

FRANCHISE DISCLOSURE DOCUMENT



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The franchise offered is for a master franchise business that will offer subfranchises for retail “Ladurée” branded restaurants, tearooms and boutiques that offer French luxury pastries. The master franchise is granted under a Master Know-How License Agreement and a Master Trademark License Agreement (together, the “**Master Agreements**”).

If you sign the Master Agreements, the total investment necessary to begin operation of that business ranges from \$1,694,158 to \$2,167,658, which includes \$1,089,673 that you must pay to us.

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, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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 Constance Caillabet-Rougé at Ladurée International SA, Bas-Intyamon, Route des Rez 2, Enney (CH-1667), Switzerland (tel: +33 6 79 01 21 89 or email: ccaillabet@laduree.com).

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 an accountant.

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, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and <u>Exhibits E and F</u> .
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 and <u>Exhibit A</u> include financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised Stores.
Will my business be the only “Ladurée” business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a “Ladurée” franchisee?	Item 20 and <u>Exhibits E and F</u> list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in [Exhibit I](#).

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

Certain states require that the following risk(s) be highlighted:

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with us by mediation and arbitration in Geneva, Switzerland. Out of state mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and arbitrate in Geneva, Switzerland than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) in Exhibit H to see whether your state requires other risks to be highlighted.

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ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**The Franchisor**

The franchisor is Ladurée International SA. We are a Swiss company organized on September 28, 2005. In this disclosure document, Ladurée International SA is referred to by the terms “**Ladurée**,” “**franchisor**,” “**we**,” “**us**,” or “**our**”. Our principal place of business is Bas-Intyamon, Route des Rez 2, Enney (CH-1667) Switzerland. We do business under our corporate name and the Marks as described below. As described below, our affiliates own and operate businesses of the type being franchised both inside the U.S. and abroad. We have not offered franchises in any other line of business. We began offering franchises in the United States when we issued this Disclosure Document.

Our agents for service of process are listed in Exhibit I-2.

Our Predecessor, Parent, and Affiliates

Pâtisserie E. Ladurée, a French company organized on November 20, 1934.	Pâtisserie E. Ladurée (the “ Parent ”) is our parent company, located at 84, avenue d’Iéna, 75016 Paris, France. The Parent owns the know how and System for Ladurée Stores and licenses that directly to franchisees in the Master Know-How Agreement as described in this Disclosure Document. The Parent also sells certain Products to our franchisees.
Macaroon SA, a Swiss company organized on October 10, 2005.	Our affiliate Macaroon SA is located at Bas-Intyamon, Route des Rez 2, Enney (CH-1667) Switzerland. Macaroon SA sells Products to our franchisees.
Ladurée Stars, a French company organized on July 18, 2007.	Ladurée Stars is located at 84 avenue d’Iéna – 75016 Paris, France. Ladurée Stars is the franchisor of franchised Ladurée Stores in France, and has offered franchises for Ladurée Stores since 2021.
Ladurée Madison LLC, a Delaware limited liability company organized on May 14, 2007.	Our affiliate Ladurée Madison LLC is located at 864 Madison Avenue, New York, New York, and is the operator of a Ladurée Store in New York.
Ladurée Soho LLC, a Delaware limited liability company organized on April 18, 2012.	Our affiliate Ladurée Soho LLC is located at 396-398 West Broadway, New York, New York, and is the operator of Ladurée Stores in New York.
Ladurée Woodbury LLC, a Delaware limited liability company organized on December 8, 2022.	Our affiliate Ladurée Woodbury LLC is located at Woodbury Commons, 498 Red Apple Ct SPACE K112, Central Valley, NY 10917, New York, and is the operator of a Ladurée Store in New York.

Ladurée New Jersey LLC, a Delaware limited liability company organized on December 8, 2022.	Our affiliate Ladurée New Jersey LLC is located at K101 in “The Mall at Short Hills,” Millburn, Essex, New Jersey, and is the operator of a Ladurée Store in New Jersey.
Ladurée Los Angeles LLC, a California limited liability company organized on August 4, 2015.	Our affiliate Ladurée Los Angeles LLC is located at 1015-1019 S. Fairfax Avenue, Los Angeles, California, and is the operator of Ladurée Stores in California.
Ladurée Washington LLC, a Columbia limited liability company organized on June 1, 2015.	Our affiliate Ladurée Washington LLC is located at 3060 M Street, Washington DC 20007, and is the operator of Ladurée Stores in Washington D.C.

Except as noted above, we have no predecessor or parent, and no affiliates that offer franchises in any line of business or provide products or services to franchisees.

Description of the “Ladurée” Master Business Opportunity

We offer you* the opportunity, under a master trademark license agreement (the “**Master Trademark Agreement**”) as well as a master know-how license agreement with the Parent (the “**Master Know-How Agreement**,” and together with the Master Trademark Agreement, the “**Master Agreements**”), to operate a business the “**Master Business**”) to (i) solicit, license and support Ladurée Stores (defined below) operated by Sublicensees (defined below) in the Territory (defined below), (ii) import and sell Products (defined below) to Ladurée Stores operated by Sublicensees in the Territory, and (iii) import and sell Products to authorized multi-brand retailers (“**Approved Retailers**”) and/or professional customers (“**BtoB Clients**”) that purchase Products for purposes other than the sale or resale of such Products (such as at trade fairs, seminars, conferences, or as gifts) in the Territory, pursuant to the terms of the Master Agreements.

“**Ladurée Stores**” or “**Stores**” are retail “Ladurée” branded restaurants, tearooms and boutiques that offer French luxury pastries. Ladurée Stores are established and operated under the Parent’s comprehensive system (the “**System**”) that includes (among other things): IP Rights (defined below), know-how, confidential information and distinctive business format and methods implemented by us and the Parent in connection with the Master Business using certain operational methods and techniques, technical assistance and training in the operation, management and promotion of the Master Business, specific reporting, all of which may periodically change. Certain aspects of the System are more fully described in this Disclosure Document and the Guidelines, which will evolve over time (as defined and described in Item 11). You and Sublicensees must operate Ladurée Stores in accordance with our standards and procedures, as set out in the guidelines and other written instructions relating to the operation of Ladurée Stores (the “**Guidelines**”), which we will lend you, or make available electronically, for the duration of the Master Agreements.

We and our affiliates own industrial and intellectual property rights (the “**IP Rights**”) that include (among other things) the Trademarks (defined below), creations, products, recipes, packaging, communication tools, trade secrets, shop signs, logos, insignia, utility models, designs,

* The person or entity that signs a Franchise Agreement or a Development Agreement is referred to in this disclosure document as “**you**,” “**your**,” or the “**franchisee**” (and if you are an entity, that term includes all of your owners and partners).

copyrights, know-how, drawings, plans and/or patents. We license to you the right to use, and to license Sublicensees the right to use, certain trademarks, trade names, logos and indicia in connection with the operation of the Master Business and Ladurée Stores, which may periodically change (the “**Trademarks**”).

Ladurée Stores will be restaurants, retail stores (in standard retail locations or within travel hubs, such as airports, highway stops or train stations), pop-up stores, or any other type of location (such as a kiosk), operated by Sublicensees using the Trademarks and according to the format(s) set out in the Guidelines.

Ladurée Stores offer food products that are manufactured exclusively by and purchased exclusively from us and our affiliates or authorized suppliers (“**Ladurée Manufactured Food Products**”), as well as food products (such as Viennoiserie, pastries, cakes, ice cream, mousseline and savory products) that we approve in writing that are manufactured by you or Sublicensees locally within Ladurée Stores or elsewhere that we may approve (“**Locally Manufactured Products**”). Ladurée Stores also offer certain “Ladurée” branded products other than Ladurée Manufactured Food Products and Locally Manufactured Products, such as packaging, key rings, candles, shopping bags, and others (“**Non-Food Products**”). Unless otherwise indicated in this Disclosure Document, Ladurée Manufactured Food Products, Locally Manufactured Products, and Non-Food Products are collectively referred to as “**Products**.”

The area in which the Master Business will operate and that is granted to you under the Master Agreements (the “**Territory**”) is the United States and its territories, however the Territory does not at the time of execution of the Master Agreements include any of the states of Connecticut, California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington or Wisconsin unless and until we have obtained any necessary registrations or exemptions from applicable laws in those states and have notified you of such registration or exemption, at which time such state(s) will become part of the Territory.

Master Agreements

We offer the Master Agreements to a qualified party that will establish and operate the Master Business in the Territory. The Master Know-How Agreement is attached as Exhibit B to this Disclosure Document, and the Master Trademark Agreement is attached as Exhibit C to this Disclosure Document.

Under the Master Know-How Agreement, you and we will agree upon, and the Master Know-How Agreement will specify a “**Development Plan**” that will set out the minimum number of Ladurée Stores that you will be required to develop through third party sublicensees (“**Sublicensees**”), and the development schedule to open and start operating those Stores.

Sublicensing

As a master franchisee, your primary mission is to solicit, develop, and support individual sublicensed Ladurée Stores within your Territory and under the terms of a license agreement that you will enter into with Sublicensees (a “**Sublicense Agreement**”). Each sublicensed Ladurée Store must be established and operated only under the terms of a Sublicense Agreement, and you are required to use a form of Subfranchise Agreement that we have approved. Our current approved form of Sublicense Agreement is attached to this Disclosure Document as Exhibit D. You may also wish to offer to Sublicensees a development agreement for the development of multiple Ladurée Stores

during a specified period of time and within a specified geographic area inside the Territory that you and the Sublicensee will agree upon (a “**Sublicense Development Agreement**”). Our current approved form of Sublicense Development Agreement is also attached to this Disclosure Document as Exhibit D.

You must fulfill all of the duties of the “licensor” under each Sublicense Agreement executed pursuant to the Master Agreements and must use your best efforts to maintain compliance by each Sublicensee under, and enforce, each Sublicense Agreement according to the terms and conditions of that agreement.

You must promptly notify us, in writing, of any Sublicensee or sublicensed Store that ceases to do business for any reason whatsoever, or if you become aware of any significant concerns or complaints made by or about a Sublicensee that might impact us, you, the Sublicensee, or the System. You must provide us with periodic written reports of additional reasonable information concerning Sublicensees and sublicensed Ladurée Stores, as well as contacts with prospective Sublicensees.

Competition

You can expect to compete in the Territory with international, national, regional and locally-owned restaurants, shops, kiosks and other businesses that offer french luxury pastries, some of which may offer products and services similar to or competitive with those offered by Ladurée Stores. The market for these items in the United States is developing but competitive. These businesses compete on the basis of factors such as the selection and quality of the products offered, price, location, service and convenience. These businesses are often affected by other factors as well, such as changes in economic conditions, consumer taste, demographics, seasonal population fluctuation, and travel patterns.

Regulations

Many of the laws, rules and regulations that apply to business generally have particular applicability to Ladurée Stores. All Ladurée Stores must comply with federal, state, and local laws applicable to the operation and licensing of a Store business, including obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food service operations. The Americans with Disability Act of 1990 and related state laws require readily accessible accommodation for disabled persons and therefore may affect building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc. You should consult with your own lawyer and consider these laws and regulations when evaluating your purchase of this franchise.

You also must follow the Payment Card Industry Data Security Standards and comply with applicable data and privacy laws relating to customer payment card transactions.

You and Sublicensees must comply with all local, state, and federal laws that apply to Ladurée Store operations, including for example health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. There are also regulations that pertain to handling consumer data, sanitation, healthcare, labeling, and food service. You and Sublicensees will be required to comply with all federal, state, and local laws and regulations that apply to the operation of your Store.

You must comply with any and all applicable laws and regulations in the Territory relating to the licensing of trade-marks, the offer and sale of Sublicense Agreements (including the FTC Rule), and the termination of Sublicense Agreements, and must timely obtain at your own cost any and all government approvals and/or registrations necessary for the full and proper conduct of the business contemplated in connection with the Master Business. Any documents necessary to be prepared to comply with such laws (whether or not filed with government authorities) must be submitted to us for our written approval before you may use those documents and/or submit them to a government authority for approval. You must forward to us copies of any government approvals and/or registrations obtained under this requirement 10 calendar days of receipt, as well as any correspondence with any party (governmental or private) alleging any failure to comply with those laws.

