FA: 4;6D	Item 17
v	Post-termination obligations	FA: 16 MDA: 7 PN: 6	Item 17

Obligation		Section in Franchise Agreement (FA), Promissory Note (PN) and Multi-Unit Development Agreement (MDA)*	Disclosure Document Item
w	Non-competition covenants	FA: 11E;16; and Appendix D	Item 17
x	Dispute resolution	FA: Section 13 MDA: 9	Item 17
y	Other	Not Applicable	Not Applicable

*Unless otherwise noted, all section references in the above chart relate to the Franchise Agreement.

ITEM 10 FINANCING

We may offer inventory financing on an extremely limited basis to highly qualified new and existing franchisees that meet certain elevated credit and experience standards. If we elect in our sole business judgment to offer you such financing, you will be required to sign a promissory note in the form attached as Exhibit D to this Disclosure Document, which provides as follows:

Inventory

Source of Financing	Us
Amount Financed	Varies; \$200,000 to \$500,000
Repayment Term	Up to 12 months after store opening (generally only 60 to 90 days), depending on credit worthiness
Rate of Interest Plus Finance Charge	Varies depending on credit worthiness, but interest generally ranges from 8% to 15% of unpaid principal balance; except that we may increase the interest rate to prime plus 5% (“ Adjustment Rate ”) if, at any time prior to repayment of the note, the Adjustment Rate exceeds the applicable note rate. If Note is paid in full prior to maturity date, all accrued and unpaid interest is waived. If Note is not paid in full by maturity date, accrued and unpaid interest remains due and payable.
Payment Terms	One lump sum payment at end of repayment term
Prepayment Penalty	None
Security Required	None
Guarantee	Yes. Guarantee is required for (i) individual franchisees; (ii) individuals holding 10% or more interest in franchisee entity; and (iii) anyone else upon whom we are relying in offering you financing such as your spouse.
Liability Upon Default	Loss of inventory and default under Franchise Agreement
Waiver of Defenses	Guarantors waive presentment for payment, protest and notice of nonpayment and consent, to the Note.
Loss of Legal Rights Upon Default	Default under note is a default under the Franchise Agreement. Franchise Agreement may be terminated if you fail to cure any default under the note.

Except as disclosed in this Item, neither we nor our affiliates offer, either directly or indirectly, any financing to you. Neither we nor our affiliates have any present practice or intent to sell, assign or discount to a third party all or part of the financing arrangement. Neither we nor our affiliates receive any consideration for placing financing on your behalf. We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of such financing. We do not guarantee your notes, leases or other obligations.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-opening Assistance. Before you operate your Business, we will:

- (1) Grant to you a license to operate the PANDORA Store at a designated location (Section 2A of the Franchise Agreement);
- (2) Provide you access to either an on-line or hard copy Manual containing mandatory and suggested specifications, standards and operating procedures for the Store (Section 7I of the Franchise Agreement).
- (3) Sell to you initial inventory, fixtures and display accessories for your PANDORA Store (Section 7B of the Franchise Agreement).

Obligations After Opening Assistance. During the operation of your Store, we will:

- (1) Sell you all jewelry, jewelry components, packaging, display, promotional materials and marketing materials to be sold or used in your PANDORA Store (Section 7B of the Franchise Agreement).
- (2) Update the on-line Manual from time to time (Section 7I of Franchise Agreement);
- (3) Identify you on our PANDORA website (Section 7L of the Franchise Agreement);
- (4) Evaluate your Store as we deem necessary (Section 7E of the Franchise Agreement);
- (5) Establish and conduct various marketing and sales promotion programs (Sections 9C of Franchise Agreement), as further described below.

Our Obligations Under the Multi-Unit Development Agreement. A developer will sign individual Franchise Agreements for each Store developed under the Multi-Unit Development Agreement. Our obligations under the individual Franchise Agreements apply to a developer. Each time a developer signs another Franchise Agreement, our obligations are activated for the

new Store to be established. We do not have separate obligations under the Multi-Unit Development Agreement. However, depending on the number of Stores to be developed and the time period, we may offer developers certain incentives that are not available to other franchisees such as merchandise credits, increased co-op advertising matching funds, extended credit terms, and rights of first refusal to develop Stores in nearby malls.

Marketing Programs. You and other similarly situated franchisees and affiliate-owned Stores must pay 1.5% of your monthly Gross Sales (as defined in the footnotes to the Table in Item 6) into a marketing fund (“**Marketing Fund**”) on a quarterly basis; provided that PJ’s licensees who have joined the PANDORA franchise program will not pay a Marketing Fund Fee for the initial term of their respective franchise agreements and licensees who may join the PANDORA franchise program also will not pay a Marketing Fund Fee for the initial term of their respective franchise agreements. We reserve the right to increase the amount you must pay into the Marketing Fund up to 3% of your monthly Gross Sales upon 30 days’ prior notice to you. We will administer the Marketing Fund and will use these amounts to maximize public awareness of the PANDORA brand as we determine from time to time. We are not required to spend any specific amount of the Marketing Fund in your geographic area. The Marketing Fund will not be audited. We will not maintain separate financial statements for the Marketing Fund., During 2015, we used 100% of the amounts we collect to offset corporate expenses we incurred in marketing the Pandora brand and products. We will not hold the Marketing Fund in trust or as a fiduciary or similar capacity. In 2015, we collected Marketing Fund fees from franchisees in the amount of \$6,942,730.40.

You must conduct certain advertising and public relations in connection with the opening of your PANDORA Store as we specify in writing. The cost of the market introduction advertising and promotion is \$10,000 to \$25,000, which is your responsibility.

You also must spend annually a specified amount, currently at least 4% of Gross Sales, for local marketing, advertising and promotion and business development (“**Marketing Requirement**”). We can increase the amount of your local advertising expenditures up to a maximum of 6% of Gross Sales. Your Marketing Requirement may be spent by you on a variety of programs, which we will formulate and make available to you. You also may spend your Marketing Requirement on other local business development activities that you initiate, so long as they are first approved by us. You may not develop marketing materials or programs for your Store, as we or our affiliate develop all such marketing materials and programs and distribute them to you to implement, at your cost. Upon request, you must submit substantiation of your advertising expenditures. If you fail to spend the required minimum, we may collect the deficiency and spend it in your local market as we determine.

All advertising used by you must be prepared and/or approved by us. You may not independently advertise on the Internet or similar channels of distribution.

Although we currently do not do so, we reserve the right to require advertising or marketing cooperatives to be formed, changed, dissolved or merged.

Computer / POS Bundled Store System. Certain key performance information, which includes various financial and business records and information, must be provided to us according to prescribed reporting formats, methodologies and time schedules that we establish from time to time. You must use both a computer and POS bundled system in the operation of your PANDORA Store and you must purchase these items from a single designated supplier as designated by us. The administrative computer system must have a minimum of Windows 7 operating system, Intel 2.0 dual processor, minimum 4GB Ram memory, minimum 160 Gb hard drive, back-up drive and able to access the Internet. Only the Pandora authorized POS system can be used in the operation of your PANDORA Store (“**Pandora POS**”). The Pandora POS bundled store package is capable of generating sales reports, sales by category report, inventory control, and general reporting capability. This package also consists of Merchandise and Inventory Management module, a POS module, Traffic Counter, and Gift Card solution. The estimated cost to acquire both an administrative computer system and the Pandora POS bundled store package consistent with the above requirements ranges between approximately \$21,000 to \$26,000. There are no contractual limitations or restrictions on our independent access to the information and data that is electronically generated on your Pandora POS system. The standards and specifications for the computer hardware and software will be provided by us. The estimated annual cost of any required or optional maintenance, updating, upgrading or support contracts totals approximately \$10,000. High speed Internet access, participation in the PANDORA web site and compliance with our Internet and Intranet policies and programs are required. We reserve the right to require any upgrades to the Pandora POS bundled package. Any such upgrade or update is part of the compliance of ensuring such system meets the requirements Pandora’s authorized POS bundled system.

Site Selection. We do not select the site for your Store. If we do not accept the site that you propose for the Store, you must find an alternate site. If we do not agree on a site, it may delay your opening. You are solely responsible for finding a location that meets our standards and criteria and that is acceptable to us. We may terminate the Franchise Agreement if you fail to open your Store for business within 180 days after the effective date of your Franchise Agreement. We generally will respond within 30 days of your request for approval of a proposed location.

When evaluating a location, we will consider local competition in the area and the general demographics and customer base of the proposed shopping center or mall.

Time and Opening. The estimated length of time between the signing of the Franchise Agreement and the opening of your Business is six to ten months. Factors affecting this length of time usually include finding a location, arranging financing and other factors. You should not expend funds or make any other commitment in connection with the franchise and should not resign from existing employment, relocate or take any similar action until our approval of the franchise, which we will specifically communicate to you in writing.

Training. To support franchisees in delivering outstanding guest service and maximizing sales, PANDORA offers a training program covering PANDORA history, PANDORA Way of Selling, store management development, products and other relevant topics.

PANDORA offers a holistic training program that is conducted as a combination of:

- Face-to Face training
- E-Learning (PANDORA On Demand & Webinars)
- In-store training

Prior to the opening of your Store, you must attend and complete the initial Franchise Operations and Development training to our satisfaction. Your failure to complete training to our satisfaction may result in termination of the Franchise Agreement. Generally, training occurs at our training facilities at our Americas headquarters in Baltimore, Maryland, but we may schedule your training at a corporate location or other site that we designate. We offer the training program as we determine necessary.

There is no fee for you and one other person to attend the initial Franchise Operations and Development training program. You must pay for the salaries, fringe benefits, travel cost and other related expenses for individuals associated with you who attend the training program (i.e. Store Manager).

As of the date of this Disclosure Document, the initial training program is as follows:

Training Program

Course	Hours of Classroom	Hours of On-the-Job Training	E-Learning
Welcome to PANDORA*	1	0	1
PANDORA Way of Selling*	2	2	2
Product Training*	4	4	8
Retail Operations*	4	4	0
Visual Merchandising*	2	2	1
Recruiting & Hiring	3	2	0
Coaching & Development	6	4	1
Advanced Selling Skills and Driving KPIs	3	2	1
Leadership Skills	3	2	0
Total Hours	28	22	14

*Portions of these courses must be completed before you can open your PANDORA Store. The other courses must be completed within nine to twelve months of opening.

Individuals experienced with PANDORA products and business systems will conduct the training. Training materials include the Franchise Operations Manual and other written and electronic instructional materials.

Operations Manual. Attached as Exhibit G is the current Table of Contents of the Operations Manual showing the number of pages devoted to each subject. Currently, the total number of pages in the Operations Manual is 168.

ITEM 12 TERRITORY

We grant you the right to operate a PANDORA Store at a designated location which must be accepted by us. During the term of the Franchise Agreement, we and our parent will not operate or grant others the right to operate a franchised PANDORA Store within the same shopping center or mall (“**Mall**”), except as noted below. As used in this FDD, a “Mall” is defined as either an urban shopping area featuring a variety of shops with an open-air concourse reserved for pedestrian traffic, or a large suburban building containing various shops and associated passageways.

We have reserved the right to (1) grant other franchises or develop and operate company or affiliate-owned PANDORA Stores at any location anywhere outside your Mall, (2) distribute some or all of the products through department stores or other retailers within the Mall regardless of proximity of the department store(s) to your PANDORA Store, and (3) sell any products or services anywhere, whether or not using the Marks (as defined below), through alternative channels of distribution (including Internet and mail order). You will receive an “exclusive territory” in that we will not establish a company-owned or franchised PANDORA store in your mall, even though we can sell PANDORA jewelry products to other retailers in the mall. You may face competition from other franchisees (not in your Mall), from outlets that we own (not in your Mall), from other retailers (who may be in your Mall) or from other channels of distribution or competitive brands that we control. The Internet is a channel of distribution reserved exclusively to us and to some authorized retailers, and you may not independently market your PANDORA Store or your inventory on the Internet (including all current and future forms of social media networks or platforms except as we specifically allow) or otherwise conduct e-commerce except as we approve. We need not compensate you for soliciting or accepting orders from inside your territory (i.e., Mall). In addition, some of PJ’s existing franchisees and authorized retailers have the right to advertise and sell PANDORA jewelry and jewelry components via the Internet, including possibly to customers residing within your Territory. We also reserve the right to purchase, be purchased by, or merge or combine with, competing businesses, wherever located.

You can only relocate your Store with our prior written approval.

You are not restricted from soliciting or accepting orders from consumers outside of your territory. However, you may not independently advertise on the Internet or similar channels of distribution as noted above. All advertising must be prepared and/or approved by us, as we direct.

You do not have to achieve a certain sales volume, market penetration or other contingency to continue your protected rights.





You do not have any options, rights of first refusal or similar rights to acquire additional franchises within any particular territory.


We do not currently operate or have plans to operate or franchise a similar business under a different trademark, although we reserve the right to do so, both within and outside of your territory.

Multi-Unit Development Agreement. If we and you enter into a Multi-Unit Development Agreement, you will be required to open and operate PANDORA Stores in specifically identified malls. You do not receive any protection other than our agreement not to operate or franchise anyone else the right to operate a PANDORA Store in the malls identified on Appendix A to the Multi-Unit Development Agreement. We reserve the same rights for Stores developed under a Multi-Unit Development Agreement including the right to sell products to department stores located in the malls identified on Appendix A. If you sign a Multi-Unit Development Agreement you may receive a right of first refusal to develop PANDORA Stores in other malls located in the vicinity of your development malls.

ITEM 13 TRADEMARKS

The Franchise Agreement licenses you to use the mark, PANDORA as well as other trademarks, service marks, trade names and commercial symbols we may designate from time to time (collectively, the “Marks”). We or our parent, PJ, also claim common law trademark rights for all of the Marks. We or our parent have filed or intend to file all required affidavits and renewals for the Marks listed below.

Principal Trademarks	Principal/Supplemental Register	Registration Number	Registration Date
	Principal	3,613,181	April 28, 2009
PANDORA Jewelry	Principal	3,065,374	March 7, 2006
Pandora	Principal	4,333,461	May 14, 2009
	Principal	4,118,900	March 13, 2009
	Principal	3,065,374	March 7, 2006
Ale	Principal	4,057,499	November 15, 2011
	Principal	3,640,357	June 16, 2009

Principal Trademarks	Principal/Supplemental Register	Registration Number	Registration Date
	Principal	3,951,129	April 26, 2011

Your use of the Marks and any goodwill is to our or our parent's exclusive benefit and you have no rights in the Marks. You also retain no rights in the Marks during the term of, or upon expiration or termination of, your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. You may not contest our rights in the Marks. You may not use any of the Marks as part of a corporate, company, partnership or trade name. We retain exclusive rights to use the Marks in Internet domain names, and you may not use the Marks in any way that jeopardizes our rights. In no event will you make use of or register an Internet domain name that is in any way similar to the Marks.

PJ has licensed us to use the Marks in connection with the sale of a unique line of precious or fine jewelry, and to sublicense the use of the Trademarks, copyrights and patents ("**Intellectual Property**") in connection with the operation of Stores under a license agreement with effective date of November 15, 2009 (the "**Trademark License Agreement**"). The Trademark License Agreement provides for a 10-year term with unlimited automatic renewals. PJ may terminate the Trademark License Agreement as follows: (i) if we are dissolved, become insolvent, (ii) if we, except for our right to sublicense the Intellectual Property to franchisees, assign or sublicense our rights under the Trademark License Agreement without PJ's consent, or (iii) upon our default and failure to cure after receiving 30 days' written notice. The Trademark License Agreement has no other material limitations.

Except as noted below, there are currently no effective material determinations by the United States Patent and Trademark Office ("**USPTO**"), the Trademark Trial and Appeal Board ("**T.T.A.B.**"), the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks.

Pandora Jewelry, LLC v. Pandora's Makeup Box Inc., Case No. 91196078 (Trademark Trial and Appeal Board filed August 9, 2010). PJ filed an opposition proceeding against the application of Pandora's Makeup Box Inc. ("**PMB**") to register the trademark PANDORA'S (U.S. Application Ser. No. 77/604,365). PMB has denied the salient allegations in PJ's Notice of Opposition. PMB has not alleged any counterclaims seeking to cancel or otherwise challenge PJ's trademarks. The discovery period has ended. Oral argument on the matter was held on February 26, 2015. On April 1, 2015, the Trademark Trial and Appeal Board issued an opinion upholding PJ's opposition and refusing registration of PMB's application to register PANDORA'S.

Pandora's Makeup Box Inc. v. Pandora Jewelry, LLC, Case No. 92060084 (Trademark Trial and Appeal Board filed Sept. 23, 2014) PMB initiated a cancellation proceeding seeking to cancel

PJ's registration of PANDORA with Crown (Reg. NO. 4,118,900) on priority grounds. PJ denied the allegations. On September 2, 2015, PJ and PMB filed a stipulation with the TTAB to withdraw the Petition to Cancel without prejudice. On September 3, 2015, the TTAB dismissed the Petition to cancel without prejudice and terminated the proceedings.

Except for the Trademark License Agreement (described above) and the Settlement Agreement (described below), there are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

Pursuant to a settlement agreement effective April 2010 (the "**Settlement Agreement**"), PJ and Milus International, S.A. agreed to request an amendment of the affected trademark application(s) consisting of the "O with Crown Device" ("**Mark**") and requesting withdrawals of opposition and/or cancellation proceedings where appropriate. The parties further agreed that the Mark cannot be used alone on watches or clocks, but that the Mark can be used with all other products and advertising in close proximity with the name PANDORA. The Settlement Agreement has no limitations on the use of the Mark used as part of the name PANDORA.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make such changes or substitutions, although we will reimburse you for the tangible costs of compliance.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We or our parent, PJ, have the following U.S. patents:

Title	Patent Number	Type	Issuance Date	Expiration
Necklaces and Bracelets with Keepers	7,007,507	Utility	March 7, 2006	Jul. 21, 2023
Component with Gripping Element	8,950,214	Utility	February 10, 2015	Jan. 3, 2034

U.S. Patent No. 7,007,507 is directed to a necklace or bracelet with provisions to prevent the bunching of baubles, bangles and beads which are strung on the necklace or bracelet. Bunching is prevented by keepers which are removably attached to one or more bands fixedly attached to the strands of the necklaces or bracelets. Two types of keepers are disclosed, one of which has internal threads which interact with threaded bands, and one which uses a hinged structure to secure the keeper on a band. The keepers may have a variety of shapes for decorative effects, such as cylindrical, spherical, cubical, or pyramid-shaped. The term of the patent continues until April 21, 2023. We are aware that there are similar modifiable charm bracelets used in the jewelry industry and by other manufacturers and retailers.

U.S. Patent No. 8,950,214 is directed to an ornamental component for use with jewelry such as a bracelet or necklace. The ornamental component has a through hole allowing the ornamental component to be strung on an elongated member of the jewelry. The ornamental component includes a self-supporting housing and an insert assembly. The housing has a through hole with first and second openings at first and second sides, respectively, of the housing. The insert assembly is inserted in the through hole of the housing, and the insert assembly is assembled from a first tubular element and a gripping element. The first tubular element has a through hole that forms at least a part of the ornamental component through hole. The gripping element is configured to frictionally grip a part of the jewelry item. The first tubular element is configured to secure the gripping element inside the through hole of the ornamental component.

PJ has also applied for the following patents:

Title	Application No.	Publication No.	Type	Filing Date
Ornamental Component with Gripping Element	U.S. Ser. No. 14/585,042	N/A	Utility	Dec. 29, 2014

We or our parent also have a number of registered copyrights for various pieces of jewelry and jewelry components, none of which, standing alone, is material to the franchise. In addition, we or our parent claim copyright ownership and protection for our PANDORA Manual, web site, and for various training, sales, marketing and promotional materials, and other materials published from time to time.

Except for the one matter described below, there are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights:

On February 23, 2009, PJ and Chamilia LLC executed a confidential settlement agreement whereby the parties settled their dispute amicably resulting in certain Chamilia brand jewelry being sold in the marketplace (“**Chamilia Settlement Agreement**”). On November 9, 2009, PJ and Quality Gold, Inc. executed a confidential settlement agreement whereby the parties settled their dispute amicably resulting in certain Quality Gold brand jewelry being sold in the marketplace (“**Quality Gold Settlement Agreement**”). The Chamilia Settlement Agreement and the Quality Gold Settlement Agreement each extend for the duration of the patent, or until April 23, 2023. Further, in August 2010, PJ and 212 LLC and JMM Designs, Inc. executed a confidential settlement agreement whereby the parties settled their dispute amicably resulting in certain Silverado brand jewelry being sold in the marketplace (“**212-JMM Settlement Agreement**”).

Except as described above, there are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. Further, except as noted above, there are no infringing uses actually known to us

that could materially affect your sale of the patented jewelry or use and sale of the copyrighted materials.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including the Manual. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the Manual and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the Manual at your cost.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Your Store must at all times be under your direct supervision or that of your Store Manager.

The following persons must sign the Personal Guarantee which is attached to the Franchise Agreement as Appendix B: (i) all individuals who execute the Franchise Agreement; (ii) each individual who owns an interest in the franchisee entity (for example, owners, shareholders, members, and partners who own an interest in an entity which itself owns an interest in the franchise entity; (iii) individuals who are officers and directors of the franchise entity or of an entity which owns an interest in the franchise entity and (iv) anyone else that we may direct. These people agree to discharge all obligations of the franchisee under the Franchise Agreement and are bound by all its terms and conditions, including maintaining confidentiality of proprietary information and abiding by the noncompete covenants.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell those types of merchandise that are authorized by us. You must offer and sell only those types of merchandise that we prescribe or have otherwise approved. We may change the goods and services that you must offer upon notice to you. There is no limit on the number or type of changes that we may make. We may modify our franchised business specifications and authorized goods and services at any time and for any reason that we believe will benefit our franchise program. We will notify you of all these changes in writing. Any failure to comply with these standards may result in termination of your Franchise Agreement.

You may not use your Store premises for any business purpose other than the operation of a PANDORA Store. You may use only marketing and promotional materials that we have approved.

You may not maintain an independent presence on the Internet. You must comply with our social media policy as promulgated from time to time.

You may only sell approved products to end user customers

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Provision		Section in Franchise Agreement (FA), Multi-Unit Development Agreement (MDA) or Promissory Note (PN)*	Summary
a.	Length of the franchise term	FA: 4 MDA: 4 PN: 1	FA: 10 years. MDA: Term depends on the number of Stores to be developed under the MDA as specifically set forth in Appendix B. PN: Up to 12 months, depending on creditworthiness
b.	Renewal or extension of the term	FA: 4	If you are in good standing, you can acquire a successor franchise for an additional period equal to the lesser of 5 years or the balance of any Store lease.
c.	Requirements for franchisee to renew or extend	FA: 4	You must pay a successor franchise fee; have complied with your obligations during the Initial Term; have your lease approved; sign a general release; sign a new Franchise Agreement; remodel or modernize your Store to conform to our then-current requirements. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d.	Termination by franchisee	FA: 15C	Subject to certain conditions, you may terminate the Franchise Agreement only if we breach a material provision of the Franchise Agreement after you have provided us with 30 days' notice and opportunity to cure.

Provision		Section in Franchise Agreement (FA), Multi-Unit Development Agreement (MDA) or Promissory Note (PN)*	Summary
e.	Termination by franchisor without cause	None	Not applicable.
f.	Termination by franchisor with cause	FA: 15A MDA: 6B PN: 5 and 6	FA: We can terminate only if you default. MDA: We can terminate the Multi-Unit Development Agreement only if you default or fail to comply with your obligations. PN: We can declare the note immediately due and payable if you default.
g.	“Cause” defined – curable defaults	FA: 15A MDA: 6B	FA: You have 30 days to cure non-submission of reports, non-payment of amounts due and owing, failure to resolve disputes involving your principals, failure to abide by our standards and requirements for the franchised business, failure to meet our requirements and specifications regarding to goods and services, failure to remedy scorecard deficiencies within specified time frame; failure to obtain and main all necessary permits and licenses or failure to comply with applicable laws, failure to provide an individual acceptable to us to assume control of the franchised business in the event of your death or incapacity; you breach any other provision of the Franchise Agreement; and failure to cure default relating to any other agreement between you (or your affiliate) and us (or our affiliate), (subject to state law). MDA: You have 30 days to cure defaults not listed below in h.
h.	“Cause” defined – non-curable defaults	FA: 15A MDA: 6B PN: 5 and 6	FA: Non-curable defaults: material misrepresentation, omission or falsification of information in franchise application or reports submitted to us, abandonment, insolvency, assignment for the benefit of creditors, conviction of offenses, deception of customers regarding goods, willful falsification of reports, repeated audits because of underreporting, repeated defaults within 12-month period even if cured, any act by you or anyone affiliated with the Business which causes, or is likely to cause, an incurable tarnishing of our reputation, and failure to cure within 24 hours’ notice of default that materially impairs the goodwill associated with our Marks or violates any health or safety law or presents a safety hazard (subject to state law). MDA: Non-curable defaults under the MDA include: insolvency or general assignment for the benefit of creditors, appointment of a receiver of your property, a final judgment remains unsatisfied of record for 30 days or longer, execution is levied against your business or property, suit to foreclose any lien or mortgage against your premises or equipment is instituted against you and is not dismissed or in the process of being dismissed within 30 days, failure to meet the Development Schedule, or notice of termination of a Franchise

Provision		Section in Franchise Agreement (FA), Multi-Unit Development Agreement (MDA) or Promissory Note (PN)*	Summary
			Agreement. PN: Non-curable defaults include failure to pay amounts owed and termination of the franchise agreement.
i.	Franchisee's obligations on termination/non-renewal	FA: 16 MDA: 7 PN: 6 and 7	FA: Obligations include complete de-identification, payment of amounts due, assignment of lease to us (if we want it), discontinue or assign business phone number; payment of all outstanding sums; and return of Manual and proprietary information. MDA: You lose all remaining rights to develop Stores. Other obligations include those obligations noted above if existing Franchise Agreements also terminated. We also may have the right to purchase assets of the Stores (also see o below). PN: Pay all unpaid principal balance, interest accrued thereon, and any court costs and attorneys' fees
j.	Assignment of contract by franchisor	FA: 12A MDA: 8A	No restriction on our right to assign. Assignee must fulfill our obligations under the Franchise Agreement.
k.	"Transfer" by franchisee - defined	FA: 1H MDA: 1H	Includes any transfer of your interest in the Franchise Agreement, Multi-Unit Development Agreement, Business or equity interest in you.
l.	Franchisor's approval of transfer by franchisee	FA: 12C MDA: 8	We have the right to approve all transfers but will not unreasonably withhold approval, provided all transfer conditions are satisfied.
m.	Conditions for franchisor's approval of transfer	FA: 12C MDA: 8	FA: New franchisee qualifies, you agree to comply with all post-term obligations, you are not in default under the Franchise Agreement, transfer fee paid, all amounts owed by you are paid, training completed, new franchise agreement signed, you and new franchisee supply information we request and you sign a general release (subject to state law). MDA: You cannot transfer rights under the Multi-Unit Development Agreement unless you transfer all of your rights and interest under all Franchise Agreements.
n.	Franchisor's right of first refusal to acquire franchisee's business	FA: 11E	We can match any offer for your business including an offer to purchase any ownership interest in the franchisee entity.
o.	Franchisor's option to purchase franchisee's business	FA: 12F; 16B MDA: 7F	FA: Upon termination or expiration of the Franchise Agreement we have the option (but not the obligation) to purchase the assets of the Store for the lesser of: i) market value, or ii) your cost less depreciation on a straight line basis of 10% per year. MDA: Upon termination (for reason other than failure to comply with Development Schedule), we have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Stores. A qualified appraiser will determine the price as set forth in the Multi-Unit Development Agreement.

Provision		Section in Franchise Agreement (FA), Multi-Unit Development Agreement (MDA) or Promissory Note (PN)*	Summary
p.	Death or disability of franchisee	FA: 12E	Upon your death, disability or incapacity, franchise can be transferred to third party approved by us. Transfer conditions apply (see m, above).
q.	Non-competition covenants during the term of the franchise	FA: 11E& Appendix D	No direct or indirect involvement by you, your personal guarantors, shareholders, members, partners, officers and directors in the operation of business that sells bracelets and charms that compete, directly or indirectly, with the PANDORA charm bracelet product line.
r.	Non-competition covenants after the franchise is terminated or expires	FA: 11E & Appendix D	No competing business for one year within a 15 mile radius of the Store or any other PANDORA Store.
s.	Modification of the agreement	FA: 17B MDA: 10C	No modifications generally, but we may change Manual and Marks.
t.	Integration/ merger clause	FA: 17B MDA: 10C	Only the terms of the Franchise Agreement / Multi-Unit Development Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and Franchise Agreement / Multi-Unit Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	FA: 13A MDA: 9	Except for certain claims, all disputes must be arbitrated in the city where our headquarters are located at the time of the dispute, currently Baltimore City, Maryland.
v.	Choice of forum	FA: 13B MDA: 10F	Litigation must be brought in the Federal District Court for the District of Maryland or in District Court in Baltimore City, Maryland, (subject to state law).
w.	Choice of law	FA: 17E MDA: 10F PN: 8	FA: Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, Maryland law applies (subject to state law). PN: Maryland law

*Unless otherwise noted, all section references in the above chart relate to the Franchise Agreement.

ITEM 18 PUBLIC FIGURES

We currently do not use any public figure to promote the franchise. No public figure is involved in our actual management or control.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering

buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing about possible performance at a particular location or under particular circumstances.

STATEMENT OF ACTUAL, AVERAGE AND MEDIAN GROSS SALES

A. ACTUAL AND AVERAGE GROSS SALES

Below is a statement of actual and average Gross Sales compiled from 252 franchised PANDORA Stores located in the United States (“**Franchised Stores**”), which were continuously open and operating from January 1, 2015 through December 31, 2015 (“**Accounting Period**”). As used in this Item 19, the term “**Gross Sales**” means all revenue and income from any source derived or received by the Franchised Stores from, through, by or on account of the operation of the Store, whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise, less the amount of any documented refunds given in good faith to customers by the franchisee and less any sales taxes. We obtained this Gross Sales information from unaudited franchisee reports submitted to us consistent with our reporting requirements. We have not audited or otherwise reviewed the Gross Sales information submitted to us. The Franchised Stores included in this Item 19 are primarily located within regional shopping centers or malls.

	Actual High Gross Sales	Actual Low Gross Sales	Average Gross Sales⁽¹⁾
Franchised Stores (252 Stores)	\$10,808,098	\$511,117	\$2,219,736

(1) Of the 252 Franchised Stores open and operating during the entire Accounting Period, 97(or 38.5%) achieved Gross Sales greater than the Average Gross Sales figure of \$2,219,736.

B. MEDIAN GROSS SALES

The Median Gross Sales for 252 Franchised Stores that were open the entire Accounting Period was \$1,846,839. By definition, this Median Gross Sales figure represents the figure by which there appears an equal number of Franchised Stores above and an equal number of Franchised Stores below when the actual Gross Sales for 252 locations are ranked in order from highest to lowest.

STATEMENT OF ACTUAL GROSS SALES BY QUARTILE

The following chart presents unaudited information about the actual Gross Sales of the 216 Franchised Stores that were open and continuously operating for the entire Accounting Period. As with the above *Statement of Actual, Average and Median Gross Sales*, we obtained the following Gross Sales information from unaudited franchisee reports submitted to us consistent with our reporting requirements. We have not audited or otherwise reviewed the

Gross Sales information submitted to us by our franchisees. As noted above, the Franchised Stores are primarily located within regional shopping centers or malls.

**GROSS SALES⁽¹⁾, BY QUARTILE, OF THE 216 FRANCHISED STORES
OPEN THE ENTIRE ACCOUNTING PERIOD**

Quartile⁽²⁾	Number of Franchised Stores in Quartile	Actual Gross Sales Range⁽³⁾
1 st	63	\$10,808,098 - \$2,578,449
2 nd	63	\$2,578,428 - \$1,869,274
3 rd	63	\$1,846,839 - \$1,326,092
4 th	63	\$1,319,151 - \$551,117

- (1) Gross Sales. As referenced above, “Gross Sales” means all revenue and income from any source derived or received by the Franchised Stores from, through, by or on account of the operation of the Store, whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise, less the amount of any documented refunds given in good faith to customers and less any sales taxes.
- (2) Quartile. The term “Quartile” refers to the relative performance of the Franchised Stores included in this Item 19. Specifically, the “1st Quartile” refers to the top 25% performing Franchised Stores based on Gross Sales, the “2nd Quartile” refers to the next highest 25% performing Franchised Stores based on Gross Sales, and so on.
- (3) Gross Sales Range. The above chart combines the Gross Sales of all 216 Franchised Stores during the Accounting Period, and lists the actual high and actual low end of the Gross Sales Range for each Quartile. As noted above, information relating to the Franchised Stores is based on unaudited franchisee reports submitted to us. We have not verified the accuracy of the sales figures submitted to us.

Notes to Item 19:

- Some outlets have sold these amounts. Your individual results may differ. There is no assurance you’ll sell as much.**
- The Gross Sales information included in this Item 19 relates only to 252 Franchised Stores that were continuously open and operating during the entire Accounting Period (i.e., January 1, 2015 through December 31, 2015). It does not include Gross Sales information for franchised locations open less than the entire Accounting Period. Likewise, keep in mind that this Item 19 does not reflect any costs whatsoever of sales, operating expenses or other costs or expenses, which must be deducted from Gross Sales to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised PANDORA Store.

Current and former franchisees listed in this Disclosure Document may be one source of this information.