ITEM 2

BUSINESS EXPERIENCE

Chairman and CEO

David Holder

Mr. Holder has been Chairman of our Board of Directors and CEO since September 2005. He also has been Chairman of the Board of Directors of the Parent since March 1993; Chairman of the Board and CEO of Ladurée Suisse SA since July 2019; Chairman of the Board and CEO of Macaroon SA (a Swiss company) since September 2019; Managing Director of Ladurée Deutschland GmbH (a German company) since August 2014; CEO of Ladurée Luxembourg Sàrl (a Luxembourg company) since June 2014; CEO of Macaroon Japan KK (a Japanese company) since January 2016; Director of Ladurée Monaco SAM (a Monaco company) since November 2008; Sole Director of Ladurée UK Ltd (a UK company) since March 2005; President of Ladurée USA Inc. since December 2023; Sole Manager of Ladurée Madison LLC since December 2023; Sole Manager of Ladurée Soho LLC since December 2023; Sole Manager of Ladurée Miami LLC since December 2023; Sole Manager of Ladurée Washington LLC since December 2023; Sole Manager of Ladurée Los Angeles LLC since December 2023; Sole Manager of Ladurée New Jersey LLC since December 2023; Sole Manager of Ladurée Woodbury LLC since December 2023; Sole Manager of Ladurée Distribution LLC since December 2023; CEO of Lov&Sweet (a French company) since June 2021; and a Member of the Governance Committee of HOLDER SAS (a French company) since October 2018. For all positions noted above, Mr. Holder is located in Paris, France.

CEO of the Parent

Melanie Carron

Ms. Carron has been CEO of the Parent since October 2021. Before that, she was Chief Marketing Officer for Aeroports De Paris Group in Paris, France from April 2017 to September 2021. Ms. Carron was Deputy Director of Strategic Planning and Marketing at Accor Group in Paris, France, from January 2014 to April 2017.

ITEM 3

LITIGATION

No litigation information 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**

Master Trademark Agreement. Under the Master Trademark Agreement, you must pay us an initial fee ("**Initial Trademark Fee**") in the amount of EUR €700,000, VAT excluded. The Initial Trademark Fee is paid in four installments over the first year following execution of the Master Trademark Agreement, as follows:

1. EUR €175,000 upon execution of the Master Trademark Agreement;
2. EUR €175,000 no later than three months following execution of the Master Trademark Agreement;
3. EUR €175,000 no later than six months following execution of the Master Trademark Agreement; and
4. EUR €175,000 no later than nine months following execution of the Master Trademark Agreement.

The Initial Trademark Fee is fully-earned and non-refundable once paid and is uniformly applied.

Master Know-How Agreement. Under the Master Know-How Agreement, you must pay us an initial fee ("**Initial Know-How Fee**") in the amount of EUR €300,000, VAT excluded. The Initial Know-How Fee is paid in four installments over the first year following execution of the Master Know-How Agreement, as follows:

1. EUR €75,000 upon execution of the Master Know-How Agreement;
2. EUR €75,000 no later than three months following execution of the Master Know-How Agreement;
3. EUR €75,000 no later than six months following execution of the Master Know-How Agreement; and
4. EUR €75,000 no later than nine months following execution of the Master Know-How Agreement.

The Initial Know-How Fee is fully-earned and non-refundable once paid and is uniformly applied.

Except as described above, there are no other purchases from or payments to us or any affiliate of ours that you must make before your Master Business begins.

ITEM 6**OTHER FEES**

Fees (Note 1)	Amount	Due Date	Remarks
Trademark License Fee (Note 2)	3% of Net Sales	Payable each calendar month, within 30 days following invoice date. (Note 2).	Trademark License Fees are due under the Master Trademark Agreement. This fee is payable to us by wire transfer. See Note 2.
Know-How License Fee (Note 2)	2% of Net Sales	Payable each calendar month, within 30 days following invoice date. (Note 2).	Know-How License Fees are due under the Master Know-How Agreement. This fee is payable to us by wire transfer. See Note 2.
Replacement Training	The cost of training the replacement individual, not to exceed \$10,000	As incurred	Under the Master Know-How Agreement, if any of your key personnel are replaced, you must promptly have the replacement trained and pay us this amount.
Ongoing Training in the Territory	The travel costs that our employees incur, up to a maximum amount per training session of EUR €5,000, VAT excluded.	As incurred	We may require you and your employees to attend ongoing training, and if we provide this training in the Territory, you must reimburse us these amounts.
Sublicensee Training	Up to EUR €10,000, VAT excluded, per training session.	As incurred	We will assist with the training of key personnel for the first Sublicensee in each sales channel (retail, travel, BtoB).
Interest	The interest rate used by the European Central Bank, plus 10 percentage points on overdue amounts	On demand	Only due if you do not make payments on time and in full. Interest on overdue amounts will accrue from the date originally due until you make payment in full. Interest will not exceed the limit (if any) that applies to you under state law.
Late Payment Fee	EUR €40 for each unpaid invoice when due, or our recovery costs, if higher.	As incurred	We reserve the right to hire the services of third-party recovery services if necessary, at your expense, and you must pay all costs and expenses (including legal costs and expenses) in connection with the recovery of unpaid amounts.

Fees (Note 1)	Amount	Due Date	Remarks
Withholding Taxes	Will vary under circumstances	On demand	You must deduct withholding taxes from amounts payable to us, and must indemnify us against any penalties, interest and expenses we incur or that are assessed to us as a result of your failure to withhold such taxes or to timely remit them to appropriate authorities.
Supplemental Fee	Will vary under circumstances (Note 3)	As incurred	You must pay us the Supplemental Fee if you fail to meet Net Sales Targets in a given year. (Note 3)
Visitation Costs	Will vary under circumstances	As incurred	We will visit you and a selection of Sublicensees once each year. If you request additional visits, you must pay us the costs of our personnel to provide such additional visits.
Transfer Fee – Master Trademark Agreement and Master Know-How Agreement	EUR €5,000	Submitted with transfer application	Only due if you propose to engage in a transfer.
Audit Fee	Cost of audit	When billed	Only due if the inspection, examination or audit is required by your failure to submit a required report or record, to provide any information we properly request, or to preserve required records, or unless an inspection, examination or audit reveals an underpayment or understatement of any amount due to us of more than 5%. You may also be required to pay interest on any understated amounts.
Indemnification	Will vary under circumstances	On demand	Only due if we are sued or held liable for claims that arise from your operation of the Master Business or for costs associated with defending claims that you used the Trademarks in an unauthorized manner.
Insurance	Reimbursement of our costs and premiums	If incurred	Only due if you do not maintain the required insurance coverages; if so, we have the right (but not the obligation) to obtain insurance on your behalf. If so, you must reimburse us for our costs as well as the premiums.

Notes:

1. All fees described in this Item 6 are non-refundable and are payable in Euros (€), or in Swiss Francs, as stipulated in the Master Agreements, using the exchange rate quoted on <http://www.bloomerg.com> on the working day preceding the date of invoicing. We may however elect to be paid in the currency of the Territory. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may increase due to changes in market conditions, our cost of providing services and future policy changes. At present, we have no plans to increase payments over which we have control. We expect that we will uniformly apply the fees described above to new system franchisees, however, in instances that we consider appropriate, we may waive some or all of these fees.

2. **“Net Sales”** means the aggregate of the following:

a. All revenue of any kind earned by you with the sale of Products to BtoB Clients (including any revenues derived from Sublicense Agreements), minus:

- VAT and other taxes on services, Products and sales;
- Refunds made (i) in good faith and (ii) in line with the Guidelines;
- Specific reductions/discounts/allowances granted to customers in the normal course of the Master Business; and
- Uncollected amounts with respect to BtoB Clients, up to a limit of 0.50%, per year, of the revenues of any kind generated from the sales of Products to BtoB Clients.

b. All revenue of any kind earned by Sublicensees in connection with the operation of their Ladurée Stores minus:

- VAT and other taxes on services, products and sales;
- Refunds made (i) in good faith and (ii) in line with the Guidelines;
- Tips and gratuities;
- The retail price of any gift certificates and vouchers when sold but not yet redeemed;
- Specific reductions/discounts/allowances granted to customers, partners and similar parties in the normal course of the operation of the Ladurée Stores; and
- Uncollected amounts with respect to all revenues of Sublicensees, up to a limit of 0.50% of these revenues per contract year.

c. All revenue of any kind generated by Approved Retailers in connection with the sale of Products, minus:

- VAT and other taxes on services, products and sales;

- Refunds made (i) in good faith and (ii) in line with the Guidelines;
- The retail price of any gift certificates and vouchers when sold but not yet redeemed;
- Specific reductions/discounts/allowances granted to customers in the normal course of business; and
- Uncollected amounts with respect to Approved Retailers, up to a limit of 0.50% per year, of the revenues of any kind generated from the Approved Retailers' sales of Products.

For the avoidance of doubt, your sales or resales of any Products (including, without limit, macarons) to Sublicensees Approved Retailers, and Management Stores (as defined in the Management Services Agreement) is not included in the Net Sales or otherwise subject to any sales fees or sales payable to us.

During each year, at least 40% of all Net Sales must be achieved from the sale of macarons.

You must confirm for us in writing the total Net Sales of all Sublicensees and the fees paid to you by all Sublicensees within 15 days following the end of each calendar month. With respect to the Net Sales figures of the BtoB Clients and Approved Retailers, you must confirm for us in writing the total Net Sales to those parties, and the fees paid to you by all BtoB Clients and Approved Retailers within a maximum of 30 days following the end of each calendar month. We will calculate the Master Trademark Fee and Master Know-How Fee and will send you an invoice for those fees, which will be payable within 30 days following the issuance of each invoice.

Net Sales Targets

The first two years of the Master Agreements is the "**Test Period**." After the Test Period, and for each contract year beginning in the third year of the Master Agreements, you must meet the following minimum "**Net Sales Targets**":

<u>Year of Master Agreements</u>	<u>Net Sales Targets</u>
2024	Not Applicable (Test Period)
2025	Not Applicable (Test Period)
2026	Net Sales of FY2025 + 10%
2027	Net Sales FY2026 + 10%
2028	Net Sales FY2027 + 10%
2029	Net Sales FY2028 + 10%
2030	Net Sales FY2029 + 10%
2031	Net Sales FY2030 + 10%
2032	Net Sales FY2031 + 10%
2033	Net Sales FY2032 + 10%

For purposes of calculating Net Sales Targets, only the Net Sales generated by Sublicensees is used (and all other sales, i.e. Net Sales generated from Approved Retailers and BtoB Clients, is excluded from such calculations).

The Net Sales Targets above are annual minimums. If, during a given year, you achieve higher Net Sales than the required Net Sales Target for that year, the annual 10% increase for the following year shall not be based on the Net Sales Target amount in the table, but rather on the actual amount of the Net Sales you achieved in that year. In addition, if during a given year, the Net Sales achieved are lower than the Net Sales Target for such year, then the Net Sales Target for the following year will be calculated based on the Net Sales Target that should have been achieved during the preceding year.

3. **Supplemental Fee.** After the Test Period, if you fail to achieve the Net Sales Targets required for a given contract year, you must compensate us for such failure by paying to us a fee in such amount that you would have paid to us if you had met the Net Sales Target (the “**Supplemental Fee**”). In such a case, we will provide you, within two months following the end of the contract year, with a calculation of the discrepancy and the invoice corresponding to the Supplemental Fee, which you must pay within 30 days following receipt.

ITEM 7**ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT MASTER AGREEMENTS					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Fees (Note 1)	\$1,089,673	\$1,089,673	Lump Sum	On signing Franchise Agreement	Us
Travel Expenses for Training (Note 2)	\$5,000	\$10,000	As Incurred	Before Opening	Vendors
Marketing Materials (Note 3)	\$5,500	\$15,000	As incurred	Before Opening	Approved Suppliers
Opening Marketing (Note 4)	\$54,485	\$54,485	As Incurred	During the First 90 days of operation	Third Parties
IT Equipment and Training (Note 5)	\$1,000	\$10,000	As Incurred	Before Opening Your Store	Approved Suppliers
Storage Equipment (Note 6)	\$200,000	\$500,000	Lump Sum	Before Opening	Vendors
Initial Inventory (Note 7)	\$230,000	\$230,000	Lump Sum	Before Opening	Approved Suppliers
Professional Fees (Note 8)	\$100,000	\$250,000	As Incurred	Before Opening	Attorneys, Accountants

YOUR ESTIMATED INITIAL INVESTMENT MASTER AGREEMENTS					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Additional Funds (3 months) (Note 9)	\$8,500	\$8,500	As Incurred	During the first 3 months of Operations	Third Parties
Total (Note 10)	\$1,694,158	\$2,167,658			

The expenses listed above are not refundable. We do not finance any portion of your initial investment.

Notes:

1. **Initial Fees.** As described in Item 5, you must pay an Initial Trademark Fee under the Master Trademark Agreement in the amount of EUR €700,000 (which currently equals \$762,790), and you must pay an Initial Know-How Fee in the amount of EUR €300,000 (which currently equals \$326,883), for total initial fees in the amount of USD \$1,089,673.

2. **Travel Expenses While Training.** These estimates include only your out-of-pocket costs associated with your personnel attending our initial training program, including travel, lodging, meals, and applicable wages. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The amount in the table is for a pastry chef spending two months at our headquarters in Paris, France, and for the expenses of our representatives to provide initial training in the Territory.

3. **Marketing Materials.** The estimate is for the marketing materials needed for each Ladurée Store.

4. **Opening Marketing.** You must conduct an opening marketing campaign to promote the Ladurée brand in the Territory. Please refer to Item 11 “Advertising” for details.

5. **IT Equipment and Training.** You must obtain and implement a computer system for the Master Business, and this amount will vary depending on the system you select. The computer system must ensure connectivity between all Ladurée Stores and us.

6. **Storage Equipment.** You must obtain and maintain a warehouse large enough to house the Products and supplies you must stock for Ladurée Stores in the Territory, as required in the Master Agreements.

7. **Initial Inventory.** The estimate includes the initial inventory of Products needed for one Ladurée Store.

8. **Professional Fees.** We expect that you will retain an attorney and an accountant to assist you with evaluating this franchise offering, and with negotiating your Sublicensees’ leases during the initial period.

9. **Additional Funds.** This estimates your working capital and initial start-up expenses for an initial three-month period, not including payroll costs, and does not include revenue that you may earn in the first three months of operating the Master Business.

10. **Totals.** You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you receive our consent to obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors. We relied on our experience and information that we have gleaned from franchisees in preparing these estimates.

The figures in this Item 7 are estimates only; we cannot predict whether you will incur additional expenses starting your Master Business. Your expenses will depend on factors such as your management skill, experience and business acumen, local economic conditions (for example, the local market for our services and products), the prevailing wage rate, competition and your sales level achieved during the initial period. In preparing this estimate, we relied on our experience in the operation and franchising of Ladurée businesses outside the United States. The estimates do not (and could not) account for the impact of future inflation or changes to interest rates.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Products

You must operate the Master Business in conformity with the methods, standards, and specifications that we require (whether in the Guidelines or otherwise). Among other things, these standards require that you must:

- purchase Ladurée Manufactured Food Products and Non-Food Products exclusively from us, our affiliates and/or designated Authorized Suppliers;
- require Sublicensees to purchase Ladurée Manufactured Food Products and Non-Food Products to be sold in the Ladurée Stores exclusively from you, not from us or our affiliates or Authorized Suppliers;
- order reasonably sufficient quantities of Ladurée Manufactured Food Products and packaging items to meet the Sublicensees' estimated demand;
- ensure that the core range of Locally Manufactured Products, as we require, is at all times offered in the Ladurée Stores; provided, however, based on local tastes and availability of ingredients, Sublicensees will be permitted to offer other Locally Manufactured Products, or to propose adaptations to recipes for Locally Manufactured Products, subject to (i) demonstrating a reasonable need for such other products or adaptations, (ii) complying at all times with the Guidelines with respect to such other products or adaptations, and (iii) obtaining our prior written approval for all other products or adaptations;
- store Ladurée Manufactured Food Products and the Non-Food Products in conditions that will preserve them in good standing and in accordance with our storage standards in the

Guidelines and as necessary in the industry or under applicable safety standards, laws or regulations in the Territory; and

- comply with any food safety, food labelling and related laws and regulations.

We estimate that the cost of your purchases and leases from sources that we designate, approve, or that are made in accordance with our specifications will be approximately 12% of the total cost of establishing the Master Business and approximately 90% of the cost of continued operation of the franchise.

We have the right to contact and inspect directly any Sublicensee at any time to ensure compliance with the System and discuss their satisfaction with the services you provide and other matters. You must take all commercially reasonable steps, upon our request, to facilitate our inspections of and contacts with Sublicensees.

You will be required to purchase or license certain hardware, software, computers, point of sale (POS) computer systems, and related equipment for your Store. This information is summarized in Item 11 under the subheading "Computer Requirements."

FF&E and Alternative Suppliers

All furniture, fixture, equipment (including kitchen and laboratory equipment) (the "**FF&E**"), signs and other materials required for the operation of the Ladurée Stores as we may periodically specify, must be purchased exclusively from Authorized Suppliers. We must make commercially reasonable efforts to ensure that Authorized Suppliers of FF&E apply pricing terms to you on a "most favored nation" basis, with the pricing terms generally offered to other similarly-situated licensees under the System.

If you find a supplier offering the same equipment at a lower price than that of the FF&E we specify, we will approve such supplier if it reasonably meets our minimum quality standards in terms of capacity and reliability. This does not apply to the decorative elements and furniture that are specific to the Ladurée brand and that characterize the System.

We (and our affiliates) are the only designated supplier for certain items (including Ladurée Manufactured Food Products and Non-Food Products) that you and Sublicensees must buy for the operation of Ladurée Stores.

David Holder, our CEO, is an owner of Macaroon SA, which is a supplier of macarons and Eugénies to franchisees, and he is also an owner of the Parent, which supplies dry Products to franchisees. Otherwise, none of our officers own any interest in any other approved or designated supplier for any Product, good or service that you are required to purchase for the operation of your Master Business.

We have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments, or benefits (collectively, "**Allowances**") offered by suppliers to you or to us (or our affiliates) based upon system-wide purchases of Products, equipment, and other goods and services. These Allowances include those based on System-wide purchases of the Products, equipment, and other items. We may retain those volume discounts, rebates, or incentives to defray our expenses related to seeking, negotiating, and arranging purchasing agreement.

We and our affiliates will derive revenue based on franchisee purchases of Products. We did not previously have franchises in the United States and therefore did not derive income or receive Allowances. We may, in the future, derive revenue based on franchisee purchases from us or from our affiliates.

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this disclosure document, there are no purchasing or distribution cooperatives for any of the items described above in which you must participate.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products or services to some or all of the Stores in our System. If we establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would be in the best interests of the System or the licensed network of Stores.

We do not provide material benefits to franchisees based on a franchisee's purchase of particular products or services or use of a designated or approved supplier.

When determining whether to grant new or additional franchises, we consider many factors, including compliance with the requirements described above.

All advertising and promotional materials, signs, decorations, paper goods and other items we designate must bear the Trademarks and Ladurée design elements in the form, color, location, and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Guidelines or otherwise as specified by us. You must obtain our prior written approval before you use any advertising and promotional materials and plans. Any advertising and promotional materials you submit to us for our review will become our property.

Insurance

You must at your own expense obtain and maintain in full force and effect at all times during the term of the Master Agreements, insurance policies issued by reputable insurers with such minimum levels of coverage as is necessary in the industry and commensurate with the operation of the Master Business, and with regard to our reasonable recommendations to notably provide liability coverage for us, granting sublicenses, and for your employees, and must provide us with proof of coverage on demand.

You must annually deliver to us a copy of the certificate(s) of insurance or other evidence of the renewal or extension of each insurance policy. We have the right to periodically increase the minimum coverage levels of any insurance policy you maintain, as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability insurance, to reflect inflation, identification of special risks, changes in applicable law or standards or liability, higher damage awards, or other relevant changes in circumstances.

ITEM 9**FRANCHISEE'S OBLIGATIONS**

This table lists your principal obligations under the Master Know-How Agreement and the Master Trademark Agreement. It will help you find more detailed information about your obligations in these agreements and in other item of this disclosure document.

	Obligation	Section in Master Know-How Agreement	Section in Master Trademark Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	6.2.3	Not applicable	11, 12
b.	Pre-opening purchase/leases	7	Not applicable	11
c.	Site development and other pre-opening requirements	6.2.3 and 7	Not applicable	5, 6, 7, 11
d.	Initial and ongoing training	5.2 and 6.3	Not applicable	11
e.	Opening	5.2.3 and 6.2.3	Not applicable	5, 6, 7, 11
f.	Fees	5.2.2, 10, 14.1.1 and 17	5, 12.5 and 13.1.1	5, 6
g.	Compliance with standards and policies/operating manual	5.1, 6.4.7 and Appendix 8	4	8, 11, 15
h.	Trademarks and proprietary information	Introduction, 2.1, 18.1(b) and Appendix 3	2, 3 and 10.2.1	13, 14
i.	Restrictions on products/services offered	1.5, 7, Appendix 6 and Appendix 7	Not applicable	8, 16
j.	Warranty and customer service requirements	7.8 and 8	Not applicable	15
k.	Territorial development and sales quotas	4.3, 6.1, 7.1.2, Appendix 5 and Appendix 13	9.2	12
l.	Ongoing product/service purchases	6.4.6 and 7	Not applicable	8
m.	Maintenance, appearance, and remodeling requirements	7.4	Not applicable	11
n.	Insurance	6.4.10	Not applicable	7, 8, 11

	Obligation	Section in Master Know-How Agreement	Section in Master Trademark Agreement	Disclosure Document Item
o.	Advertising	8	3.2.1(iv)	6, 11
p.	Indemnification	10.3.3 and 17	3.3.2 and 12.5	14
q.	Owner's participation / management / staffing	6.4.9	Not applicable	11, 15
r.	Records and reports	6.4.5	6	6, 11
s.	Inspections and audits	5.4, 5.5, 6.4.3 and 6.4.5	6.4	6, 11
t.	Transfer	14 and 15	13 and 14	17
u.	Renewal	4.2 and 4.3	9.2 and 9.3	17
v.	Post-termination obligations	13, 17 18 and 19	10.2, 11 and 12.5	17
w.	Non-competition covenants	18	Not applicable	17
x.	Dispute resolution	23	18	17
y.	Taxes/permits	7.6 and 10.3.3	5.4	Not applicable

ITEM 10**FINANCING**

We do not offer, either directly or indirectly, any financing arrangements to you. 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 open your Master Business, we will:

1. Provide initial training within three months following the execution of the Master Know-How Agreement (see Master Know-How Agreement, Section 5.2.1); and
2. Give you access to the Guidelines (as more fully described below in this Item 11 of this Disclosure Document) (see Master Know-How Agreement, Section 5.1 and Master Trademark Agreement, Section 4.1).

We are not required by the Master Agreements to furnish any other service or assistance to you before the opening of your Master Business.

Continuing Assistance:

We are required by the Master Agreements to provide certain assistance and service to you during the operation of your Master Business:

1. We will provide you with periodic ongoing training and training for the first Sublicensee in each channel of distribution (see Master Know-How Agreement, Sections 5.2.2 and 5.2.3);
2. We will provide you with general support, advice and guidance relating to services to be provided (at no cost) to Sublicensees prior to and on the opening of each Ladurée Store (see Master Know-How Agreement, Section 5.3); and
3. We will visit you and a selection of Sublicensees at least once a year with a prior notice of two weeks, and will draft a visit report following each visit and send you a copy (see Master Know-How Agreement, Sections 5.5.1 and 5.5.2).

We are not required by the Master Agreements to furnish any other service or assistance to you during the operation of your Master Business.

As permitted by applicable law, we will recommend the maximum prices that you may elect to charge the Sublicensees and Approved Retailers for the Ladurée Manufactured Food Products and Non-Food Products. You will have the right to freely set the prices charged to Sublicensees and Approved Retailers, in consultation with us. We may recommend public prices or maximum public prices for all Products sold to customers by the Sublicensees in the Territory, after consulting you. Sublicensees are free to set their own sale prices.

Typical Length of Time Before Start of Operations:

Within three months following the execution of the Master Agreements, your key personnel must attend and successfully complete our initial training program. Otherwise, there are no other requirements with respect to the start of operations of the Master Business, and you will typically commence operation of the Master Business immediately following the completion of initial training.

Factors that may affect this time period include your ability to hire a general manager for the Master Business and completing required training.

Advertising:

We do not maintain or require you to contribute to an advertising fund.

You must spend (or cause Sublicensees to spend) annually an amount equivalent to at least 1% of the Net Sales achieved by Sublicensees on marketing and promotional activities in the Territory. You must provide us with such materials and documentation as we may periodically request evidencing such required marketing and promotional expenditures.

No later than two weeks following execution of the Master Agreements, you must submit to us, for approval, a marketing and public relations plan for the Territory in the following year that takes into account our marketing guidelines. You must then submit to us an annual marketing and public

relations plan each subsequent year in April. You must revise the marketing plan in such manner as we may reasonably request. If you do not receive a response from us within 15 days after we receive your marketing plan, you must remind us in writing that you have submitted the plan, and we will confirm such plan no later than five days following that written reminder.