3. The information provided in this Item 19, including statements of actual Gross Sales, is based on historical results. The information is based on economic conditions as they existed during the Accounting Period (January 1, 2015 through December 31, 2015). No consideration has been made in any category for inflation-related adjustments or weakness in general conditions.
4. The revenues and expenses of a franchised PANDORA Store will be directly affected by many factors, such as: (a) the region and market area in which the PANDORA Store is located; (b) visibility of Store; (c) brand recognition in the region and market area; (d) the competitive environment; (e) population density of the market; (f) proximity to other PANDORA Stores; (g) whether the franchisee assumes the position of manager or hires a manager; (h) the payment of advertising and other fees; (i) product prices and general market conditions; (j) salaries and benefits to non-Store personnel; (k) Store personnel benefits (life and health insurance, and so on); (l) individual skills and business acumen of the franchisees; (m) employment conditions in the market; and (n) other factors. Certain markets have substantially higher labor costs than others and you are urged to investigate local labor costs prior to making any assumptions about what your costs will be.
5. We recommend that you make your own independent investigation to determine whether the franchise may be profitable to you. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a PANDORA Store.

Written substantiation of all data presented in this Item 19 will be made available to you on reasonable request.

Other than the preceding financial performance representation, Pandora Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting David Lamb, our Director of Real Estate and Franchise at 250 West Pratt Street, Baltimore, Maryland 21201 and (410) 309-0200, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2013 to 2015*

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchise- Owned	2013	218	246	+28
	2014	246	256	+10
	2015	256	281	+25
Company- Owned	2013	2	5	+3
	2014	5	30	+25
	2015	30	37	+7
Total Outlets	2013	220	251	+31
	2014	251	285	+34
	2015	286	318	32

*As of December 31, 2013, 2014 and 2015. In February 2015, Pandora Ventures acquired 10 outlets plus a satellite store, sold 5 as franchises, and, in May, 2015, closed the satellite store. In September, 2015, Pandora Ventures acquired 1 outlet. In September 2014 Pandora Ventures acquired 27 outlets and sold 5 as franchises. This Table No. 1 does not include international franchised outlets or franchised outlets located in the U.S. Territories, although references to franchised outlets opened in 2014 in our audited Financial Statements (Exhibit B) include international franchised outlets and outlets located in the U.S. Territories. See Exhibit H for a listing of our franchised outlets located internationally and in the U.S. Territories.

Table No. 2
Transfers of Outlets From Franchisees to New Owners
(Other than the Franchisor or an Affiliate)
For Years 2013 to 2015*

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2013	0
	2014	3
	2015	0
California	2013	0
	2014	2
	2015	0
Florida	2013	0
	2014	3

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2015	0
Illinois	2013	0
	2014	0
	2015	1
Massachusetts	2013	0
	2014	1
	2015	0
Missouri	2013	0
	2014	0
	2015	2
New Hampshire	2013	0
	2014	0
	2015	1
North Carolina	2013	0
	2014	0
	2015	0
Ohio	2013	0
	2014	1
	2015	0
Texas	2013	0
	2014	3
	2015	5
All State Total	2013	0
	2014	13
	2015	9

*As of December 31, 2013,2014, and 2015.

**Table No. 3
Status of Franchised Outlets
For Years 2013 to 2015***

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
Alabama	2013	2	0	0	0	0	0	2
	2014	2	2	0	0	0	0	4
	2015	4	0	0	0	0	0	4
Alaska	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Arizona	2013	5	2	0	0	0	0	7

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
	2014	7	3	0	0	3	0	7
	2015	7	0	0	0	0	1	6
Arkansas	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
California	2013	13	2	0	0	0	1	14
	2014	14	7	0	0	2	1	18
	2015	18	8	0	0	0	0	26
Colorado	2013	3	0	0	0	0	0	3
	2014	3	1	0	0	0	0	4
	2015	4	1	0	0	0	0	5
Connecticut	2013	4	0	0	0	0	0	4
	2014	4	0	0	0	0	0	4
	2015	4	1	0	0	0	0	5
Delaware	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	1	0	0
	2015	0	0	0	0	0	0	0
District of Columbia	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Florida	2013	21	5	0	0	0	0	26
	2014	26	5	0	0	1	0	30
	2015	30	1	0	0	0	0	31
Georgia	2013	7	0	0	0	0	0	7
	2014	7	3	0	0	0	0	10
	2015	10	0	0	0	0	0	10
Hawaii	2013	2	0	0	0	0	0	2
	2014	2	1	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Idaho	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Illinois	2013	13	0	0	0	0	0	13
	2014	13	1	0	0	2	0	12
	2015	12	2	0	0	0	0	14
Indiana	2013	3	3	0	0	0	0	6
	2014	6	0	0	0	0	0	6
	2015	6	0	0	0	0	0	6
Iowa	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
Kansas	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	1	0	0
	2015	0	2	0	0	0	0	2
Kentucky	2013	2	0	0	0	0	0	2
	2014	2	1	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Louisiana	2013	1	1	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Maine	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Maryland	2013	4	1	0	0	0	0	5
	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	2**	0	3
Massachusetts	2013	9	0	0	0	0	0	9
	2014	9	0	0	0	2	0	7
	2015	7	0	0	0	0	0	7
Michigan	2013	5	1	0	0	0	0	6
	2014	6	0	0	0	0	0	6
	2015	6	1	0	0	0	0	7
Minnesota	2013	2	1	0	0	0	0	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Mississippi	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Missouri	2013	4	0	0	0	0	0	4
	2014	4	0	0	0	0	0	4
	2015	4	3	0	0	2	0	5
Montana	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Nebraska	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Nevada	2013	6	1	0	0	0	0	7
	2014	7	0	0	0	0	0	7
	2015	7	1	0	0	0	0	8

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
New Hampshire	2013	4	0	0	0	0	0	4
	2014	4	0	0	0	2	0	2
	2015	2	0	0	0	0	0	2
New Jersey	2013	13	3	0	0	0	1	15
	2014	15	1	0	0	2	0	14
	2015	14	0	0	0	1	0	13
New Mexico	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
New York	2013	18	2	0	0	0	0	20
	2014	20	2	0	0	6	0	16
	2015	16	1	0	0	1	0	16
North Carolina	2013	8	1	0	0	0	0	9
	2014	9	0	0	0	1	0	8
	2015	8	1	0	0	0	0	9
North Dakota	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Ohio	2013	11	0	0	0	0	0	11
	2014	11	0	0	0	0	0	11
	2015	11	2	0	0	0	0	13
Oklahoma	2013	2	0	0	0	0	0	2
	2014	2	1	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Oregon	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
	2015	1	1	0	0	0	0	2
Pennsylvania	2013	8	1	0	0	0	0	9
	2014	9	2	0	0	4	0	7
	2015	7	1	0	0	0	0	8
Rhode Island	2013	1	0	0	0	0	0	1
	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
South Carolina	2013	4	1	0	0	0	0	5
	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	0	5
South Dakota	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
Tennessee	2013	5	0	0	0	0	0	5
	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	0	5
Texas	2013	15	2	0	0	0	0	17
	2014	17	2	0	0	0	0	19
	2015	19	6	0	0	3	0	22
Utah	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Vermont	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Virginia	2013	6	1	0	0	0	0	7
	2014	7	2	0	0	0	0	9
	2015	9	3	0	0	2	0	10
Washington	2013	4	1	0	0	0	0	5
	2014	5	1	0	0	0	0	6
	2015	6	0	0	0	0	0	6
West Virginia	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Wisconsin	2013	3	0	0	0	0	0	3
	2014	3	1	0	0	0	0	4
	2015	4	0	0	0	0	0	4
Wyoming	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
U.S. Total	2013	219	30	0	0	0	2	247
	2014	247	38	1	0	27	1	256
	2015	256	37	0	0	11	1	281

*As of December 31, 2013, 2014, and 2015. This Table No. 3 does not include international franchised outlets or franchised outlets located in the U.S. Territories, although references to franchised outlets in our audited Financial Statements (**Exhibit B**) include international franchised outlets and outlets located in the U.S. Territories.

**In February, 2015 Pandora Ventures reacquired 2 outlets plus a satellite store located in Maryland from a franchisee. The satellite store was closed by Pandora Ventures in May, 2015.

Table No. 4
Status of Company-Owned Outlets For
For Years 2013 to 2015*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Arizona	2013	0	0	0	0	0	0
	2014	0	0	3	0	3	0
	2015	0	0	0	0	0	0
California	2013	0	0	0	0	0	0
	2014	0	0	2	0	2	0
	2015	0	0	0	0	0	0
Delaware	2013	1	0	0	0	0	1
	2014	1	0	1	0	0	2
	2015	2	0	0	0	0	2
District of Columbia	2013	0	1	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
Florida	2013	0	0	0	0	0	0
	2014	0	0	1	0	0	1
	2015	1	0	0	0	0	1
	2013	0	0	0	0	0	0
Georgia	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
Illinois	2013	0	0	0	0	0	0
	2014	0	0	2	0	0	2
	2015	2	0	0	0	1	1
	2013	0	0	0	0	0	0
Kansas	2014	0	0	1	0	0	1
	2015	1	0	0	0	1	0
Maryland	2013	0	1	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	2**	0	0	3
Massachusetts	2013	0	0	0	0	0	0
	2014	0	0	2	0	0	2
	2015	2	0	1	0	1	2
	2013	0	0	0	0	0	0
Mississippi	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
Missouri	2013	0	0	0	0	0	0
	2014	0	1	0	0	0	1
	2015	1	0	2	0	2	1
North	2013	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Carolina	2014	0	0	1	0	0	1
	2015	1	1	0	0	0	2
New Hampshire	2013	0	0	0	0	0	0
	2014	0	0	2	0	0	2
	2015	2	0	0	0	0	2
New Jersey	2013	0	0	0	0	0	0
	2014	0	1	2	0	0	3
	2015	3	0	1	0	0	4
New York	2013	0	0	0	0	0	0
	2014	0	0	6	0	0	6
	2015	6	0	1	1	0	6
Pennsylvania	2013	0	0	0	0	0	0
	2014	0	0	4	0	0	4
	2015	4	1	0	0	0	5
South Carolina	2013	0	1	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
Tennessee	2013	0	0	0	0	0	0
	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
Texas	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	0	3	0	3	0
Virginia	2013	1	0	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	2	0	0	3
All State Total	2013	2	3	0	0	0	5
	2014	5	3	27	0	5	30
	2015	30		13	1	7	37

*As of December 31, 2013, 2014, and 2015. In February 2015, Pandora Ventures acquired 10 outlets plus a satellite store, sold 5 as franchises, and closed the satellite store. In September, 2015, Pandora Ventures acquired 1 outlet. In February, 2015 Pandora Ventures acquired 27 outlets and sold 5 as franchises.

**In February, 2015 Pandora Ventures reacquired 2 outlets plus a satellite stores located in Maryland from a franchisee. The satellite store was closed by Pandora Ventures in May, 2015.

Table No. 5
Projected Openings
For Upcoming Fiscal Year
As of December 31, 2015

Column 1 State	Column 2 Franchise Agreements Signed But Business Not Open	Column 3 Projected Franchises In Next Fiscal Year	Column 4 Projected Company Owned Businesses In Next Fiscal Year
Alabama	0	1	0
Arizona	1	0	0
California	1	4	0
Florida	0	2	2
Georgia	0	0	1
Maryland	0	1	1
Nebraska	1	0	0
New York	1	1	2
Oregon	1	0	0
Pennsylvania	0	0	1
Texas	1	0	1
Virginia	0	0	1
West Virginia	1	0	0
Total	7	8	9

Exhibit H includes a list of current franchisees and any franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the fiscal year ended December 31, 2015 and any franchisee who has not communicated with us within ten weeks of the issuance date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the last three fiscal years, we have not signed any provisions which would restrict current or former franchisees from speaking openly about their experience with us. We have a franchise advisory board but it does not have a separate address, telephone number, email address or web address.

ITEM 21

FINANCIAL STATEMENTS

Our fiscal year end is December 31. Attached as **Exhibit B** are our audited financial statements as of December 31, 2015 and for each of the preceding two years.

ITEM 22

CONTRACTS

Exhibit C to this Disclosure Document is a sample of the PANDORA Franchise Agreement with Appendices A (Personal Guarantee) and B (Acknowledgement Addendum).

Exhibit D to this Disclosure Document is a sample of the Promissory Note for inventory purchases.

As a prospective franchisee, you should obtain such independent legal and financial advice concerning the PANDORA franchise offering as you deem appropriate before making any commitment.

Exhibit I to this Disclosure Document is a sample of the PANDORA Multi-Unit Development Agreement.

ITEM 23 RECEIPTS

Exhibit J of this Disclosure Document contains two receipt pages by which you acknowledge your receipt of the Disclosure Document. One copy is for your records. The other one must be signed, dated and returned to us at least fourteen days before you sign the Franchise Agreement or pay any fee to us.

EXHIBIT A

List of State Authorities and Agents to Receive Service of Process

**LIST OF STATE ADMINISTRATORS,
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Business Oversight 1515 K Street Suite 200 Sacramento, CA 95814 (866) 275-2677	Business Oversight Commissioner 1515 K Street, Suite 200 Sacramento, CA 95814
HAWAII	State of Hawaii Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-7044	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, MI 48913
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101 (651) 296-4026	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101
NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8222	Secretary of State of New York 41 State Street Albany, NY 12231-0001
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5 th Floor Bismarck, ND 58505-0510 (701) 328-2910	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5 th Floor Bismarck, ND 58505-0510

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	Division of Securities 1511 Pontiac Avenue John O. Pastore Center Building 69-1 Cranston, RI 02920 (401) 277-3048	Director of Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Center Building 69-1 Cranston, RI 02920
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, Ninth Floor Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division P. O. Box 41200 Olympia, WA 98504 (360) 902-8700	Same (or physical address is): 150 Israel Road SW Tumwater, WA 98501
WISCONSIN	Commission of Securities 345 West Washington Ave. Madison, WI 53703 (608) 266-1365	Wisconsin Commissioner of Securities 345 West Washington Ave. Madison, WI 53703

EXHIBIT B
Financial Statements

FINANCIAL STATEMENTS

Pandora Franchising, LLC
Years Ended December 31, 2015, 2014, and 2013
With Report of Independent Auditors

Ernst & Young LLP



Pandora Franchising, LLC
Financial Statements
Years Ended December 31, 2015, 2014, and 2013

Contents

Report of Independent Auditors.....	1
Balance Sheets	3
Statements of Income and Changes in Member's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements.....	6

1512-1799904



Ernst & Young LLP
621 East Pratt Street
Baltimore, MD 21202
Tel: +1 410 539 7940
Fax: +1 410 783 3832
ey.com

Report of Independent Auditors

The Member
Pandora Franchising, LLC

We have audited the accompanying financial statements of Pandora Franchising, LLC (the Company), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income and changes in member's equity, and cash flows for each of the three years in the period ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1512-1799904

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1



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 30, 2016

1512-1799904

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2

Pandora Franchising, LLC

Balance Sheets

	December 31	
	2015	2014
Assets		
Current assets:		
Accounts receivable, net	\$ 27,734,043	\$ 18,587,695
Income taxes receivable	15,139	—
Total current assets	27,749,182	18,587,695
Property and equipment	211,721	174,424
Accumulated depreciation	(100,906)	(61,359)
	110,815	113,065
Receivable from parent	16,966,060	15,517,449
Deferred income taxes	5,864,276	5,783,253
Total assets	<u>\$ 50,690,333</u>	<u>\$ 40,001,462</u>
Liabilities and member's equity		
Current liabilities:		
Accounts payable	\$ 738,138	\$ 1,291,262
Accrued expenses	4,648,335	3,351,873
Reserve for sales returns	14,316,319	11,509,730
Income taxes payable	—	664,759
Other current liabilities	474,346	1,147,315
Total current liabilities	20,177,138	17,964,939
Total liabilities	20,177,138	17,964,939
Member's equity:		
Share capital	100,000	100,000
Retained earnings	30,413,195	21,936,523
Total member's equity	30,513,195	22,036,523
Total liabilities and member's equity	<u>\$ 50,690,333</u>	<u>\$ 40,001,462</u>

See accompanying notes.

Pandora Franchising, LLC

Statements of Income and Changes in Member's Equity

	Year Ended December 31		
	2015	2014	2013
Net sales	\$ 361,724,848	\$ 319,107,287	\$ 284,864,503
Cost of sales	328,689,817	288,201,319	264,828,326
Gross profit	33,035,031	30,905,968	20,036,177
Operating expenses:			
Sales and distribution	10,929,071	16,130,345	12,328,284
Marketing	7,621,291	589,989	253,845
Administrative	343,703	540,730	484,345
Depreciation	39,547	57,653	3,706
Total operating expenses	18,933,612	17,318,717	13,070,180
Income before income taxes	14,101,419	13,587,251	6,965,997
Income tax expense	5,624,747	5,475,501	2,800,902
Net income	\$ 8,476,672	\$ 8,111,750	\$ 4,165,095
Changes in member's equity:			
Beginning balance	\$ 21,936,523	\$ 13,824,773	\$ 9,659,678
Net income	8,476,672	8,111,750	4,165,095
Ending balance	\$ 30,413,195	\$ 21,936,523	\$ 13,824,773

See accompanying notes.

Pandora Franchising, LLC

Statements of Cash Flows

	Year Ended December 31		
	2015	2014	2013
Operating activities			
Net income	\$ 8,476,672	\$ 8,111,750	\$ 4,165,095
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	39,547	57,653	3,706
Deferred income taxes	(81,023)	(1,897,153)	367,046
Changes in assets and liabilities:			
Accounts receivable	(9,146,348)	1,592,322	(1,519,688)
Income taxes receivable	(15,139)	—	—
Prepaid expenses	—	—	426,600
Receivable from parent	(1,448,611)	(13,076,897)	(3,846,964)
Accounts payable	(553,124)	1,234,890	17,200
Accrued expenses	1,296,462	895,250	1,081,120
Reserve for sales returns	2,806,589	2,787,232	(788,620)
Income taxes payable	(664,759)	487,026	(391,150)
Other liabilities	(672,969)	(156,956)	624,962
Net cash provided by operating activities	37,297	35,117	139,307
Investing activities			
Furniture and fixtures	(37,297)	(35,117)	(139,307)
Net cash used in investing activities	(37,297)	(35,117)	(139,307)
Net decrease in cash and cash equivalents	—	—	—
Cash and cash equivalents at beginning of year	—	—	—
Cash and cash equivalents at end of year	\$ —	\$ —	\$ —
Supplemental disclosure of cash flow information			
Cash paid for interest	\$ 9,026	\$ 3,193	\$ 1,967
Cash paid for income taxes	\$ 1,379,073	\$ 697,079	\$ 185,598

See accompanying notes.

Pandora Franchising, LLC

Notes to Financial Statements

Years Ended December 31, 2015, 2014, and 2013

1. Organization and Basis of Presentation

Pandora Franchising, LLC (the Company) was formed on October 2, 2009, in the state of Maryland, and offers franchisees the right to operate as a unit franchised business, use the Pandora name, and sell Pandora-branded products. The Company also designs and sells to franchisees systems to sell Pandora-branded jewelry and other products at a specified retail location that is approved by the Company. The Company began operations on January 1, 2010. The latest date upon which the Company shall be dissolved is December 31, 2109.

The Pandora franchise system is characterized by certain patents, trademarks, copyrights, logos, operating systems, operating manuals, training, distinctive store design, and color schemes, and it includes materials and methods for marketing and selling Pandora-branded jewelry and related products.

The Company's sole member is Pandora Jewelry, LLC (PJLLC), a corporation formed on January 31, 2003, by Pandora Jewelry America ApS, a Danish corporation, to be a wholesaler of jewelry to retail customers throughout the United States, the Caribbean, Central America, and South America (excluding Brazil). The liability of PJLLC is limited to the capital contribution to the Company.

Pandora Jewelry, Inc. (PJI) was formed June 26, 2008, by Pandora Jewelry America ApS, for the purpose of holding the ownership interest in and providing administrative services to PJLLC. Effective December 31, 2008, Pandora Jewelry America ApS merged with its parent corporation, Pandora A/S.

The Company requires franchisees to sign a franchise agreement and to provide funding to cover the capital investment in opening a franchised store, including leasehold improvements, design fees, fixtures, inventory, and other related expenditures. The Company does not charge an initial or continuing franchise fee. The franchise agreement provides the franchisee with the right to operate the franchise at an authorized location for a period ranging from the lesser of ten years or the lease term of the authorized location. Upon expiration of the initial term, a new franchise agreement is required in order to continue operation of the retail store. The franchisee is required to operate the retail store in accordance with all of the Company's quality standards, purchase all jewelry inventory directly from the Company, purchase all fixtures from authorized suppliers or the Company, and participate in all advertising, promotion, and pricing campaigns. In return, the Company provides the right and license to establish and operate a retail store at an authorized location, provides training, marketing, and promotional support, and supplies all jewelry inventory. Franchisees are charged a marketing fee that is set by management and cannot exceed the maximum rate, as provided by the franchise agreement, for franchisees' participation in all national marketing campaigns. When collected, marketing fees are remitted to PJLLC and recorded as marketing expense.

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6

Pandora Franchising, LLC

Notes to Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

The following schedule illustrates the number of changes to the Company's franchisees under franchising and licensing contracts in the United States, the Caribbean, Central America, and South America (excluding Brazil):

<u>For the years ended December 31,</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Franchisees and licensing contracts, beginning of year	284	272	242
Franchisees sold and opened	46	36	35
Franchisees closed	(1)	(2)	(5)
Purchases from a franchisee by an affiliate	(5)	(22)	—
Franchisees and licensing contracts, end of year	<u>324</u>	<u>284</u>	<u>272</u>

From time to time, the Company's affiliate Pandora Ventures, LLC (PVLLC) purchases stores from franchisees. The Company does not include revenues or expenses related to PVLLC, as it purchases products and services directly from PJLLC.

The Company's accompanying financial statements are presented in accordance with U.S. generally accepted accounting principles, whereby revenue is recognized when earned and expenses are recognized when incurred.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The Company's most significant estimates include transfer pricing considerations, reserve for sales returns, accruals for volume-based sales incentive and advertising programs, and allowances for uncollectible accounts.

Revenue Recognition

Revenues are recognized on the sales of jewelry and other products when they are shipped to the franchisees. The marketing fee revenue is recognized when billed to franchisees. The Company offers its franchisees a variety of sales and incentive programs. Consideration provided to customers as part of sales and incentive programs is recorded as reductions of revenue.

Pandora Franchising, LLC

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash and cash equivalents held by the Company as of December 31, 2015 and 2014.

Accounts Receivable and Allowance for Doubtful Accounts

The Company extends trade credit to franchisees on an unsecured basis. These amounts are recorded at cost, which approximates market value. Accounts receivable, net of the allowance for doubtful accounts, represents the Company's estimate of the amount that will likely be collected. Management reviews the adequacy of its allowance for doubtful accounts on an ongoing basis, using historical collection trends, aging of receivables, and a review of specific accounts, and makes adjustments to the allowance as necessary. Accounts receivable are charged off when it is determined to be uncollectible and have both of the following characteristics, (a) a contractual maturity of one year or less and (b) arose from the sale of goods or services. As of December 31, 2015 and 2014, the Company recorded an allowance for doubtful accounts of \$112,405 and \$216,480, respectively.

Property and Equipment

Property, equipment, and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets for owned assets and assets acquired under capital leases. A three-year life has been used in calculating depreciation on the Company's property and equipment.

The Company reviews its long-lived assets, including property and equipment for impairment, as events and changes in circumstances indicate the carrying amount of an asset may not be recoverable. There was no impairment on property and equipment during the years ended December 31, 2015, 2014 and 2013.

Reserve for Sales Returns

The reserve for sales returns is calculated based upon historical returns of the Company. A sales return lag is developed based upon those historical returns and is used by management to estimate future returns. The sales return allowance is recorded as a reduction to sales and cost of sales.

Pandora Franchising, LLC

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred and recorded within sales and distribution expenses on the statements of income and changes in member's equity. In 2015, 2014, and 2013, shipping and handling costs were \$3,021,944, \$2,660,256, and \$2,016,067, respectively.

Contingencies

The Company is subject to litigation in the normal course of its business. The Company applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 450, *Contingencies*, in determining the recognition and measurement of expense associated with legal claims against the Company. That guidance requires losses from contingencies to be recognized when it is probable a loss has been incurred and the amount can be reasonably estimated. Guidance from external counsel on the potential outcome of litigation is considered in determining the need to record liabilities for potential losses and the disclosure of pending litigation. In the opinion of management, the Company's liability, if any, under any pending litigation or administrative proceedings would not have a material effect on its financial position or results of operations.

Income Taxes

The Company's allocated share of the consolidated PJI federal tax provision is determined using the stand-alone method. Under the stand-alone method, tax expense or benefit is calculated as if the Company files its own tax returns. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company has agreed with PJI that PJI bears any financial obligation associated with respect to any of the Company's uncertain tax positions.

Pandora Franchising, LLC

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In November 2015, the FASB issued Accounting Standards Update (ASU) 2015-17, *Balance Sheet Classification of Deferred Taxes*, as an amendment to ASC 740, *Income Taxes*. As part of the FASB's Simplification Initiative, this update requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. Thus, each jurisdiction will now only present one net noncurrent deferred tax asset or liability. The update does not change the existing requirement that only permits offsetting of deferred tax assets and liabilities within a specific jurisdiction. The update is effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years, with early adoption permitted, and may be applied either prospectively or retrospectively. The Company early adopted ASU 2015-17 during the year ended December 31, 2015 on a retrospective basis. Accordingly, we reclassified the current deferred taxes to noncurrent on our December 31, 2014 balance sheet, which increased noncurrent deferred tax assets by \$5,783,253 and decreased noncurrent deferred tax liabilities by \$13,579.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in ASC Topic 605, *Revenue Recognition* and most industry-specific guidance throughout the codification. The standard requires that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is effective for fiscal years beginning after December 15, 2017. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers—Deferral of the Effective Date*, deferring the effective date by one year but permitting adoption as of the original effective date. The revised standard allows for two methods of adoption: (a) full retrospective adoption, meaning the standard is applied to all periods presented, or (b) modified retrospective adoption, meaning the cumulative effect of applying the new standard is recognized as an adjustment to the opening retained earnings balance. The Company is currently evaluating the timing of adoption and does not expect the update to have a material impact on its financial statements.

Subsequent Events

The Company evaluated subsequent events occurring after the balance sheet date of December 31, 2015 through March 30, 2016, the date the financial statements were available to be issued and determined there were no events that warrant disclosure.

Pandora Franchising, LLC

Notes to Financial Statements (continued)

3. Employee Benefit Plan

The Company participates in a 401(k) retirement plan sponsored by PJLLC under the provisions of the Internal Revenue Code (Code). Eligible employees can elect to contribute 90% of eligible compensation, limited to an annual maximum amount as determined by the Internal Revenue Service. PJLLC currently matches employee contributions up to 6% of employees' eligible salary, up to an annual salary limitation as adjusted by the Code. Employees are immediately 100% vested in both employee and employer contributions. In 2015, 2014, and 2013, matching contributions by the Company were \$24,438, \$120,262, and \$98,984, respectively.

4. Related-Party Transactions

The Company buys all of its jewelry, fixtures, packaging, point-of-sale materials, and other items that it sells to its franchisees from its parent company, PJLLC. PJLLC buys the majority of its products from its parent, Pandora A/S. Those products are produced by Pandora A/S's wholly owned subsidiary, Pandora Production, Ltd., at its factories in Thailand.

PJLLC also provides customer service, marketing, sales management, merchandising, and distribution services to the Company, which are reimbursed to PJLLC through a markup on the cost of products purchased. Sold inventory is transferred to the Company by PJLLC on a flash title basis as it is shipped to the Company's customers, and thus, PJLLC takes all inventory obsolescence and warranty risk, the cost of which is factored into the cost of the Company's product purchases.

The Company relies on PJLLC for the products and services it sells. If the Company were required to procure its products and services from an unrelated party, costs and expenses of the Company may be materially different from the costs and expenses that are presented in the accompanying financial statements.

All cash received from the payment of customer trade receivables is collected by PJLLC on behalf of the Company, resulting in no cash balance recorded on the Company's balance sheet. Cash received is utilized to offset intercompany balances due from the Company to PJLLC.

At December 31, 2015 and 2014, the Company had a receivable due from PJLLC of \$16,966,060 and \$15,517,449, respectively. This receivable does not bear interest. Repayment of the amount owed is on demand, however, the Company has committed not to demand repayment prior to December 31, 2016.

During 2015, certain PJLLC employees whose costs were previously allocated to the company as sales and distribution expenses were re-categorized within PJLLC. The cost of these employees is now covered by the costs of goods purchased by the Company.

Pandora Franchising, LLC

Notes to Financial Statements (continued)

5. Income Taxes

Income tax expense consists of the following components for the years ended December 31, 2015, 2014, and 2013:

	December 31		
	2015	2014	2013
Current	\$ 5,705,770	\$ 7,372,654	\$ 2,433,856
Deferred	(81,023)	(1,897,153)	367,046
	<u>\$ 5,624,747</u>	<u>\$ 5,475,501</u>	<u>\$ 2,800,902</u>

The primary difference between the effective tax rate and the federal statutory tax rate is the impact of state taxes.

The tax effects of temporary differences that give rise to the deferred tax assets consist of the following at December 31, 2015 and 2014:

	December 31	
	2015	2014
Deferred tax assets:		
Allowance for doubtful accounts	\$ 44,654	\$ 86,029
Accrued expenses	142,121	775,303
Warranty reserve	—	361,535
Sales return reserve	5,687,276	4,573,965
	<u>5,874,051</u>	<u>5,796,832</u>
Deferred tax liabilities:		
Depreciation	9,775	13,579
	<u>9,775</u>	<u>13,579</u>
Net deferred tax asset	<u>\$ 5,864,276</u>	<u>\$ 5,783,253</u>

PJI files a consolidated federal income tax return that includes all of its subsidiaries, including the Company, in which the Company is allocated a share of income tax expense. There is no formal tax-sharing arrangement, but the parent allocates income tax expense as if the Company were preparing a separate return.

Pandora Franchising, LLC

Notes to Financial Statements (continued)

6. Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of trade receivables.

The Company's trade receivables are derived from sales to franchisees. One customer accounted for 6% of the Company's accounts receivable as of December 31, 2015, and 20% of the Company's accounts receivable as of December 31, 2014. The Company believes that the receivable balances from this customer do not represent a significant credit risk based on cash flow forecasts, balance sheet analysis, and past collection experience.

The Company has adopted credit policies and standards intended to accommodate industry growth and inherent risk. Management believes that credit risks are moderated by the financial stability of the Company's major customers. Management assesses credit risk through quantitative and qualitative analysis, and from this analysis, establishes credit limits and determines whether the Company will seek to use one or more credit support devices, such as obtaining a third-party guarantee or standby letter of credit, or obtaining credit insurance.

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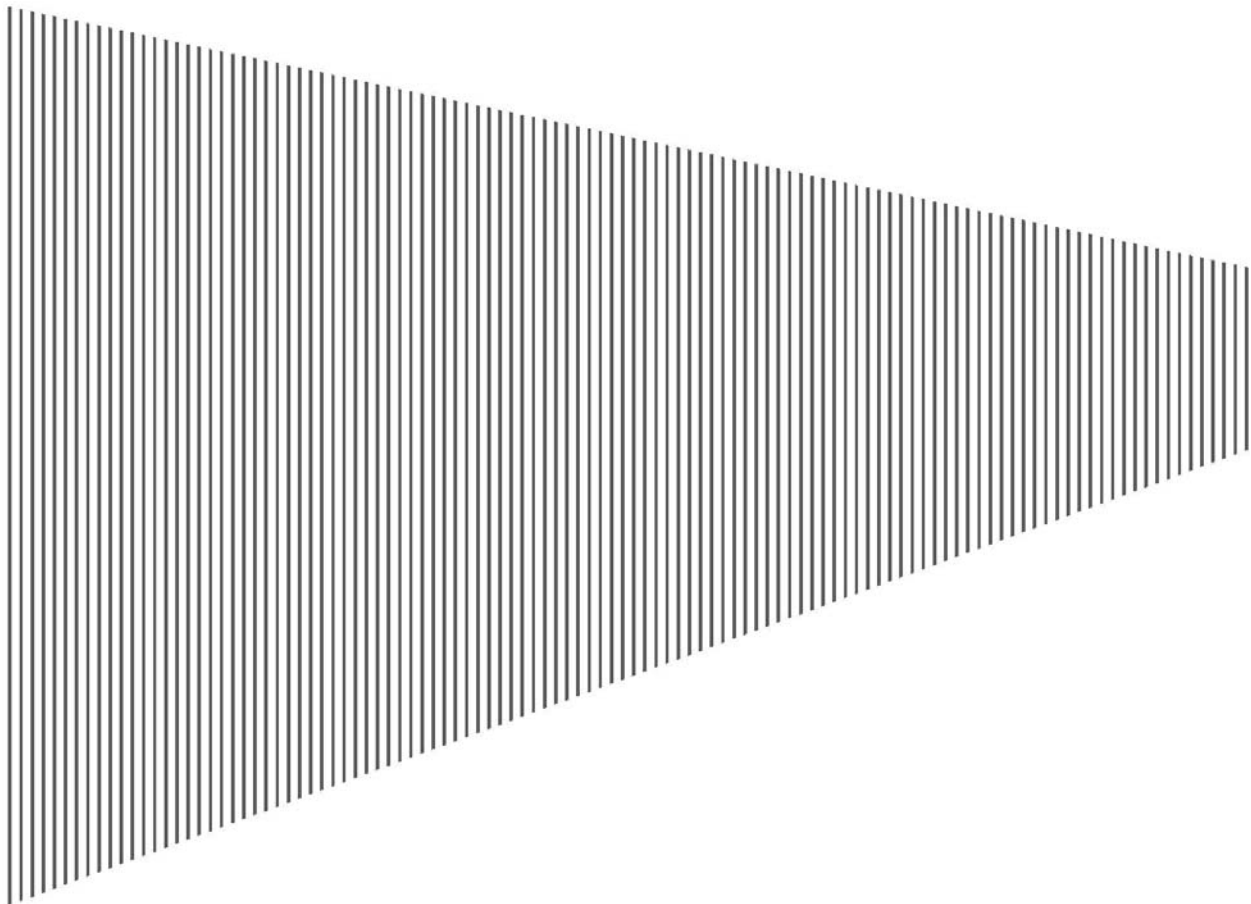


EXHIBIT C

Franchise Agreement with Appendices



Franchise Agreement #__

Authorized Location:

TABLE OF CONTENTS

PANDORA FRANCHISE AGREEMENT

SECTION	PAGE
1. DEFINITIONS.....	1
2. GRANT OF LICENSE	2
3. TRADEMARK STANDARDS AND REQUIREMENTS	4
4. TERM AND OPTION FOR NEW AGREEMENT	5
5. STORE STANDARDS AND MAINTENANCE	6
6. PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS.....	9
7. PERSONNEL AND SUPERVISION STANDARDS.....	15
8. MARKETING.....	16
9. LATE PAYMENTS; FINANCIAL REPORTING	18
10. YOUR OTHER OBLIGATIONS; NON-COMPETE COVENANTS	19
11. TRANSFERS	22
12. DISPUTE RESOLUTION	25
13. DEFAULT AND TERMINATION	27
14. POST-TERM OBLIGATIONS	30
15. GENERAL PROVISIONS	31

APPENDICES

- A. Personal Guarantee
- B. Acknowledgement Addendum
- C. Lease Provisions
- D. Nondisclosure and Noncompetition Agreement

PANDORA®
FRANCHISE AGREEMENT

This Franchise Agreement (“**Agreement**”) is entered into and effective as of this ____ day of _____, 20__ (the “Effective Date”) between Pandora Franchising, LLC, a Maryland limited liability company (“**we**” or “**us**”), and _____, a _____. (“**you**”). If you are a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to your owners as individuals.