All advertisements and promotions by you must conform to our advertising standards as set out in the Guidelines, and according to applicable law in the Territory. You must refrain from conducting any business or advertising practice that may be detrimental to the reputation of the Trademarks. You must not use any advertisements and promotions that we deem inappropriate and must submit copies of all advertisements and promotions proposed for use in the Territory for our approval with sufficient prior notice. We will respond within a reasonable time following receipt, but if you have not heard from us within 15 days of our receipt the proposed advertisements and promotions will be deemed approved.

You must supervise the communication and marketing activities of Sublicensees in the Territory, and must ensure that all advertising materials used by Sublicensees in local advertising and promotion comply in all material respects with the Guidelines and applicable regulations and laws in the Territory.

Computer Requirements:

You must obtain, install and maintain a computer system necessary to conduct the Master Business. You must use and cause Sublicensees to use the software that we designate or approve in connection with the operation of the Master Business and Ladurée Stores. We may at any time substitute alternative software (or the service provider), in which case any termination and related costs will be our responsibility if we do not want to wait until the end of the contractual term with the software provider before asking for the implementation of the new software. In this case, you must use best efforts to cause Sublicensees to, within a reasonable time period we agree to, install and use the new software or contract with the new service provider we select. You may also suggest alternative software solutions for Sublicensees.

You must enter into and maintain, at your own cost, an agreement with the software service provider we designate. The acquisition, installation, operation and license costs of the software and associated computer system will be borne respectively by you and by each Sublicensee.

You must be able to maintain a continuous connection to the internet to send and receive data to us. You must establish merchant accounts and internet-based credit card and gift card authorization accounts that we designate for use with online card authorizations.

We estimate that the cost of purchasing the computer system and required software will typically range from \$50,000 to \$100,000. We estimate that the current annual cost of maintenance, support, and upgrades will be in the range of \$2,000 to \$5,000. Neither we nor any of our affiliates have an obligation to provide ongoing maintenance, repairs, upgrades, or updates to your computer hardware or software.

You must be able to access information that is available on the Internet, and be able to send and receive email. We may periodically require you to upgrade and update the hardware and software used in connection with the computer system. There are no contractual limitations on the frequency and cost of these upgrades and updates. We reserve the right to approve your email address or require you to use only an e-mail address that we provide for your Master Business' business e-mails.

You must afford us unimpeded access to your computer system in the manner, form, and at the times we may request. We will have the independent right at any time to retrieve and use this data and information from your computer system in any manner we deem necessary or desirable.

Website and E-Shop

We will own and maintain a Ladurée website for the System (the “**Website**”). All online sales of Products within the Territory will be made exclusively (a) by us through the Website, and (b) by Approved Retailers through their multi-brand online shops, subject to our prior approval.

The Products we sell in the Territory through the Website will be purchased by us from you on the terms and conditions we agree upon. The delivery of the Products to the customers in the Territory will be handled by you as agreed in the Management Services Agreement. Neither you nor any Sublicensee may offer or sell the Products through the internet, on a website, an app or through any other electronic means within the Territory nor sell online in any other manner, except as noted above.

Social Media and Apps

We will set and periodically amend guidelines on the use of social media regarding the Products and Ladurée Stores that you must, and cause Sublicensees to strictly, follow. We may restrict the use of certain social media sites to preserve the reputation of the Trademarks and the System.

We will open and remain sole administrator of any sites related to the Trademarks on social media or in any digital format. We will allow you and Sublicensees to open local pages, subject to complying at all times in all material respects with our social media guidelines. You and Sublicensees must comply with our requirements when communicating on social media platforms, which include: (a) not adopting any behavior which would infringe or otherwise damage the Trademarks and our reputation, (b) refraining from issuing any comments related to sensitive or confidential information, (c) imposing all restrictions on your employees, representatives, managers, agents, and service providers, and (d) removing, and causing Sublicensee to remove any content posted on any social media site that we would consider contrary to our social media guidelines.

Only the online applications (apps) developed by or for us (or otherwise approved by us) may be used by Master Licensee and the Sub-Licensees in connection with the Products and Ladurée Stores. You may not use or develop and must cause the Sublicensees not to use or develop, any online application (app) without our prior written approval of Licensor.

Guidelines

We will provide you with a confidential login and password to access the latest versions of the Guidelines available on the our platform. The Guidelines may be in French or in English, at your choice. If a translation of the Guidelines in another language is required by you, then you must bear the cost of such translation and shall ensure that the translator complies with all confidentiality requirements. (see Master Know-How Agreement, Section 5.1).

The Guidelines are our property, and we retain all rights in and to the Guidelines and any amendments to the Guidelines. You may submit for review and approval by us any modifications to the System and the Guidelines that you believe to be necessary or advisable to comply with the legal requirements applicable in the Territory, adapt them to prevailing customs and current

commercial practices in the Territory, or for the commercial success of Ladurée Stores operated by Sublicensees in the Territory. We will consider any proposed modifications and notify you in

The Guidelines currently consist of 547 pages or digital screens, and its Table of Contents is attached as Exhibit G to this Disclosure Document.

Training

The subjects covered in the initial training program are described below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Presentation of the department: - Point of Sales Opening support - Export Initiatives - operational support ▪ order tracking ▪ update of commercial support ▪ sales instruction ▪ update of price tags and frames ▪ forecast reporting	6	4	PARIS
Welcoming and visit of the shop & restaurant, specifics of Ladurée Champs-Élysées, retail and restaurant	1	0	PARIS
Presentation of products, organization of retail sales	1	5	PARIS
Opening the shop, setting up fresh products, pastries, viennoiseries, macarons. Sales participation, briefing participation, and closing of the shop	2	7	PARIS
Presentation of the restaurant organization of the different services management of the service participation	2	2	PARIS
RESTAURANT Service of Breakfast - Brunch - Lunch.	0	7	PARIS

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Presentation of communication, marketing & digital calendar and teams	2	0	PARIS
Quality & Services Service responsibilities and areas of application	2	0	PARIS
KITCHEN & MENU Presentation and organization of technical datasheets and menus.	2	4	PARIS
Retail & Restaurant in-store days	2	21	PARIS
Total	20	50	

Currently, our training is supervised by Jogn Guinier, who has seven years' experience with us and 20 years' experience with the subjects taught. Other individuals under the supervision of Jogn Guinier may assist with training programs.

You must hire a general manager for the Master Business (the "**General Manager**"). No later than three months following execution of the Master Agreements, your General Manager, at least one purchase and supply director, and one marketing and communications director (together, the "**Key Personnel**") must attend and successfully complete our initial training program. Training will be conducted over a 14-day period, starting at our training facilities in Paris, France. We may also designate other sites for training.

Training sessions will be scheduled and conducted as frequently as it is necessary. All of your required personnel must attend all aspects of the training program established. The instructional materials for our training programs include the Guidelines, lecture, discussions, and practice. If any member of the Key Personnel is replaced in his/her functions for any reason whatsoever, you must promptly hire a new person for the position and ensure that the latter completes initial training.

We may require that you and your Key Personnel and other employees attend refresher courses, seminars, and other training programs that we may reasonably require periodically. Ongoing training will not be required on more than three separate occasions of up to three days maximum each, per year, of which only one will be on site (either Paris, France or USA), the other two being provided remotely, by teleconference.

We will bear the cost of providing the instruction and required materials, except for replacement training. You are responsible for making arrangements and paying all of the expenses, wages, and compensation for your staff that attends the training program.

ITEM 12

TERRITORY

Master Know-How Agreement

Under the Master Know-How Agreement, you have the right and obligation to operate the Master Business in the Territory. You also have the right to import Ladurée Manufactured Food Products and Non-Food Products into the Territory, for the purpose of selling them to (i) the Sublicensees, Approved Retailers and BtoB Clients in the Territory and (ii) to us in relation to our online sales in the Territory, through the Website.

As noted in Item 1, the Territory is the United States and its territories, however the Territory does not at the time of execution of the Master Agreements include any of the states of Connecticut, California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington or Wisconsin unless and until we have obtained any necessary registrations or exemptions from applicable laws in those states and have notified you of such registration or exemption. According to the Development Plan, we will begin the process of obtaining registrations, exemptions, or exclusions in the states of California, Illinois, New York, Texas, and Washington as soon as the Master Know-How Agreement is executed.

During the term of the Master Know-How Agreement, we will not: (a) import or sell (directly or indirectly) any Products into the Territory other than through you, (b) grant master license, master franchise, franchise or similar rights for any Ladurée Stores or any competing businesses to any other person for or in the Territory, or (c) establish, or license any other parties to establish, Ladurée Stores in the Territory, or compete with you in the Territory through a competing business.

We (and our affiliates) retain all other rights. Accordingly, we will have the right (among other things), on the conditions that we deem advisable, and without granting you any rights, to do any or all of the following:

- to grant others master license or master franchise rights under the System and using the Trademarks in areas outside the Territory;
- the right to license, establish, offer and sell unit licenses or franchises for Ladurée Stores outside the Territory, whether under the Trademarks or under any other trademarks or trade names, and on any terms and conditions that we deem appropriate;
- to sell the Products online through the Website to customers located in the Territory;
- to sell the Products to Large Accounts wherever located; provided that in each case, we must grant you the sole right to transact and fulfill all sales to such Large Accounts of Products sold or delivered in the Territory;
- to acquire or be acquired, directly or indirectly, in whole or in part, by any business located anywhere providing any products or services, regardless of any similarity to those provided by you; and
- to own, acquire, establish and/or operate, and license others to establish and operate, businesses under trademarks other than the Trademarks, whatever their business activity (other than a competing business), at any location within or outside the Territory notwithstanding their proximity to existing Ladurée Stores.

Accordingly, you will not receive an exclusive Territory even though you will receive certain protected rights within that Territory. You may face competition from outlets that we own or from other channels of distribution or competitive brands that we control.

Upon the conclusion of the Test Period, you must purchase from us, our affiliates, or authorized suppliers, a minimum volume of macarons per contract year for the purpose of selling them to Sublicensees. For each contract year as from the third contract year, such volume shall increase by at least 10% compared to the preceding contract year (the “**Minimum Purchase Quota**”). Only the volume of macarons you purchase for sale to the Sublicensees will be taken into account to determine the Minimum Purchase Quota (and all other sales, i.e. to Approved Retailers and BtoB Clients, shall be excluded from such calculations).

If you fail to achieve the Minimum Purchase Quota during any contract year, you must compensate us or our affiliate by paying an amount equal to the difference between the Minimum Purchase Quota and the purchases actually achieved. If you fail to reach the Minimum Purchase Quota for two consecutive contract years, we will have the right to terminate the Master Know-How Agreement under its terms. In addition, if following the Test Period you fail to meet the Net Sales Target and/or Development Plan for two consecutive years, we will have the right to (i) require you to pay us the Supplemental Fee, (ii) terminate the Master Know-How Agreement, or (iii) reduce the size of the Territory. Reduction of the Territory or termination of the Master Agreements does not entitle you to any compensation.

Master Trademark Agreement

Under the Master Trademark Agreement, you are granted the right to use the Trademarks within the Territory to conduct the Master Business. During the term of the Master Trademark Agreement, we will not license the Trademarks or related rights to any other person in the Territory.

We (and our affiliates) retain all other rights. Accordingly, we will have the right (among other things), on the conditions that we deem advisable, and without granting you any rights, to do any or all of the following:

- to grant others master license or master franchise rights under the Trademarks for areas outside the Territory;
- to license, establish, offer and sell sub licenses or franchises for Ladurée Stores outside the Territory, whether under the Trademarks or under any other trademarks or trade names, and on any terms and conditions that Licensor deems appropriate;
- to sell the Products to Large Accounts wherever located;
- to acquire or be acquired, directly or indirectly, in whole or in part, by any business located anywhere providing any products or services, regardless of any similarity to those provided by you; and
- to own, acquire, establish and/or operate, and license others to establish and operate, businesses under trademarks other than the Trademarks, whatever their business activity (other than a competing business), at any location within or outside the Territory notwithstanding their proximity to existing Ladurée Stores.

Accordingly, you will not receive an exclusive Territory even though you will receive certain protected rights within that Territory. You may face competition from outlets that we own or from other channels of distribution or competitive brands that we control.

* * *

Except as described above, (a) you do not need to meet any particular sales or revenue volume in order to keep your Territory as described above so long as you stay in compliance with the terms of the Master Agreements, and (b) we do not have the right to modify your Territory so long as you stay in compliance with the terms of your Master Agreements.