BACKGROUND

A. We and our affiliates have invested considerable resources in the development, design, manufacture and marketing of a unique line of jewelry and a patented method for designing custom jewelry under the PANDORA mark and have developed a unique system for operating retail stores that feature PANDORA merchandise.

B. You desire to develop and operate a PANDORA Store.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the terms below have the following definitions:

A. “**Gross Sales**” includes all revenues and income from any source derived or received by you from, through, by or on account of the operation of your Store whether received in cash, in services, in kind, from barter and/or exchange, on credit whether or not payment is actually received) or otherwise. Gross Sales does not include sales taxes collected from customers and remitted to taxing authorities or documented customer refunds given by you in good faith.

B. “**Internet**” means any of one or more local or global interactive communications media, that is now available, or that may become available, and includes web sites, domain names and social media applications or platforms and other interactive media platforms. Unless the context otherwise indicates, Internet also includes methods of accessing limited access electronic networks, such as Intranets, Extranets, and WANs.

C. “**Intellectual Property**” means the trademarks, trade dress and all other intellectual property owned by us or our affiliate and licensed by us to you.

D. “**Intellectual Property Rights**” means (a) the Trade Marks and Trade Names as well as any rights in inventions, patents, copyrights, confidential information, database rights, promotional material, know-how, domain names, designs, whether registered or unregistered, and any rights similar to the foregoing in any part of the world; (b) any application and/or the right to apply for registration for any of the same, and (c) any other intellectual property rights (whether registered or not) related to or subsisting in the Products and/or related to the System, including any and all designs, color schemes and usages for the operation of the Store.

E. “**Manual**” means our confidential: (i) retail management guide; (ii) any additional manual or manuals, or any collection of written, video, audio and/or software media, (iii) any Intranet, Extranet, or password protected portion of an Internet site, and (iv) any amendments, supplements, derivative works, and replacements, whether embodied in electronic or other media.

F. “**Marks**” mean the PANDORA Mark that has been registered with the U.S. Patent and Trademark Office and other registered and unregistered trademarks, service marks, trade names and commercial symbols that we adopt, modify and change from time to time. Marks also mean the trade dress, which includes the designs, color schemes and image we authorize you to use in the operation of the Store from time to time.

G. “**Products**” mean the line of jewelry described in the Patent “Bracelets and Necklaces with Keepers,” (Pat. No. 7,007,507) that permits the user to add or remove interchangeable beads of different designs, materials and configurations to create custom jewelry for different occasions as well as all other jewelry, jewelry components, watches, sunglasses and other items that we authorize you to sell in your Store. The Products include all the components of such jewelry including an extensive assortment of beads along with spacers and bands used to maintain the desired space between beads.

H. “**Store**” means the PANDORA Store you develop, maintain and operate pursuant to this Agreement.

I. “**Store Manager**” means the individual who (i) personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the PANDORA Store, (ii) meets our retail management experience requirements, and (iii) does not participate in the active operation or management of any business other than the Store.

J. “**System**” means the PANDORA Jewelry System a comprehensive retail system for the sale of the Products emphasizing a prompt, courteous and knowledgeable service in a luxury goods atmosphere.

K. “**Transfer**” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the Store, substantial assets of the Store, of this Agreement or any interest in the legal entity which owns the Store.

2. GRANT OF LICENSE

The following provisions control with respect to the license granted under this Agreement:

A. Authorized Location. We grant to you the right and license to establish and operate a retail Store identified by the PANDORA Mark or such other marks as we may direct, to be located at _____, space ____, or a location to be designated (“**Authorized Location**”). When a location has been designated and approved by you and us, it will become part of this Section 2.A as if originally stated. You accept the license and undertake the obligation to operate the Store at the Authorized Location using the Marks and the System in compliance with the terms and conditions of this Agreement.

B. Opening. You agree that the Store will be open and operating in accordance with the requirements of Section 6.A within 180 days from the Effective Date unless we authorize in writing an extension of time. If the Store is not open or operating within 180 days from the Effective Date, we have the right to terminate this Agreement immediately upon written notice to you.

C. Nonexclusivity; Our Reservation of Rights.

i. The license is limited to the right to develop and operate one Store at the Authorized Location. We agree that during the term of this Agreement we will not operate or license anyone else the right to operate a Pandora store within the mall or shopping center in which your Store is located (“**Mall**”), except as noted below. As used in this Agreement, “Mall” includes both urban shopping areas featuring a variety of shops with an open-air concourse reserved for pedestrian traffic, as well as a large suburban building or buildings containing various shops and associated passageways. The license does not provide you with (a) any right to sell Pandora Jewelry merchandise or other approved products at any location other than the Authorized Location, (b) any right to sell Pandora Jewelry merchandise on the Internet, (c) any right to sell products to any person or entity for resale or further distribution, or (d) any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned stores at any time or at any location outside the Mall.

ii. You further acknowledge and agree that we and our affiliates have the right to (a) grant other franchises or develop and operate company or affiliate-owned PANDORA Stores at any location anywhere outside of the Mall, (b) distribute some or all of the Products through department stores and other retailers, including jewelry stores, within the Mall regardless of proximity of the department store(s) and other retailer(s) to your PANDORA Store, and (c) sell any products or services anywhere, whether or not using the Marks, through alternative channels of distribution (including Internet and mail order). The Internet is a channel of distribution reserved exclusively to us, and you may not independently market your PANDORA Store or your inventory on the Internet or otherwise conduct e-commerce except as we approve. We also reserve the right to purchase or be purchased by, or merge or combine with, competing businesses wherever located as further described in Section 12.A of this Agreement.

D. Modifications. You recognize that variations and additions to the System may be required from time to time in order to preserve or enhance the System. Therefore, we expressly reserve the right to add to, subtract from, revise, modify or change from time to time the System or any part thereof, and you agree to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply.

E. Products. While you will be able to purchase a wide variety of Products from us or our affiliates, you acknowledge and agree that you do not have the right to purchase all types and models of PANDORA jewelry and other products. We reserve the right to manufacture and sell certain items of jewelry and related products, or new product lines, to non-franchised PANDORA customers without making them available to franchisees. You will be entitled to purchase all

PANDORA jewelry and related products that are generally available to other PANDORA franchised stores in the United States.

3. TRADEMARK STANDARDS AND REQUIREMENTS

You acknowledge and agree that the Marks are our property and you may only use the Marks with our written consent. You further acknowledge that your right to use the Marks is specifically conditioned upon the following:

A. Ownership. We or our affiliates are the owner of all right, title and interest in and to the Marks and all past, present or future goodwill of the Store and of the business conducted at the Authorized Location that is associated with or attributable to the Marks. Your use of the Marks will inure to our or our affiliate's benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our or our affiliate's rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to, print or electronic media. Further, you may not apply to register or use any marks that are the same as or confusingly similar to the Marks. You shall not represent that you have any ownership in or title to the Marks, or the registration thereof. You acknowledge that neither this Agreement nor your use of the Marks creates any right, title or interest in or to the Marks in your favor.

B. Use. You may not use, or permit the use of, any trademarks, trade names service marks or logos in connection with the Store except those we direct in writing. You may use the Marks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Marks only in association with products and services approved by us and that meet our standards with respect to quality, condition, display and packaging. You may not engage in any conduct which could impair the goodwill associated with the Marks.

C. Store Identification. You must use the name PANDORA as the Store name and you may not use any other mark or words to identify the Store. You may not use the word PANDORA or any of the other Marks as part of the name of your corporation, partnership, limited liability company or other similar entity or in combination with any other mark, trade name or distinctive sign; provided, however, that you may use the name PANDORA as an assumed or fictitious name duly registered in accordance with the laws applicable in the state in which the Store is located. You may use the Marks on various materials, such as business cards, stationery and checks, provided you (i) accurately depict the Marks on the materials as we describe, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Marks in connection with any other trademarks, trade names or service mark, or logos unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Marks. You must post a prominent sign in the Store identifying you as a PANDORA franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Store. All your business cards and internal and external signs must comply at all times with our guidelines, requirements and practices, as they are modified from time to time.

D. Litigation. We have the sole right to decide whether, and in what manner, to institute legal proceedings against any infringers of our Intellectual Property Right. In the event any person or entity improperly uses or infringes the Marks or challenges your use or the ownership of the Marks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Marks in violation of this Agreement, in which case you must pay us for our fees, costs and expenses. You may not take any immediate interim out-of-court action, such as the submission of warning letters, against any such infringers, except with our prior written consent. You shall not have any right to receive all or any part of any damages recovered by us as a result of any action taken in relation to such infringement.

E. Changes. You may not make any changes or substitutions to the Marks unless we direct in writing. We reserve the right to change the Marks at any time. Upon receipt of our notice to change the Marks, you must cease using the former Marks and commence using the changed Marks, at your expense.

F. Our Obligations in the Event of Infringement. In the event that it is established by a court that the use of any of the Marks violates a third party's rights and as a result you are denied use of the Marks by or on behalf of the entitled party, we shall at our own discretion and choice, either:

- i. obtain the rights for you to continue to use Marks;
- ii. revise the Marks so that they do not infringe; or
- iii. terminate your license or right to use the relevant Marks.

G. Improvements. In the event you make any improvements to the Marks, the System and/or create anything under or relating to this Agreement that is or may be protected by intellectual property laws, you hereby in advance assign any intellectual property rights you may have in or to such improvement or creation (as well as where applicable priority rights pertaining thereto) to us, which assignment we hereby accept. Any goodwill associated with or arising from the use of the intellectual property rights you own or create will be for our benefit.

H. Further Assurances. Upon our request, you agree to execute and deliver such documents, provide such information or take such other actions as we may request in connection with the sales and marketing of Products or to otherwise effectively carry out the requirements of this Agreement.

4. TERM AND OPTION FOR NEW AGREEMENT

The following provisions control with respect to the term of this Agreement:

A. Term. The initial term is for a period of ten years and commences on the date that your PANDORA Store opens for business.

B. Right to Successor Franchise. Upon the expiration of the initial term of this Agreement, you shall have the option to acquire a successor franchise for your Store upon the following terms and conditions:

i. We are offering franchises in the geographic area in which your Store is located at the time you give us notice of your desire to exercise the option to acquire a successor franchise.

ii. You are able to renew or extend your lease for the Authorized Location.

iii. You inform us not less than six months nor more than twelve months before the expiration of the Term of this Agreement (or the term of the subsequent Agreement) that you obtain a successor franchise.

iv. You are not then in breach of the terms and conditions of this Agreement and you shall have substantially observed and performed the terms and conditions of this Agreement throughout the term.

v. You must, at your expense, bring the Store up to the then-current standards for a PANDORA business and comply with any applicable updating or remodeling requirements. There is no limitation on the amount we may require you to spend on refurbishing, remodeling and replacement.

vi. You agree to complete any additional training we may require. There may be a fee for training and you will be responsible for travel and lodging expenses for you and others in your organization who attend the training.

vii. You must sign our then-current form of Franchise Agreement. You will not be required to pay any initial fee then being charged and we will not be required to provide any of the initial training or other services contained in such Agreement which we provide to a new franchisee. The term of the new Franchise Agreement will be conterminous with the remaining balance of the lease term for the Authorized Location or for five years, whichever is less.

viii. You and your owners must sign a general release in a form we prescribe, to the fullest extent permitted by law, to release us and our officers and employees from any claims you may have against us.

ix. You must pay our then-current renewal fee, not to exceed \$5,000.

5. PRE-OPENING OBLIGATIONS

Prior to opening the Store, you must comply with all pre-opening obligations which we require, including without limitation the following:

- A. register for all applicable taxes, including without limitation sales tax, and payroll taxes;
- B. read and understand the Manual and acknowledge receipt in writing to the us that you have read and understand the Manual;
- C. ensure that you have complied with all provisions of this Agreement relating to the lease for your Store;
- D. purchase the start-up Product package from us or our affiliate;
- E. build-out the Store in accordance with a layout and design provided by us or from a party we designate in accordance with the provisions of this Agreement;
- F. purchase and install in the Store fixtures, display cabinets and materials from a third party we designate;
- G. obtain from us or from a third party we designate Point of Sale Materials sufficient for the first month of operations;
- H. complete the training indicated as required in the Manual; and
- I. undertake such initial advertising and marketing for the store as required by this Agreement.

6. STORE STANDARDS AND MAINTENANCE

You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of PANDORA Stores to protect the distinction, goodwill and uniformity symbolized by the Marks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Store Location; Lease.

i. You are responsible for leasing a site that meets our site selection guidelines. We must accept the site in writing. You may not use the Store premises or Authorized Location for any purpose other than the operation of the Store during the term of this Agreement. We make no guarantees concerning the success of the Store located on any site which we accept.

ii. You may not open your Store for business until we have notified you in writing that you have satisfied all your pre-opening obligations, including without limitation those set forth in Section 5 and we have approved your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date.

iii. If you plan to enter into any type of lease for the Store premises, you must provide the lease to us and receive our prior written approval of the lease before you execute it. We have no responsibility for the lease, and our approval of the lease is limited to confirming that its terms are sufficient to allow you to operate the Store. We do not engage in a legal review of your lease and strongly suggest you retain competent counsel to do so for you. It is your sole responsibility to evaluate, negotiate and enter into the lease for the Store premises. Your lease must contain provisions that: (i) allow us to elect to receive an assignment of your leasehold interest upon termination or expiration of this Agreement; (ii) require the lessor concurrently to provide us with written notice of any deficiency under the lease, and allow us the right (but not the obligation) to cure any deficiency under the lease; (iii) allow the lease to be sub-leased to us; and (iv) provide us with access to the premises following termination or expiration of the lease to remove all signs and other items identifying the premises as a PANDORA Store, as noted on the attached Appendix C. You must provide us a signed copy of the lease within five days of execution. We may require you to acknowledge, in writing, that your lease for the Store premises satisfies the requirements of this paragraph.

iv. You may not sublease the lease to any third party without our prior written consent.

v. You must promptly notify us of any rent review proceedings and negotiations under the lease, and any revisions to the rental payments or other material terms of the lease.

B. Construction; Future Alteration. You must construct and equip the Store in accordance with our approved specifications and standards pertaining to equipment, inventory, signage, fixtures, accessory features and design and layout. You must use our designated supplier to install all fixtures at the Store. We may require you to purchase fixtures, initial design, layout and interior elevation plans and other items for the Store from a designated supplier. You may be required to purchase these and other items from a single source, and that source may be us or our affiliates. You will pay the then-current price in effect for all purchases you make from us or our affiliates. You may not commence construction of the Store until you have received our written consent to your plans. You must resubmit to us and receive our written approval prior to making any changes to previously approved plans, including any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the Store. Before we consent to the opening of the Store, you must provide us with copies of lien waivers from the contractors used to construct the Store premises.

C. Maintenance. The equipment, fixtures, furnishings, signage, and trade dress, (including the interior and exterior appearance) in your Store must be maintained in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon our periodic evaluations of the premises.

D. Modernization and Upgrading.

i. Subject to the terms of this Section, you must at all times comply with our standards, specifications, processes, procedures, requirements and instructions regarding

the Store's physical facilities, including Store, layout, furnishings, fixtures and signage. You must maintain the Store in good and safe condition, as specified in the Manual. You must remodel or upgrade the Store at your sole cost and expenses in accordance with our standards, which may be modified by us at any time. You must complete a major upgrade to bring your Store up to the then-current standards for a new Store around the time of the fifth anniversary of the opening of your Store, the exact timing to be designated by us. The standards for completing the major upgrade will be the standards then in effect. You acknowledge that the costs and expenses of such remodeling or upgrading, and for completing the major upgrade, are not capped or limited in any way.

ii. Each and every transfer of any interest in this Agreement or your business governed by Section 12 or any successor term covered by Section 4.B is expressly conditioned upon your compliance with these modernization or replacement requirements at the time of transfer or renewal.

iii. You acknowledge and agree that the requirements of this Section 6.D are both reasonable and necessary to ensure continued public acceptance and patronage of PANDORA Stores and to avoid deterioration or obsolescence in connection with the operation of the Store. If you fail to make any improvement as required by this Section or perform the maintenance described in Section 6.C, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

E. Relocation. In the event that we permit you to change the location of your PANDORA Store at any time during the term of this Agreement or any extensions or renewals thereof, you shall conform such Store site to the then-current layout and specifications for new PANDORA Stores as we may specify in writing, and you will be solely responsible for all costs and expenses incurred therewith.

F. Signage. The signage at your Store must comply with our specifications, which we may modify and change from time to time due to modifications to the System, including changes to the Marks.

7. PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Sale of Products. You may only sell the Products at the Store, or, if authorized by us in writing, online using only those urls which we approve or designate. In no event may you sell Products to anyone other than end user customers, including without limitation (i) any third party online auction sites (for example, eBay); (ii) any third party online retail sites (for example, Amazon); or (iii) any other retailers, whether or not the retailer is an authorized PANDORA retailer or another franchisee. In no instance are you authorized to sell any merchandise or service not specifically authorized by us in writing. You must comply with the inventory selection and stocking standards contained in the Manual or as we may otherwise designate, as revised from

time to time, and you must offer for sale all Products designated by us. We have the right to make modification. In regard to the sale of Products, you must comply with the terms and conditions of the warranty and after-sales service for the Products as we establish from time to time and you must further comply with policies and instructions we provide in relation to the treatment of Products returned to you by consumers.

B. Product Purchases. We or our affiliate will sell to you jewelry, jewelry components, packaging, display, promotional material, and marketing materials to be sold or used in the Store. You must purchase all Products only from us, our affiliates or suppliers designated or approved by us. You may not purchase any other products, merchandise or accessories meant for the sale or use in the Store from any other sources except with our prior approval. You will pay the then-current price in effect at the time for Products you purchase from us or our affiliates. We reserve the right to change our prices on a prospective basis from time to time. We have the right to make a profit from the sale of products to you. We will endeavor to use commercially reasonable efforts to have available for your purchase from us a reasonable amount of Product offerings in stock. We have the right to apportion Products and any other items due to shortages.

C. Approved Supplies and Suppliers.

i. You must use approved supplies in the Store as set forth in the Manual, which we may amend from time to time. You acknowledge and agree that certain approved supplies may only be available from one source, and we or our affiliates may be that source. You will pay the then-current price in effect for all purchases you make from us or our affiliates. Any materials and other items and supplies used in the operation of the Store that are not included in the approved supplies or approved suppliers list must conform to the specifications and standards we establish from time to time. **ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS, DESIGN PLANS OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.**

ii. Our determination of approved suppliers and brands or supplies will be based on a variety of criteria which may include quality, design, price, insurance, distribution methods, supply considerations and compatibility with the System. Except for items which are single sourced, we will consider requests for changes or additions to our approved suppliers or products in a timely manner and will not unreasonably withhold such approvals. We will respond to any requests to change approved suppliers or brands or products within a reasonable period of time, as long as we have the opportunity to fully evaluate such approved supplier or product. If we withdraw approval of any supplier, you

must stop purchasing from such supplier. We reserve the right to receive rebates or other consideration based on your purchases.

D. Computer and Point of Sale System. You must purchase and use the computer and point of sale system that we develop or select for the Store, including all future updates, supplements and modifications (“**Computer System**”). The Computer System may include all hardware and software used in the operation of the Store, including electronic point-of-sale cash registers and back office programs used to record, analyze and report sales, labor, inventory and tax information. The computer software package developed for use in the Store may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software. The computer hardware component of the Computer System must conform to specifications we develop. We reserve the right to designate a single source from whom you must purchase the Computer System, and we or an affiliate may be that source. You acknowledge and agree that we will have full and complete access to information and data entered and produced by the Computer System. You must have at the Authorized Location Internet access with a form of high speed connection as we require, and you must maintain: (i) an email account for our direct correspondence with the Store Manager; and (ii) a separate email account for the Store. You agree that in connection with any credit, debit and/or charge card payments you receive, you will adhere to, and cause any service provider or third party-provided payment applications to adhere to cardholder data security standards according to the then-current PCI (Payment Card Industry) Data Security Standards. You will be responsible for any costs and expenses related to compliance with such standards and/or related audits. You must provide us with evidence of such compliance at our request. You also must provide notice to us of any potential or actual data security breach relating to cardholder data. Only the third party providers of hardware and software shall be responsible for any failures of the hardware or software product they provide and we shall have no responsibility for such failures.

E. Evaluations. We and our authorized representative have the right to enter your Store at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your premises, and to inspect and evaluate your merchandise, supplies, and products, as well as the conditions of cleanliness and customer service. Further, if we determine that any condition in the Store presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Store until the situation is remedied to our satisfaction. Our inspections and evaluations may include a “mystery shopper” program from time to time. If you fail an evaluation by us or by a mystery shopper or if we receive a specific customer complaint, you must pay the costs and expenses of follow-up mystery shopper visits.

F. Data Protection, Privacy and Security.

(i) You shall, at all times, comply with all applicable laws and legislation relating to protection of personal data, including without limitation, making accurate disclosures regarding the collection, use and dissemination of personal information, and obtaining consent for the use and disclosure of personal information.

(ii) You shall at a minimum, comply with all physical, Payment Card Industry (“PCI”), consumer data and privacy, and all other security measures relating to the Store which we may prescribe from time to time.

G. Customer Surveys; Customer List. Upon our request, you must present to customers evaluation forms as are periodically prescribed by us and must participate and/or request your customers to participate in any marketing surveys performed by or on our behalf. Subject to applicable law, you must also maintain a current customer list containing for each and every customer, the customer’s (i) name, (ii), address, (iii) telephone number, and (iv) 9-digit zip code, and supply a copy of this list to us on a quarterly basis. You may not use the Customer List for any purpose other than the operation and promotion of your PANDORA store.

H. Period of Operation. Subject to any contrary requirements of local law, your Store must be opened to the public and operated during the days and hours we designate, unless otherwise provided in your lease.

I. Operating Procedures; Manual; Periodic Revisions.

i. You must adopt and use as your continuing operational routine the required standards, procedures, techniques and management systems described in our Manual and other written materials. Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

ii. During the term of this Agreement, we will loan one (1) or more copies to you or provide you with password protected electronic access to the Manual. The Manual is our sole property. You must at all times treat the Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We have the right at any time to revise the contents of the Manual and will provide you with notification of the updated material. You expressly agree to comply with each new or changed requirement. You acknowledge and agree that in the future the Manual and other system communications may only be available on the Internet or other online or computer communications.

iii. You agree to comply with each new or changed provision beginning on the 30th day (or such longer time as specified by us) after receiving written notice from us. Revisions to the Manual will be based on what we, in our sole determination, deem is in the best interests of the System, including to promote quality, enhance good will, increase efficiency, decrease administrative burdens, or improve profitability of us or our franchisees. You acknowledge that because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole determination and as we may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of the particular site or circumstances, landlord requirements, business potential, population of trade area, existing business practices, or any condition which we deem to be of importance to the successful operation of such franchisee’s Store. You will not be entitled to require us to grant you a like or similar variation under this Agreement.

You must at all times ensure that your copy of the Manual contains all updates received by you from us. In the event of any dispute as to the contents of the Manual, the terms contained in the master copy of the Manual maintained by us at our home office shall be controlling.

J. Confidential Information. You, your Owners, and the Store Manager may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees who must have access to it in order to operate the Store. For purposes of this Agreement, “Confidential Information” means proprietary information contained in the Manual or otherwise communicated to you in writing by us, our parents or our affiliates, verbally or through the Internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation and marketing of the Store. “Confidential Information” shall not include

- (i) information obtained by that is or becomes published or is otherwise generally available to the public, other than as a consequence of your (or your employees’ or agents’) willful or negligent act or omission obtaining such information, or any of its employees or agents;

- (ii) information that is, at the time of disclosure, already lawfully in your possession of the Franchisee and not already subject to any obligations of confidentiality; or

- (iii) information lawfully obtained from a third party who has itself lawfully obtained such information and is not subject to any confidentiality obligations in respect of that information

Any and all Confidential Information, including, without limitation, pricing policies, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the Store. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning any interest in the franchisee, the Store Manager and all employees and volunteers. You must provide executed copies of these agreements to us upon our request. You shall immediately notify us of all facts and information that comes to your attention and that indicates that Confidential Information is, is likely to be or has been disclosed other than as permitted by this Agreement.

K. Compliance with Law; Licenses and Permits. You must at all times maintain your premises and conduct your Store operations in compliance with all applicable laws, regulations, codes and ordinances, including but not limited to the following:

- (i) Anti-Money Laundering Laws. You must at all times comply with all applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2001. You further agree to provide us with information and documentation that we require for purposes of compliance with anti-money laundering laws and to allow us to make and retain copies of such information.

- (ii) Anti-Corruption Laws. You must at all times comply with all applicable anti-corruption laws and regulations, including without limitation the Foreign Corrupt Practices Act. You represent and warrant that neither you, nor any person acting on your

behalf will pay, offer, or promise to pay, or authorize the payment of anything of value, either directly or indirectly, to any official or employee of any governmental authority or instrumentality, or of a public international organization, or of any agency or subdivision thereof, or to any political party or official thereof, or to any candidate or appointee for political office for the purpose of: (i) influencing any act or decision of that person in their official capacity, including a decision to do or omit to do any act in furtherance of their official function with such governmental agency or instrumentality, public international organization, or political party; (ii) inducing such person to use their influence with such governmental agency or instrumentality or such public international organization or such political party to affect or influence any act or decision thereof; or (iii) securing any improper advantage.

You must secure and maintain in force all required licenses, permits and certificates relating to your Store. You acknowledge that you are an independent business and responsible for control and management of your Store, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters. You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your PANDORA Store, including any notices of code violations.

L. Participation in Internet Web Sites or Other Online Communications. You must have Internet access and an email. We may require you, at your expense, to participate in our PANDORA web site on the Internet, our intranet or extranet system or other online communications as we may require. We have the right to determine the content and use of our web site and intranet or extranet system and will establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Marks, operate any website in connection with the Store or reference the Marks or the Store on or in connection with any current or future social media network or platform. We will identify the Store on our web site. We retain all rights relating to our web site and intranet system and may alter or terminate our web site, extranet system or intranet system. Your general conduct on our web site and intranet or extranet system or other online communications including the use of any social media platforms and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement and policies that we promulgate from time to time. You acknowledge that certain information related to your participation in our web site, extranet system or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site and intranet or extranet system, or otherwise use the Marks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates. You may only use and download onto your computer software which has been designated or authorized by us in writing. You will be liable for any damage or problems caused by your use or downloading unauthorized software (including damage caused to our internet or intranet or other system) in addition to the other remedies contained in this Agreement.

M. Promotions; Pricing. You must participate in all advertising and promotional campaigns and programs designated by us. We may, from time to time, make suggestions to you with regard to your pricing policies. Any list or schedule of prices we furnish to you may, unless otherwise specifically stated, be treated as a recommendation only and failure to accept or

implement any such suggestion will not in any way affect the relationship between you and us. Although you generally have the right to establish prices for the products and services you sell, we reserve the right to establish and enforce prices, both minimum and maximum, to the extent permitted by applicable law.

N. System Modifications; Adaptations. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, subject to any express limitations set forth in this Agreement. You must inform us of any improvement or modification to the System or any product ideas which comes to your attention.

O. Recalls. Upon receipt of notice from us (by any means including email or telephone), you must co-operate with and assist us in connection with, and comply with our instructions in connection with, the recall or withdrawal from sale of any Products for any reason.

P. Notices Required by Us. You must attach any notices that we require to stationery, products and packaging and you must conspicuously display any notices that we require.

8. PERSONNEL AND SUPERVISION STANDARDS

The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. You must have a Store Manager at all times during the term of this Agreement. The Store Manager must ensure that the Store is operated in accordance with the terms and conditions of this Agreement and all applicable laws, including labor and employment laws. You remain liable for any failure on the part of your Store manager to properly operate the Store. Your Store Manager also must be readily and continuously available to us. The Store Manager must attend and successfully complete all required training.

B. Training. You must, at your expense, comply with all of the training requirements we prescribe for the Store to be developed under this Agreement. The training requirements may vary depending on your experience and the experience of the Store Manager or other factors specific to the Store.

C. Staffing. You will employ a sufficient number of competent employees to ensure efficient service to your customers. You will also comply with our standards for dress and appearance of Store employees. No employee of yours is deemed to be an employee of ours for any purpose whatsoever.

D. Attendance at Meetings. You must attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings relating to new operational procedures or programs, training, store management, sales or sales promotion, or similar topics.

9. MARKETING

You agree to actively promote your Store, to abide by all of our marketing requirements and to comply with the following provisions:

A. Generally. The image of the Pandora brand is of essential importance to us. You shall not engage in any form of marketing activities without our prior written approval. We will withhold our approval only in the event the marketing activities would be in any way detrimental to the Marks, the System and/or the image and reputation of us, our parents or our affiliates. The decision as to whether or not to grant approval is in our sole and absolute discretion.

B. Pre-Opening Marketing. You must conduct certain advertising, marketing and public relations activities in connection with the opening of your Store, as we specify in writing. We require you to spend, in addition to the required local advertising contribution described below, between \$10,000 and \$25,000 for such market introduction advertising and related activities as more fully described in the Manual.

C. On-Going Marketing.

i. You must participate in all promotional and marketing activities required by us. You must maintain adequate supplies of advertising, marketing and promotional materials to meet the marketing and operational needs of the Store. From time to time, we will provide you with advertising and promotional materials for use by you in advertising, marketing and promotional activities. Likewise, we will from time to time provide you with materials related to new products, Valentine's Day, Christmas and any other promotions or events described in the Manual. Some of these materials and items are made available at no cost to you, except for applicable freight charges, which you will pay. You must purchase other of these materials from us. You may not use any other marketing or activity materials other than the latest updated materials provided by us without our prior written consent.

ii. If you want to use advertising and promotional materials that have not been provided by us, and have not yet been approved by us, you must submit samples of all such advertising and promotional material to us for approval. We will approve or disapprove of any advertising and promotional material submitted by you within thirty days of receipt. If we do not approve such materials within 30 days, they will be deemed disapproved.

iii. You must fully participate in and support all such promotional campaigns, customer clubs, product or service clubs, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new services or products), which we prescribe from time to time. You are responsible for the costs of such participation. In addition, you must honor any coupons, gift certificates or other authorized promotional offers of ours at your sole cost unless otherwise specified in writing by us. You may not create or implement your own customer loyalty program without our express written consent.

D. Required Local Expenditures, Approved Materials. You must use your best efforts to promote and advertise the Store and participate in any local marketing and promotional programs that we establish. You must spend at least 4% of your Gross Sales on local marketing. We reserve the right to increase this minimum amount up to 6% upon 90 days written notice. Upon our request you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing. We have the right to designate the amount of your local advertising and public relations expenditures based upon your market conditions, local media costs, seasonality of the business and other factors. You must spend your local advertising funds according to a marketing plan developed by you and approved by us. Upon our request you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing. If you fail to make the required expenditures, we have the right to collect the deficiency and spend it in your geographic area as we see fit. You must use only such marketing materials as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, we must approve any promotional activities you conduct. We will not unreasonably withhold approval of any sales promotion materials and activities; provided that they are current, in good condition, in good taste, accurately depict the Marks and are keeping with our brand image. You must use promotional materials that depict any of the Marks only in connection with your sale of approved merchandise at the Store. Any promotional materials used by you must be current and in good condition.