Under the Master Agreements, you will not have any options, rights of first refusal, or similar rights to acquire additional franchises or other rights, whether inside the Territory or elsewhere.

ITEM 13

TRADEMARKS

Under the Master Trademark Agreement, we license to you the right to use the Trademarks in connection with the Master Business.

We own and have registered the following principal Trademarks (among others) on the principal register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	Application or Registration Number	Application or Registration Date
Laduree	Reg. No. 7,101,178	July 4, 2023
Ladurée	App. No. 79363768	November 18, 2022

All affidavits and renewals have been or will be filed at the appropriate time.

There are no currently effective determinations of the USPTO, the trademark administrator of this state, or of any court, nor any pending interference, opposition, or cancellation proceedings, nor any pending material litigation involving the trademarks, service marks, trade names, logotypes, or other commercial symbols which is relevant to their use in any state in which the Master Business is to be located. There are no agreements currently in effect which significantly limit our rights to use or license the use of the Trademarks (including trademarks, service marks, trade names, logotypes, or other commercial symbols) that are in any manner material to the Master Business. There are no infringing uses actually known to us which could materially affect your use of the Trademarks in any relevant states or elsewhere.

We have the right to substitute different Trademarks for use in identifying the System if our currently owned Trademarks can no longer be used or if we determine that updated or changed Trademarks will be beneficial to the System. If we do so, you will have to adopt the new Trademarks (for example, update your signage) at your expense.

You must promptly notify us of any suspected infringement of the Trademarks, any challenge to the validity of the Trademarks, or any challenge to our ownership of, or your right to use, the

Trademarks licensed under the Master Trademark Agreement. Under the Master Trademark Agreement, we will have the sole right to initiate, direct, and control any administrative proceeding or litigation involving the Trademarks, including any settlement of the action. We also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Trademarks. If you used the Trademarks in accordance with the Master Trademark Agreement, we would defend you at our expense against any third party claim, suit, or demand involving the Trademarks arising out of your use. If you did not use the Trademarks in accordance with the Master Trademark Agreement, we will defend you, at your expense, against those third party claims, suits, or demands.

If we undertake the defense or prosecution of any litigation concerning the Trademarks, you must sign any documents and agree to do the things that, in our counsel's opinion, may be necessary to carry out such defense or prosecution, such as becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Trademarks in a manner inconsistent with the terms of the Master Trademark Agreement, we will reimburse you for your out of pocket costs in doing these things, except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement. To the extent that the litigation is the result of your use of the Trademarks in a manner inconsistent with the terms of the Master Trademark Agreement, you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Copyrights

We own common law copyrights in the Guidelines, our recipes, designs and advertising materials, and we will make these available to you. These materials are our proprietary property and must be returned to us upon expiration or termination of the Master Agreements.

There are no currently effective determinations of the USPTO, U.S. Copyright Office, or any court concerning any copyright. There are no currently effective agreements under which we derive our rights in the copyrights and that could limit your use of those copyrighted materials. The Franchise Agreement does not obligate us to protect any of the rights that you have to use any copyright, nor does the Franchise Agreement impose any other obligation upon us concerning copyrights. We are not aware of any infringements that could materially affect your use of any copyright in any state.

Guidelines

In order to protect our reputation and goodwill and to maintain high standards of operation under our Trademarks, you must conduct the Master Business in accordance with the Guidelines. We will provide you with access you one set of our Guidelines, which we have the right to provide in any format we choose (including paper or digital), for the term of the Master Agreements.

You must at all times accord confidential treatment to the Guidelines, any other Guidelines we create (or that we approve) for use with the Master Business, and the information contained in the Guidelines. You must use all reasonable efforts to maintain this information as secret and confidential. You may never copy, duplicate, record, or otherwise reproduce the Guidelines and the related materials, in whole or in part (except for the parts of the Guidelines that are meant for you to copy, which we will clearly mark as such), nor may you otherwise let any unauthorized

person have access to these materials. The Guidelines will always be our sole property. You must always maintain the security of the Guidelines.

We may periodically revise the contents of the Guidelines, and you must consult the most current version and comply with each new or changed standard. If there is ever a dispute as to the contents of the Guidelines, the version of the Guidelines (that we maintain) will be controlling.

Confidential Information

You must not (during the term of the Master Agreements or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know how concerning the operation of the Master Business, Products or Stores that may be communicated to you or that you may learn by virtue of your operation of the Master Business. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Master Business. Any and all information, knowledge, know how, and techniques that we designate as confidential will be deemed confidential for purposes of the Master Agreements. However, this will not include information that you can show that came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so. In addition, you must require each of your Key Personnel and employees to retain the confidentiality of all confidential information.

Patents

No patents are material to the franchise.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Master Know-How Agreement requires that you hire a General Manager to devote full time, energy, and best efforts to the management and operation of the Master Business, and must successfully complete the initial training program. The Master Business must be managed at all times by you (or your General Manager) who has completed our initial training program to our satisfaction.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell, and must cause Sublicensees to offer and sell, only Products that we have approved. We may change the Product offerings and any related merchandising and promotional materials at any time. During each year, at least 40% of all Net Sales must be achieved from the sale of macarons.

All food and beverage products must be prepared and served only by properly trained personnel in accordance with the Guidelines. All items offered from Laduree Stores will be sold only at retail to customers unless otherwise approved by us.

We have the right to add other authorized goods and services that you must offer. These changes also may include new, different or modified equipment or fixtures necessary to offer such products and services. There are no limits on our right to make these changes.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**THE FRANCHISE RELATIONSHIP**

The tables that follow lists important provisions of the Master Know-How Agreement (Exhibit B to this Disclosure Document) and the Master Trademark Agreement (Exhibit C to this Disclosure Document). Please read the portions of the agreements referred to in these charts for a full explanation of these key provisions.

MASTER KNOW-HOW AGREEMENT			
	Provision	Section in Master Know-How Agreement	Summary
a.	Length of the franchise term	4.1	Term expires 10 years after it is signed.
b.	Renewal or extension of the term	4.2 and 4.3	Renewal of right to operate the Master Business for one additional 10-year term, subject to contractual requirements described in "c" below.
c.	Requirements for you to renew or extend	4.2	Timely written notice of intent to renew; increased Net Sales requirements in the renewal term; agreed upon new business plan.
d.	Termination by you	12	If we breach the agreement and do not cure within 30 days you have the right to terminate; see § 12 of the Master Know-How Agreement.
e.	Termination by us without cause	Not applicable	
f.	Termination by us with cause	12	Default under Master Know-How Agreement; failing to meet Development Plan, Net Sales Targets, Minimum Purchase Quota, or macarons consisting of at least 40% of Net Sales, unauthorized sale of Products, and other grounds; see § 12 of the Master Know-How Agreement.
g.	"Cause" defined – curable defaults	12.1	All defaults not specified in §12.2 of the Master Know-How Agreement.
h.	"Cause" defined – non-curable defaults	12.2	Failure to achieve the Development Plan, Net Sales Targets, Minimum Purchase Quota, conviction of a felony, and others; see § 12.2 of the Master Know-How Agreement.
i.	Your obligations on termination or non-renewal	13 and 18	Assignment to us of Sublicense Agreements, sale of Products before expiration, return Guidelines, pay all amounts due, and others; see §§ 13.1 to 13.4, and § 18 of the Master Know-How Agreement.

MASTER KNOW-HOW AGREEMENT			
	Provision	Section in Master Know-How Agreement	Summary
j.	Assignment of contracts by us	14.2	There are no limits on our right to assign the Master Know-How Agreement.
k.	"Transfer" by you – definition	14.1	Includes any transfer or assignment of the Master Know-How Agreement, a lease sale-back, or a change of control.
l.	Our approval of transfer by you	14.1	You may not make any transfers without our prior consent.
m.	Conditions for our approval of transfer	14.1	Information and application from transferee, payment of transfer fee, approval of transfer agreement, and others; see § 14.1.1.
n.	Our right of first refusal to acquire your business	15	We have the right (but not the obligation) to match any bona fide offer.
o.	Our option to purchase your business	4.3	If we refuse to renew the Master Know-How Agreement upon the expiration of the initial term, we must purchase you at fair market value.
p.	Your death or disability	Not applicable	Not applicable
q.	Non-competition covenants during the franchise term	18	Prohibits engaging anywhere with a "Competitor" which is currently any of the following companies/trademarks: (i) Pierre Hermé, (ii) LeNôtre, (iii) Angelina, (iv) Fauchon, (v) COVA, (vi) Pierre Marcolini, (vii) Alain Ducasse, (viii) EL&N, (ix) L'ETO, (x) GODIVA, (xi) Caffé Concierto, (xii) Batsha Coffee, (xiii) TWG Tea. This list may be amended by us in good faith.
r.	Non-competition covenants after the franchise is terminated or expires	18	Prohibits engaging with a Competitor within the Territory. Applies for two years after expiration or termination.
s.	Modification of the agreement	21.5	Only with mutual agreement and in writing.
t.	Integration/merger clause	21.3	The Master Know-How Agreement, including its appendices, comprises all of the agreements entered into between the parties and replaces any other agreements or arrangements whatsoever. Nothing in

MASTER KNOW-HOW AGREEMENT			
	Provision	Section in Master Know-How Agreement	Summary
			the Master Know-How Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	23.1	Any claim, dispute, suit, action, controversy, or proceedings between the parties must first be discussed face-to-face at our offices within 30 days of notice of the claim. If not resolved in that manner, the parties must then proceed to non-binding mediation under ICC Rules in Geneva, Switzerland. If not resolved after mediation, the parties must arbitrate the claim under ICC Rules in Geneva, Switzerland. See § 23 of the Master Know-How Agreement. Please also see the various state disclosure addenda and agreement amendments attached to this Disclosure Document, which contain additional terms that may be required under applicable state law.
v.	Choice of forum	23.1	Mediation and arbitration must take place in Geneva, Switzerland. Your state law may impact this provision.
w.	Choice of law	22	French law. Your state law may impact this provision.

MASTER TRADEMARK AGREEMENT			
	Obligation	Section in Master Trademark Agreement	Summary
a.	Length of the development agreement term	9.1	Term expires 10 years after it is signed.
b.	Renewal or extension of the term	9.2 and 9.3	Renewal for one additional 10-year term, subject to contractual requirements described in “c” below.

MASTER TRADEMARK AGREEMENT			
	Obligation	Section in Master Trademark Agreement	Summary
c.	Requirements for you to renew or extend	9.2	Timely written notice of intent to renew; increased Net Sales requirements in the renewal term; agreed upon new business plan.
d.	Termination by you	10	If we breach the agreement and do not cure within 30 days you have the right to terminate; see § 12 of the Master Trademark Agreement.
e.	Termination by us without cause	Not applicable	
f.	Termination by us with cause	10	Default under Master Trademark Agreement; unauthorized sale of Products, providing fraudulent financial information, and other grounds; see § 10 of the Master Trademark Agreement.
g.	"Cause" defined – curable defaults	10.1.1	All defaults not specified in §10.2 of the Master Trademark Agreement.
h.	"Cause" defined – non-curable defaults	10.1.2	Failure to achieve the Development Plan, Net Sales Targets, Minimum Purchase Quota, conviction of a felony, and others; see § 10.1.2 of the Master Trademark Agreement.
i.	Your obligations on termination or non-renewal	10.2	Return Guidelines, pay all amounts due, and others; see § 10.2 of the Master Trademark Agreement.
j.	Assignment of contracts by us	13.2	There are no limits on our right to assign the Master Trademark Agreement.
k.	"Transfer" by you – definition	13.1	Includes any transfer or assignment of the Master Trademark Agreement, a lease sale-back, or a change of control.
l.	Our approval of transfer by you	13.1	You may not make any transfers without our prior consent.
m.	Conditions for our approval of transfer	13.1	Information and application from transferee, payment of transfer fee, approval of transfer agreement, and others; see § 14.1.1.
n.	Our right of first refusal to acquire your business	13	We have the right (but not the obligation) to match any bona fide offer.

MASTER TRADEMARK AGREEMENT			
	Obligation	Section in Master Trademark Agreement	Summary
o.	Our option to purchase your business	9.3	If we refuse to renew the Master Trademark Agreement upon the expiration of the initial term, we must purchase you at fair market value.
p.	Your death or disability	Not applicable	Not applicable
q.	Non-competition covenants during the franchise term	Not applicable	Not applicable
r.	Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable
s.	Modification of the agreement	21.5	Only with mutual agreement and in writing.
t.	Integration/merger clause	16.3	The Master Trademark Agreement, including its appendices, comprises all of the agreements entered into between the parties and replaces any other agreements or arrangements whatsoever. Nothing in the Master Trademark Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	18.1	Any claim, dispute, suit, action, controversy, or proceedings between the parties must first be discussed face-to-face at our offices within 30 days of notice of the claim. If not resolved in that manner, the parties must then proceed to non-binding mediation under ICC Rules in Geneva, Switzerland. If not resolved after mediation, the parties must arbitrate the claim under ICC Rules in Geneva, Switzerland. See § 23 of the Master Trademark Agreement. Please also see the various state disclosure addenda and agreement amendments attached to this Disclosure Document, which contain additional terms that may be required under applicable state law.

MASTER TRADEMARK AGREEMENT			
	Obligation	Section in Master Trademark Agreement	Summary
v.	Choice of forum	18.1	Mediation and arbitration must take place in Geneva, Switzerland. Your state law may impact this provision.
w.	Choice of law	17	French law. Your state law may impact this provision.

ITEM 18**PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

ITEM 19**FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to disclose 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 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 information about performance at a particular location or under particular circumstances.

We do not make any representations about a licensee's future financial performance or the past financial performance of company-owned or licensed outlets. 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 our management by contacting us at Bas-Intyamon, Route des Rez 2, Enney (CH-1667) Switzerland (tel: +41 26 921 83 40 – email: legal@laduree.com), the Federal Trade Commission, and the appropriate state regulatory agencies. [Note: Please add the individual and contact information.

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ITEM 20**OUTLETS AND FRANCHISEE INFORMATION****Part I – The Ladurée Master Franchise System**

Table No. 1
Systemwide Outlet Summary
For 2021 to 2023 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned (note 2)	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	0	0	0
	2022	0	0	0
	2023	0	0	0

Notes to Item 20 tables:

1. This reflects data as of our fiscal year ends, which fall on December 31st each year.
2. States that are not listed had no activity during the relevant years.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For 2021 to 2023

State	Year	Number of Transfers
All states	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

**Table No. 3
Status of Franchised Outlets
For 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Any State	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

**Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Any State	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

**Table No. 5
Projected Openings for 2024 as of December 31, 2023**

State	Franchise Agreements Signed But Store Not Open	Projected Franchised Store Openings	Projected Company-Owned Store Openings
All States	0	1	3
Total	0	1	3

Part II – The Ladurée Stores System

Table No. 1
Systemwide Outlet Summary
For 2021 to 2023 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	1	2	+1
	2022	2	2	0
	2023	2	2	0
Company-Owned (note 2)	2021	6	8	+2
	2022	8	11	+3
	2023	11	10	-1
Total Outlets	2021	7	10	+3
	2022	10	13	+3
	2023	13	12	-1

Notes to Item 20 tables:

3. This reflects data as of our fiscal year ends, which fall on December 31st each year.
4. States that are not listed had no activity during the relevant years.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For 2021 to 2023

State	Year	Number of Transfers
All states	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets
For 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Florida	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Total	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2021	2	1	0	0	0	3
	2022	3	1	0	0	0	4
	2023	4	0	0	2	0	2
Wash. D.C.	2021	1	1	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
New York	2021	3	0	0	0	0	3
	2022	3	2	0	0	0	5
	2023	5	1	0	0	0	6
Total	2021	6	2	0	0	0	8
	2022	8	3	0	0	0	11
	2023	11	1	0	2	0	10

Table No. 5
Projected Openings for 2024 as of December 31, 2023

State	Franchise Agreements Signed But Store Not Open	Projected Franchised Store Openings	Projected Company-Owned Store Openings
All States	0	0	0
Total	0	0	0

* * *

A list of the names of all franchisees and the addresses and telephones numbers of their franchises as of December 31, 2023 is provided in Exhibit E to this disclosure document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable franchise agreement during the most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this disclosure document will be listed on Exhibit F to 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, no franchisees have signed confidentiality provisions that would restrict their ability to speak openly about their experience with Ladurée System.

There are no trademark-specific organizations formed by our franchisees that are associated with Ladurée System.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A is our audited financial statement prepared as of April 4, 2024. Because we only began to offer franchises when we issued this disclosure document and have not been in business for three years, we cannot include financial statements of the last three years, which we will eventually do (as required under the FTC Franchise Rule).

Our fiscal years end on December 31st each year.

ITEM 22**CONTRACTS**

Attached as exhibits to this disclosure document are the following contracts and their attachments:

Exhibit B	Master Know-How Agreement
Exhibit C	Master Trademark Agreement
Exhibit D	Sublicense Agreement and Sublicense Development Agreement
Exhibit J	Form of General Release

ITEM 23**RECEIPTS**

Attached as Exhibit L are two copies of an acknowledgment of receipt of this Disclosure Document (the last two pages of this Disclosure Document). Please sign and date one copy of the receipt and send that back to us, and keep the other copy with this Disclosure Document for your records.

Exhibit A:

Financial Statements

VACHON & COMPAGNIE

LADUREE INTERNATIONAL SA

- :- :- :- :- :

FINANCIAL STATEMENTS AS OF DECEMBER 31st 2023 IN US GAAP AND IN USD

- :- :- :- :- :

LADUREE INTERNATIONAL SA
(in K\$USD)

BALANCE SHEET STATEMENT

	<i>Notes</i>	2 023
ASSETS		
Cash and cash equivalents	3,1	1 467
Account receivables, less allowance for doubtful accounts	3,5	8 376
Prepaid expenses and other current assets		61
Other current assets		188
Total current assets		10 093
Intangibles net	3,2	-
Tangibles net	3,3	-
Investments in affiliates net	3,3	885
Long-term assets - Receivables related to Investments net	3,4	133
Long-term assets - loans net	3,4	1 298
Intercompagnie Accounts		8 352
Other Assets		-
Total non-current assets		10 668
TOTAL ASSETS		20 760
LIABILITIES		
Account payables and accrued expenses		358
Income taxes debts	3,6	5
Short term loan		-
Other current liabilities		-
Total current liabilities (Short term)		363
Other long-term Liabilities		230
Prepaid income	3,7	340
Long term loan	3,8	841
Intercompagnie Accounts	3,9	7 305
Total non-current liabilities (Long term)		8 717
Commitments and Contingencies	3,19	-
TOTAL LIABILITIES		9 080
Common stock : 3120 shares authorized, issued and outstanding	3,10	3 235
Additional paid in capital		-
Retained earnings and other reserves	<i>Net equity</i>	6 169
Current year result	<i>Income Stat.</i>	2 129
Accumulated other comprehensive income	1	147
Total Shareholders' equity		11 680
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		20 760

LADUREE INTERNATIONAL SA
(in K\$USD)

INCOME STATEMENT

	<i>Notes</i>	<u>2023</u>
Royalties and Initial franchise fees	3,11	3 929
Dividends received from Affiliates	3,12	3 353
Total Revenue		<u>7 282</u>
Operational fees	3,13	(1 383)
General and administrative expenses		(64)
Total operating expenses		<u>(1 447)</u>
Operating result		<u>5 835</u>
Realised exchange gains/(losses)	3,14	- 16
Unrealised exchange gains/(losses)		(96)
Interest expense		(48)
Interest income	3,15	560
Other income	3,16	629
Other expense		-
Total other income (expense)		<u>1 029</u>
Adjustment on invst value	3,17	(4 735)
Loss before income taxes		<u>2 129</u>
Income taxes	3,18	-
Income tax, amortization of federred tax liability		-
Net result		<u>2 129</u>

LADUREE INTERNATIONAL SA
(in K\$USD)

CASH FLOW STATEMENT

	2023
Net result	2 129
Elimination of non-cash and non-operating income and expenses :	
- Depreciation and amortization, net	-
- Miscellaneous	-
- Net provisions	(2 251)
- Proceeds from sale of assets	-
Cash flow from operating activities	(122)
Change in operating working capital requirements	(1 054)
Accumulated other comprehensive income	(147)
Net cash flow from operating activities	(1 322)
Asset acquisitions	-
Net change in loans and other long-term investments	-
Movements in current account advances	-
Proceeds from sale of fixed assets	-
Net cash flow from investing activities	-
Loan, Advances from parent company	(10 470)
Advances to subsidiaries	12 014
Capital Increase	-
Dividends paid	-
Net cash flow from financing activities	1 544
Exchange rate impact	-
Decrease in cash flow	221
Cash and cash equivalents at beginning of year	1 246
Cash and cash equivalents at year-end	1 467
Decrease in cash and cash equivalents	221

LADUREE INTERNATIONAL SA
(in K\$USD)

STATEMENT OF SHAREHOLDER'S EQUITY

	Ordinary Shares	Preferred Shares	Additional Paid In Capital	Retained Earnings and Reserves	Current Year net result	Total
at 31 December 2022	3 235	-	-	1 801	1 658	6 694
Prior to Restatement						
Restatement of prior 2022	-	-	-	-	-	-
at 1 January 2023	3 235	-	-	1 801	1 658	6 694
Net result - prior year	-	-	-	4 368	(1 658)	2 710
Net result - current year	-	-	-	-	2 129	2 129
Other Comprehensive Income	-	-	-	-	147	147
Preferred Stocks	-	-	-	-	-	-
Option based compensation	-	-	-	-	-	-
at 31 December 2023	3 235	-	-	6 169	2 276	11 680
Net Result prior year 2022				1 658		
Cumulative Retained Earnings 2022					1 658	
Net Result prior year 2022 allocated into Retained Earnings					1 801	
Total					3 459	
Foreing Currency Translation on Long Term Investments (FASB 52)					2 710	
Cumulative Retained Earnings 2023					6 169	

LADUREE INTERNATIONAL SA

-: -: -: -: -: :

The accompanying footnotes are an integral part of the financial statements related to the year-end December 31st, 2023.

1. PRELIMINARY NOTES

These financial statements have been prepared in accordance with the US generally accepted accounting principles (GAAP) in the United States of America.

Assets and liabilities denominated in Euro have been translated in US dollar at the current exchange rate as of the Balance Sheet date, and at historical exchange rate for the shareholder's equity and the investments in affiliates. Income Statement amounts have been translated from Euro in US dollar at the average annual exchange rate.

Translation adjustments resulting from fluctuations in exchange rate into the Balance Sheet are recorded into Net Equity in a separate component.

Foreign Exchange Transaction that occurs during the year are reported in Financial Result.

2. DESCRIPTION OF THE ACTIVITY

The company was registered in Geneva on 28 September 2005, Its headquarter is located at Ennney, Bas-Intyamou.

The main activity of LADUREE INTERNATIONAL SA consists of the registration, the development, and the management of the intellectual and industrial property rights of PATISSERIE LADUREE. It also can lend and to borrow funds from affiliated companies.

LADUREE INTERNATIONAL SA

December 31st, 2023

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and short-term deposits with a maturity of three months.

3.2. Other intangible and tangible assets

The Company owns the property rights of **PATISSERIE LADUREE**.

Intangible and tangible assets are stated at cost, net of accumulated depreciation.

Depreciations are computed primarily on a straight-line basis over their expected useful lives. The fixed assets are fully depreciated at the year end.

3.3. Investments in Affiliates

Investments in affiliates are carried in the balance sheet at acquisition cost.

The acquisition cost is adjusted by a provision to reflect long-term impairment when an impairment indicator is present. The adjustment is recorded as a financial charge in the income statements.

LADUREE INTERNATIONAL SADecember 31st, 2023

Companies	Common Stock	Headquarters	%	Investments Gross Value	Accumulated Deprec.	Investments Net Value
Expressed in K\$USD				As of 12/31/2023		
MACAROON SA	CHF 100'000.00 (1'000 shares of CHF 1'000)	Bas-Intyamon	100	109		109
LADUREE UK LTD	£ 1'345'853.00 (1'345'853 shares of £ 1)	London	100	3 374	(3 374)	-
LADUREE MONACO (S.A.M. LADUREE)	EUR 150'000.00 (1'000 shares of EUR 150)	Monaco	99,8	262	(262)	-
LADUREE USA INC	USD 4'256'320 (100 shares of Kent USD 42'563,2)		100	4 256	(3 543)	713
LADUREE GMBH	EUR 25'000.00 (500 shares of Berlin EUR 50)		100	46	(46)	-
LADUREE JAPAN KK	JPY 10'000'000 (1000 shares of USD 1'000)	Tokyo	100	195	(132)	62
LADUREE SUISSE SA	CHF 300'000.00 (300 shares of CHF 1'000)	Enney	100	7 139	(7 139)	-
LADUREE Luxembourg	EUR 212'500 (100 shares of EUR 2'125)	Luxembourg	100	829	(829)	-
				16 211	(15 326)	885

3.4. Long-term assets

LADUREE INTERNATIONAL SA finances its subsidiaries to facilitate the development of their activities in their respective markets and to penetrate new markets.