E. Co-Operative Advertising. We may designate local or regional advertising coverage areas to develop cooperative local or regional advertising and promotional programs. You must participate in and contribute your share to the cooperative advertising and promotional programs in your advertising coverage area in addition to the contributions and expenditures required by this Agreement. Your contributions to cooperative advertising or promotional programs will be credited toward the minimum local advertising expenditures. Any such cooperatives will establish the procedures for contribution payments. You may be required to belong to and contribute a maximum of 100% of your local advertising contribution to any cooperative to which you are assigned. We may designate the coverage area, method and timing of payment, and any outside agencies; and may merge or dissolve cooperatives; and must approve bylaws and all activities and advertising; of any such cooperative. All cooperatives will report to us in the manner required by, and follow all requirements of, this Agreement.

F. Marketing Fund.

i. We have established a marketing fund ("**Marketing Fund**") to which all similarly situated PANDORA stores must contribute in the amount and manner prescribed by us ("**Marketing Fund Fee**" or "**MFF**"), provided that the Marketing Fund Fee will not exceed 3% of monthly Gross Sales. Contributions to the Marketing Fund are in addition to your local and cooperative advertising expenditures.

ii. We will own and manage the Marketing Fund. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Marketing Fund; provided, however, that we will make a commercially reasonable effort to expend such fees in a manner that we determine is in the general best interests of the System. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and its contents, terms and

conditions of marketing campaigns and promotional programs; although we will not use the Marketing Fund for non-marketing purposes. Because of the methods used, we are not required to spend a prorated amount on each PANDORA Store or in each advertising market. We have the right to make disbursements from the Marketing Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. Disbursements from the Marketing Fund will be for advertising, public relations, market research, trade show attendance, promotion, point-of-sale materials, point-of-sale systems, and marketing of goods and services, payments to marketing agencies, and administration of the Marketing Fund, including but not limited to, salaries, overhead, administrative, accounting, collection and legal costs and expenses. The Marketing Fund fees collected by the Marketing Fund are non-refundable. We may terminate the Marketing Fund at any time in our sole determination. In the event that the Marketing Fund is terminated, any remaining balance in the Marketing Fund will be expended as provided for in this Section. The Marketing Fund may sponsor media that is local, regional, national or international in scope. The disbursements may include payments to us for the expense of administering the Marketing Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the advertising functions. If requested, we will provide you an annual unaudited statement of the financial condition of the Marketing Fund.

G. **Omni-Channel Solution.** We may introduce from time to time one or more Omni-channel solutions for the purpose of improving the customer experience, expanding the shopping universe, optimizing consumers' option to shop in and across channels, or other reasons that we determine in our sole discretion. You must participate in any such solution introduced by us, which may include but is not limited to the following features and obligations:

(i) *Customer data:* participate in and use its best efforts to collect customer data and insights in one database which we, our parents or our affiliates may own; and

(ii) *Flexible shopping options:* participate in all flexible shopping options, for example, fulfilling online orders for Products in the Store, or accepting returns of Product ordered on-line in the Store; and

(iii) *Insights:* Purchase and implement technologies in the Store to optimize traffic and sales and customize sales and customer service.

10. LATE PAYMENTS; FINANCIAL REPORTING

You must pay the fees described below and comply with the following provisions:

A. **Interest Charges and Late Fees.** You must pay all amounts due to us without any deduction, set-off, credit, or counter-claim, unless approved by us in writing. Any and all amounts that you owe to us will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges, you must pay to us a service charge of \$50 for each delinquent report or payment that you owe to us under this Agreement.

B. Financial Planning and Management.

(i) You must record daily all sales in a format we designate. You must keep books and records and submit reports as we periodically require, including but not limited to a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, records of prices, check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, payroll records, cash disbursement journals and general ledger, all of which must accurately reflect the operations and condition of your Store operations. You must use the chart of accounts we designate. You must compile, keep and submit to us the books, records and reports to us on the forms and using the methods of bookkeeping and accounting as we may periodically prescribe. The records that you are required to keep for your Store must include detailed daily sales, customer count, invoices and stock counts, broken down by SKU, number of units and value relating to the sale of Products in a form approved by us, including transaction level data (by way of example, UPT, ADS, and AUR); traffic data as well as CRM data (new and existing customers) and other relevant records or information maintained in an electronic media format and methodology we approve. All such records shall be full, accurate and up to date.. We may require you, at your cost, to have your records audited by us or by auditors designated by us. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for at least 36 months, or such longer time as required by law. You must allow us electronic and manual access to any and all records relating to your Store.

(ii) No later than two (2) months following the end of your fiscal year or another date agreed to by us in writing, you must provide us with copies of balance sheet and profit and loss statements relating to the Store for the prior fiscal year and no later than three (3) months following the end of your fiscal year or another date agreed to by us in writing, you must provide us with copies of tax returns for the prior fiscal year.

11. YOUR OTHER OBLIGATIONS; NON-COMPETE COVENANTS

You agree to comply with the following terms and conditions:

A. Payment of Debts. You are responsible for all expenses, costs and charges incurred by you in the operation of the Store. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us, affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Store or business; and (iii) all accounts and other indebtedness of every kind incurred by you in the operation of the Store. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf in which case we may at our option either (1) charge your credit card on file with us (if any) for payments we made on your behalf or (2) invoice you for payments made on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Compliance with All Laws and Ethical Business Practices. You must operate your PANDORA Store in full compliance with all applicable laws, ordinances and regulations. You must, in all dealings with your customers, suppliers and public officials, adhere to high standards of honesty, integrity, fair dealing and ethical conduct. You must refrain from any practice which may injure the goodwill associated with the Marks. You must notify us in writing within five days of the commencement of any action, suit, or proceeding, and of the issuance of any order, write, injunction, award, or decree of any court, agency, or other governmental instrumentality, which relates to, or which may affect the operation or financial condition of, you and/or your PANDORA Store.

C. Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Store. You must fully protect, indemnify, defend and hold us and our owners, directors, officers, successors and assigns, harmless from and against any and all damages, losses, claims, demands, expenses and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Store (regardless of cause or any concurrent or contributing fault or negligence by us) including any claims by your employees and customers or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for our costs and attorneys' fees immediately upon our request as they are incurred.

D. Insurance. You must purchase and maintain in full force and effect, at your expense:

i. Insurance policies, in such amounts and on such terms, as prescribed in the Manual, issued by an insurance company that we specify during the term of this Agreement and any interim period. Insurance coverage must include, but is not limited to, comprehensive general liability, combined single limit, automobile, bodily injury, Jeweler's Block insurance, and all-risk property damage insurance and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by us periodically in our sole determination, unemployment and workers compensation insurance and any other additional insurance required by the terms of any lease or lender for the business. Insurance policies must insure you, us, our affiliates, and our and our affiliates' respective officers, directors, shareholders, managers, members and all other parties designated by us, as additional named insureds against any liability which may accrue against them because of the ownership, maintenance or operation by you of the PANDORA Store. The policies must also stipulate that we will receive a 30 day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against us. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us, including original endorsements effecting the coverage required by this Section, must be furnished to us together with proof of payment within 10 days of issuance. You must also furnish us with certificates and endorsements evidencing such insurance coverage within 10 days after each of the following events: (a) at all policy renewal periods, no less often than annually, and (b) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy must be signed by a person

authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are subject to approval by us. We reserve the right to require complete, certified copies of all required insurance policies at any time. In the event you fail to obtain the required insurance and to keep the same in full force and effect, we may, but are not obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you will reimburse us for the full cost of such insurance, along with a reasonable service charge to compensate us for the time and effort expended to secure such insurance, within five days of the date we deliver an invoice detailing such costs and expenses to you. Notwithstanding the foregoing, your failure to obtain insurance constitutes a material breach of this Agreement entitling us to terminate this Agreement or exercise any or a combination of the other default remedies set forth in this Agreement. You must also procure and pay for all other insurance required by state or federal law. We reserve the right to modify minimum insurance requirements or the types of coverage required at any time by updating the Manual.

ii. All public liability and property damage policies must contain a provision that we, although named as an additional insured, are nevertheless entitled to recover under such policies on any loss occasioned to us or our shareholders, members, directors, managers, employees or agents.

iii. All liability insurance policies procured and maintained by you in connection with the PANDORA Store will require the insurance company we designate to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against you, us, our affiliates and their respective officers, directors, managers, members, agents, employees, and all other entities or individuals designated by us as additional insureds.

E. Non-compete Covenants. You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following non-competition covenants:

i. Unless otherwise specified, the term “you” as used in this Section 11.E includes, collectively and individually, all owners, guarantors, officers, directors, members, managers, and partners, as the case may be, and holders of any ownership interest in you.

ii. You covenant that during the term of this Agreement you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any business that sells or offers to sell bracelets and charms that compete, directly or indirectly, with the PANDORA charm bracelet product line.

iii. You covenant that you will not, directly or indirectly, solicit or otherwise attempt to induce, by combining or conspiring with, or attempting to do so, or in any other manner influence any person or entity with whom we conduct business to terminate or modify his, her, or its business relationship with us or to compete with us.

iv. You covenant that you will not, for a period of one year after the expiration or termination of this Agreement, regardless of the cause of termination, or within one year of the sale of the Store or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a business that sells or offers to sell bracelets and charms that compete, directly or indirectly, with the PANDORA charm bracelet product line:

(1) At the premises of the former Store;

(2) Within a 15-mile radius of the former Store; or

(3) Within a 15-mile radius of the location of any other PANDORA Store, whether franchised or owned by us or our affiliates.

v. You agree that the length of time in subpart (iv) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

vi. You agree that you and your owners, guarantors, shareholders, members, partners, officers, and directors will execute our Nondisclosure and Noncompetition Agreement, the form of which is attached as Appendix D to this Agreement and incorporated by reference.

F. Personal Guarantee. The following individuals are required to sign our Personal Guaranty, the form of which is attached as Appendix B to this Agreement: (i) each person who signs this Franchise Agreement; (ii) if you are an entity, each person who owns an interest in you (including without limitation owners, shareholders, members, and partners who own an interest in an entity which itself owns an interest in you); (iii) if you are an entity, +individuals who are officers and directors of you or of an entity which owns an interest in you; and (iv) anyone else that we may direct.

12. TRANSFERS

You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers by Us. You acknowledge that our obligations under this Agreement are not personal, and we have the unconditional right to assign this Agreement to another entity, be acquired by another entity or merge with another entity. We reserve the right to assign the franchise system to anyone including the operator of a competing system. We shall have the absolute right to transfer or assign this Agreement or any of our rights or obligation under this Agreement to any person or entity.

B. We reserve the right to assign the System to anyone, including the operator of a competing national or regional chain or franchise system. You acknowledge and agree that we may sell our assets, the Marks or the System to any third party of our choice; may offer our securities privately or publicly; may merge with or acquire other business entities or be acquired

by another business entity; may permit and participate in any transfer or distribution of our securities in connection with a spin-off; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without our consent and, provided the transferee expressly assumes and undertakes to perform our obligations in all material respects, do so free of any responsibility or liability whatsoever to you after the transaction occurs. With regard to any of the above sales, assignment and dispositions, you expressly and specifically waive any claims, demands, or damages against us arising from or related to the transfer of the Marks, assets or the System.

C. Transfers by You. You acknowledge and agree that the rights and duties set forth in this Agreement are personal to you. Accordingly, you will not sub-franchise or otherwise make a Transfer of your rights hereunder or make any lease or sublease of the Store, without our prior written consent provided in , which will not be unreasonably withheld, provided all pre-requisite conditions to Transfer are met. Any attempted Transfer without our prior written consent will be a default under the terms of this Agreement and will be voidable by us. No Transfer or assignment of this Agreement will be approved by us or be effective unless and until all the following conditions are satisfied:

- i. You are in full compliance with this Agreement, you have no uncured defaults, and all your debts and financial obligations to us are current;
- ii. You execute a written agreement in a form satisfactory to us in which you and your owners covenant to observe all applicable post-term obligations and covenants contained in this Agreement;
- iii. You remain responsible for the performance of all your obligations and undertakings under the Agreement;
- iv. The proposed transferee executes our then-current standard form of franchise agreement (which may provide for different fees, and other rights and obligations from those provided in this Agreement);
- v. The proposed transferee executes a document acknowledging receipt by the proposed transferee of the applicable franchise disclosure documents at least 14 calendar days prior to any such proposed assignment or the payment of any consideration therefor;
- vi. You provide to us all information requested by us to evaluate the proposed transferee, including financial statements; the management, business, and educational experience of the transferee; and the financial status of the proposed transferee;
- vii. The proposed transferee agrees in writing to perform such maintenance, remodeling and re-equipping of the Store and that we determine necessary to bring the Store in compliance with our then-current standards;
- viii. Before the date of the proposed Transfer, the proposed transferee's Store Manager successfully completes such training and instruction as we deem necessary;

ix. We are satisfied that the proposed transferee meets all of the requirements of our new franchisees applicable on the date we receive notice of the proposed transfer and including, but not limited to, good reputation and character, business experience, management experience, community involvement and contacts and financial strength and liquidity;

x. You and all holders of an interest in you execute a general release, in the form prescribed by us, releasing, to the fullest extent permitted by law, all claims that you or any of your owners may have against us or our affiliates, including our and their respective shareholders, officers, directors and employees, in both their individual and corporate capacities;

xi. You pay us a Transfer fee of \$1,000 to process your transfer request; and

xii. We have the right to require you to prepare and furnish to assignee and us such financial reports and other data relating to the Store and its operations as we deem reasonably necessary or appropriate for assignee and us to evaluate the Store and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Store and proposed transfer without being held liable to you, except for intentional misstatements made to a proposed assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Store and proposed Transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

D. Transfer by Individual Franchisee to an Entity. This Agreement may be transferred to an entity without the payment of a Transfer fee and without complying with Section 12.C if you (the franchisee) are an individual, provided that you hold the controlling interest in any such entity.

E. Transfer Upon Death or Disability. Upon your death, mental incapacity or disability, we shall consent to the transfer of the interest in the franchise, the Store and this Agreement to your spouse, heir or relative by blood or by marriage whether such Transfer is made by will or by operation of law if, in our sole judgment, such person or persons meet our educational, managerial and business standards; successfully completes our training at the earliest opportunity; possess a good moral character, business reputation and credit rating; have the aptitude and ability to operate and manage the Store; have at least the same managerial and financial criteria required by new franchisees; and have sufficient equity capital to operate the Store. If said transfer is not approved by us, then the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within six months after such death, mental incapacity or disability. Such transfer shall be subject to the same conditions as any other transfer except that no transfer fee will be charged.

F. Right of First Refusal.

i. If you or any person or entity which holds a controlling interest in you propose to make a Transfer to any third party, including, without limitation, any transfer contemplated by subparagraph 12.C, you first must offer to sell to us your interest. In the event of a bona fide offer from such third party, you must obtain from the third-party

offeror and deliver to us a statement in writing, signed by the offeror and by you, of all of the material terms of the offer. In the event the proposed transfer results from a change in control of the franchisee entity, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the equipment, furniture, fixtures, inventory and any leasehold interest used in the operation of your Store. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a change in control or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in subparagraph 15B. in connection with our option to purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction.

ii. You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have 30 days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 30 day period, you will be free for 60 days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Section 12. You may effect no other sale or assignment of you, this Agreement or the assets of the Store without first offering the same to us in accordance with this subparagraph 12.F.

13. DISPUTE RESOLUTION

The following provisions apply with respect to dispute resolution:

A. Arbitration; Mediation.

i. Except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for the Store or Authorized Location, the parties' relationship, or the business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association. The arbitration must take place in the city where our headquarters are located at the time of the dispute, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrators must follow the law and not disregard the terms of this Agreement. The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we

set. A judgment may be entered upon the arbitration award by any state or federal court where we maintain our headquarters or the state where your Store is located.

ii. Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions covered under subparagraph 13.B, provided that the party seeking mediation notifies the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. If not resolved within 30 days or if one party refuses to participate in mediation, the parties are free to pursue arbitration. Mediation is a compromise negotiation for purposes of the federal and state rules of evidence, and the entire process is confidential.

B. Choice of Forum. The parties acknowledge that a substantial portion of the negotiations, anticipated performance, and execution of this Agreement occurred or shall occur in Baltimore City, Maryland, and that each of the parties irrevocably and unconditionally:

i. Agrees that any suit, action, or legal proceeding arising out of or related to this Agreement shall be brought only in the courts of record in either the State of Maryland in Baltimore City or the United States District Court for the District of Maryland;

ii. Consents to the jurisdiction of each such court in any suit, action, or proceeding;

iii. Waives any objection which he, she, or it may have to the laying of venue of any such suit, action, or proceeding in any such courts; and

iv. Agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in the State of Maryland.

Notwithstanding any of the foregoing or anything else in this Agreement to the contrary, we may seek equitable or injunctive relief in any jurisdiction competent to grant such relief and that can exercise jurisdiction over you.

C. Injunctive Relief. Notwithstanding subparagraph 13.A above, you recognize that the Store is one of a large number of similarly situated Stores identified by the Marks and similarly situated and selling the Products to the public, and that the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this

Agreement by the other party. Finally, we and our affiliates have the right to commence a civil action against you or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Marks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

D. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Store or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs.

E. Enforcement. During the term of this Agreement, if you do not give us written notice of the alleged breach of this Agreement within one year from the date that you have knowledge of circumstances reasonably causing you to believe you may have a claim for a breach of this Agreement by us, then the alleged breach will be deemed to be waived by you in all respects and you will be barred from bringing any legal or other action against us for the alleged breach. Furthermore, upon expiration or termination of this Agreement, you may not assert any claim or cause of action against us arising under, out of, or in any way connected with or related to this Agreement, the relationship between the parties, or your Store unless the claim or cause of action is commenced within one year after the effective date of the expiration or termination of this Agreement. Notwithstanding the preceding two sentences, if the one-year time limitation is prohibited by or invalid under any applicable law, then no suit or action may be commenced or maintained unless it is commenced within the shortest applicable statute of limitations.

14. LIMITATION OF LIABILITY

A. Consequential and Indirect Damages. In no event shall we be liable to you for consequential or indirect damages, including but not limited to damage resulting from late delivery, loss of profit, loss of goodwill, or loss caused by the defective Products.

B. Limitation of Liability. Our liability to you shall be limited to the amount paid by you to us or our affiliate for all the Products delivered in the period of six (6) calendar months prior to the incident which gave rise to your loss less any credits we or our affiliate provided to you.

C. Applicability of Limitation of Liability. The limitation of liability set forth herein shall also apply to our parents and our affiliates. This provision is an irrevocable third party beneficiary clause for the duration of this Agreement and after the termination or expiration of this Agreement.

15. DEFAULT AND TERMINATION

The following provisions apply with respect to default and termination:

A. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

i. Termination After Opportunity to Cure. You will be deemed to be in default under this Agreement and we have good cause to terminate this Agreement and all rights granted under this Agreement if within thirty (30) days after we send you written notification setting out the nature of the default (“**Notice to Cure**”), or within any shorter period expressly set forth in the following clauses as to such default, you do not correct the default to our satisfaction:

(1) Nonpayment: If you fail or refuse to pay as and when due any sums owed to us, any of our affiliates, or any of our designated suppliers or vendors within ten (10) days of receiving a Notice to Cure from us;

(2) Failure to Submit Required Reports: If you fail or refuse to submit required reports to us within ten (10) days of receiving a Notice to Cure from us;

(3) Disputes Between or Among Franchisee Principals: If you fail to resolve any dispute between or among principals or shareholders of your franchisee entity regarding the operation of the business of the Store;

(4) Standards and Policies: If you fail or refuse to comply with mandatory or required standards and policies set forth in this Agreement or the Manual or any changes, additions, or modifications thereto, or fail or refuse to implement a required or mandatory program, module, or materials;

(5) Scorecard: You fail to cure EIO (scorecard) deficiencies within the specified time frames;

(6) Permits and Licenses; Compliance: If you fail or refuse to obtain and maintain all necessary permits and licenses, or fail or refuse to comply with applicable laws or regulations, relating to the operation of the Store;

(7) Assumption of Control: If you fail or refuse to provide an individual acceptable to us to assume control of the Store in the event of (a) your death or incapacity or (b) the death or absence from active participation in the Store’s business of any individual upon whose ability or expertise we relied in granting this franchise to you; or

(8) Any Other Breach of this Agreement: If you breach any other provision of this Agreement which is not specified in Section A (ii), below.

ii. Immediate Termination with No Opportunity to Cure. In the event any of the following defaults occur, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination:

(1) Any material misrepresentation, omission or falsification of information in your franchise application or in records or reports submitted to us;

(2) Your voluntary abandonment of this Agreement, the Authorized Location, or the Store;

(3) The loss of your lease, the failure to timely cure a default under the lease, or the loss of your right of possession;

(4) Any unauthorized use of the Confidential Information;

(5) Insolvency of you, or a guarantor;

(6) You or a guarantor makes an assignment or enters into any similar arrangement for the benefit of creditors;

(7) Conviction of you or an owner or a guarantor of (or pleading no contest to) a felony of any nature or any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Store;

(8) Any unauthorized transfer or assignment;

(9) Your third default of the same or similar provision within any 12-month consecutive period; or

(10) Any act by you or anyone affiliated with the Store which causes, or is likely to cause, an incurable tarnishing of our reputation.

iii. Immediate Termination after No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Intellectual Property or the Marks (including the misuse or the making of an unauthorized use of any of the Intellectual Property or the Marks or the commission of any other act by you which can be reasonably expected to impair the goodwill associated with any of the Marks), violates any health or safety law or regulation, or presents a safety hazard to your customers or to the public: (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) this Agreement will terminate effective immediately on our issuance of written notice of termination.

iv. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

v. Cross Default. A default of the type listed below under any other agreement between you (or your affiliate) and us (or our affiliate) constitutes a default under this Agreement or any other agreement between you (or your affiliate) and us:

(1) The non-payment of amounts owed to us (or our affiliates) for a loan made to you or your affiliates;

- (2) The misuse of the **Intellectual Property**);
- (3) The misuse of information we designate as confidential or proprietary;
- (4) The abandonment of any PANDORA Store owned and/or operated by you or your affiliates;
- (5) Your, your affiliate's, or any principal owner's declaration of insolvency or any adjudication of insolvency;
- (6) The filing a petition in bankruptcy, reorganization or similar procedure, or requesting or having appointed a receiver for any PANDORA store, assets or property in which you or your affiliates have an interest;
- (7) Conviction of you or an owner or a guarantor of you (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Store or any felony; or
- (8) The unauthorized assignment of any controlling interest in an Agreement.

B. Lien. In the event of termination for any default made by you, the extent of all damage which we suffer by virtue of such default shall be and remain a lien in our favor against any and all of the personal property, fixtures, equipment and inventory owned by you on the Store premises at the time of such default.

C. Termination by You. You may terminate this Agreement as a result of our breach of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice, or, if the breach cannot be cured within 30 days, we fail to begin to cure. If we fail to cure the breach, the termination will be effective 60 days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under Section 16 of this Agreement.

16. POST-TERM OBLIGATIONS

A. General. Upon expiration or termination of this Agreement:

i. Your authorization to use in any manner the Marks, our name or any confusingly similar name shall terminate. You must not thereafter, directly or indirectly, identify yourself in any manner as a franchisee; publicly identify yourself as a former franchisee; or use any of our confidential information, Marks, signs, symbols, devices, procedures, or other materials constituting part of the System.

ii. You must vacate the Store premises immediately, or, at our option, immediately make such removals or changes in signs and colors of the premises as we

request so as to distinguish effectively the premises from their former appearance and from other Pandora stores. If you fail to make such changes, then we may enter the premises and make such changes at your expense. If the premises are not subleased by us or our Affiliates to you, we will have the option to require you to assign your leasehold interest in the premises to us.

iii. You must return to us all copies of documents, instructions (including all data instruction material), manuals, display items, materials, promotional aids, and all writings bearing the PANDORA Marks or name. You must also comply with your obligations under Section 11.E of this Agreement, and cooperate to assure that telephone listings and numbers for the Store are assigned to us (or our designee).

iv. You must immediately cease all use and display of the Marks and of any proprietary material (including the Manual) and of all or any portion of marketing materials furnished or approved by us. You must also cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities Unless otherwise agreed in writing by the Franchisor, all instruction manuals, sales brochures, booklets, posters, promotional literature and any other materials in which the Intellectual Property Rights are used shall be disposed of in such manner and as such time as may be instructed by the Franchisor. Upon request by the Franchisor, the Franchisee shall provide the Franchisor with proof of the destruction of these materials.

v. You must immediately pay all sums due to us, our affiliates, or our designees, and all sums you owe to third parties that have been guaranteed by us or any of our affiliates.

B. Our Option to Purchase. Upon the termination or expiration of this Agreement, we have the option to purchase all of your rights, title and interest in the Store including all equipment, inventory, accounts, contract rights and other business assets (“**Assets**”) free and clear of all liens, claims and other encumbrances. The purchase price for the Assets will be the lesser of: (i) the market value of the Assets, or (ii) your cost less depreciation on a straight line basis of 10% per year. If the parties cannot agree on the market value within 30 days, an independent appraiser will be designated by each of the parties, and an average of the two appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and System licensed to you.

C. Liability. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates, that expressly or by their nature, survive the expiration or termination of this Agreement.

17. GENERAL PROVISIONS

The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in

full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify Appendices and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices hereto and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained herein and in the aforesaid application. Nothing in this Agreement or in any other related agreement is intended to disclaim representations made in our Franchise Disclosure Document that was furnished to you.

C. Notices. All notices sent by one party to the other must be hand-delivered, sent by registered or certified mail, return receipt requested, or transmitted by facsimile or sent by means of other electronic means, provided that the sender can verify receipt. They will be addressed to us at our office, or at any other address we designate in writing, and addressed to you at your last known business address, or at any other address you designate in writing. Any notice is considered given and received, when delivered, if hand-delivered; if sent by facsimile, or electronic means in which receipt can be verified, on the next business day after sent; and if mailed, on the third business day following the mail.

D. Successors/Assigns. Subject to the terms of Section 12 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

E. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

i. Applicable Law and Venue. Except to the extent governed by the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement and the relationship between the parties are governed by and interpreted in accordance with the laws of the State of Maryland, although you expressly and affirmatively acknowledge and agree that any Maryland franchise or business opportunity law will not apply, unless you or a Principal Owner is a Maryland resident or your Store is located in Maryland. You expressly waive any rights or protections you have or may have

under any statute or law of any other state to the fullest extent permitted by law. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

(1) Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement.

(2) Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

F. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

G. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party, it will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to the following:

- i. Acts of God, including flood, earthquake, windstorm or other natural disaster;
- ii. war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, breaking off of diplomatic relations or similar actions;
- iii. terrorist attack, civil war, civil commotion or riots;
- iv. nuclear, chemical or biological contamination or sonic boom;
- v. any law or government order, rule, regulation or direction, or any action taken by a government or public authority, including but not limited to imposing an

embargo, export or import restriction, quota or other restriction or prohibition, or failing to grant a necessary license or consent;

vi. fire, explosion (other than in each case one caused by a breach of contract by, or assistance of, the party seeking to rely on this clause or companies in the same group as such party) or accidental damage;

vii. loss at sea;

viii. extreme adverse weather conditions;

ix. collapse of building structures, failure of plant machinery, machinery, computers or vehicles;

x. any labor dispute, including strikes, industrial action or lockouts;

xi. interruption or failure of utility service, including but not limited to electric power, gas or water.

H. Interpretation.

In this Agreement:

i. where the context so requires, words importing the singular only shall be construed as including the plural and vice versa and words importing the masculine shall be construed as including the feminine or the neutral and vice versa;

ii. a reference to a clause or schedule is a reference to a clause or schedule of this Agreement;

iii. all references to expressions of time shall be construed by reference to the Gregorian calendar;

iv. a reference to a person includes a reference to a corporation, limited liability company, or partnership.

I. Schedules, etc. The Schedules, Annexes, Manual and any amendments to this Agreement form an integral part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and references to this Agreement include the Schedules, Annexes and the Manual, in each case as amended from time to time.

J. Headings. The headings of this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

K. Conflict of Documents. If there is any conflict or inconsistency between a term in the body of this Agreement and a term in any of the schedules or other documents referred to or otherwise incorporated into this Agreement, the term in the body of this Agreement shall take

precedence, unless the schedule or other document which is incorporated into this Agreement explicitly states that it takes precedence over the body of this Agreement.

L. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the authorized merchandise and other standards, specifications, and requirements for any customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such Store, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard specifications or requirements granted to any other franchisee. You acknowledge that not every franchisee may benefit equally from donations received from national account donors.

M. Security Interest. As security for all of your monetary and other obligations to us or our affiliates, you grant to us a first priority security interest in all of your assets, including all furniture, fixtures, machinery, equipment, inventory, and other property, tangible or intangible, now owned or later acquired by you used in connection with the Store and wherever located, as well as all of your contractual and related rights under this Agreement and all other agreements between the parties. You agree to execute such financing statements, continuation statements, notices of lien, assignments, or other documents as may be required in order to perfect and maintain our security interest. You shall pay all filing fees and costs for perfecting our security interest.

N. Waiver of Jury Trial. THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM, WHETHER NOW EXISTING OR ARISING IN THE FUTURE, INCLUDING ANY AND ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS-CLAIMS, THIRD PARTY CLAIMS, AND INTERVENOR'S CLAIMS, WHETHER ARISING FROM OR RELATED TO THE SALE, NEGOTIATION, EXECUTION, OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS AGREEMENT RELATES.

O. Waiver of Punitive Damages. YOU AND WE (AND OUR RESPECTIVE AFFILIATES, OWNERS AND GUARANTORS, AS APPLICABLE) AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

P. Notice of Potential Profit. We and/or our affiliates will from time to time make available to you goods, products and services for use in your Store on the sale of which we and/or our affiliates will make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and manufacturers in respect to sales of goods, product or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE:

PANDORA FRANCHISING, LLC

Date: _____

Date: _____

By: _____

a _____

Name: _____

By: _____

Title: _____

Name: _____

Title: _____

Witness: _____

(Witness Name)

Signature: _____

(Witness Signature)

APPENDIX A TO FRANCHISE AGREEMENT
PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by Pandora Franchising, LLC, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the Franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement and agree that this Personal Guarantee should be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against you or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

[Signatures appear on the following page.]

FRANCHISEE: _____

PERSONAL GUARANTORS

Individually

Print Name

Address

City State Zip Code

Telephone

Individually

Print Name

Address

City State Zip Code

Telephone

APPENDIX B TO FRANCHISE AGREEMENT

Acknowledgment Addendum to the Franchise Agreement

As you know, you and we are entering into a Franchise Agreement for the operation of PANDORA Store. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.*

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least (a) 14 calendar days prior to signing the Franchise Agreement, or (b) if you are a resident of Iowa, New York, Oklahoma or Rhode Island, at the earlier or the first personal meeting or 10 business days before the execution of the franchise or other agreement or payment of any consideration, or (c) if you are a resident of Michigan, Oregon, Washington or Wisconsin, at the earlier of 10 business days before the execution of any binding agreement or payment of any consideration? Check one: () Yes () No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: () Yes () No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one () Yes () No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: () No () Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Did any employee or other person speaking on behalf of Pandora Franchising, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Pandora Jewelry location or business, or the likelihood of success at your franchised business? Check one: () No () Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Do you understand that that the franchise granted is for the right to operate a Pandora Store in the Mall only and that we have the right, subject only to the limited rights granted to you under the Franchise Agreement, to issue franchises or operate competing businesses for or at locations, as determined by us, near your Store? Check one: () Yes () No. If no,

please comment: _____

7. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the Store, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding? Check one: ☐ Yes ☐ No. If no, please comment: _____

8. Do you understand that the success or failure of your Store will depend in large part upon your skills and experience, your business acumen, the location of your Designated Territory, the local market for products under the Pandora Jewelry marks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Store may change? Check one ☐ Yes ☐ No. If no, please comment: _____

9. Do you understand that you may be required to purchase products and services for the Store from a single source of supply, and that we and/or our affiliates may be that source? Do you understand that you will pay the then-current price in effect for all products and services you purchase from us and/or our affiliates, and that we may make a profit on those purchases? Check one ☐ Yes ☐ No. If no, please comment: _____

10. YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

[Signatures appear on the following page.]

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNER AND MINORITY OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:_____

Print Name:_____

Date: August __, 2015

Signed:_____

Print Name:_____

Date: _____

**APPROVED ON BEHALF OF
PANDORA FRANCHISING, LLC**

Signed:_____

Print Name: _____

Date: _____

Signed:_____

Print Name:_____

Date: _____

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Law or the Maryland Franchise Registration and Disclosure Law. Except to the extent we have negotiated changes to the Franchise Agreement that differ from the FDD, nothing in this Acknowledgment Addendum or in any related agreement is intended to disclaim representations made in Pandora Franchising, LLC's FDD that was furnished to you.

APPENDIX C TO FRANCHISE AGREEMENT

PANDORA FRANCHISING, LLC

LEASE PROVISIONS

After you and Pandora Franchising, LLC (“we,” “us” or “**Pandora**”) mutually consent to the proposed location of the Store, you must take steps to execute a lease (if the premises are to be leased) or reach a binding agreement to purchase the site. As a condition of our approval, we may require the lease to contain certain provisions, including the following:

A. Allow us to elect to receive an assignment of your leasehold interest upon termination or expiration of the Franchise Agreement;

B. Require your lessor concurrently to (1) provide us with a copy of any written notice to you of deficiency under the lease, and (2) allow us the right (but not the obligation) to cure any deficiency under the lease, if you fail to effect a cure within 15 days after your cure period expires. Our address for notices is as follows: Pandora Franchising, LLC, Attn: David Lamb, 250 West Pratt Street, Baltimore, Maryland 21201 and DLamb@pandora.net.

C. Permit you to display the Marks as required by the Franchise Agreement, subject to applicable law;

D. Limit the use of the premises to the operation of a PANDORA Store for the retail sale and display of PANDORA jewelry products and related accessories and gifts customarily sold in PANDORA Stores in the United States.

E. In the event we elect not to assume the lease as contemplated by “B” above, provide us with access to the premises following termination or expiration of the lease to remove all signs and other items identifying the premises as PANDORA Store and to make such other modifications as are reasonably necessary to protect the PANDORA marks and system, and to distinguish the premises from PANDORA Stores generally.

APPENDIX D TO FRANCHISE AGREEMENT

PANDORA FRANCHISING, LLC

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (“**Agreement**”) is made and entered into this _____ day of _____, 20__, by and between **Pandora Franchising, LLC**, a Maryland limited liability company (“**Company**”), located at 250 West Pratt Street, Baltimore, MD 21201, and _____ (“**Individual**”), who resides at _____. All initially capitalized terms not otherwise defined shall have the meanings specified in the Franchise Agreement as defined below.

RECITALS

A. The Company is engaged in the business of selling franchises for the operation of retail businesses selling a unique line of custom jewelry (“**Franchise Business**”). The Franchise Businesses are operated under the Company’s trademark “**PANDORA®**” and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the “**Marks**”);

B. The Company has developed methods for establishing, operating and promoting Franchise Businesses in accordance with the Company’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Company (“**Confidential Information**” and “**Trade Secrets**”) and such Confidential Information and Trade Secrets as may be further developed from time to time by the Company (“**System**”);

C. The Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of unique jewelry items and other products and services available, which goodwill and reputation have been and will continue to be of major benefit to the Company;

D. Individual is an owner, shareholder, member, partner, officer, and/or director of _____ (“**Franchisee**”) and will receive Confidential Information and Trade Secrets in such capacity.

E. Individual agrees to the terms of this Agreement as partial consideration for the Company’s willingness to allow Franchisee to become a Franchisee of the Company and to have access to the Company’s Confidential Information and Trade Secrets.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained within and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Individual and the Company, intending legally to be bound, agree as follows:

1. Definitions.

(a) “**Competitive Business**” as used in this Agreement means any business that sells or offers to sell bracelets and charms that compete, directly or indirectly, with the

PANDORA charm bracelet product line. For the sake of clarity, Alex and Ani, LLC and Swarovski shall each be considered a Competitive Business.

(b) **“Confidential Information”** shall mean without limitation, all knowledge, know-how, standards, formulas, methods and procedures related to the establishment and operation of the Franchise Business and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchise Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information that the Company or its affiliates designates as confidential including all information contained in the Company’s Operations Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, or other communications from the Company or its affiliates, which may be changed or supplemented from time to time.

(c) **“Franchise Agreement”** shall mean the franchise agreement between Company and _____ (**“Franchisee”**) dated _____ as amended or renewed from time to time.

(d) **“Store”** shall have the meaning defined in the Franchise Agreement.

(e) **“Term”** shall have the meaning defined in the Franchise Agreement.

(f) **“Trade Secret(s)”** shall mean information, including a formula, customer lists, pattern, compilation, program, device, method, technique or process related to the Franchise Business that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. Confidential Information and Trade Secrets. Individual and the Company acknowledge that the Confidential Information and Trade Secrets that are developed and utilized in connection with the operation of the Franchise Business is unique and the exclusive property of the Company or its affiliates. Individual acknowledges that any unauthorized disclosure or use of the Confidential Information and Trade Secrets would be wrongful and would cause irreparable injury and harm to the Company or its affiliates. Individual further acknowledges that the Company or its affiliates has expended a great amount of effort and money in obtaining and developing the Confidential Information and Trade Secrets, that the Company or its affiliates has taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and that it would be very costly for competitors to acquire or duplicate the Confidential Information and Trade Secrets.

3. Nondisclosure of Confidential Information. During the Term and any renewal Term of the Franchise Agreement and for all periods after the Term and any renewal Term of the Franchise Agreement, Individual shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity

whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Franchise Business, any of the Confidential Information of the Company or its affiliates.

4. Exceptions to Disclosing Confidential Information. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information that was in the public domain prior to being communicated to Individual through no fault of Franchisee or Individual; (b) information that entered the public domain after it was communicated to Individual through no fault of Franchisee or Individual; (c) information that was in Individual's possession free of any obligation of confidence at the time it was communicated to Franchisee or Individual; or (d) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Individual or Franchisee is legally compelled to disclose the information, if Individual or Franchisee has notified the Company before disclosure and used Individual or Franchisee's best efforts, and afforded the Company the opportunity, to obtain an appropriate protective order or other assurance satisfactory to the Company of confidential treatment for the information required to be so disclosed.

5. Nondisclosure of Trade Secrets. During the Term and any renewal Term of the Franchise Agreement and for as long as such information constitutes a Trade Secret, Individual shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Franchise Business, any of the Trade Secrets of the Company or its affiliates.

6. Noncompetition Covenant. Individual acknowledges that he or she will receive valuable training and Confidential Information that he or she otherwise would not receive or have access to but for the rights licensed to Franchisee under the Franchise Agreement. Individual agrees to the following non-competition covenants:

A. Individual covenants that during the term of the Franchise Agreement, Individual will not, either directly or indirectly, for him or herself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any business that sells or offers to sell bracelets and charms that compete, directly or indirectly, with the PANDORA charm bracelet product line.

B. Individual covenants that he or she will not, directly or indirectly, solicit or otherwise attempt to induce, by combining or conspiring with, or attempting to do so, or in any other manner influence any person or entity with whom Company conducts business to terminate or modify his, her, or its business relationship with Company or to compete with Company.

C. Individual covenants that he or she will not, for a period of one year after the expiration or termination of this Agreement, regardless of the cause of termination, or within one year of the sale of the Store by Franchisee, either directly or indirectly, for him or herself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have

any interest in a business that sells or offers to sell bracelets and charms that compete, directly or indirectly, with the PANDORA charm bracelet product line:

- i. At the premises of the former Store;
- ii. Within a 15-mile radius of the former Store; or
- iii. Within a 15-mile radius of the location of any other PANDORA Store, whether franchised or owned by us or our affiliates.

D. Individual agrees that the length of time in subpart 6(C) will be tolled for any period during which Individual is in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

7. Injunction. Individual hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled. Individual agrees that the Company may obtain such injunctive relief, without posting a bond. Individual's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Individual.

8. Reasonableness of Restrictions. Individual acknowledges and agrees that the restrictions in this Agreement are reasonable and necessary for the protection of the Confidential Information and Trade Secrets and that any violation of this Agreement would cause substantial and irreparable injury to Company, and that Company would not have entered into a business relationship with Franchisee or the Franchise Agreement without receiving Individual's unrestricted promise to preserve the confidentiality of the Confidential Information and Trade Secrets. In any litigation concerning the entry of any requested injunction against Individual, Individual, for value, voluntarily waives such defenses as Individual might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "**prior breach**" on the part of the Company; it being specifically understood and agreed between the parties that no action or lack of action on the part of the Company will entitle or permit Individual to disclose any such Confidential Information or Trade Secrets in any circumstances.

9. Effect of Waiver. The waiver by Individual or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Individual and the Company and their respective heirs, executors, representatives, successors and assigns.

11. Entire Agreement. This instrument contains the entire agreement of Individual and the Company relating to the matters included in the agreement. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

12. Governing Law. This instrument shall be governed by and construed under the laws of the State of Maryland.

13. Jurisdiction and Venue. In the event of a breach or threatened breach by Individual of this Agreement, Individual hereby irrevocably submits to the jurisdiction of the state and federal courts of Maryland, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Maryland. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Maryland. Notwithstanding the foregoing, in the event that the laws of the state where Individual resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

14. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

15. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

COMPANY:

Pandora Franchising, LLC., a Maryland
limited liability company

By: _____

Printed Name

Its: _____

INDIVIDUAL:

By: _____

EXHIBIT D

Form Promissory Note

PROMISSORY NOTE

\$ _____

Baltimore, Maryland

_____, ____

For Value Received, the undersigned (the “**Maker**”), promises to pay to the order of PANDORA FRANCHISING, LLC (the “**Holder**”), at 250 West Pratt Street, Baltimore, Maryland 21201, or at such other place as the Holder may from time to time in writing designate, in lawful money of the United States of America, the principal sum of _____ Dollars (\$ _____), and to pay interest on the principal balance of this Note outstanding from time to time (hereinafter, the “**Principal Balance**”) until this Note is fully paid at a fixed rate of _____ percent (____%) per annum (the “**Stated Rate**”); provided, however, that if the Prime Rate plus five percent (5%) (the “**Adjustment Rate**”) shall at any time exceed the Stated Rate, in the Holder’s discretion, the interest rate hereunder, upon written notice of the Holder to the Maker, shall convert to a rate equal to the Adjustment Rate in effect on the day stated in such notice, subject to further adjustment as of the last day of each calendar quarter thereafter to equal the Adjustment Rate in effect as of such day; provided further, however, that the applicable interest rate hereunder shall in no event be less than the Stated Rate.

As used above, the term “**Prime Rate**” shall mean the lesser of (i) the rate of interest referred to as the “U.S. Prime Rate” most recently reported in the *Money Rates* section of The Wall Street Journal or (ii) the “WSJ Prime Rate”, as quoted on bankrate.com, or, if The Wall Street Journal shall cease publication or if it shall cease publication of the “U.S. Prime Rate,” or if bankrate.com shall no longer quote a “WSJ Prime Rate,” the “Prime Rate” shall mean any reasonably equivalent successor rate designated by the Holder in its reasonable discretion.

The unpaid Principal Balance shall be due and payable on the earlier of (i) _____, or ii) acceleration of the Principal Balance by the Holder pursuant to the terms hereof (the “**Maturity Date**”).

Interest shall be due and payable in full on the Maturity Date; provided, however, that if the entire unpaid Principal Balance is paid in full on or prior to the Maturity Date, all accrued and unpaid interest on this Note shall be cancelled and payment thereof shall be forgiven by the Holder.

The Maker may prepay the Principal Balance in whole or in part at any time without penalty or premium.

Each of the following shall constitute an event of default hereunder:

- (1) (a) *failure of the Maker to pay any principal or interest when due under this Note; and*

(2) (b) termination by the Holder of that certain Pandora Franchise Agreement dated _____, _____ by and between the Maker and Holder pursuant to Section 13.A.1 thereof.

Upon the occurrence of either of the foregoing events of default, the Holder may, at its option, by notice in writing to the Maker, declare immediately due and payable the entire Principal Balance and all interest accrued thereon and the same shall thereupon be immediately due and payable without further notice or demand. Further, a default under this Note shall constitute a default under any other agreement between Maker (or its affiliates) and Holder (or its affiliates), including the aforementioned Franchise Agreement.

Notwithstanding anything in this Note to the contrary, at no time shall the Maker be obligated or required to pay interest at a rate which could subject the Holder to either civil or criminal liability as a result of such rate being in excess of the maximum interest rate permitted by applicable law. If the Maker is at any time required to pay interest at a rate in excess of such maximum rate, the interest rate applicable to the Principal Balance shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not on account of any interest thereon due hereunder. All interest paid or agreed to be paid hereunder shall, to the extent permitted by applicable law, be prorated, allocated and spread throughout the full stated term of this Note so that the rate or amount of interest payable hereunder does not exceed the maximum lawful rate of interest from time to time in effect.

The Maker hereby agrees to pay all costs of collection, including reasonable attorneys' fees and legal expenses in the event this Note is not paid when due.

This Note is issued in and shall be governed by the laws of the State of Maryland.

Each reference to "Maker" herein refers to and includes each signatory to this Note, and each such signatory shall be jointly and severally liable for payment of this Note.

No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or of any other remedy under this Note. A waiver on any one occasion shall not be construed as a waiver of any such right or remedy on a future occasion.

All makers, endorsers, sureties, guarantors and other accommodation parties hereby waive presentment for payment, protest and notice of nonpayment and consent, without affecting their liability hereunder, to any and all extensions, renewals, substitutions and alterations of any of the terms of this Note and to the release of or failure by the Holder to exercise any rights against any party liable for or any property securing payment thereof.

XYZ (Corp., LLC)

By _____
Its _____

By _____
As an individual

EXHIBIT E

State Specific Addenda

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Item 3 is amended by the addition of the following language:

Neither Pandora Franchising, LLC nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A.78a, et seq., suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchise concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

4. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following). The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. The franchise agreement requires binding arbitration. The arbitration will occur in the city of our then-current headquarters (currently, Baltimore, City, Maryland) with the costs being borne by you if Pandora prevails. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedures Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

6. The franchise agreement requires application of the laws of the state of Maryland. This provision may not be enforceable under California law.

7. Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Corporations before we ask you to consider a material modification of your franchise agreement.

8. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Sections 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516.) Business and Professions Code Section 200010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

9. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF CALIFORNIA

This Addendum pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Section 10 of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under California law.

2. Section 15 of the Franchise Agreement requires the application of the laws of Maryland. This provision may not be enforceable under California law.

3. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. Item numbers correspond to those in the main body:

Item 17.

The other conditions under which your franchise can be terminated and your rights of nonrenewal may be affected by Illinois Law, 815 Illinois Compiled Statutes 705/19 and 705/20.

Item 17(v) of this Disclosure Document is revised to include the following: “Any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of Illinois may be unenforceable as to any cause of action which otherwise is enforceable in the courts of the State of Illinois.”

Item 17(w) of the Disclosure Document is revised to provide that Illinois law governs the Franchise Agreement.

“Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive requirements with any provisions of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claims according to the provisions of Title 9 of the United States Code.

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF ILLINOIS

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Section 15(E)(1)(*Applicable Law and Venue*) is revised to provide that Illinois law (including the Illinois Franchise Disclosure Act) will govern the Agreement. Section 15(E)(1) is further amended to state as follows:

Subject to Subparagraph 12.A, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Illinois state or federal district court located in the county or district encompassing your Territory. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this subsection supersede any contrary venue provision and will survive the termination of this Agreement.

2. The Acknowledgment Addendum attached to the Franchise Agreement is unenforceable under Section 41 of the Illinois Franchise Disclosure Act, 815 IL § 705, because it may have the effect of forcing a franchisee to waive or release certain rights that you as a franchisee have under the Act. In addition, no provision in the Franchise Agreement may have the effect of forcing a franchisee to waive or release certain rights that you as a franchisee have under the Illinois Franchise Disclosure Act, 815 IL § 705. To the extent that any provision(s) in the Franchise Agreement purport to force a franchisee to waive or release certain rights under the Illinois Franchise Disclosure Act, such provisions are unenforceable under 815 IL § 705/41.

3. Each provision of this addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this addendum.

4. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU:_____

WE: PANDORA FRANCHISING, LLC

By_____

By_____

Its_____

Its_____

ADDENDUM TO
PANDORA JEWELRY®
MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE
STATE OF ILLINOIS

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended as follows:

1. Section 10(F)(1) (*Applicable Law and Venue*) is revised to provide that Illinois law (including the Illinois Franchise Disclosure Act) will govern the Agreement. Section 10(F)(1) is further amended to state as follows:

Subject to Section 9, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Illinois state or federal district court located in the county or district encompassing your Territory. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this subsection supersede any contrary venue provision and will survive the termination of this Agreement.

2. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

3. Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____

By _____

Its _____

Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF MARYLAND

The following applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body:

Item 17.

1. Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within 3 years after we grant you a franchise.
2. Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.)
3. Any claims under the Maryland Franchise Registration and Disclosure law may be brought in the State of Maryland.
4. The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF MARYLAND

This Addendum pertains to franchises sold in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Section 15(E)(4)(*Applicable Law and Venue*) is amended to provide that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Section 12(D)(*Enforcement*) is amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the date of the Franchise Agreement.

3. Any provision in the Agreement that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. The general release required as a condition of renewal, assignment transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

6. Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY®
MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE
STATE OF MARYLAND

This Addendum pertains to franchises sold in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended as follows:

4. Section 10(F)(1)(*Applicable Law and Venue*) is amended to provide that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Section 9(D) is amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the date of the Franchise Agreement.

6. Any provision in the Agreement that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

8. Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____

By _____

Its _____

Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF MINNESOTA

The following applies to franchises and franchisees subject to Minnesota statutes and regulations. Item numbers correspond to those in the main body.

The State Cover Page to the Disclosure Document and Item 17 are modified by the following language:

“Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. § 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”

“These franchises have been registered under the Minnesota Franchise Act. Registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete and not misleading.”

“The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the franchise agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and franchisee.”

Item 13 of the Disclosure Document, under the heading “Trademarks” shall be supplemented by the addition of the following paragraph:

“The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee’s use of the franchisor’s trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee’s use of a franchisor’s trademark except in accordance with the requirements of the franchise agreement, and as a condition of indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.”

The last paragraph of Item 17 of the Disclosure Document shall be supplemented by the addition of the following language:

“Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void. Pandora Franchising, LLC will comply with Minn. Stat. § 80C.14, Subds. 3-5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Franchise Agreement.”

“Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01-80C.22; provided this part shall not bar the voluntary settlement of disputes.”

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF MINNESOTA

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. We will undertake the defense of any claim of infringement by third parties involving the PANDORA JEWELRY mark, and you will cooperate with the defense in any reasonable manner prescribed by us with any direct cost of such cooperation to be borne by us.

2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the franchise agreement.

3. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. No Section providing for a general release as a condition to renewal or transfer will act as a release or waiver of any liability incurred under the Minnesota Franchise Act; provided that this part shall not ban the voluntary settlement of disputes.

5. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota Statutes Sections 80C.01 to 80C.22 are met independently without reference to this addendum.

6. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____

By _____

Its _____

Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF NEW YORK

The following information applies to franchises and franchisees subject to New York statutes and regulations:

1. Item 3.

Except as described below, neither we, our affiliates or any person identified in Item 2 of this Disclosure Document:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations, including pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4.

Neither we, our affiliates or any officers identified in Item 2 of this Disclosure Document has, during the 10-year period preceding the date of this Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its

debts under the U.S. Bankruptcy Code during or within one year after the officer of franchisor held this position in the company.

3. Item 17 c.

Provided, however, that all rights arising in your favor from the provisions of Article 33 of the GBL of the State of N.Y. and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, sections 687.4 and 687.5 be satisfied.

4. Item 17 j.

However, no assignment will be made by us, except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF NEW YORK

This Addendum pertains to franchises sold in the State of New York and is for the purpose of complying with New York statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Section 10 of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under New York law.

2. Section 15(E)(1) of the Franchise Agreement requires the application of the laws of Maryland. This provision may not be enforceable under New York law.

3. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF NORTH DAKOTA

The following applies to franchises and franchisees subject to North Dakota statutes and regulations. Item numbers correspond to those in the main body:

Item 17.

1. 17(i): If our right to purchase your assets upon termination is deemed to be your consent to liquidated damages, that provision will not be enforceable under North Dakota law.
2. 17(r): Covenants not to compete such as those mentioned in Item 17 are generally considered unenforceable in the State of North Dakota.
3. 17(u): Notwithstanding anything contained in Section 12 of the Franchise Agreement, any arbitration proceeding will take place in the city nearest to your Business in which the American Arbitration Association maintains an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.
4. 17(v): Any claims under the North Dakota Franchise Investment Law may be brought in the State of North Dakota. The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
5. You must sign a general release if you renew your franchise. This provision may be unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.
6. 17(w): The laws of the State of North Dakota will govern the agreements between the parties.

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF NORTH DAKOTA

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Notwithstanding anything contained in Section 12.A of the Franchise Agreement, any arbitration proceeding must take place in the city nearest to your Business in which the American Arbitration Association maintains an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.

2. Covenants not to compete such as those mentioned in Section 10.E of the Franchise Agreement are generally considered unenforceable in the State of North.

3. Section 15.E.1 of the Franchise Agreement is revised to include the following information:

The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

4. Section 15.J is hereby deleted from the Franchise Agreement, as a waiver of all rights to a trial by jury is considered unenforceable in the State of North Dakota.

5. Section 15.K is hereby deleted from the Franchise Agreement, as a waiver of punitive damages is considered unenforceable in the State of North Dakota.

6. Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, a franchisee may not be required to sign a general release as a condition of renewal under Section 4.B.viii of the Franchise Agreement.

7. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY® MULTI-UNIT
DEVELOPMENT AGREEMENT FOR THE
STATE OF NORTH DAKOTA

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended to include the following:

1. To the extent that our option to purchase your assets upon termination under Section 7 of the Multi-Unit Development Agreement is deemed to be your consent to “liquidated damages,” that provision is unenforceable under North Dakota law.

2. Notwithstanding anything contained in Section 9.A of the Multi-Unit Development Agreement, any arbitration proceeding must take place in the city nearest to your Business in which the American Arbitration Association maintains an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.

3. Section 10.F.1 of the Multi-Unit Development Agreement is revised to include the following information:

The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Further, North Dakota law will govern the Agreement.

4. Section 10.G is hereby deleted from the Franchise Agreement, as a waiver of all rights to a trial by jury is considered unenforceable in the State of North Dakota.

5. Section 10.H is hereby deleted from the Franchise Agreement, as a waiver of punitive damages is considered unenforceable in the State of North Dakota.

6. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF RHODE ISLAND

The following information applies to franchises and franchisees subject to the Rhode Island Franchise Investment Act. Item numbers correspond to those in the main body:

Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF RHODE ISLAND

This Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

The Franchise Agreement is amended consistent with Section 19-28.1-14 of the Rhode Island Franchise Investment Act, which provides as follows:

“A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF VIRGINIA

The following information applies to franchises and franchisees subject to the Virginia retail Franchising Act. Item numbers correspond to those in the main body:

Item 17.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Further, any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act, the parties to the attached PANDORA JEWELRY Franchise Agreement (“**Agreement**”) agree to the following:

“The cross-default provisions in Section 13 of the Franchise Agreement will not be applicable to the Agreement signed by the Virginia franchisee entering into the attached agreement.”

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Specifically:

1. Item 17 of the Franchise Disclosure Document is hereby amended by the addition of the following language:

Washington law RCW 19.100.180(2)(i) and (j) provides certain rights and remedies to franchisees in connection with termination or renewal of a franchise. More specifically, Washington law provides that it is unlawful for a franchisor to:

- (i) Refuse to renew a franchise without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchise business; provided, that compensation need not be made to the franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the

franchisor, provided further, that the franchisor may offset against amounts owed to the franchisee under this subsection any amounts owed by the franchisee to the franchisor.

- (j) Terminate the franchise prior to the expiration of its term except for good cause. Good cause shall include, without limitation, the failure of the franchisee to comply with lawful material provisions of the franchise or other agreement between the franchisor and the franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days to cure such default, or if such default cannot reasonably be cured within thirty days the failure of the franchisee to initiate within thirty days substantial and continuing action to cure such default; provided, that after three willful and material breaches of the same term of the franchise occurring within a twelve-month period, for which the franchisee has been given notice and an opportunity to cure as provided in this subsection, the franchisor may terminate the agreement upon any subsequent willful and material breach of the same term within the twelve-month period without providing notice or opportunity to cure; provided further, that the franchisor may terminate the franchise without giving prior notice or opportunity to cure a default if the franchise: (i) it adjudicated a bankrupt or insolvent; (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (iii) voluntarily abandons the franchise business; or (iv) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchise business. Upon termination for good cause, the franchisor shall purchase from the franchisee at a fair market value at the time of termination, the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to the franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii) if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his express requirement; provided, that the franchisor may offset against amounts owed to the franchisee under this subsection any amounts owed by the franchisee to the franchisor.

2. Washington law RCW 19.100.180(2)(g) provides that it is unlawful to require the franchisee to assent to a release, assignment, violation or waiver which would relieve the franchisor from any liability imposed by the Washington Franchise Investment Protection Act.

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF WASHINGTON

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Section 15 of the Franchise Agreement is amended by the addition of the following language:

If any of the provisions in the Franchise Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document and Franchise Agreement with regard to any franchise sold in Washington.

2. Section 11 of the Franchise Agreement is amended by the addition of the following language:

A release or waiver of rights executed by you will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

3. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this addendum.

4. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

The undersigned does hereby acknowledge receipt of this addendum and consent to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

ADDENDUM TO
PANDORA JEWELRY®
DISCLOSURE DOCUMENT FOR THE
STATE OF WISCONSIN

The following information applies to franchises and franchisees subject to the Wisconsin Fair Dealership Law. Item numbers correspond to those in the main body:

Item 17.

1. For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

2. For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

ADDENDUM TO
PANDORA JEWELRY®
FRANCHISE AGREEMENT FOR THE
STATE OF WISCONSIN

This Addendum pertains to franchisees in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, Section 13(A)(*Termination by Us*) is extended as follows:

We will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between you and us inconsistent with the Law.

3. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently without reference to this addendum

4. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By _____
Its _____

By _____
Its _____

EXHIBIT F

Form of General Release

RELEASE OF CLAIMS

THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE OVER TIME.

For and in consideration of the Agreements and covenants described below, Pandora Franchising, LLC (“**Franchisor**”) and _____ (“**Franchisee**”) enter into this Release of Claims (“**Agreement**”).

RECITALS

- A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, _____.
- B. [NOTE: Describe the circumstances relating to the release.]
- C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release of Claims by Franchisor.** In consideration of, and only upon full payment of \$_____ to Franchisor, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisor, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney’s fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations he may have under this Agreement.
5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge Franchisor and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney’s fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.
6. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other

entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 20____

PANDORA FRANCHISING, LLC

By _____

Its _____

Dated: _____, 20____

FRANCHISEE: _____

By _____

EXHIBIT G

Table of Contents of Operations Manual*

(as of March 1, 2016)

*Contents subject to change

CONTENTS

SECTION 1 – PANDORA OVERVIEW	15
1.1 MANUAL INTRODUCTION	15
1.1.1 <i>How to Use This Manual</i>	15
1.2 MANDATORY COMPLIANCE	15
1.2.1 <i>Confidentiality</i>	15
1.3 THE PANDORA JOURNEY	16
1.3.1 <i>The Early Years</i>	16
1.3.2 <i>The PANDORA Charm Bracelet Concept</i>	16
1.3.3 <i>A Global Jewelry Brand</i>	17
1.3.4 <i>An International Presence</i>	17
1.3.5 <i>Brand, Aspiration and Mission</i>	18
1.3.6 <i>The PANDORA Jewelry Universe</i>	18
1.3.7 <i>PANDORA LIFE: Our Culture and Value</i>	18
1.3.8 <i>PANDORA Americas Strategic Priorities</i>	19
1.4 PANDORA ETHICS	20
1.4.1 <i>Mandatory Code of Ethics E-Learning</i>	20
1.4.2 <i>Do Not Take Cash Payments Above Local Limits</i>	20
1.4.3 <i>Safe, Healthy and Developing Workplaces</i>	20
1.4.4 <i>Discrimination and Harassment</i>	20
1.4.5 <i>Waste Handling</i>	20
1.5 CONTACT INFORMATION	21
1.5.1 <i>Regions</i>	21
1.5.2 <i>Americas Office Locations</i>	22
1.6 TERMINOLOGY	23
1.6.1 <i>PANDORA Internal Titles</i>	23
1.6.2 <i>PANDORA Places</i>	24
1.6.3 <i>PANDORA Products and Key Words</i>	24
1.6.4 <i>PANDORA Processes, Resources and Miscellaneous</i>	26
1.6.5 <i>PANDORA Financials</i>	27
SECTION 2 – ESTABLISHING THE FRANCHISE	27
2.1 THE FRANCHISEE/FRANCHISOR RELATIONSHIP	27
2.1.1 <i>Roles and Responsibilities</i>	27
2.1.1.1 <i>Franchise Advisory Council (FAC)</i>	30
2.1.2 <i>Independent Contractor</i>	30
2.1.2.1 <i>Independently Owned and Operated Sign</i>	30
2.1.3 <i>You Are CEO of This Business</i>	30
2.2 ESTABLISHING A BUSINESS ENTITY	31
2.2.1 <i>Naming and Identification</i>	31
2.2.2 <i>Correct Use of the Name</i>	31
2.2.3 <i>Licenses and Permits</i>	32
2.2.3.1 <i>Business License or Tax Certificate</i>	32
2.2.3.2 <i>Sales Tax Certificate</i>	32
2.2.3.3 <i>Local Requirements</i>	32
2.3 FRANCHISE REQUIREMENTS	33
2.3.1 <i>Meeting and Training Attendance</i>	33
2.3.1.1 <i>Franchise Partnership and Development (FPD)</i>	33
2.3.1.2 <i>Spring and Summer Partners Meetings</i>	34
2.3.1.3 <i>POD</i>	34

2.3.1.4 KWI and ShopperTrak Training.....	35
2.3.2 Reporting Requirements	35
2.3.2.1 Financial Reports	35
2.3.2.2 KWI (POS System) and ShopperTrak (Traffic Counter).....	35
2.3.3 Performance Management and Development	36
2.3.3.1 PANDORA Field Team Visits.....	36
2.3.3.2 Excellence in Operations Workbook (EIO)	36
2.3.3.3 Mystery Shoppers	37
2.3.4 Marketing Requirements	37
2.3.4.1 Preopening Advertising	37
2.3.4.2 Ongoing Marketing.....	38
2.3.4.3 Required Local Expenditures, Approved Materials.....	38
2.3.4.4 Cooperative Advertising	39
2.3.4.4.1 Co-Op Creative Service	39
2.3.4.4.2 Web-to-Print (WTP)	39
2.3.5 Store Maintenance and Fixtures	39
2.3.6 In-Store Branding and Signage	40
2.3.7 Internet and Domain Requirements	40
2.3.8 Insurance.....	40
2.3.8.1 General Requirements	41
2.3.8.2 Required Insurances	41
2.3.8.3 Insurance Required by Law.....	42
2.3.8.4 Insurance Required by Landlord	42
2.4 NEW STORE OPENINGS.....	43
2.4.1 New Store Opening Process	43
2.4.2 New Store Opening Construction Process	43
2.5 STORE STANDARDS	44
2.5.1 Hours of Operation and Store Closing	44
2.5.1.1 Hours of Operation.....	44
2.5.2 Music	44
2.5.3 Scent	45
2.5.4 Temperature.....	45
2.5.5 PANDORA Credit Card	45
2.5.6 PANDORA Gift Cards.....	45
2.5.7 Cleanliness Standards	45
2.5.8 Staffing	46
2.5.9 Personnel Appearance and Standards	46
2.5.9.1 PANDORA In-Store Appearance Guide	46
2.5.9.2 Dress Code Policy.....	46
2.5.9.3 Jewelry Requirements	47
2.5.9.4 Behavior and Etiquette.....	47
2.5.10 Retail Merchandise and Inventory.....	47
2.5.11 Packaging Standards	48
2.5.12 Display Inventory and Marketing Materials	48
2.5.13 Clienteling Standards	49
SECTION 3 – TALENT	51
3.1 OVERVIEW AND DISCLAIMER	52
3.2 LAWS AND REQUIREMENTS.....	52
3.2.1 Franchisee	53

3.2.2 Staff Management Requirements.....	53
3.2.2.1 Suggested Store Leadership Complement by Volume Group (Staffing Matrix).....	53
3.3 JOB DESCRIPTIONS.....	53
3.3.1 Elements of a Job Description	53
3.3.1.1 Define the Needed Job Description	53
3.3.2 PANDORA Store Job Descriptions	54
3.3.2.1 Multisite Supervisor	54
3.3.2.2 Store Manager	54
3.3.2.2.1 The Role of the Coach.....	55
3.3.2.3 Sales Lead.....	55
3.3.2.4 Sales Associate.....	55
3.4 COMPENSATION AND BENEFITS.....	56
3.4.1 Setting a Pay Scale	56
3.4.2 Elements of a Fair Wage	56
3.4.3 Commissions and Bonuses.....	56
3.4.4 Jewelry Wardrobe Program	56
3.4.5 Employee Discount Program.....	57
3.5 RECRUITMENT	58
3.5.1 Determining Hiring Needs	58
3.5.2 Always Recruiting	59
3.5.2.1 Monitor Your Recruiting Triggers.....	59
3.5.2.2 Set the Timeline for Recruitment.....	60
3.5.3 Finding Candidates.....	60
3.5.4 Applications for Employment.....	61
3.5.4.1 Providing Applications	61
3.5.4.2 Reviewing Applications.....	62
3.5.4.3 Resumes	62
3.5.5 Confirmation Letter.....	62
3.5.5.1 Rejection Letter.....	62
3.5.6 Interview	62
3.5.6.1 Legally Permitted Questions	62
3.5.6.2 Conducting an Interview.....	62
3.5.7 Asking About References	63
3.5.8 Ending the Interview.....	63
3.5.9 Follow Up.....	63
3.5.9.1 Document Your Impressions.....	63
3.5.9.2 Evaluating an Interview.....	64
3.5.10 Reference Checks.....	64
3.5.11 Job Offers	64
3.5.11.1 Select the Right Candidates.....	64
3.5.12 Making the Offer	64
3.5.13 New Employee Onboarding Program	65
3.5.13.1 Use the New Hire Prep Checklist.....	65
3.5.13.2 Prepare the Onboarding Plan.....	65
3.5.13.3 Send a Welcome Letter in Advance	65
3.5.13.4 Prepare the Candidate's First Day.....	65
3.6 PERSONNEL PAPERWORK	66
3.6.1 Creating an Employee Handbook	66
3.6.2 Making Personnel Files.....	66
3.6.3 Immigration Documents	66
3.6.4 Personnel Forms	68