Investments are managed by intra-group loans and by permanent advances into current accounts.

Interests on loans and on advances are set out in an intra-group loan agreement. The interest rates are fixed and based on conditions determined by the parent company, **PATISSERIE E. LADUREE**.

LADUREE INTERNATIONAL SA

December 31st, 2023

Long-term assets - Receivables related to Investments (net)	Gross Value	Accumulated Deprec	Net Value
Expressed in K\$USD		As of 12/31/2023	
LADUREE Luxembourg	796	(796)	-
LADUREE JAPAN KK	133	-	133
	929	(796)	133

Long-term assets - loans (net)	Gross Value	Accumulated Deprec	Net Value
Expressed in K\$USD		As of 12/31/2023	
LADUREE Luxembourg	464	(464)	-
LADUREE USA INC	1 247	(1 115)	132
LADUREE SUISSE SA	1 167	-	1 167
	2 878	(1 579)	1 299

Intercompany accounts	Gross Value	Accumulated Deprec	Net Value
Expressed in K\$USD		As of 12/31/2023	
LADUREE MONACO (S.A.M. LADUREE)	262	(94)	168
LADUREE UK LTD	8 112	(8 031)	81
LADUREE USA INC	19 756	(15 552)	4 204
LADUREE Luxembourg	3 701	(3 701)	-
LADUREE Belgium	733	(711)	22
LADUREE GMBH	849	(764)	85
MACAROON SA	3 791	-	3 791
	37 204	(28 853)	8 351

LADUREE INTERNATIONAL SADecember 31st, 2023**3.5. Account receivables**

Account receivables are recorded at invoiced amounts.

LADUREE INTERNATIONAL SA records an allowance for doubtful accounts based on management's estimate of expected bad debts. At the year end, it has been determined that an allowance for doubtful accounts amounts to K\$ 1 540.

<u>Account receivables</u>	<u>2023</u>
Expressed in K\$USD	
Third Parties	3 418
Group	6 498
Allowance for bad debts	(1 540)
Total	<u><u>8 376</u></u>

3.6. Income Taxes

Income tax is based on the taxable result of the Company. The standard income tax rate applied is 14 %.

3.7. Deferred Revenue

Deferred revenue represents the initial franchise fee required by **LADUREE INTERNATIONAL SA** upon signing the distribution contract. The entry fee is spread over the duration of the contract.

3.8. Long term loan

A loan has been borrowed to **LADUREE INTERNATIONAL SA** by **PATISSERIE LADUREE** in 2016. This loan is submitted to interests.

LADUREE INTERNATIONAL SADecember 31st, 2023**3.9. Cash Advance**

Cash advance is granted by **PATISSERIE LADUREE** as follows:

	Gross Value	Marutity > 1 year
Expressed in K\$USD		
PATISSERIE LADUREE	7 305	7 305

3.10. Common stock

The Company has one class of Common shares.

Number of shares: 3 120

Price per share: CHF 1 000

3.11. Revenue

Royalties are received by **LADUREE INTERNATIONAL SA** on a regular basis and recognized for accounting purposes, in the period in which the revenue is earned by the franchisees.

The initial franchise fees, billed at the beginning of the agreement, are not recognized immediately by **LADUREE INTERNATIONAL SA** but spread over the distribution period.

3.12. Dividends

Dividends have been received from Affiliates in 2023 for K\$ 3 353.

LADUREE INTERNATIONAL SADecember 31st, 2023**3.13. Operational fees**

The operational fees relate to services rendered to the Company as follows:

<u>Expressed in K\$USD</u>	<u>2023</u>
Services SWISS	120
Services outside SWISS	1 263
Total	<u>1 383</u>

3.14. Foreign Exchange Transactions

Transactions expressed in foreign currencies are converted into euro at the exchange rate of the date of the transaction.

At the year end, the unrealized foreign exchange gains or losses on remaining short-term positions denominated in foreign currencies are recorded in the income statement.

3.15. Interest income

The following table presents the breakout of the interest income:

<u>Expressed in K\$USD</u>	<u>2023</u>
Interests on Affiliates advances	539
Other Financial Interests	21
Total	<u>560</u>

LADUREE INTERNATIONAL SADecember 31st, 2023**3.16. Other income**

It mainly relates to adjustments from last year end.

3.17. Adjustments on investment value

Two waivers of debts have been granted in 2023 to **LADUREE SUISSE SA** and **LADUREE JAPON KK**.

These operations have been offset by reversals of depreciation provisions.

The Net Income profit is due to refunds made by **LADUREE JAPON KK** during the year end.

The following table presents the breakout of these adjustments:

Expressed in K\$USD	2023
Net Gains / Forgiveness of debts - LADUREE JAPAN	3 245
Net Losses / Forgiveness of debts - LADUREE SUISSE	(376)
Net Depreciation of intercompany accounts and loans	(7 604)
Total	(4 735)

LADUREE INTERNATIONAL SADecember 31st, 2023**3.18. Income Tax**

There is no Corporate Income Tax due for the period because the Taxable Result is negative due to tax deduction 2023 (Dividends in liaison with the parent-subsidiaries tax regime).

3.19. Off Balance sheet commitments

Null

3.20. Conversion in US GAAP

Books are maintained throughout in Swiss GAAP. Company financial statements are audited by a CPA firm which has issued an unqualified opinion on the financial statements.

Below is a summary of the key adjustments made for converting the financial statements to US GAAP.

<i>(in K\$USD)</i>	Swiss GAAP	Adjustment	US GAAP	Comments
Assets				
Current Assets	10 093		10 093	
Non Current Assets	10 667		10 667	
	20 760	-	20 760	
Liabilities				
Current Liabilities	2 920	(2 557)	363	Unrealized gains 2022 / 2023
Non Current Liabilities	8 717		8 717	
ShareHolder's equity	6 693	-	6 693	
ShareHolder's equity	-	2 710	2 710	FASB52
ShareHolder's equity		147	147	Accumulated OCI
Net Result	2 225	(95)	2 130	Unrealized Gains 2023
	20 555	205	20 760	
	Swiss GAAP	Adjustment	US GAAP	
Operating result	5 835	-	5 835	
Financial result	(3 611)	(95)	(3 706)	Unrealized Gains 2023
	2 224	(95)	2 129	

Exhibit B: Master Know-How Agreement

LADURÉE

Paris

MASTER KNOW-HOW LICENSE AGREEMENT

BETWEEN THE UNDERSIGNED:

PÂTISSERIE E. LADURÉE

A company organized and existing under the laws of France with a share capital of Euros 372,204, registered with the Paris Trade and Companies Registrar under No. 572 045 540 and having its registered office at 84, avenue d'Iéna - 75116 Paris – France, and herein represented by Mr. David Holder, as President of Lov & Sweet, which is President of Patisserie E.Ladurée.

Hereinafter referred to as the "Licensor",

AND

AMERICAN MACAROON, LLC

A limited liability company organized and existing under the laws of the State of Delaware, and having its principal office at 129 West 20th St., Penthouse AB, New York, NY 10011, and duly represented by Nicholas (Nick) Lewin, as CEO.

Hereinafter referred to as the "Master Licensee",

Hereinafter referred to each individually as a "**Party**" and together as the "**Parties**"

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RECITALS

The Ladurée group, as a result of extensive investments and practical business experience, has developed and owns a proprietary System relating to the creation, manufacture and distribution of French luxury food products, including the macaron which is its most famous Product.

The Business is carried out within dedicated restaurants, tea-rooms and retail boutiques and corners operated under the "Ladurée" trade names and trademarks which are owned by a subsidiary of Licensor, Ladurée International, whose head office is in Switzerland, Route de Rez 2, 1667 Enney ("Ladurée International").

Ladurée International has developed a strong reputation and goodwill in the Trademarks.

The Master Licensee wishes to be granted the exclusive right and license to use the System, together with the IP Rights and Trademarks in order to operate the Business in the Territory, as well as to receive the assistance provided by Licensor and Ladurée International in connection therewith.

In this respect, Licensor and Master Licensee have entered into a preliminary non-binding Term Sheet on January 30, 2023, and Licensor has delivered to Master Licensee (i) at least twenty (20) days before the signature of this Agreement or making any payment to Licensor or Ladurée International, a pre-contract disclosure document compliant with Articles L.330-3 and R.330-1 of the French Commercial Code, and (ii) at least fourteen (14) days before the signature of this Agreement or making any payment to Licensor or Ladurée International a franchise disclosure document compliant with US law at the federal level.

At the end of this reflection period, and after having reviewed all the information provided to it by Licensor, Master Licensee, has confirmed its interest in entering into this Agreement.

NOW, THEREFORE, THE PARTIES AGREE TO THE FOLLOWING TERMS AND CONDITIONS

ARTICLE 1 – DEFINITIONS

1.1 Each time they are used in this Agreement or in relation to its implementation (including in the Recitals), the following terms, when beginning with a capital letter, shall have the following meaning:

Accommodation and Travel Costs	Travel, food and accommodation, living, and other out-of-pocket expenses (including, the cost of obtaining any required visas, work permits or similar documentation) incurred by Licensor.
Affiliate	A person who Controls, is Controlled by, or is under common Control of another person.
Agreement	This agreement and its appendices which form an integral part of it and, as the case may be, its amendments, duly executed by authorized representatives of the Parties.
Approved Retailers	The multi-brand retailers in the Territory (other than Sub-Licensees), authorized to sell the Ladurée Manufactured Food Products and/or Non-Food Products subject to Licensor's prior written approval.
Architectural Guidelines	The architectural guidelines that the Sub-Licensees must follow when installing and fitting out the Ladurée Stores, which may evolve from time to time at Licensor's discretion.
Area Development Agreement	A development agreement between Master Licensee and any of its Sub-Licensees for the operation by the concerned Sub-

	Licensee of more than one (1) Ladurée Store in a certain area within the Territory.
Authorized Supplier	A supplier approved by Licensor to supply the Equipment and/or Products to Master Licensee and the Sub-Licensees.
BtoB Client	Any professional customer who purchases Products as part of its professional activity but for purposes other than the sale or resale of such Products. This includes professional events (trade fairs, seminars, conferences, etc.), gifts to employees, gifts to BtoB Clients' own customers, etc. Large Accounts are BtoB Clients.
Business	The business of (i) soliciting, licensing and supporting Ladurée Stores operated by Sub-Licensees in the Territory, (ii) importing and selling Products to Ladurée Stores operated by Sub-Licensees in the Territory, or (iii) importing and selling Products to Approved Retailers and/or BtoB Clients in the Territory, pursuant to the terms of this Agreement.
Brand Image	Means the reputation and luxury image attached to the Trademarks, the Know-How and the System.
Change of Control	Event upon which the Owners lose Control over Master Licensee (either directly or indirectly).
Channel	An authorized distribution channel, such as retail or travel retail.
Confidential Information	Has the meaning ascribed to it in Article 19.
Competing Business	A business that (i) offers and sells, or (ii) franchises or licenses others to operate a business that offers and sells, macarons and up-market French style pastries. An indicative list of identified Competing Businesses is provided in the definition of "Competitor".
Competitor	Any of the following companies/trademarks (i) Pierre Hermé, (ii) LeNôtre, (iii) Angelina, (iv) Fauchon, (v) COVA, (vi) Pierre Marcolini, (vii) Alain Ducasse, (viii) EL&N, (ix) L'ETO, (x) GODIVA, (xi) Caffé Concierto, (xii) Batsh Coffee, (xiii) TWG Tea. This list of direct competitors of Licensor may be amended by Licensor during the Term of the Agreement on a good faith basis.
Contractual Package	The package composed of this Agreement and the Master Trademark License, which are indivisible.
Control	In relation to any Party to this Agreement (i) direct or indirect beneficial ownership of more than fifty percent (50%) of the issued share capital, stock or other participating interest carrying the right to vote of that Party, (ii) the right to appoint the majority of the directors of that Party or (iii) the right to direct the conduct of the affairs of that Party. The terms "Controlled" and "Controlling" will have a corresponding meaning.
Data Protection Legislation	All of the following: the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), the Privacy and Electronic Communications (EC Directive) Regulations 2003, or similar legislation under local law in the Territory and all other applicable laws and regulations, relevant industry codes of practice and guidance issued by applicable supervisory authorities or other

bodies. The terms "Controller" and "Processor" shall have the meanings described in the Data Protection Legislation.