3.7 WORKFORCE MANAGEMENT.....	68
3.7.1 Ranking Your Team to Identify Strengths and Opportunities.....	69
3.7.2 Determining Busiest Hours.....	69
3.7.3 Determining When to Schedule Each Associate.....	69
3.7.4 Creating a Weekly Store Schedule.....	69
3.7.4.1 Administration.....	69
3.7.5 Profitability of Bringing in Extra Personnel.....	70
3.7.6 Roles and Zoning.....	70
3.8 PANDORA WAY OF STORE MANAGEMENT.....	71
3.8.1 Store Manager Role and Responsibilities.....	71
3.8.1.1 Sales and Performance Improvement through a Retail Focus.....	71
3.8.1.2 Staff Management.....	71
3.8.2 Recruitment and Onboarding.....	71
3.8.3 Develop and Motivate Employees.....	72
3.8.4 Involvement and Information.....	72
3.8.5 Develop Skills.....	72
3.8.5.1 Career Path and Opportunities.....	72
3.8.6 Training Program.....	72
3.8.7 Rewards and Incentives.....	73
3.8.7.1 Incentives and Prizes.....	78
3.8.8 Delegation.....	74
3.8.8.1 Delegate to the Right People.....	74
3.8.8.2 Get Commitment for the Delegated Responsibility.....	75
3.8.9 Coaching.....	75
3.8.9.1 Steps of Sales Coaching.....	76
3.8.10 Counseling and Discipline.....	76
3.8.11 Performance Appraisal Management Cycle.....	77
3.8.11.1 Preparing the Appraisal Meeting.....	77
3.8.11.2 Conducting the Appraisal Meeting.....	78
3.8.11.3 Follow-Up on Actions.....	78
3.8.12 Termination.....	78
3.8.12.1 Your Responsibilities at Termination.....	79
3.9 TRAINING.....	80
3.9.1 Training Requirements.....	80
3.9.2 PANDORA Way of Selling (PWS).....	81
3.9.3 Sales Training Resources.....	81
3.9.3.1 PANDORA On Demand (POD).....	82
3.9.3.1.1 New Store Registration.....	82
3.9.3.1.2 Pod User Guide.....	82
3.9.3.1.3 POD Knowledge Bank.....	82
3.9.3.2 Webinars.....	82
3.9.3.3 Face-to-Face Training.....	83
3.9.3.4 Training Materials/Tools.....	83
3.9.3.5 Mystery Shopping Program.....	83
SECTION 4 – STORE OPERATIONS.....	85
4.1 STORE APPEARANCE.....	85
4.1.1 Store Layout and Design.....	85
4.1.1.1 Storefront and Logo.....	85
4.1.1.2 Door and Doormat.....	85
4.1.1.3 Lighting Plan.....	86

4.1.2 Store Design Process.....	86
4.1.3 Remodel Scopes Requirements.....	87
4.1.3.1 Lock and Light Retrofit Programs.....	87
4.1.4 Maintenance	88
4.1.5 Visual Merchandising (VM)	88
4.2 STORE ROUTINES AND STANDARDS	89
4.2.1 Telephone and E-mail Responses.....	89
4.2.2 PANDORA Routines.....	90
4.2.3 Daily Routines	90
4.2.3.1 Opening the Store	90
4.2.3.2 Minimum Staffing	92
4.2.3.3 Morning Chat-In	92
4.2.3.4 Cleaning and Maintenance.....	92
4.2.3.4.1 Daily Cleaning	92
4.2.3.4.2 Daily Before/After-Hour Maintenance.....	93
4.2.3.4.3 Floors	93
4.2.3.4.4 Interior.....	93
4.2.3.5 Daily Store Inventory and Maintenance	93
4.2.3.6 Cash Register Handling.....	94
4.2.3.7 Emergency POS Kit.....	94
4.2.3.8 Cash Overages and Shortages.....	95
4.2.3.9 Bank Deposit.....	95
4.2.3.10 Change Orders	96
4.2.3.11 Armored Car Service.....	97
4.2.3.12 Closing the Store.....	97
4.2.3.13 Security	98
4.2.3.14 Exiting the Store	98
4.2.4 Weekly Routines	99
4.2.4.1 Planned Tasks over the Week	99
4.2.4.2 Weekly Review	99
4.2.5 Monthly Routines	100
4.2.5.1 P&L Revision.....	100
4.2.6 Biannual Routines.....	100
4.2.7 Annual Routines	100
4.3 BREAK ROOM/BACK OFFICE.....	102
4.3.1 Back Room Organization.....	102
4.3.1.1 Labor Posters and Licenses	102
4.3.1.2 Bulletin Board Guidelines	102
4.3.2 File and Binder System.....	103
4.3.2.1 Locked File Cabinet	103
4.3.2.2 Reference Manuals and Binders.....	104
4.3.2.3 Retention Boxes.....	104
4.3.3 Store Restrooms.....	104
4.3.4 First Aid Kit.....	104
4.3.5 Supplies and Equipment	104
4.3.6 Emergency Exits.....	105
4.4 PANDORA GUEST EXPERIENCE	106
4.4.1 Gift Wrapping.....	106
4.4.2 In-Store Product Cleaning.....	106
4.4.2.1 Tumbler Guidelines.....	106
4.4.3 Customer After Sale Experience	107
4.4.3.1 PANDORA Jewelry Warranty	107

4.4.3.2 Service Guidelines for Returns	108
4.4.3.3 Engraving Policy.....	108
4.4.4 Claim Policies	108
4.4.5 Handling Complaints.....	109
4.4.5.1 Listen to and Understand the Problem.....	109
4.4.5.2 Offer a Solution	109
4.4.5.3 Ask for the Solution.....	109
4.4.5.4 Get Agreement	109
4.4.5.5 Deliver on Promise	109
4.4.5.6 Follow Up.....	109
4.4.6 Dealing with Difficult Guests	110
4.4.7 Sensitive Subjects.....	110
4.5 FINALIZING THE SALE.....	111
4.5.1 Cash.....	111
4.5.2 Cash Handling.....	111
4.5.3 Credit Cards	111
4.5.4 Checks and Debit Cards	111
4.5.5 Gift Cards (Clutch)	112
4.5.6 Receipts and Receipt Holders	112
4.5.7 Guest Experience.....	112
4.6 INVENTORY AND PURCHASING.....	113
4.6.1 Ordering and Merchandise Requirements.....	113
4.6.2 Inventory Management.....	113
4.6.3 Initial Inventory and Opening Order.....	113
4.6.4 Minimum Stock Levels.....	114
4.6.4.1 Weeks of Stock	114
4.6.4.2 Inventory Analysis and Purchasing.....	115
4.6.4.3 How frequently are Items Turning	115
4.6.4.4 Turn Calculation.....	115
4.6.5 Out-of-Stock Situations	115
4.6.5.1 How Often to Place Orders	116
4.6.6 Peak and Holiday Selling Periods	116
4.6.6.1 Confirm Item is in Stock.....	116
4.6.7 Order New Launches.....	116
4.6.8 Physical Inventory Management	116
4.6.8.1 Inventory Integrity.....	116
4.6.8.2 Physical Inventories	117
4.6.8.2.1 Cycle Counts	118
4.6.9 Shipping and Receiving Product	118
4.6.9.1 Receiving Goods.....	118
4.6.9.1.1 Check the Order.....	118
4.6.9.1.2 Look for Damaged Stock.....	119
4.6.9.1.3 Store the Products	119
4.6.10 Stock Shrinkage and Damage	119
4.6.11 Returning Products to PANDORA.....	120
4.6.11.1 Returning Retired Items: Garden Cleaning (GRTN).....	120
4.6.12 The Cloud.....	120
4.6.12.1 Cloud Services.....	120
4.7 LOSS PREVENTION	121
4.7.1 Crime	121
4.7.2 Cash on Hand	122
4.7.3 Safe	122

4.7.4 Bank Deposit Safety.....	122
4.7.5 Theft and Vandalism.....	122
4.7.6 Alarm System.....	123
4.7.7 Robbery.....	124
4.7.7.1 What to do After a Robbery.....	124
4.7.7.2 Burglary.....	125
4.7.8 Internal Theft.....	125
4.7.8.1 Fraudulent Refunds.....	125
4.7.8.2 KPI Result Fraud.....	126
4.7.9 Safety and Security.....	126
4.7.9.1 Locked Doors.....	126
4.7.9.2 Inventory Controls.....	127
4.7.9.3 Key Controls.....	127
4.7.9.4 Associate Personal Belongings.....	127
4.7.9.5 Visitors in the Store.....	127
4.7.10 General Safety.....	127
4.7.10.1 Spills and Water.....	128
4.7.10.2 Lifting.....	128
4.7.10.3 Ladders.....	128
4.7.10.4 Equipment.....	129
4.7.10.5 Health and First Aid.....	129
4.7.11 Required Training and Certifications.....	129
SECTION 5 – REPORTING.....	131
5.1 REPORTING AND SUPPORTING SYSTEMS.....	131
5.1.1 Required Reports.....	131
5.1.2 Required Systems.....	131
5.1.3 KWI.....	132
5.1.4 ShopperTrak.....	132
5.2 BUDGETING.....	133
5.2.1 Setting Objectives and Budget.....	133
5.2.1.1 Business Plan (Yearly Objectives Set).....	133
5.2.2 Monthly P&L.....	133
5.2.2.1 Monthly P&L Review.....	134
5.2.3 P&L Submission.....	134
SECTION 6 – KPIS/STORE PERFORMANCE.....	135
6.1 KEY PERFORMANCE INDICATORS (KPIs).....	135
6.1.1 Driving Topline Sales through KPIs.....	137
6.2 STORE PERFORMANCE.....	138
6.2.1 Retail Sales Planning (Sell Out).....	138
6.2.2 Performance Improvement.....	138
6.2.2.1 Benchmarking.....	139
6.2.2.2 Monthly Development Plan.....	140
6.2.2.2.1 Identify Store's KPIs.....	141
6.2.2.2.2 Identify KPI That Will Have the Greatest Impact.....	141
6.2.2.2.3 Determine Behaviors/Factors That Influence KPIs.....	141
6.2.2.2.4 Create an Action Plan.....	142
6.2.2.2.5 Measure Progress.....	142
6.2.3 Generating and Utilizing Reports.....	142

6.3 DRIVING THE KPIs.....	144
6.3.1 Customer Sales Lead (CSL) Program	144
6.3.1.1 Roles and Responsibilities of the CSL	144
6.3.1.2 Set the Direction	144
6.3.1.3 Motion, Observation, Action.....	145
6.3.1.4 Mid-Segment Update.....	146
6.3.1.5 CSL Hand-Off	146
6.3.1.6 Store Weekly Focus Sheet	146
6.3.2 Clienteling	146
6.3.2.1 Guest Campaign Calls.....	147
6.3.2.2 Guest Wish List	147
6.3.2.3 The PANDORA Club.....	147
6.3.2.4 Customer List Report.....	147
6.3.3 PANDORA Preferred Card (PPC).....	147
SECTION 7 – BRAND	149
7.1 PANDORA WAY OF VISUAL MERCHANDISING	149
7.1.1 Store Displays.....	149
7.1.1.1 Merchandising Floor Plans	149
7.1.2 Visual Merchandising Techniques	150
7.1.2.1 Lines and Repetition	150
7.1.3 Window Display	150
7.1.3.1 Changing Window Displays	150
7.1.4 Price Signage	151
7.1.5 In-Case Signage	151
7.1.6 Lighting.....	151
7.1.7 Touch and Feel Floor and Counter Fixtures.....	151
7.1.8 Earrings (PAN-MM)	152
7.1.9 Product Display Trays	152
7.1.9.1 Tempt Trays.....	152
7.1.10 Product Zoning.....	153
7.1.10.1 How-to Zone.....	153
7.1.10.2 Activity and Product Category Zone	153
7.1.10.3 Zoning POS Material	154
7.1.11 Seasonal Activities	154
7.1.11.1 Activity Preparation.....	154
7.1.11.2 Implementation Step-by-Step	155
7.1.12 Promotions	155
7.1.13 In-Store Branding.....	155
7.1.14 Merchandising Materials.....	156
7.1.14.1 22x28 Sign Holder.....	156
7.1.14.2 Catalogs and Product Brochures	156
7.1.14.3 Campaign DVD	156
7.1.15 Packaging	156
7.1.15.1 Gift Boxes.....	156
7.1.15.2 Gift Packaging and Ribbon.....	156
7.1.15.3 Gift Bags.....	156
7.1.15.4 Receipts and Receipt Holder.....	157
7.1.15.5 Packaging Guide.....	157
7.2 THE PANDORA BRAND	159
7.2.1 Brand Strategy	160

7.2.2 Brand Guidelines	161
7.2.3 PANDORA E-Commerce	161
7.3 PUBLIC RELATIONS AND CONSUMER AFFAIRS.....	163
7.3.1 PANDORA Donations and Sponsorship Process	163
7.3.2 PANDORA Social Media	163
7.3.3 PANDORA Consumer Affairs.....	163
7.3.3.1 Damaged Items	164
7.3.3.2 Guest Complaints	164
7.4 STORE EVENTS	165
7.4.1 Event Budgeting.....	166
7.4.2 Event Timing	166
7.4.3 Grand Openings.....	166
7.4.4 Gift with Purchase (GWP)	167
7.5 ONGOING LOCAL ADVERTISING AND PROMOTIONS.....	168

EXHIBIT H

List of Franchisees

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

LIST OF FRANCHISEES AS OF December 31, 2015:

* Indicates a store that our affiliate, Pandora Ventures, purchased in during 2015

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
ALABAMA	HLCP Partners Of Birmingham, LLC	086	The Summit	Birmingham	35243	918-607-6015	David Pentecost	david.pentecost@hlcppartners.com
	Hopele of Birmingham, LLC	349	Riverchase Galleria	Hoover	35244	918-607-6015	David Pentecost	david.pentecost@hlcppartners.com
	Pear Tree Avenue, LLC	497	Bridge Street Town Centre	Huntsville	35806	(615) 300-5676	Calvin Houghland	calvinhoughland@gmail.com
	Pear Tree Avenue, LLC	498	Shops at Eastchase	Montgomery	46545	(615) 300-5676	Calvin Houghland	calvinhoughland@gmail.com
ALASKA	Ben Bridge Jeweler, Inc.	361	Anchorage 5 th Avenue	Anchorage	99501	206-239-6831	Jon Bridge	JBridge@BenBridge.com
ARIZONA	Ben Bridge Jeweler, Inc.	452	Chandler Fashion Center	Chandler	85226	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	125	San Tan Village	Gilbert	85295	413-846-4640	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	303	Scottsdale Quarter	Scottsdale	85254	413-846-4640	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	130	Scottsdale Fashion Sq	Scottsdale	85251	413-531-4897	Jon Bridge	JBridge@BenBridge.com
5	Michaels, Inc.	407	Tucson Mall	Tucson	85705	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
6	Michaels, Inc.	406	Park Place Mall	Tucson	85711	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
ARKANSAS	Bobby Wilkerson, Inc.	168	Park Plaza Mall	Little Rock	72205	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	Peartree Avenue, LLC	647	Pinnacle Hills Promenade	Rogers	72758	(615) 300-5676	Calvin Houghland	calvinhoughland@gmail.com
CALIFORNIA	AJS Retail, Inc.	167	Brea Mall	Brea	92821	213-300-2090	Craig Shah	craig@dreamzdesign.com
	Ben Bridge Jeweler, Inc.	163	Topanga Plaza	Canoga Park	91303	413-846-4640	Jon Bridge	camile@hannoush.com
	Ben Bridge Jeweler, Inc.	165	Glendale Galleria	Glendale	91210	413-846-4640	Jon Bridge	camile@hannoush.com
	Ben Bridge Jeweler, Inc.	416	Shops at Mission Viejo	Mission Viejo	92691	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Laws West, Inc.	365	Stoneridge Mall	Pleasanton	94588	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Ben Bridge Jeweler, Inc.	368	South Bay Galleria	Redondo Beach	90278	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	359	Galleria at Tyler	Riverside	92506	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Laws West, Inc.	363	Galleria at Roseville	Roseville	95678	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Laws West, Inc.	381	Arden Fair Mall	Sacramento	95815	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
COLORADO		171	San Francisco Center	San Francisco	94103	209-598-4726	Curtis Chong	curt.pandorasf@gmail.com
	Laws West, Inc.	400	Stonestown Galleria	San Francisco	94132	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Laws West, Inc.	364	Oakridge Mall	San Jose	95123	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Laws West, Inc.	369	Hillsdale Shopping Center	San Mateo	94403	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	AJS Retail, Inc.	190	Santa Monica Place	Santa Monica	90401	213-300-2090	Craig Shah	craig@dreamzdesign.com
	Ben Bridge Jeweler, Inc.	317	The Oaks Mall	Thousand Oaks	91360	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Laws West, Inc.	495	Valley Fair	Santa Clara	95050	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Ben Bridge Jeweler, Inc.	490	Plaza Bonita	National City	91950	206-239-6866	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	434	Del Amo Fashion Center	Torrance	90503	206-239-6866	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	630	Victoria Gardens	Rancho Cucamonga	91739	206-239-6866	Jon Bridge	JBridge@BenBridge.com
		610	Valley Plaza	Bakersfield	93304	780-982-9061	Lyle Hance	lyle@lhjv.ca
	Ben Bridge Jeweler, Inc.	636	Los Cerritos Center	Cerritos	90703	206-239-6866	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	477	UTC	San Diego	92122	206-239-6866	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	632	Westfield Santa Anita	Arcadia	91007	206-239-6866	Jon Bridge	JBridge@BenBridge.com
	Rogers Jewelers, Inc.	637	Fashion Fair Mall	Fresno	93710	209-578-0741	Kim Molesworth	kim@thinkrogers.com
	Ben Bridge Jeweler, Inc.	654	Northridge Fashion Center	Northridge	91324	206-239-6866	Jon Bridge	JBridge@BenBridge.com
	Laws West, Inc.	679	Santa Rosa Plaza	Santa Rosa	95401	978-767-9510	Langdon Laws	llaws@lawsmanagement.com
	Hopele of Flat Iron, LLC	288	FlatIron Crossing	Broomfield	80021	918-607-6015	David Pentecost	david.pentecost@hlcppartners.com
	BGW Enterprises, LLC	267	Cherry Creek Mall	Denver	80206	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	BGW Enterprises, LLC	373	Park Meadows Promenade Shops at Briargate	Lone Tree Colorado Springs	80124	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
CONNECTICUT	Baileys Jewelry Ventures, Inc.	628			80920	919-900-1444	Doug Morgan	doug.morgan@baileybox.com
	BGW Enterprises, LLC	622	Southwest Plaza	Littleton	80123	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	Michaels, Inc.	105	Danbury Fair Mall	Danbury	06810	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	Michaels, Inc.	179	West Farms Mall	Farmington	06032	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	Foxwoods	506	Foxwoods	Manshantucket	06338	860-312-4566		ysmall@foxwoods.com
	Michaels, Inc.	122	Stamford Town Center	Stamford	06901	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	Michaels, Inc.	663	Trumbull Mall	Trumbull	06611	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
DISTRICT OF COLUMBIA	PANDORA	467	Georgetown	Georgetown	20007			
DELAWARE	PANDORA	410	Christiana Mall	Newark	19702			
	PANDORA	401	Tanger Outlet Center - Bayside	Rehoboth Beach	19971			
FLORIDA	Hopele of Altamonte, LLC	358	Altamonte Mall	Altamonte Springs	32701	918-607-6015	David Pentecost	david.pentecost@hlcppartners.com
	Mirpuri Investments, LLC	313	Aventura Mall	Aventura	33180	954-438-0606	Garish Mirpuri	jewelboutique@aol.com
	Carrie Ventures, LLC	154	Boca Town Center	Boca Raton	33431	954-463-6007	Lorah Carrie	lorah@pandoraboca.com
	Bond and Company Jewelers, Inc.	318	Brandon Town Center	Brandon	33511	727-821-2581	Marvin Shavlan	bonddiamonds@aol.com
	Bond and Company Jewelers, Inc.	424	Countryside Mall	Clearwater	33761	727-821-2581	Marvin Shavlan	bonddiamonds@aol.com
	Reeds Jewelers of North Carolina, Inc.	328	Destin Commons	Destin	32541	910-350-3111	Alan Zimmer	azimmer@reeds.com
	CMG2, Inc.	307	Coconut Point	Estero	33928	239-398-7100	George Litras	glitras@aol.com
	HOPELE of Fort Lauderdale, LLC	121	Galleria Ft Lauderdale	Ft Lauderdale	33304	918-607-6015	David Pentecost	david.pentecost@hlcppartners.com
	RLCB Enterprises, LLC	396	The Oaks Mall	Gainesville	32605	904-269-1825	Leah Lytle	leah@artsyabode.com
	S & R Jewels, Inc.	414	Seminole Paradise	Hollywood	33314	954-801-9330	Sapna Karam	kbssa@aol.com
	RLCB Enterprises TWN, LLC	418	St John's Town Center	Jacksonville	32246	904-269-1825	Leah Lytle	leah@artsyabode.com
	PANFLA-Treasure Coast, LLC	435	Treasure Coast Square	Jensen Beach	34957	610-868-9682	Rick Penske	marketstreet12@aol.com
	Forensa, LLC	330	The Falls	Miami	33176	305-253-5740	Andrew Koppel	mauricesjewelers@aol.com
	Bead Enterprises (International), Inc.	250	Miami International Mall	Miami	33172	011 297 737 3737	Ravee Nandwani	ravee@boolchand.com
	Mirpuri Investments, LLC	247	Dadeland Mall	Miami	33156	954-438-0606	Garish Mirpuri	jewelboutique@aol.com
		507	The Mercato Shops	Naples	34108	239-537-6191	Adam Nahya	adamnahya@comcast.net
	Charms International, Inc.	147	Florida Mall	Orlando	32809	954-438-0606	Garish Mirpuri	jewelboutique@aol.com
	Charms International, Inc.	218	Millenia Mall	Orlando	32839	954-438-0606	Garish Mirpuri	jewelboutique@aol.com
	PANFLA-Gardens, LLC	249	The Gardens Mall	Palm Beach Gardens	33148	610-868-9682	Rick Penske	marketstreet12@aol.com
	Mirpuri PG, LLC	454	Shops at Pembroke Gardens	Pembroke Pines	33027	954-438-0606	Garish Mirpuri	jewelboutique@aol.com
	PANDORA	517	Broward Mall	Plantation	33388	413-846-4640		
	Hopele of Sarasota, LLC	324	Southgate Mall	Sarasota	34239	918-607-6015	David Pentecost	david.pentecost@hlcppartners.com
	Hopele of Tallahassee, LLC	351	Governor's Square Mall	Tallahassee	32301	918-607-6015	David Pentecost	david.pentecost@hlcppartners.com
		505	International Plaza	Tampa	33607	813-871-6218	Paula Olivero	polivero7@aol.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
GEORGIA	PANFLA-Wellington, LLC	273	Mall at Wellington Green	Wellington	33410	610-868-9682	Rick Penske	marketstreet12@aol.com
	Peace, Joy and Intention, LLC	392	Shops at Wiregrass	Wesley Chapel	33543	727-510-6445	Heidi Hardman	heidi@polkadotz.com
	Bond & Company Jewelers, Inc.	473	Citrus Park	Tampa	33625	727-821-2581	Marvin Shavlan	bonddiamonds@aol.com
	Mirpuri Creations, Inc.	484	Pembroke Lakes Mall	Pembroke Pines	33026	954- 438-0606	Harry & Garish Marpuri	jewelboutique@aol.com
	S&R Jewels, LLC	468	Coral Square Mall	Coral Springs	33071	954-801-9330	Sapna Karam	kbssa@aol.com
	Lighthouse Jewelry UTC, LLC	429	University Town Center	Sarasota	34243	561-596-0450	Pattie Light	pattielight@me.com
	Gonzalez Westland Jewelers, Inc.	601	Westland Mall	Hialeah	33012	305-362-6446 x 801	Miguel Gonzalez	miguel@miamilakesj.com
	Aanika Soorydev, Inc.	627	Cordova Mall	Pensacola	32504	860 227 5971	Manan Gandhi	mg0280@aol.com
	SNL Design Lenox, LLC	217	Lenox Square Mall	Atlanta	30326	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	SNL Designs, North Point, LLC	127	Northpoint Mall	Atlanta	30022	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	SNL Retail Perimeter, LLC	153	Perimeter Mall	Atlanta	30346	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	Paradies-Atlanta II, LLC	367	Hartsfield Atlanta Airport	Atlanta	30320	404-494-3327	Gregg Paradies	Gregg.Paradies@THEPARADIESSHOPS.com
	Windsor Fine Jewelers, LLC	118	Augusta Mall	Augusta	30909	706-373-0127	Don Thompson	wjapp@comcast.net
	SNL Designs of Atlanta, LLC	186	Mall of Georgia	Buford	30519	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	SNL Designs Town Center, LLC	298	Town Center at Cobb	Kennesaw	30144	440-533-3190	Calvin Houghland	nancylyons1119@yahoo.com
	Pear Tree Avenue, LLC	606	Atlantic Station	Atlanta	30363	615- 300-5676	Calvin Houghland	calvinhoughland@gmail.com
	Pear Tree Avenue, LLC	482	Cumberland Mall	Atlanta	30339	615- 300-5676	Calvin Houghland	calvinhoughland@gmail.com
	SNL Designs Macon, LLC	609	Shops at River Crossing	Macon	31210	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	PANDORA	479	Tanger Outlets - Savannah	Pooler	31322			
	Valerie Yamashita (Individual)	194	Ala Moana Center	Honolulu	96814	808-946-8001	Valerie Yamashita	vyamashita@yahoo.com
HAWAII	Ben Bridge Jeweler, Inc.	419	Whalers Village	Lahaina, Maui	96761	206 239 6866	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	604	Pearlridge Mall	Aiea	96701	206 239 6866	Jon Bridge	JBridge@BenBridge.com
IDAHO	Lori Tschohl	355	Boise Town Square	Boise	83704	716-316-8514	Lori Tschohl	ltschohl@att.net
ILLINOIS	Sandra Fox Valley, LLC	242	Fox Valley Mall	Aurora	60504	224-653-8003 x5	Ken Luskin	kluskin@pandora-sh.com
	Pear Tree Avenue, LLC	357	Promenade at Bolingbrook Marketplace Shopping Center	Bolingbrook	60440	615-300-5676	Calvin Houghland	kluskin@pandora-sh.com
	PANDORA	377		Champaign	61820			
	Sandra H, LLC	133	Hawthorn Mall	Hawthorn	60061	224-653-8003 x5	Ken Luskin	kluskin@pandora-sh.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
INDIANA	Sandra, LLC	138	Water Tower	Chicago	60611	224-653-8003 x5	Ken Luskin	kluskin@pandora-sh.com
	BGW Enterprises, LLC	230	Deer Park TC	Deer Park	60010	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	Pear Tree Avenue, LLC	157	St Clair Square	Fairview Hts	62208	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	HHM Jewelers, Inc.	276	Northbrook Court Mall	Northbrook	60062	847-363-7339	Holly Metzger	hollymetzger@me.com
	Sandra O, LLC	199	Oakbrook Mall	Oakbrook	60523	224-653-8003 x5	Ken Luskin	kluskin@pandora-sh.com
	Sandra OR, LLC	084	Orland Square	Orland Park	60462	224-653-8003 x5	Ken Luskin	kluskin@pandora-sh.com
	Pear Tree Avenue, LLC	415	Cherryvale Mall	Rockford	61112	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	BGW Enterprises, LLC	162	Woodfield Mall	Schaumburg	60173	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	Holly Metzger	135	Old Orchard	Skokie	60077	847-363-7339	Holly Metzger	hollymetzger@me.com
	Sandra Holdings, LLC	641	Louie Joliet Mall	Joliet	60431	224 653 8003 x5	Ken Luskin	kluskin@pandora-sh.com
	Sandra Holdings, LLC	645	Chicago Ridge Mall	Chicago Ridge	60415	224 653 8003 x5	Ken Luskin Michael Oakes	kluskin@pandora-sh.comkluskin
	Build the Moments, Inc.	333	Eastland Mall	Evansville	47715	270-316-0494	Scott Bodecker	mike@shopnta.com
	Indiana Charms, LLC	306	Glenbrook Square	Fort Wayne	46805	260-443-7963	Scott Bodecker	scott@indianacharms.com
	Indiana Charms, LLC	382	Greenwood Park Mall	Greenwood	46142	260-341-4518	Scott Bodecker	scott@indianacharms.com
	Shops by Todd – Indiana, Inc.	089	Castleton Square	Indianapolis	46250	937-369-8633	Todd Bettman	oygifts@aol.com
	Shops by Todd Concepts, Inc.	344	Fashion Mall at Keystone	Indianapolis	46240	937-369-8633	Todd Bettman	oygifts@aol.com
	Pear Tree Avenue, LLC	465	University Park Mall	Mishawaka	46545	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	Bobby Wilkerson, Inc.	224	Jordan Creek Mall	West Des Moines	50266	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
IOWA	Pear Tree Avenue, LLC transfer 2/28/15	113	Oak Park Mall	Overland Park	66214	413-846-4640	Calvin Houghland	calvin@peartreeavenue.net
KANSAS	Riddles Group	687	Towne East Square	Wichita	67207	605-343-2226	Brett Riddle Mike Koerber	Brett.Riddle@TEAMRIDCO.com
	JMKY, Inc.	316	Fayetteville Mall	Lexington	40503	812-945-5959	Mike Koerber	mekoerber@gmail.com
	FMKY, Inc.	081	Mall of St Matthews	Louisville	40207	812-945-5959	Mike Koerber	mekoerber@gmail.com
	BGW Enterprises, LLC	494	Crestview Hills Town Center	Crestview Hills	41017	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
LOUISIANA	Levine, LLC	111	Mall of Louisiana	Baton Rouge	70836	225-291-9094	Lee Berg	leeb@lmfj.com
	Levine's, LLC	469	Lakeside Mall	Metairie	70002	225-291-9094	Lee Berg	leeb@lmfj.com
MAINE	Laws 6, Inc.	393	Bangor Mall	Bangor	4401	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Laws 6, Inc.	175	Maine Mall	Portland	04106	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
MARYLAND	PANDORA	174	Annapolis Mall	Annapolis	21401			johnj@albertsmyth.com
	PANDORA	457	BWI Airport	Baltimore	21240			
	Silver Heron, Inc.	402	Gallery at Harborplace	Baltimore	21202	301-580-3932	Diane Meyer	tdm@silverheron.com
	KIEBH, Inc.	521	Montgomery Mall	Bethesda	20817	301-468-1122	Irv Losman	tiara@tiaragalleries.com
	Silver Heron, Inc.	139	Columbia Mall	Columbia	21044	301-580-3932	Diane Meyer	tdm@silverheron.com
	PANDORA	149	Towson Town Center	Towson	21204			
MASSACHUSETTS	PANDORA	110	Prudential Center	Boston	02199			
	The Sporn Company, Inc.	128	South Shore Mall	Braintree	02184	518-857-1895	Perry Sporn	perry@perrywinkles.com
	The Sporn Company, Inc.	188	Burlington Mall	Burlington	01803	518-857-1895	Perry Sporn	perry@perrywinkles.com
	LC-PAN4, Inc.	255	Cambridge Side Galleria	Cambridge	2141	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Laws 6, Inc.	511	Legacy Place	Dedham	02026	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	PANDORA	103	Holyoke Mall at Ingleside	Holyoke	01040			
	LC-PAN5, Inc.	256	Cape Cod Mall	Hyannis	2601	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	Ross Simons of Warwick, Inc.	196	Natick Mall	Natick	1760	401-463-3100	Bob Simone	bsimone@ross-simons.com
	Laws 6, Inc.	120	North Shore Mall	Peabody	01960	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
MICHIGAN	Charms of Toledo, LLC	083	Briarwood Mall	Ann Arbor	48108	419-878-9998	Phil Kajca	pkajca@bex.net
	BGW Enterprises, LLC	228	Partridge Creek	Clinton Township	48038	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	Paradies – DTW, LLC	444	Detroit International Airport	Detroit	28242	404-494-3327	Gregg Paradies	Gregg.Paradies@THEPARADIESSHOPS.com
	Charms of Toledo, LLC	388	River Town Crossings	Grandville	49418	419-878-9998	Phil Kajca	pkajca@bex.net
		170	12 Oaks Mall	Novi	48377	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	BGW Enterprises, LLC	244	Somerset Collection	Troy	48084	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
	Pear Tree Avenue, LLC	648	Woodland Mall	Grand Rapids	49512	(615) 300-5676	Calvin Houghland	calvinhoughland@gmail.com
MINNESOTA	PCR Group, Inc.	102	Mall of America	Bloomington	55425	651-738-8351	Dan Runze	dan@pandoramo.com
	PCR Group, Inc.	430	Ridgedale Center	Minnetonka	55305	651-738-8351	Dan Runze	dan@pandoramo.com
	PCR Group, Inc.	134	Rosedale Center	Roseville	55113	651-738-8351	Dan Runze	dan@pandoramo.com
MISSOURI	Pear Tree Avenue, LLC	192	Country Club Plaza	Kansas City	64112	(615) 300-5676	Calvin Houghland	calvinhoughland@gmail.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
NEBRASKA	Denmark Style, LLC	145	Saint Louis Galleria	St. Louis	63117	636-946-2883	Bob Schuette	bob@firstcapitoltrading.com
	Pear Tree Avenue, LLC	220	West County Mall	St. Louis	63131	443-921-4550(615) 300-5676	Calvin Houghland	calvinhoughland@gmail.com
	Justice Mall, LLC	309	Battlefield Mall	Springfield	65804	417-848-4455	Woody Justice	woody@justicejewelers.com
	PANDORA	639	Branson Outlets	Branson	65616			
	Pear Tree Avenue, LLC	678	Independence Center	Independence	64057	(615) 300-5676	Calvin Houghland	calvinhoughland@gmail.com
	E.I. West, LLC	178	Village Pointe	Omaha	68154	402-598-7104	Laurie Langdon-Gerber	laurie@elisailana.com
NEVADA	PANBOR, LLC	504	Forum Shops	Las Vegas	89109	702-269-6347	Donny Borsack	donny@bribor.com
	PANBOR, LLC	520	Fashion Show Mall	Las Vegas	89109	702-269-6347	Donny Borsack	donny@bribor.com
	PANBOR, LLC	514	McCarran Airport	Las Vegas	89119	702-269-6347	Donny Borsack	donny@bribor.com
	PANBOR, LLC	528	The Venetian	Las Vegas	89109	702-269-6347	Donny Borsack	donny@bribor.com
	PANBOR, LLC	531	Miracle Mile	Las Vegas	89109	702-269-6347	Donny Borsack	donny@bribor.com
		325	Tivoli Village	Las Vegas	89145	702-269-6347	Donny Borsack	donny@bribor.com
NEW HAMPSHIRE		449	McCarran Int'l Terminal	Las Vegas	89118	702-269-6347	Donny Borsack	donny@bribor.com
		619	Las Vegas Premium Outlets North	Las Vegas	89106	702-269-6347	Donny Borsack	donny@bribor.com
	PANDORA	146	Mall of NH	Manchester	03103			
	PANDORA	150	Pheasant Lane	Nashua	03060			
	LF Pan-6, Inc.	290	Fox Run Mall	Newington	3801	978-767-9510 x1	Langdon Laws	llaws@lawsmanagement.com
	The Sporn Co., Inc.	082	Mall @ Rockingham Park	Salem	03079	978-697-6409	Perry Sporn	perry@perrywinkles.com
NEW JERSEY	PANDORA	480	The Walk Outlets	Atlantic City	08401			
	PANDORA	161	Bridgewater Commons Mall	Bridgewater	08807			
	Illi Cherry Hill, Inc.	129	Cherry Hill Mall	Cherry Hill	08002	610-222-4222	Kelly John	Kelly@pandorakop.com
	NB Silvers, LLC	284	Deptford Mall	Deptford	08096	856-848-3511	Nick Brandolini	nbsilvers@aol.com
	Dramond, LLC	448	Monmouth Mall	Eatontown	07724	518 369 9090	Ray Bleser	rayb@nefj.com
	PANDORA transfer 2/28/15	200	Freehold Raceway Mall	Freehold	07728			
	SR Concepts, Inc.	260	Newport Centre	Jersey City	07310	201-362-4843	Rhea Shrivani	kishrhea@aol.com
	Illi Quakerbridge, Inc.	374	Quaker Bridge Mall	Lawrenceville	08648	610-222-4222	Kelly John	Kelly@pandorakop.com
	WP Sagamore Group, LLC	475	Promenade at Sagamore	Marlton	08053	610-865-8039	Gary Werkheiser	gwerkheiser@werkheiserjewelers.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
NEW MEXICO	Michaels, Inc.	202	Menlo Park Mall	Menlo Park	8837	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	PANDORA	123	Garden State Plaza	Paramus	07652			
	Michaels, Inc.	212	Paramus Park Mall	Paramus	07652	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	Dramond, LLC	087	Rockaway Town Square	Rockaway	07866	518-369-9090	Ray Bleser	rayb@nefj.com
	The Sporn Company, Inc.	252	Mall @ Short Hills	Short Hills	07078	518-857-1895	Perry Sporn	perry@perrywinkles.com
	Amerosi and Sons Jewelers, Inc.	453	Ocean County Mall	Tom's River	08753	718-938-6667	Gerald Amerosi	GoldMine411@aol.com
	Michaels, Inc.	219	Willowbrook Mall	Wayne	07470	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	SR Concepts, Inc.	441	Woodbridge Center Mall	Woodbridge	07095	201-362-4843	Rhea Shrivani	kishrhea@aol.com
	Michaels, Inc.	408	Coronado Center	Albuquerque	87111	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	PANDORA	106	Crossgates Mall	Albany	12203			
	South Shore Moments, LLC	451	South Shore	Bay Shore	11708	631-836-5263	Jim O'Connor	clinic100@aol.com
	PD of BP, Inc.	433	Mall at Bay Plaza	Bronx	10475	516-972-9780	Marc Strauss	mstrauss@majorj.com
	PD of KP, Inc.	403	Kings Plaza	Brooklyn	11234	516-972-9780	Marc Strauss	mstrauss@majorj.com
	The Sporn Co., Inc.	425	Atlantic Terminal	Brooklyn	11217	518-857-1895	Perry Sporn	perry@perrywinkles.com
	PANDORA	117	Walden Galleria	Buffalo	14225			
		144	Roosevelt Field Mall	Garden City	11530	518-857-1895	Perry Sporn	perry@perrywinkles.com
	Periwinkle Boutique, Inc.	201	Walt Whitman Mall	Huntington	11746	516-322-2237	Marvin Goldfarb	marvingoldfarb@aol.com
	The Paradies Shops, LLC	370	JFK Airport	Jamaica	11430	404-494-3327	Gregg Paradies	Gregg.Paradies@THEPARADIESSHOPS.com
NEW YORK	Markens 23, Ltd.	187	Smith Haven Mall	Lake Grove	11755	516-972-9780	Marc Strauss	mstrauss@majorj.com
	PANDORA	104	Galleria Crystal Run	Middletown	10941			
	PANDORA	397	494 Broadway NY	New York	10012	613-292-5825	Mo Charania	mcharania@capitalpandora.ca
	Freha, Inc.	603	Herald Square	New York	10001	646-522-3775	Adam Gindi	adalgin@aol.com
	PD of QC, Inc.	331	Queens Center	Queens	11373	516-972-9780	Marc Strauss	mstrauss@majorj.com
	Reeds Jewelers of Niagara Falls, Inc.	310	Marketplace Mall	Rochester	14623	716-870-6538	Jeff Zimmer	jzimmer@reedsjewelers.com
	Reeds Jewelers of Niagara Falls, Inc..	180	Eastview Mall	Rochester	14564	716-870-6538	Jeff Zimmer	jzimmer@reedsjewelers.com
	GPA, Inc.	181	Staten Island mall	Staten Island	10314	718-938-6667	Gerald Amerosi	goldmine411@aol.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
NORTH CAROLINA	PANDORA	107	Carousel CenterDestiny Center?	Syracuse	13290			
	PANDORA	109	Palisades Center	W Nyack	10994			
	Michaels, Inc.	211	The Westchester	White Plains	10601	203-597-4936	Mark Michaels	wmm@michaelsjewelers.com
	Reeds Jewelers of Niagara Falls, Inc.	322	Ridge Hill Center	Yonkers	10710	716-870-6538	Jeff Zimmer	jzimmer@reedsjewelers.com
		493	Sunrise Mall	Massapequa	11758	516-322-2237	Marvin Goldfarb	marvingoldfarb@aol.com
	PANDORA	519	Blakeney Town Center	Charlotte	28277			
		172	South Park Mall	Charlotte	28211	919-900-1444	Doug Morgan	doug.morgan@baileybox.com
	Bailey's Jewelry Ventures, Inc.	304	Northlake Mall	Charlotte	28216	919-900-1444	Doug Morgan	doug.morgan@baileybox.com
	The Paradies Shops, LLC	302	Charlotte Airport	Charlotte	28208	404-494-3327	Gregg Paradies	Gregg.Paradies@THEPARADIESSHOPS.com
	Bailey's Jewelry Ventures, Inc.	152	Streets@Southpoint	Durham	27713	919-900-1444	Doug Morgan	doug.morgan@baileybox.com
	Bailey's Jewelry Ventures, Inc.	446	Cross Creek Mall	Fayetteville	28303	919-900-1444	Doug Morgan	doug.morgan@baileybox.com
	Pear Tree Avenue, LLC	384	Shops at Friendly Center	Greensboro	27408	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	Bailey's Jewelry Ventures, Inc.	137	Crabtree Valley	Raleigh	27612	919-900-1444	Doug Morgan	doug.morgan@baileybox.com
	H4 Ltd., Inc.	334	Hanes Mall	Winston Salem	27103	336-259-4823	Rommel Hannouche	pandorahanesmall@att.net
	PANDORA	519	Asheville Outlets	Asheville	28806			
	Reeds	463	Carolina Place	Pineville	281334	910-350-3111	Alan Zimmer	azimmer@reeds.com
	SNL Designs, Ltd.	108	Beachwood Place Mall	Beachwood	44122	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	SNL Designs, Ltd.	311	Belden Village	Canton	44718	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	Shops by Todd, Inc.	085	Kenwood Mall	Cincinnati	45236	937-369-8633	Todd Bettman	oygifts@aol.com
OHIO	Shops by Todd Concepts, Inc.	285	Polaris Fashion Place	Columbus	43240	614-439-8220	Todd Bettman	accentonimage1@yahoo.com
	Shops by Todd, Inc.	141	Easton Town Center	Columbus	43219	937-369-8633	Todd Bettman	oygifts@aol.com
	Shops by Todd, Inc.	090	The Greene	Dayton	45440	937-369-8633	Todd Bettman	oygifts@aol.com
		405	Mall at Tuttle Crossing	Dublin	43016	614-734-0505	Lori DeMatteo	pandora.t@att.net
	Shops by Todd Concepts, Inc.	280	Summit Mall	Fairlawn	44333	937-369-8633	Todd Bettman	oygifts@aol.com
	SNL Designs Great Northern, LLC	387	Great Northern Mall	N. Olmsted	44070	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	Shops by Todd Concepts, Inc.	279	South Park Mall	Strongsville	44136	937-369-8633	Todd Bettman	oygifts@aol.com
	Charms of Toledo, LLC	136	Franklin Park Mall	Toledo	43623	419-878-9998	Phil Kajca	pkajca@bex.net

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
OKLAHOMA	SNL Designs Great Lakes, LLC	646	Great Lakes Mall	Mentor Liberty Township	44060	440-533-3190	Nancy Lyons	nancylyons1119@yahoo.com
	Shops by Todd Concepts, Inc.	412	Liberty Center		45069	937-369-8633	Todd Bettman Randy Castleman	oygifts@aol.com
	Bobby Wilkerson, Inc.	223	Penn Sq. Mall	Oklahoma City	73118	870-673-4441	Joel Wiland	rcastleman@wilkersons.com
	K. Denice, LLC	183	Woodland Hills	Tulsa	74136	918-381-6300	Wilkersons	joel@jddavidjewelry.com
	BGW Enterprises, LLC	624	Quail Springs Mall	Oklahoma City	73134	870-673-4441		rcastleman@wilkersons.com
PENNSYLVANIA	PANDORA	289	South Hills Village	Bethel Park	15241		Gary Werkheiser	
	WP Jewelry, LP	383	Promenade Saucon Valley	Center Valley	18304	610-865-8039	Jeff Zimmer	gwerkheiser@werkheiserjewelers.com
	Reeds Jewelers of Niagara Falls, Inc.	350	Mill Creek Mall	Erie	16565	716-870-6538		jzimmer@reedsjewelers.com
	PANDORA	390	Westmoreland Mall	Greensburg	15601		Kelly John	
	Illii, Inc.	478	King of Prussia - Plaza	King of Prussia	15601	610-222-4222	Kelly John	Kelly@pandorakop.com
	Illii, Inc.	101	King Of Prussia Mall	King of Prussia	19406	610-222-4222	Michael Warren	Kelly@pandorakop.com
	W&W Jewellery USA, Inc.	286	Park City Mall	Lancaster	17601	717-826-7984	Greg Paradies	mike@warrenjewellers.com
	Paradies- Pleasant News, LLC	492	Philadelphia Airport	Philadelphia	19153	404 494 3327		Theresa.Alvarnaz@THEPARADIESSHOPS.com
	PANDORA	336	Shadyside	Pittsburgh	15232			
	PANDORA	160	Ross Park Mall	Pittsburgh	15237			
	WP Jewelry, LP	246	Willow Grove Park	Willow Grove	19090	610-865-8039	Gary Werkheiser	gwerkheiser@werkheiserjewelers.com
	PANDORA	657	Pittsburgh Airport	Pittsburgh	15231			
	Fashion Culture, Inc.	651	Lehigh Valley Mall	Allentown	18052	717-742-8331	Mike Warren Alfonso Cuesta	mkwarren@avanni.com
	Alpha Trading Corp.	487	Plaza del Sol	Bayamon	00961	787-244-1203		pompicuesta@hotmail.com
	OM SAI, LLC	427	Plaza Carolina	Carolina	00983	787-721-0855	Rajesh Khemlani	rajesh@ramsimports.com
PUERTO RICO	Pandora Plaza Puerto Rico, Inc.	347	Plaza del Caribe	Ponce	00717	787-315-0088	Emby Kury	enaump@gmail.com
	OM, LLC	301	Old San Juan	San Juan	000901	787-721-0855	Rajesh Khemlani	rajesh@ramsimports.com
	Pandora Plaza Puerto Rico, Inc.	176	Plaza Las Americas	San Juan	00918	787-315-0088	Emby Kury	enaump@gmail.com
	Bead Enterprises (International), Inc.	438	Mall of San Juan	San Juan	00924	011 297 737 3737	Ravee Nandwani	management@beadenterprises.com
	Laws 6, Inc.	156	Providence Place Mall	Providence	02903	978-767-9510 x1	Langdon Laws	llaws@cartersdiamonds.com
RHODE ISLAND	Laws 6, Inc.	470	Warwick Mall	Warwick	02886	978 767 9510	Langdon Laws	llaws@lawsmanagement.com
	PANDORA	461	Hilton Head Outlets	Bluffton	29910			
SOUTH CAROLINA	PANDORA	461	Hilton Head Outlets	Bluffton	29910			

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State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
TENNESSEE	Boling Diamond, LLC	158	Charleston Place	Charleston	29401	419-668-8806	Jim Boling	jboling3257@aol.com
	Reeds Jewelers of North Carolina, Inc.	426	Columbiana Mall	Columbia	29212	910-350-3111	Alan Zimmer	azimmer@reeds.com
	Nina's, Inc.	173	Haywood Mall	Greenville	29607	864 270 3667	Joyce Searcy	goddie46@aol.com
	Boling Diamond, LLC	207	Mt. Pleasant Town Center	Mt Pleasant	29401	419-668-8806	Jim Boling	jboling3257@aol.com
	Reeds Jewelers of North Carolina, Inc.	339	Coastal Grand Mall	Myrtle Beach	29577	910-350-3111	Alan Zimmer	azimmer@reeds.com
	Pear Tree Avenue, LLC	292	Hamilton Place	Chattanooga	37421	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	Pear Tree Avenue, LLC	293	Cool Springs Galleria	Franklin	37067	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	Pear Tree Avenue, LLC	114	West Town Mall	Knoxville	37919	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	Pear Tree Avenue, LLC	294	Wolfchase Galleria	Memphis	38133	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	Pear Tree Avenue, LLC	126	Green Hills Mall	Nashville	37215	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	PANDORA	485	Sevierville Outlets	Sevierville	37862			
	Nasr Enterprises, LLC	466	Watters Creek	Allen	75013	972-886-4177	Paul Nasr	nabeelnasr@aol.com
TEXAS	Mason Jewelers, LLC	227	The Parks at Arlington	Arlington	76015	281-989-3800	Kunal Aggarwal	kunag@sbcglobal.net
	Lone Star Gems, Inc.	203	Barton Creek	Austin	78746	512-689-5011	Donald Brenner	dabjr@yahoo.com
	Mason Jewelers, Inc.	371	La Palmera	Corpus Christi	78411	281-989-3800	Devki Aggarwal	kunag@sbcglobal.net
	Mason Jewelers, LLC	193	Dallas Galleria	Dallas	75240	281-989-3800	Kunal Aggarwal	kunag@sbcglobal.net
	Mason Jewelers, LLC	455	Cielo Vista Mall	El Paso	79925	281-989-3800	Devki Aggarwal	kunag@sbcglobal.net
	Mason Jewelers, LLC	140	Baybrook Mall	Friendswood	77546	281-989-3800	Devki Aggarwal	kunag@sbcglobal.net
	Mason Jewelers, LLC	214	Stonebriar Center	Frisco	75034	281-989-3800	Kunal Aggarwal	kunag@sbcglobal.net
	Mason Jewelers, LLC	243	Houston Galleria	Houston	77056	281-989-3800	Devki Aggarwal	kunag@sbcglobal.net
	Mason Jewelers, Inc.	291	Memorial City Mall	Houston	77024	281-989-3800	Devki Aggarwal	kunag@sbcglobal.net
	JJRB, LLC	270	Willowbrook Mall	Houston	77070	443-921-4550	John Jackson	johnj@albertsmth.com
	Mason Jewelers, LLC	265	North East Mall	Hurst	76053	281-989-3800	Kunal Aggarwal	kunag@sbcglobal.net
	Baileys Jewelry Ventures, Inc.	605	Killeen Mall	Killeen	76543	919 900 1444	Baileys	doug.morgan@baileybox.com
	Mason Jewelers, Inc.	340	La Plaza Mall	McAllen	78503	281-989-3800	Devki Aggarwahl	kunag@sbcglobal.net
	4 Star Gems, Inc.	409	The Shops at La Cantera	San Antonio	78256	512-689-5011	Donald Brenner	dabjr@yahoo.com
	Levine's LLC	257	North Star	San Antonio	78216	225-291-9094	Lee Berg	leeb@lmfj.com

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State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
UTAH	Melinda Rendon	112	The Vineyard SC	San Antonio	78258	210-849-8800	Melinda Renden	melindarendon@sbcglobal.net
	Mason Jewelers, LLC	321	First Colony Mall	Sugarland	77479	281-989-3800	Devki Aggarwal	kunag@sbcglobal.net
	JJRB, LLC	271	The Woodlands Mall	Woodlands	77380	443-921-4550	John Jackson	johnj@albertsmth.com
	5 Star Gems, Inc.	481	Midland Park Mall	Midland	79705	512-689-5011	Donald Brenner	dabjr@yahoo.com
	Charm Central, LLC	616	NorthPark Center	Dallas	75225	214-691-0123	Lisa Alfieri	info@lovemyswag.com
	Nasr Enterprises, LLC	681	Town East Mall	Mesquite	75150	972-886-4177	Paul Nasr	paul.nasrjewelers@gmail.com
	LST Salt Lake, LLC	356	Fashion Place	Murray	84107	716-316-8514	Lori Tschohl	ltschohl@att.net
	BGW Enterprises, LLC	335	City Creek Center	Salt Lake City	80124	870-673-4441	Randy Castleman	rcastleman@wilkersons.com
VIRGINIA	Reeds Jewelers, Inc.	445	Dulles Town Center	Dulles	20166	910-350-3111	Alan Zimmer	azimmer@reeds.com
	PANDORA	251	Fair Oaks Mall	Fairfax	22033	443-921-4550		
	PANDORA	245	Tysons Corner	McLean	22102	443-921-4550		
	Reeds Jewelers, Inc.	617	Patrick Henry Mall	Newport News	23602	910-350-3111	Alan Zimmer	azimmer@reeds.com
	The Sporn Company, Inc.	258	McArthur Mall	Norfolk	23510	518-857-1895	Perry Sporn	perry@perrywinkles.com
	The Sporn Company, Inc.	259	Stony Point Fashion Park	Richmond	23235	518-857-1895	Perry Sporn	perry@perrywinkles.com
	Bailey's Jewelry Ventures, Inc.	327	Short Pump Mall	Richmond	23233	919-900-1444	Doug Morgan	doug.morgan@baileybox.com
	Reeds Jewelers, Inc.	456	Springfield Town Center	Springfield	22150	910-350-3111	Alan Zimmer	azimmer@reeds.com
	Pear Tree Avenue, LLC	332	Lynnhaven Mall	Virginia Beach	23452	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	PANDORA	341	Potomac Mills	Woodbridge	22192			
WASHINGTON	Reeds Jewelers, Inc.	661	Spotsylvania Town Center	Fredericksburg	22407	910-350-3111	Alan Zimmer	azimmer@reeds.com
		620	Valley View Mall Fashion Centre at Pentagon City	Roanoke	24012	540-314-9124	Marc Fink	mfink@finks.com
	JJRB Pentagon, LLC	472		Arlington	2202	212-869-7799	Rodney Hakmian	rodney@imaginedesigns.com
	Ben Bridge Jeweler, Inc.	394	Bellevue Square	Bellevue	98004	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	360	Alderwood	Lynnwood	98037	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	447	Westlake Center	Seattle	98101	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	213	University Village	Seattle	98105	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	600	Tacoma Mall	Tacoma	98409	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	299	Westfield Southcenter	Tukwila	98188	206-239-6831	Jon Bridge	JBridge@BenBridge.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
WISCONSIN	AE Jewelers of Appleton, LLC	268	Fox River mall	Appleton	54913	920-858-9926	Rich Meyer	rich@aejewelers.com
	Pear Tree Avenue, LLC	404	West Towne Mall	Madison	53719	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
	JJRB, LLC	254	Mayfair Mall	Milwaukee	53226	443-921-4550	John Jackson	johnj@albertsmyth.com
	Pear Tree Avenue, LLC	499	Bayshore Town Center	Glendale	53217	615-300-5676	Calvin Houghland	calvin@peartreeavenue.net
CAYMAN ISLANDS	Island Companies, Ltd.	208	Island Plaza	Georgetown		345-640-5244	Michael Jappert	michael@islandcompaniesltd.com
	Island Companies, Ltd.	269	Camana Bay Shopping Center	Grand Cayman		345-640-5244	Michael Jappert	michael@islandcompaniesltd.com
VIRGIN ISLANDS	Bead Enterprises (International) Inc.	278	Havensight	St Thomas	802	011 297 737 3737	Ravee Nandwani	ravee@boolchand.com
	Bead Enterprises (International) Inc.	155	St Thomas	St Thomas	00802	011 297 737 3737	Ravee Nandwani	ravee@boolchand.com
ALBERTA, CANADA	Animus Jewellery, LTD	296	Market Mall	Calgary	T3A 5C4	780.995.6530	Erin Holowach	erin@holowach.com
	L. H. Jewellery Ventures, Inc.	516	Chinook Centre	Calgary	T2H 0L1	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	Animus III Jewellery, LTD	395	Southcentre Mall	Calgary	T2J 3V1	780.995.6530	Erin Holowach	erin@holowach.com
	L.H. Jewellery Ventures (Edmonton) Inc.	297	Southgate	Edmonton	T3A 5C4	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	148338 Alberta LTD	524	West Edmonton	Edmonton	T5T-412	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	Animus II Jewellery, LTD.	362	Kingsway Mall	Edmonton	T5G 3A6	780.995.6530	Erin Holowach	erin@holowach.com
	L.H. Jewellery Ventures (Park Place) Inc.	458	Park Place	Lethbridge	T1J 4X3	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	L.H. Jewellery Ventures (Bower Place) Inc.	610	Bower Place	Red Deer	T4R 1N9	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	Rodan Management, Ltd.	611	Sevenoaks Shopping Centre	Abbotsford	V2S 5A1	604-803-3885	Rob Davidson	davidson.rm@hotmail.com
	Ben Bridge Jeweler, Inc.	352	Metropolis at Metrotown	Burnaby	V5H 4N2	206-239-6831	Jon Bridge	JBridge@BenBridge.com
BRITISH COLUMBIA, CANADA	Rodan Management, Ltd.	277	Coquitlam Centre	Coquitlam	V3B 5R5	604-803-3885	Rob Davidson	davidson.rm@hotmail.com
	L.H. Jewellery Ventures (Orchard Park) Inc.	366	Orchard Park Shopping Centre	Kelowna	V1Y 6H2	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	Ben Bridge Jeweler, Inc.	346	Willowbrook Centre	Langley	V3A 7E9	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Ben Bridge Jeweler, Inc.	264	Richmond Centre	Richmond	V6Y 2B6	206-239-6831	Jon Bridge	JBridge@BenBridge.com
	Rodan Management, Ltd.	442	Guildford Town Centre	Surrey	V3R 7C1	604-803-3885	Rob Davidson	davidson.rm@hotmail.com
	Rodan Management, Ltd.	437	Mayfair Shopping Centre	Victoria	V8Z 6E3	604-803-3885	Rob Davidson	davidson.rm@hotmail.com
	Rodan Management, Ltd.	337	Whistler Village	Whistler	V0N 1B4	604-803-3885	Rob Davidson	davidson.rm@hotmail.com
	Ben Bridge Jeweler, Inc.	621	Pacific Centre	Vancouver	V7Y 1G5	206-239-6866	Jon Bridge	JBridge@BenBridge.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
NEW BRUNSWICK, CANADA NOVA SCOTIA, CANADA ONTARIO, CANADA	Ben Bridge Jeweler, Inc.	653	Park Royal	West Vancouver	V7T 2W4	206-239-6866	Jon Bridge	JBridge@BenBridge.com
	Eastern Jewellery, LTD	354	Champlain Place	Dieppe	E1A 1Y2	506-857-4104	Andre Cormier	acormier@laminedor.ca
	2292515 Ontario, Inc.	314	Mic Mac Mall	Halifax	B3A 4N3	613-292-5825	Mo Charania	mcharania@capitalpandora.ca
	2321074 Ontario, Inc.	411	Georgian Mall	Barrie	L4M 4Z8	416-417-5596	Alan Rutman	arutman@zeifmans.ca
	Gala Gift Shop Inc.	261	Bramalea City Centre	Brampton	L6T 3R5	905-956-2608	Emily DePina	ecdepina@rogers.com
	2322571 Ontario, Inc.	389	Mapleview Centre	Burlington	L7S 2J8	905-956-2608	Emily DePina	ecdepina@rogers.com
	2391756 Ontario Inc	459	Stone Road Mall	Guelph	N1G 2Y6	416-444-6600	<u>Sako Zorian</u>	sako@symphonydiamonds.com
	Shanif Management Inc.	410	Lime Ridge Mall	Hamilton	L9A 4X5	613-292-5825	Mo Charania	mcharania@capitalpandora.ca
	Arno Investments Inc.	629	Cataraqui Mall	Kingston	K7M 7H4	905-434-9121	Tally Berdugo	Tally@oshawajewellery.com
	La Companie Sporn du Canada, Inc.	385	Fairview Park Mall	Kitchner	N2C 1X1	519-894-0883	Grant Overgaard	govergaard@hotmail.com
	Jinny's China and Gifts, Ltd.	413	White Oaks Mall	London	N6E 1V4	416-505-8069	Steve Lee	stepandora@gmail.com
	Ankin Ltd.	266	Masonville Place	London	N6G 3Y9	519 860 4084	Vahe Kossaian	anijewellerslondon@rogers.com
	1604088 Ontario Inc.	422	Markville Shopping Centre	Markham	L3R 4M9	416-817-2415	Haigo Dorian	hderian@loro.ca
	2297097 Ontario, Inc.	353	Square One	Mississauga	L5B 2C9	905-956-2608	Emily DePina	ecdepina@rogers.com
	1856368 Ontario, Inc.	319	Upper Canada Mall	Newmarket	L3Y 4Z1	416-602-0604	Mike Wainstock	mwainstock81@gmail.com
	PANDORA	602	Outlet Collection at Niagara	Niagara on the Lake	L0S 1J0			
	02347759 Ontario, Inc.	436	Oshawa Centre	Oshawa	L1J 2K5	(905) 434-9121	Tally Berdugo	Tally@oshawajewellery.com
	2268898 Ontario, Inc.	295	Rideau Centre mall	Ottawa	K1N 9J7	613-292-5825	Mo Charania	mcharania@jubilee.ca
	2259716 Ontario, Inc.	527	St Laurent Center	Ottawa	K1K 3B8	613-292-5825	Mo Charania	mcharania@capitalpandora.ca
	2292870 Ontario, Inc.	432	Bayshore	Ottawa	K2B 8C1	613-292-5825	Mo Charania	mcharania@capitalpandora.ca
	Jinnys China and Gift, Limited	421	Pickering Town Centre	Pickering	L1V 1B8	416-505-8069	Steve Lee	stepandora@gmail.com
	2396679 Ontario Inc.	345	New Sudbury Centre	Sudbury	P3A 1Z2	416-602-0604	Mike Wainstock	mikew@m2groupco.com
	1604088 Ontario Inc.	386	Promenade Shopping Centre	Thornhill	L4J 4P8	416-817-2415	Haigo Derian	hderian@loro.ca
	2338139 Ontario, Inc.	431	Intercity Shopping Centre	Thunder Bay	P7B 6B9	416-602-0604	Mike Wainstock	mwainstock81@gmail.com
	1604088 Ontario Inc.	262	Sherway Gardens	Toronto	M9C 1B8	416-817-2415	Haigo Derian	hderian@loro.ca
	Overgaard Gemologists (Waterloo) LTD	379	Fairview Mall	Toronto	M2J 5A7	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	2292872 Ontario Inc.	315	Holt Renfrew	Toronto	M4W 3L8	613-292-5825	Mo Charania	mcharania@capitalpandora.ca

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
QUEBEC, CANADA	1269076 Ontario Limited	513	Yorkdale Mall	Toronto	M6A 3A1 M3C	416-783-1292	Renee Ackerman	earring.gallery@rogers.com
	02310412 Ontario, Inc.	348	Shops at Don Mills	Toronto	3R6 M1P	416-444-6600	Sako Zorian	sako@symphonydiamonds.com
	Jinnys China and Gift Limited	329	Scarborough Town Centre	Toronto	4P5 M5J-	416-505-8069	Steve Lee	stcpandora@gmail.com
	1472165 Alberta LTD.	526	Royal Bank Plaza	Toronto	2J5 N2L	780-982-9061	Lyle Hance	lyle.hance@gmail.com
	Overgaard Gemologists Jewellers LTD	471	Conestoga Mall	Waterloo	5W6 L0L	519-574-2220	Grant Overgaard	govergaard@hotmail.com
	PANDORA	652	Cookstown Outlets	Cookstown	1L0 L4K	---		hderian@loro.ca
	Haigo Derian	626	Vaughan Mills	Vaughan	5W4 N8X	416-817-2415	Haigo Derian	
	2446834 Ontario, Inc.	660	Devonshire Mall	Windsor	3Y7 M5B	416-602-0604	Mike Wainstock	mikew@m2groupco.com
	Lyle Hance	613	Toronto Eaton Centre	Toronto	2H1 L5M	780-982-9061	Lyle Hance	lyle@lhjv.ca
	2382968 Ontario, Inc.	443	Erin Mills Town Centre	Mississauga	4Z5 M6H	905-956-2608		iddepina@gmail.com
	SRR Dufferin Holdings, Inc.	689	Dufferin Mall	Toronto	4A9 J4Y	416-444-6600	Sako Zorian	sako@symphonydiamonds.com
	La Companie Sporn du Canada, Inc.	320	Quartier Dix 30	Brossard	0B3 G7H	518-857-1895	Perry Sporn	perry@perrywinkles.com
	9300-6211 Quebec, Inc.	615	Place du Royaume	Chicoutimi	5N8 H7T	506.857.4104	Andrew Cormier	acormier@laminedor.ca
	La Companie Sporn du Canada, Inc.	501	Carrefour Laval Mall	Laval	1C7 H3A	518-857-1895	Perry Sporn	perry@perrywinkles.com
	La Companie Sporn du Canada, Inc.	287	Peel St	Montreal	1T1 H1J	518-857-1895	Perry Sporn	perry@perrywinkles.com
	La Companie Sporn du Canada, Inc.	372	Galleries d Anjou	Montreal	1W9 H3A	518-857-1895	Perry Sporn	perry@perrywinkles.com
	La Companie Sporn du Canada, Inc.	378	Montreal Trust	Montreal	3J5 H9R	518-857-1895	Perry Sporn	perry@perrywinkles.com
	La Companie Sporn du Canada, Inc.	502	Fairview Pointe Mall Galeries de la Capitale Mall	Pointe-Claire Quebec	5J2 G2K 1N4	518-857-1895 514-591-3514	Perry Sporn Matt Bailey	perry@perrywinkles.com matt@mattbaily.ca
	9275-9356 Quebec, Inc.	380		Quebec		514-591-3514	Matt Bailey	matt@mattbaily.ca
	9258-5793 Quebec, Inc.	398	Promenade St Bruno	Saint-Bruno-de-Montarville	J3V J35 J1L	514-591-3514	Matt Bailey	matt@mattbaily.ca
SASKATCHEWAN, CANADA	8455244 Canada Inc.	375	Carrefour de L'Estrée	Sherbrooke	1K1 G1V	514-591-3514	Matt Bailey	matt@mattbaily.ca
	7803451 Canada, Inc.	300	Place Ste. Foy	Ste-Foy	2L1	514-591-3514	Matt Bailey	matt@mattbaily.ca
	L.H. Jewellery Ventures (Cornwall, Inc.)	428	Cornwall Centre	Regina	S7K 1J5	780-982-9061	Lyle Hance	lyle.hance@gmail.com
MANITOBA, CANADA	2343493 Ontario Inc.	423	Midtown Plaza	Saskatoon	S7K 1J5 R2M	613-292-5825	Mo Charania	mcharania@capitalpandora.ca
	Animus IV Jewellery, LTD.	417	St. Vital Centre	Winnipeg	5E5 R3G	780.995.6530	Erin Halowach	erin@holowach.com
	Animus V Jewellery, LTD.	450	Polo Park	Winnipeg	0W4	780.995.6530	Erin Halowach	erin@holowach.com
ARUBA	Bead Enterprises (International) Inc.	512	Paseo Herencia	Oranjestad		011 297 737 3737	Ravee Nandwani	ravee@boolchand.com

LIST OF FRANCHISEES AS OF December 31, 2015:

State	Franchisee	Store #	Mall	City	Zip	Phone	Contact Name	email
CURACAO	Bead Enterprises (International) Inc.	532	Curacao	Willemstad		011 297 737 3737	Ravee Nandwani	ravee@boolchand.com
DWI	Bead Enterprises (International) Inc.	518	Philipsburg	St Maarten		011 297 737 3737	Ravee Nandwani	ravee@boolchand.com
BAHAMAS	Luxury Retail Holdings (Freeport) Limited	338	Port Lucaya Marketplace	Freeport		242-457-4869	Max Gibson	mgibson@luxuryretaillimited.com
	Wahoo Traders LTD.	664	Bay Street	Nassau		011 297 737 3737	Ravee Nandwani	management@beadenterprises.com
	John Bull, Ltd.	391	Atlantis Marina Village	Nassau		242-302-2800	Duane Roberts	duane.roberts@johnbull.bs
DOMINICAN REPUBLIC	Caribbean Crystal Society Dominica, SRL	326	Agora Mall	Santa Domingo		809-820-9646	Juan Carlos Pais	jpais@paisco.com.do
PANAMA	Mohinani Group, S.A.	510	Allbrook Mall	Panama		507-661-6332	Rajesh Mohinani	rajesh@mohinanigroup.com
	Mohinani Group, S.A.	530	Multiplaza Mall Pacific	Panama		507-661-6332	Rajesh Mohinani	rajesh@mohinanigroup.com
	Mohinani Group, S.A.	608	Metromall	Panama City		507-661-6332	Rajesh Mohinani	rajesh@mohinanigroup.com
	Mohinani Group, S.A.	440	SOHO Mall	Panama		507-6616-3329	Rajesh Mohinani	rajesh@mohinanigroup.com
MEXICO	El Palacio De Hierro, S.A. De C.V.	281	Paseo Interlomas	Mexico City	52764	5255 59809046	Jacqueline Guzman	jpguzmana@ph.com.mx
	El Palacio De Hierro, S.A. De C.V.	342	Antara Polanco Mall	Mexico City	11520	5255 59809046	Jacqueline Guzman	jpguzmana@ph.com.mx
	Perfumeria Ultra, S. De R.L. De C.V.	496	Paseo del Carmen	Playa Del Carmen	77710	52 998 881 3592	Analia Huerta	analia.huerta@ultrafemme.com
	El Palacio De Hierro, S.A. De C.V.	343	Santa Fe Mall	Santa Fe	5109	5255 59809046	Jacqueline Guzman	jpguzmana@ph.com.mx
	El Palacio De Hierro, S.A. De C.V.	642	Parque El Toreo	Naucalpan de Juarez	52764	011 52 55 5229 5401 ext 17737	Regina Malagon	rmalagon@ph.com.mx
	El Palacio De Hierro, S.A. De C.V.	677	Oasis Coyoacan	Mexico City	04310	011 52 55 5229 5401 ext 17737	Regina Malagon	rmalagon@ph.com.mx
	El Palacio De Hierro, S.A. De C.V.	671	Polanco	Mexico City	11520	011 52 55 5229 5401 ext 17737	Regina Malagon	rmalagon@ph.com.mx
	El Palacio De Hierro, S.A. De C.V.	684	Paseo Acoxta	Mexico City	17300	011 52 55 5229 5401 ext 17737	Regina Malagon	rmalagon@ph.com.mx
	Maxima Distincion, S.A. de C.V.	691	Galerias Guadalajara	Guadalajara	64620	347-427-9876	Jacob Wapinski	wapinskijb@emwa.com.mx
	Perfumeria Ultra, S. DE R.L. DE C.V.	683	Malecon Americas	Cancun	77500	011-52-998-881-3150	Erika Pedroza	epedroza@ultrafemme.com
	Consultora SGCO, S.A. de C.V.	675	Antea Lifestyle Center	Queretaro	76127	011-52-155-5452-3314	Luis Gamez	luis.gamez@consultorasgeo.com
COSTA RICA	Stones, Rocks & Metals, Inc.	529	Multiplaza Escazu	Escazu		506-884-37703	Stefan Wille	swille@coricafe.com
	Stones, Rocks & Metals, Inc.	674	City Mall	Alajuela		506-884-37703	Stefan Wille	swille@coricafe.com
	Stones, Rocks & Metals, Inc.	682	Lincoln Plaza	San Jose		506-884-37703	Stefan Wille	swille@coricafe.com
CHILE	Contempo Joyas, Ltda	649	Alto las Condes	Santiago		56 2 2231 3500	Enrique Vilches	cpino@contempojoyas.cl
EL SALVADOR	Carlos Salazar	688	MultiPlaza	Antiguo Cuscatlan		503-2263-0075	Carlos Salazar	cesalazar@joyerialajoya.com

List of Outlets Under Development, But Not Yet Open
As of December 31, 2015:

STORE NAME	CITY	ST	ZIP	FRANCHISEE	CONTACT	PHONE	EMAIL
G Bush Intercontinental Airport	Houston	TX	77032	Paradies-IAH 2014, LCC	Gregg Paradies	404 494 3347	Gregg.paradies@theparadiesshops.com
Broadway Plaza	Walnut Creek	CA	94596	Laws West, Inc.	Langdon Laws	978-767 9510	llaws@lawsmanagement.com
Williamsburg Outlets	Williamsburg	VA	23188	-	PANDORA		
Lincoln Road, South Beach	Miami Beach	FL	33139	-	PANDORA		
Nat'l Harbor Outlets	Oxon Hill	MD	20745	-	PANDORA		
West Roads Mall	Omaha	NE	68114	Pear Tree Avenue, LLC	Brett Riddle	605-343-2226	Brett.Riddle@TEAMRIDCO.com
Arrowhead Towne Center	Glendale	AZ	85308	Ben Bridge Jeweler, Inc.	Jon Bridge	206 239 6866	JBridge@BenBridge.com
San Marcos Outlets	San Marcos	TX	78666	-	PANDORA		
1613 Walnut St	Philadelphia	PA	19103	-	PANDORA		
Vintage Faire Mall	Modesto	CA	95356	Rogers Jewelry Co.	Kim Molesworth	209-578-0741	kim@thinkrogers.com
Charleston Town Center	Charleston	WV	25389	Reeds Jewelers, Inc.	Alan Zimmer	910-350-3111	azimmer@reeds.com
Woodbury Commons	Central Valley	NY	10917	-	PANDORA		
Volusia Mall	Daytona Beach	FL	32114	RLCB Enterprises DAY, LLC	Rob Lytle	904 269-1825	rob@artsyabode.com
Mall del Norte	Laredo	TX	78041	Bailey's Jewelry Ventures, Inc.	Doug Morgan	919-900-1444	doug.morgan@baileybox.com
Parkway Plaza	El Cajon	CA	92020	Ben Bridge Jeweler, Inc.	Jon Bridge	206 239 6866	JBridge@BenBridge.com
110 West 42nd St	New York	NY	94596	FRADANZA INC.	Adam Gindi	646-522-3775	adalgin@aol.com
Disney Springs	Lake Buena Vista	FL	32830	-	PANDORA		
Culver City	Culver City	CA	90230	Ben Bridge Jeweler, Inc.	Jon Bridge	206 239 6866	JBridge@BenBridge.com
Valley River Center	Eugene	OR	97401	Ben Bridge Jeweler, Inc.	Jon Bridge	206 239 6866	JBridge@BenBridge.com
The Colonnade	Palm Desert	CA	92260	Ben Bridge Jeweler, Inc.	Jon Bridge	206 239 6866	JBridge@BenBridge.com
World Trade Center	New York	NY	10007	-	PANDORA		
International Marketplace	Oahu	HI	96815	Ben Bridge Jeweler, Inc.	Jon Bridge	206 239 6866	JBridge@BenBridge.com
Green Acres	Valley Stream	NY	11581	PD of GA, Inc.	Marc Strauss	516-972-9780	mstrauss@majorj.com

STORE NAME	CITY	ST	ZIP	FRANCHISEE	CONTACT	PHONE	EMAIL
Valley Mall	Hagerstown	MD	21740	Reeds Jewelers, Inc.	Alan Zimmer	910-350-3111	azimmer@reeds.com
Brickell City Centre	Miami	FL	33131	Bead Enterprises (International), Inc.	Ravee Nandwani	011 297 737 3737	ravee@boolchand.com
Huntington Mall	Barboursville	WV	25504	Reeds Jewelers, Inc.	Alan Zimmer	910-350-3111	azimmer@reeds.com
Bel Air Mall	Mobile	AL	36606	Reeds Jewelers, Inc.	Alan Zimmer	910-350-3111	azimmer@reeds.com
North Georgia Premium Outlets	Dawsonville	GA	30534	-	PANDORA		

**List of Outlets Terminated, Non-Renewed, Otherwise Left the System During Fiscal
Year Ended
December 31, 2015**

Gee Whiz, Inc.
Contact: Jan Cunningham
847-571-4555
Location: La Encantada, Tucson, Arizona

**List of Franchisees That Have Not Communicated With Us Within 10 Weeks
of the Disclosure Document Issuance Date**

None.

**If you buy this franchise, your contact information may be disclosed
to other buyers when you leave the franchise system.**

EXHIBIT I

Multi-Unit Development Agreement



Multi-Unit Development Agreement

Between

Pandora Franchising, LLC

And

Name of Developer(s)

Street Address

City

State

Zip Code

Phone Number

Effective Date:

(To be completed by Us)

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. DEFINITIONS.....	1
2. GRANT OF DEVELOPMENT RIGHTS.....	2
3. DEVELOPMENT SCHEDULE	3
4. TERM	5
5. YOUR DUTIES	5
6. DEFAULT AND TERMINATION	6
7. RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION	6
8. TRANSFER	8
9. DISPUTE RESOLUTION	8
10. MISCELLANEOUS	9

APPENDICES

- A. MALL LOCATIONS
- B. DEVELOPMENT SCHEDULE

PANDORA®
MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement is made this ___ day of _____, 201__ between Pandora Franchising, LLC, a Maryland limited liability company (“we” or “us”) and _____, a(n) _____ whose principal business address is _____ (“Developer” or “you”). If the Developer is a corporation, partnership or limited liability company, certain provisions of the Agreement also apply to your owners and will be noted.

BACKGROUND

A. We and our affiliates have invested considerable resources in the development, design, manufacture and marketing of a unique line of jewelry and a patented method for designing custom jewelry under the PANDORA® mark and have developed a unique system for operating retail stores that feature PANDORA® merchandise.

B. You desire to develop and operate multiple PANDORA® Stores and we, in reliance on your representations, have approved your franchise application to do so in accordance with this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. “Internet” means any of one or more local or global interactive communications media, that is now available, or that may become available, and includes web sites, domain names and social media applications or platforms. Unless the context otherwise indicates, Internet also includes methods of accessing limited access electronic networks, such as Intranets, Extranets, and WANs.

B. “Manual” means our confidential: (i) retail management guide; (ii) any additional manual or manuals, (iii) any Intranet, Extranet, or password protected portion of an Internet site, and (iv) any amendments, supplements, derivative works, and replacements, whether embodied in electronic or other media.

C. “Marks” mean the PANDORA® Mark that has been registered with the U.S. Patent and Trademark Office and other trademarks, service marks and trade names we adopt, modify and change from time to time, and the trade dress and other commercial symbols used in the Store. Marks also mean the trade dress, which includes the designs, color schemes and image we authorize you to use in the operation of your Stores from time to time.

D. “Products” mean the line of jewelry described in the Patent “Bracelets and Necklaces with Keepers,” which permit the user to add or remove interchangeable beads of different designs, materials and configurations to create custom jewelry for different occasions as well as other jewelry and products authorized for sale in your Stores, as well as any other jewelry, jewelry components, watches, sunglasses, as well as all modifications thereto that we specify in the future. The Products include all the components of such jewelry including an extensive

assortment of beads along with spacers and bands used to maintain the desired space between beads.

E. “Stores” means the PANDORA® Stores you develop and operate pursuant to this Agreement.

F. “Store Manager” means the individual who (i) personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of one of the Pandora Stores developed pursuant to this Agreement, (ii) meets our retail management experience requirements, and (iii) does not participate in the active operation or management of any business other than the Store.

G. “System” means the PANDORA® Jewelry System, which consists of distinctive business features, quality control specifications, and other procedures and service techniques, offered in a setting of distinctive layout, signage, furnishings and materials and using certain distinctive types of facilities, supplies, business techniques, methods and procedures together with sales promotion programs, all of which we may modify and change from time to time.

H. “Transfer” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of this Agreement or any interest in the legal entity which is the Developer.

GRANT OF DEVELOPMENT RIGHTS

2. The following provisions control with respect to the rights granted hereunder:

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate _____ (___) PANDORA® Stores (the “Stores”) at the mall locations described in Appendix A (“Development Malls”).

B. You are bound by the development schedule (“Development Schedule”) set forth in Appendix B. Time is of the essence for the development of each Store in accordance with the Development Schedule. Each Store must be developed and operated pursuant to a separate Franchise Agreement that you enter into with us pursuant to Section 4.B below.

C. If you are in compliance with the Development Schedule set forth in Appendix B, we will not develop or operate or grant anyone else a franchise to develop and operate a PANDORA® Store (except as provided in Section 2.D or as otherwise set forth in this Agreement) in any of the Development Malls prior to the earlier of: (i) the expiration or termination of this Agreement; (ii) the date on which you must execute the Franchise Agreement for your last Store pursuant to the terms of the Development Schedule; or (iii) the date on which the location for your final Store under this Agreement is determined.

D. The rights granted under this Agreement are limited to the right to develop and operate Stores located in the Development Malls, and do not include: (i) any right to sell Products at any location or through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce); (ii) any right to sell Products to any person or entity for resale or further distribution; or (iii) any right to exclude, control or impose conditions on our development or operation of franchised, company or affiliate owned Stores at any time or at any location outside of the Development Malls. You may not use the word

“Pandora” or any of the other Marks as part of the name of your corporation, partnership, limited liability company or other similar entity.

You further acknowledge and agree that we and our affiliates have the right to (d) grant other franchises or develop and operate company or affiliate-owned PANDORA® Stores at any location anywhere outside of the Development Malls, (e) distribute some or all of the Products through department stores located in the Development Malls regardless of proximity of the department store(s) to your PANDORA® Stores, and (f) sell any Products anywhere, whether or not using the Marks, through alternative channels of distribution (including Internet and mail order). The Internet is a channel of distribution reserved exclusively to us.

E. This Agreement is not a Franchise Agreement and you have no right to use in any manner the Marks by virtue of this Agreement. You have no right under this Agreement to sublicense or subfranchise others to operate a business or store or use the System or the Marks.

DEVELOPMENT SCHEDULE

3. The following provisions control with respect to your development rights and obligations:

A. You must submit a separate application for each Store to be established by you within the Development Malls as further described in Section 4. Upon our consent to the establishment of your Store, a separate Franchise Agreement must be executed for each such Store. Upon the execution of each Franchise Agreement, the terms and conditions of the Franchise Agreement control the establishment and operation of such Store.

B. You are bound by and strictly must follow the Development Schedule. By the dates set forth under the Development Schedule, you must enter into Franchise Agreements with us pursuant to this Agreement for the number of Stores described under the Development Schedule. You also must comply with the Development Schedule requirements regarding (i) signing of the leases for the Stores, (ii) the opening date for each Store and (iii) the cumulative number of Stores to be open and continuously operating for business in the Development Malls.

C. You may not develop a Store unless: (i) at least 45 days, but no more than 60 days, prior to the date set forth in the Development Schedule for the execution of each Franchise Agreement, you send us a notice (a) requiring that we send you our then-current franchise disclosure documents, (b) confirming your intention to develop the particular Store and (c) sending us all information necessary to complete the Franchise Agreement for the particular Store; and (ii) all of the following conditions have been met (these conditions apply to each Store to be developed under this Agreement):

1. Your Submission of Information. You must furnish to us, at least 30 days prior to the earliest of (i) the date set forth in the Development Schedule by which you must execute a Franchise Agreement or (ii) the actual date in which the Franchise Agreement would be executed, a franchise application for the proposed Store, financial statements and other information regarding you, the operation of any of your other Stores and the development and operation of the proposed Store (including, without limitation, investment and financing plans for the proposed Store) as we may reasonably require.

2. Your Compliance with Our Then-Current Standards for Franchisees. You must receive written confirmation from us that you meet our then-current standards for

franchisees, including financial capability criteria for the development of a new Store. You acknowledge and agree that this requirement is necessary to ensure the proper development and operation of your Stores, and preserve and enhance the reputation and goodwill of all PANDORA® Stores and the goodwill of the Marks. Our confirmation that you meet our then-current standards for the development of a new Store, however, does not in any way constitute a guaranty by us as to your success.

3. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us or any of our affiliates. You also must have satisfied on a timely basis all monetary and material obligations under the Franchise Agreements for all existing Stores.

4. Execution of Franchise Agreement. You and we must enter into our then-current form of Franchise Agreement for the proposed Store. You understand that we may modify the then-current form of Franchise Agreement from time to time and that it may be different than the current form of Franchise Agreement, including different fees and obligations. You understand and agree that any and all Franchise Agreements will be construed and exist independently of this Agreement. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, the establishment and operation of each Store must be in accordance with the terms of the applicable Franchise Agreement.

D. You must construct and equip each Store in accordance with our approved specifications and standards pertaining to equipment, inventory, signage, fixtures, accessory features and design and layout. You must use our designated supplier to install all fixtures at each Store. We may require you to purchase initial design, layout and interior elevation plans for each Store from a designated supplier. You may be required to purchase these and other items from a single source, and that source may be us or our affiliates. You will pay the then-current price in effect for all purchases you make from us or our affiliates. You may not commence construction of a Store until you have received our written consent to your plans. Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of a Store to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications that have received our prior written consent. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

E. You acknowledge that you have conducted an independent investigation of the prospects for the establishment of Stores within the Development Malls, and recognize that the business venture contemplated by this Agreement involves business and economic risks and that your financial and business success will be primarily dependent upon the personal efforts of you and your management and employees. We expressly disclaim the making of, and you acknowledge that you have not received, any estimates, projections, warranties or guaranties, express or implied, regarding potential gross sales, profits, earnings or the financial success of the Stores you develop under this Agreement.

F. You recognize and acknowledge that this Agreement requires you to open Stores in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure

Document are subject to increase over time, and that future Stores likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to the execution of this Agreement. You are obligated to execute all the Franchise Agreements and open all the Stores on the dates set forth on the Development Schedule, regardless of: (i) the requirement of a greater investment; (ii) the financial condition or performance of your prior Stores; or (iii) any other circumstances, financial or otherwise. The foregoing shall not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Stores.

TERM

4. Unless sooner terminated in accordance with Section 6 of this Agreement and subject to the terms detailed in Section 2.C, the term of this Agreement and all rights granted to you will expire on the date that your last PANDORA® Store is scheduled to be opened under the Development Schedule.

YOUR DUTIES

5. You must perform the following obligations:

A. You must comply with all of the terms and conditions of each Franchise Agreement, including the operating requirements specified in each Franchise Agreement.

B. You and your owners, officers, directors, shareholders, partners, members and managers (if any) acknowledge that your entire knowledge of the operation of a PANDORA® Store and the System, including the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information we disclose to you and that certain information is proprietary, confidential and constitutes our trade secrets. The term “trade secrets” refers to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors, any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications and any other knowledge or know-how concerning the methods of operation of the Stores. You and your owners, officers, directors, shareholders, partners, members and managers (if any), jointly and severally, agree that at all times during and after the term of this Agreement, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from the individuals identified in the first sentence of this paragraph and other key employees.

C. You must comply with all requirements of federal, state and local laws, rules and regulations.

D. If neither you nor any other person in your organization possesses, in our judgment, adequate experience and skills to allow you to locate, obtain and develop prime locations in the Development Territory to allow you to meet your development obligations under this Agreement, we can require that you hire or engage a person with those necessary skills.

DEFAULT AND TERMINATION

6. The following provisions apply with respect to default and termination:

A. The rights and territorial protection granted to you in this Agreement have been granted in reliance on your representations and warranties, and strictly on the conditions set forth in Sections 2, 3 and 5 of this Agreement, including the condition that you comply strictly with the Development Schedule.

B. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement, including the failure to meet the Development Schedule, or the terms of any Franchise Agreement or any other agreements between you or your affiliates and us or our affiliates. All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, commit any affirmative action of insolvency or file any action or petition of insolvency; (ii) a receiver (permanent or temporary) of your property is appointed by a court of competent authority; (iii) you make a general assignment or other similar arrangement for the benefit of your creditors; (iv) a final judgment remains unsatisfied of record for 30 days or longer (unless a supersedeas bond is filed); (v) execution is levied against your business or property; (vi) suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days, or is not in the process of being dismissed; (vii) you fail to meet the development obligations set forth in the Development Schedule attached as Appendix B; (viii) you fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of that failure is delivered to you; or (ix) we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

7. Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Stores under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any business for which a Franchise Agreement has not been executed by us. We will be entitled to develop and operate, or to franchise others to develop and operate, PANDORA® Stores in the Development Malls, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated.

B. You must immediately cease to operate your business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours.

C. You must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration that contains the name "Pandora" or any other Mark of ours, and you must furnish us with evidence satisfactory to us of compliance with this obligation within 30 days after termination or expiration of this Agreement.

D. You must assign to us or our designee all your right, title, and interest in and to your telephone numbers and must notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular, classified or

other telephone directory listing associated with the Marks and to authorize transfer of same at our direction.

E. All unpaid amounts will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In the event of termination for any default by you, the sums due will include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us as a result of the default. You also must pay to us all damages, costs and expenses, including reasonable attorneys' fees and expenses, that we incur subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. If this Agreement is terminated solely for your failure to meet the Development Schedule and for no other reason whatsoever, you may continue to operate those existing Stores under the terms of the separate Franchise Agreement for each Store. On the other hand, if this Agreement is terminated under any other circumstance, we have the option to purchase from you all the assets used in the Stores that have been developed prior to the termination of this Agreement. Assets include leasehold improvements, equipment, furniture, fixtures, signs, inventory, and transferable licenses and permits for the Stores.

We have the unrestricted right to assign this option to purchase. We or our assignee will be entitled to all customary warranties and representations given by the seller of a business including, without limitation, representations and warranties as to: (i) ownership, condition and title to assets; (ii) liens and encumbrances relating to the assets; and (iii) validity of contracts and liabilities, inuring to us or affecting the assets, contingent or otherwise. The purchase price for the assets of the Stores will be determined in accordance with the post-termination purchase option provision in the individual Franchise Agreement for each Store (with the purchase price to include the value of any goodwill of the business attributable to your operation of the Store if you are in compliance with the terms and conditions of the Franchise Agreement for that Store). The purchase price will be paid in 12 equal installments. The first installment is due at the closing of the purchase, which must take place no later than 90 days after your receipt of notice of exercise of this option to purchase, at which time you must deliver instruments transferring to us or our assignee: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you; and (ii) all licenses and permits of the Stores that may be assigned or transferred. If you cannot deliver clear title to all of the purchased assets, or in the event there are other unresolved issues, the closing of the sale will be accomplished through an escrow. We have the right to set off against and reduce the purchase price by any and all amounts owed by you to us, and the amount of any encumbrances or liens against the assets or any obligations assumed by us. You and each holder of an interest in you must indemnify us and our affiliates against all liabilities not so assumed. You must maintain in force all insurance policies required pursuant to the applicable Franchise Agreement until the closing on the sale.

G. All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

TRANSFER

8. The following provisions govern any transfer:

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent and you transfer all of your rights and interests under all Franchise Agreements for Stores in the Development Malls. Accordingly, the assignment terms and conditions of the Franchise Agreements shall apply to any Transfer of your rights and interests under this Agreement. As used in this Agreement, the term “Transfer” means any sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets, or of any interest in you.

DISPUTE RESOLUTION

9. The following provisions apply with respect to dispute resolution:

A. Except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for a Store developed under this Agreement, the parties’ relationship, or the business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association. The arbitration must take place in the city where our headquarters is located at the time of the dispute, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrators must follow the law and not disregard the terms of this Agreement. The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set; or (iv) make any determination regarding the ownership of the Marks. A judgment may be entered upon the arbitration award by any state or federal court where we maintain our headquarters or in any state where one or more of your Stores are located.

Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions covered under Section 9.B, provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. If not resolved within 30 days or if one party refuses to participate in mediation, the parties are free to pursue arbitration. Mediation is a compromise

negotiation for purposes of the federal and state rules of evidence, and the entire process is confidential.

B. Notwithstanding Section 9.A above, you recognize that the Stores are part of a large number of Stores identified by the Marks and similarly situated and selling to the public similar products, and the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of our breach or threatened breach of any of the terms of this Agreement, you will forthwith be entitled to an injunction restraining such breach or to decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding decision is made by the arbitrators. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party. Finally, we and our affiliates have the right to commence a civil action against you or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Marks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

C. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for any Store developed under this Agreement, or the business will be entitled to recover its reasonable attorneys' fees and costs.

D. During the term of this Agreement, if you do not give us written notice of the alleged breach of this Agreement within one year from the date that you have knowledge of circumstances reasonably causing you to believe you may have a claim for a breach of this Agreement by us, then the alleged breach will be deemed to be waived by you in all respects and you will be barred from bringing any legal or other action against us for the alleged breach. Furthermore, upon expiration or termination of this Agreement, you may not assert any claim or cause of action against us arising under, out of, or in any way connected with or related to this Agreement, the relationship between the parties, or your Stores unless the claim or cause of action is commenced within one year after the effective date of the expiration or termination of this Agreement. Notwithstanding the preceding two sentences, if the one-year time limitation is prohibited by or invalid under any applicable law, then no suit or action may be commenced or maintained unless it is commenced within the shortest applicable statute of limitations.

MISCELLANEOUS

10. The parties agree to the following provisions:

A. You agree to indemnify, defend, and hold us, our affiliates and our officers, directors, shareholders and employees harmless from and against any and all claims, losses, damages and liabilities, however caused, arising directly or indirectly from, as a result of, or in connection with, the development, use and operation of your Stores, as well as the costs,

including attorneys' fees, of defending against them ("Franchise Claims"). Franchise Claims include, but are not limited to, those arising from any death, personal injury or property damage (whether caused wholly or in part through our or our affiliates' active or passive negligence), latent or other defects in any Store, or your employment practices. In the event a Franchise Claim is made against us or our affiliates, we reserve the right in our sole judgment to select our own legal counsel to represent our interests, at your cost.

B. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.

C. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. This Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained in this Agreement. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

D. Except as otherwise provided in this Agreement, any notice, demand or communication provided for must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid and addressed as follows:

1. If intended for us, addressed to General Counsel, Pandora Franchising, LLC, 250 West Pratt Street, Baltimore, MD 21201;

2. If intended for you, addressed to you at _____
_____; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

E. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

F. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law, Waiver and Venue. Subject to our rights under federal trademark laws, the parties' rights under this Agreement, and the relationship between the parties, is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Maryland, although you expressly and affirmatively acknowledge and agree that any Maryland franchise or business opportunity law will not apply, unless you are a Maryland resident or your Stores are located in Maryland. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any other state. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations. Subject to Section 10.A, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought only in the courts of record in either the State of Maryland in Baltimore City or the United States District Court for the District of Maryland. Both parties hereto irrevocably admit themselves to, and consent to, the exclusive jurisdiction of said courts. The provision of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, but are not limited to, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

G. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

H. You and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

I. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

J. In the event of any failure of performance of this Agreement according to its terms by any party due to force majeure will not be deemed a breach of this Agreement. For purposes of this Agreement, “force majeure” shall mean acts of God, State or governmental action, riots, disturbance, war, strikes, lockouts, slowdowns, prolonged shortage of energy supplies or any raw material, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion or other similar event or condition, not existing as of the date of signature of this Agreement, not reasonably foreseeable as of such date and not reasonably within the control of any party hereto, which prevents in whole or in material part the performance by one of the parties hereto of its obligations hereunder.

K. We will designate the “Effective Date” of this Agreement in the space provided on the cover page. If no Effective Date is designated on the cover page, the Effective Date is the date when we sign this Agreement.

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement as of the dates written below.

DEVELOPER:

FRANCHISOR

_____,

PANDORA FRANCHISING, LLC

Date: _____

Date: _____

By: _____
Its: _____

By: _____
Its: _____

APPENDIX A

MALL DEVELOPMENT LOCATIONS

The following is a list of the Development Malls in which you may develop PANDORA® Stores pursuant to the Multi-Unit Development Agreement.

DEVELOPER:

FRANCHISOR

PANDORA FRANCHISING, LLC

By: _____
Its: _____

By: _____
Its: _____

APPENDIX B

DEVELOPMENT SCHEDULE

The parties agree that you will open ____ Stores in the Development Malls in Year 1 and ____ in Year 2 as further described below. You acknowledge and agree that a material provision of the Multi-Unit Development Agreement is that the following number of PANDORA® Stores must be opened and continuously operating in the Development Malls in accordance with the following Development Schedule:

[illegible]

For purposes of determining compliance with the above Development Schedule, only the Stores actually open and continuously operating for business as of a given date will be counted toward the number of Stores required to be open and continuously operating for business.

DEVELOPER:

FRANCHISOR

PANDORA FRANCHISING, LLC

By: _____
Its: _____

By: _____
Its: _____

ADDENDUM TO
PANDORA®
MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE
STATE OF WASHINGTON

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. Notwithstanding anything which may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended to include the following:

1. Section 10.C of the Multi-Unit Development Agreement is amended by the addition of the following language:

If any of the provisions in the Franchise Disclosure Document or Multi-Unit Development Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document and Multi-Unit Development Agreement with regard to any franchise sold in Washington.

2. Section 10 of the Multi-Unit Development Agreement is amended by the addition of the following language:

A release or waiver of rights executed by you will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

3. Except as amended herein, the Multi-Unit Development Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU: _____

WE: PANDORA FRANCHISING, LLC

By: _____

By: _____

Its: _____

Its: _____

**ACKNOWLEDGMENT ADDENDUM TO
PANDORA® MULTI-UNIT DEVELOPMENT AGREEMENT**

As you know, you and we are entering into Multi-Unit Development Agreement for the development and operation of PANDORA® Stores. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least (a) 14 calendar days prior to signing the Multi-Unit Development Agreement; **or** (b) if you are a resident of **Iowa, New York, Oklahoma, or Rhode Island**, at the earlier of the first personal meeting or 10 business days before the execution of the Multi-Unit Development Agreement (or other agreement) or payment of any consideration; **or** (c) if you are a resident of **Michigan, Oregon, Washington or Wisconsin**, at the earlier of 10 business days before the execution of any binding agreement or payment of any consideration? Check one: ☐ Yes ☐ No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Multi-Unit Development Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

3. If the Franchisor made any unilateral changes to the Franchise Agreement or Multi-Unit Development Agreement, did you receive a copy of the complete revised agreement at least 7 calendar days prior to the date on which the Franchise Agreement or Multi-Unit Development Agreement was executed? Check one: ☐ Yes ☐ No. If no, please comment: _____

4. Did you understand all the information contained in both the Disclosure Document and Multi-Unit Development Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

5. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document? Check one: ☐ Yes ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Except as state in Item 19, did any employee or other person speaking on behalf of Pandora Franchising, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any PANDORA® location or business, or the likelihood of success at your franchised business? Check one: ☐ Yes ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____

7. Did any employee or other person speaking on behalf of Pandora Franchising, LLC make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: ☐ Yes ☐ No. If yes, please comment:

8. Do you understand that the franchise granted is for the right to develop and operate the Stores in the Development Malls, as stated in Section 2.B, and that, according to Section 2.D, we and our affiliates have the right to distribute products through alternative methods of distribution and to issue franchises or operate competing businesses for or at locations, as we determine, (i) outside of the Development Malls using any trademarks; and (ii) inside the Development Malls to department stores? Check one: ☐ Yes ☐ No. If no, please comment: _____

9. Do you understand that the success or failure of the development and operation of your Stores will depend in large part upon your skills and experience, your business acumen, your location, the local market for PANDORA® Products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Business may change? Check one ☐ Yes ☐ No. If no, please comment: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

APPROVED ON BEHALF OF
PANDORA FRANCHISING, LLC

Signed: _____

By: _____

Print Name: _____

Title: _____

Date: _____

Date: _____

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT J

Receipts

RECEIPT

This Disclosure Statement summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Pandora Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale. Under Iowa, Oklahoma and Rhode Island law, if applicable, we must provide this Disclosure Document to you at your first personal meeting to discuss the franchise. Under New York law, we must provide this Disclosure Document to you at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Pandora Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: David Lamb, Pandora Franchising, LLC, 250 West Pratt Street, Baltimore, Maryland 21202, (410) 309-0200, and _____.

Issuance Date: **March 30, 2016**

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Franchise Disclosure Document dated **March 30, 2016** that included the following Exhibits:

Exhibit A	List of State Administrators & Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Form Promissory Note
Exhibit E	State Specific Addenda
Exhibit F	Form of General Release
Exhibit G	Manual Table of Contents
Exhibit H	List of Franchisees
Exhibit I	Multi-Unit Development Agreement
Exhibit J	Receipts

PROSPECTIVE FRANCHISEE

Signature: _____

Print Name: _____

Date: _____

Telephone Number: _____

RECEIPT

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Exhibit J	Receipts

PROSPECTIVE FRANCHISEE

Signature: _____

Print Name: _____

Date: _____

Telephone Number: _____