Development Plan	The development plan for the opening and operation of Ladurée Stores as described in Article 6.1.1 and in Appendix 5.1 .
Disclosure Document	A pre-contract disclosure document compliant with the provisions of articles L.330-3 and R.330-1 of the French Commercial Code and with applicable law in the Territory.
Equipment	The fixture, furniture, equipment and appliances necessary for the proper operation of a Ladurée Store, in compliance with the Guidelines.
Food Products	The Ladurée Manufactured Food Products and the Locally Manufactured Products.
Fair Market Value	As defined in Article 4.2.
Force Majeure Event	An event (i) that is beyond the reasonable control of a Party (ii) that could not reasonably have been foreseen when the Agreement was executed and (iii) the effects of which could not be avoided through appropriate measures. Force Majeure Event includes, but is not limited to, strike, lock-out, act of God, epidemic, war, riot, civil unrest, fire, flood and storm.
Forms of Area Development Agreement and Sub-License Agreement	The forms of Area Development Agreement and Sub-License Agreement that Master Licensee shall use with Sub-Licensees. A template of the Form of Area Development Agreement and Sub-License Agreement for the retail Channel is attached hereto as Appendix 2 .
General Manager	The full-time manager designated by Master Licensee to supervise the development and operations of the Ladurée Stores in the Territory. The General Manager will be the contact person of Licensor for the day-to-day operations.
Graphic Charter	The graphic charter used by Ladurée International for the Trademarks, which Master Licensee must use and comply with on any media reproducing the Trademarks, and that Sub-Licensees must strictly comply with and use for any marketing and promotional materials reproducing the Trademarks. The Graphic Charter is included in the Guidelines.
Guidelines	The operating guidelines provided and amended from time to time by Licensor, which describe the System and include (i) the Products and supplies guidelines, and (ii) the furniture, fixtures and equipment guide. The table of all available Guidelines at the time of signature is attached in Appendix 8 and may be amended by Licensor as Licensor deems it necessary, upon written notice to Master Licensee, to preserve and enhance the competitiveness of the System and the attractiveness of the Trademarks.
IP Rights	All of Licensor and/or its Affiliates' industrial and intellectual property rights including, but not limited to, all the industrial and intellectual property rights which may protect Licensor and/or its Affiliates' assets, in particular the rights which may protect creations, products, recipes, packaging, communication tools, trade secrets, shop signs, logos, insignia, utility models, designs,

copyrights, Know-How, drawings, plans and/or patents held by Licensor and/or its Affiliates for the operation of the Business, or the rights that are embedded within the System or within the Guidelines.

Key Personnel

On the date of execution of the Agreement, the Key Personnel are comprised of 1) Master Licensee's General Manager, and at least 2) one purchase and supply director, and 3) one marketing and communication director, to represent a mainly supplier business at the start of the Agreement. As the Master Licensee's business grows, it will have to expand the Key Personnel team to meet the needs of the sub-licensees and fulfil the obligations set out in the Agreement.

Know-How

All of the non-patented practical information, resulting from experience and testing by Licensor, which is deemed by Licensor necessary or useful for the operation of the Business. Such information may be communicated in writing (e.g. in the Guidelines) or orally (e.g. in the context of training programs).

Know-How shall include specifications, procedures and operating concepts, methods and techniques regarding but not limited to:

- Equipment and recipes used for the manufacturing of the Locally Manufactured Products exclusively, in the local production laboratories;
- Interior and exterior equipment, decor, including signature colors, floor and wall claddings, signature furniture;
- Trade dress code and trade specifications;
- Layout of the sale spaces and show windows;
- Graphic guidelines;
- Compulsory range of Food Products to be offered in the Ladurée Stores to customers;
- Methods of selling and of providing services to the customers.

The Master Licensee acknowledges that the recipes of Ladurée Manufactured Food Products and especially the recipes of macarons and chocolates are not included in the Know-How shared with the Master Licensee and consequently shall not be communicated by Licensor to Master Licensee; such products shall be manufactured exclusively by Licensor or its Affiliates.

Ladurée Manufactured Food Products

The food products that are manufactured exclusively by and purchased exclusively from Licensor and/or its Affiliates and/or Authorized Suppliers, that Master Licensee shall resell to the Sub-Licensees, BtoB Clients or Approved Retailers and that must be offered for sale to customers in the Ladurée Stores, Approved Retailers or BtoB Clients, under the Trademarks. The current list of Ladurée Manufactured Food Products is indicated in **Appendix 6** and may be amended from time to time by the Licensor upon written notice.

Ladurée Store

A restaurant or a retail store or a travel retail store or a pop-up store or any other type of point-of-sale (e.g. a kiosk) operated by a Sub-Licensee under the Trademarks, according to the format classification set forth in the Guidelines. A specific range of Food Products is associated with each format of Ladurée Store.

Large Account	BtoB Clients who have a presence in more than one country.
Locally Manufactured Products	The range of Food Products approved in writing by Licensor to be manufactured by Sub-Licensees in the local production laboratories according to the recipes and Know-How of Licensor and that, subject to the terms herein, must be offered for sale to customers in the Ladurée Stores under the Trademarks.
Master Trademark License	The master trademark license agreement entered into by and between Master Licensee and Ladurée International on the same date as this Agreement.
Minimum Development Obligations	Master Licensee's minimum development obligations, as set out in Article 6.1 and as prescribed in the Development Plan.
Minimum Purchase Quota	The minimum purchase quota of macarons applicable to Master Licensee, as set forth in Article 7.1.2 and in Appendix 5.2 .
Net Sales	<p>The aggregation of the following revenues:</p> <ul style="list-style-type: none"> (i) The revenues of any kind earned by Master Licensee with the sale of Products to BtoB Clients (including any revenues derived from Trademark sublicences granted by Master Licensee with prior written authorization from Licensor), minus: <ul style="list-style-type: none"> - VAT and other taxes on services, products and sales; - Refunds made (i) in good faith and (ii) in line with the Guidelines; and - Specific reductions/discounts/allowances granted to customers in the normal course of the Business. - Uncollected amounts with respect to BtoB Clients, up to a limit of 0.50%, per contract year, of the revenues of any kind generated from the sales of Products to BtoB Clients. (ii) The revenues of any kind earned by the Sub-Licensees in connection with the operation of their Ladurée Stores minus: <ul style="list-style-type: none"> - VAT and other taxes on services, products and sales; - Refunds made (i) in good faith and (ii) in line with the Guidelines; - Tips and gratuities; - The retail price of any gift certificates and vouchers when sold but not yet redeemed; - Specific reductions/discounts/allowances granted to customers, partners and similar parties in the normal course of the operation of the Ladurée Stores; - Uncollected amounts with respect to all revenues of Sub-Licensees, up to a limit of 0.50% of these revenues per contract year. (iii) The revenues of any kind generated by Approved Retailers in connection with the sale of Ladurée Products, minus: <ul style="list-style-type: none"> - VAT and other taxes on services, products and sales; - Refunds made (i) in good faith and (ii) in line with the Guidelines; - The retail price of any gift certificates and vouchers when sold but not yet redeemed; - Specific reductions/discounts/allowances granted to customers in the normal course of the business; and

- Uncollected amounts with respect to Approved Retailers, up to a limit of 0.50% per contract year, of the revenues of any kind generated from the Approved Retailers' sales of Products.

For the avoidance of doubt, Licensor acknowledges and agrees that Master Licensee's sales or resales of any Products (including, without limit, macarons) to Sub-Licensees, Approved Retailers, and Management Stores (as defined in the Management Services Agreement, of even date herewith, described in Annex 4) shall not be included in the Net Sales or otherwise subject to any royalty or sales or other fees owing to Licensor hereunder).

Network	The network of Ladurée Stores in the Territory.
Non-Food Products	The "Ladurée" branded products other than the Food Products, such as packaging, key rings, candles, shopping bags, as those are listed in Appendix 7 , which Master Licensee must source exclusively from Licensor, Licensor's Affiliates, or Authorized Suppliers, that Master Licensee will resell (i) to the Sub-Licensees for their sale to customers in the Ladurée Stores and (ii) to Approved Retailers and (iii) to BtoB Clients.
Nutritional Information	Representation which states that a food has particular nutritional properties including but not limited to the energy value and to the content of protein, fat and carbohydrates, as well as vitamins and minerals.
Owners	The owners of Master Licensee, listed in Appendix 1 , who directly or indirectly control Master Licensee.
Products	The Food Products and Non-Food Products that (i) the Sub-Licensees are authorized to sell in and from the Ladurée Stores and (ii) Master Licensee may sell to Approved Retailers and BtoB Clients.
Software	The point-of-sale system (POS) prescribed or otherwise approved by Licensor that Master Licensee and the Sub-Licensees must use for the operation of the Business.
Sub-License Agreement	A sub-license or sub-franchise agreement between Master Licensee and Sub-Licensees for the operation of one or several Ladurée Stores in a certain area within the Territory.
Sub-Licensee	A company which has entered into a Sub-License Agreement with Master Licensee, for the operation of a Ladurée Store in the Territory.
System	The IP Rights, Know-how, Confidential Information and distinctive business format and methods implemented by Licensor in connection with the Business comprising without limitation certain operational methods and techniques, technical assistance and training in the operation, management and promotion of the Business, specific reporting, all of which may be reasonably changed, improved and further developed by Licensor and part of which is set forth in the Guidelines.
Term	The term of this Agreement as indicated in Article 4.

Territory	The territory indicated in Appendix 4 in which Master Licensee is granted the exclusivity defined in Article 3.
Test Period	The first two (2) years of the Agreement, as from the date of execution of the Agreement.
Trademarks	The Trademarks identified in the Master Trademark License.
Travel Retail	"Travel Retail Channel" as customarily understood in the consumer products market, e.g. including airports, train stations, and other commercial locations designed for persons in "transit".
Website	The https://www.laduree.us website and domain name.

- 1.2 In this Agreement, unless the context clearly indicates the contrary, any reference:
- to a word in singular form shall also refer to its plural and vice versa;
 - to an Article or an Appendix refers to an article or appendix of this Agreement unless indicated otherwise.

ARTICLE 2 – GRANT

- 2.1 Licensor grants to Master Licensee the exclusive right, and Master Licensee accepts the obligation, to operate as Master Licensee in the Territory and develop the Network by entering into Sub-License Agreements with Sub-Licensees under the terms and conditions set out in this Agreement, and to use the System, Trademarks and IP Rights in connection therewith.
- 2.2 Licensor also grants Master Licensee the exclusive right to import Ladurée Manufactured Food Products and Non-Food Products into the Territory, for the purpose of selling them to (i) the Sub-Licensees, Approved Retailers and BtoB Clients in the Territory and (ii) to Licensor in relation to Licensor's online sales in the Territory, through the Website. Such purchase shall be governed by the terms and conditions of sale provided in **Appendix 10**.
- 2.3 Master Licensee shall only grant Sub-License Agreements for the operation of Ladurée Stores to selected third party Sub-Licensees under the terms and conditions of this Agreement.
- 2.4 For the part of the business relating to Travel Retail, Master Licensee undertakes not to enter into an exclusivity contract of any kind whatsoever with any party specialized in the Travel Retail market for all or part of the Territory. On the contrary, Master Licensee undertakes to do its utmost good faith efforts to participate in Travel Retail tenders via Travel Retail expert companies (like SSP, Lagardère, Extime, etc.) in order to maximize the chances of the Trademarks of being included in the selected tender. A Sub-License Agreement will then be signed between the company selected in the tender and Master Licensee.

ARTICLE 3 – TERRITORIAL PROTECTIONS

3.1 Scope of the territorial protection

- 3.1.1 During the Term, Licensor shall not:
- import or sell (directly or indirectly) any Products into the Territory other than through Master Licensee, or
 - grant master license, master franchise, franchise or similar rights for any Ladurée Stores or any Competing Business to any other person for or in the Territory.
 - establish, or license any other parties to establish, Ladurée Stores in the Territory, or compete with Master Licensee in the Territory through a Competing Business. Notwithstanding the foregoing and for the sake of clarity, Master Licensee expressly

acknowledges and accepts that Licensor will hold an ownership interest in the Sub-Licensee in charge of the development of the brick and mortar retail Channel in the Territory.

Licensor shall not grant or negotiate for the grant to any third party of any rights which could reasonably conflict with the rights granted to Master Licensee hereunder.

3.1.2 Notwithstanding the foregoing, Licensor shall have the right, in its discretion, to terminate, amend or restrict the rights granted to Master Licensee in Article 3.1.1 above, in accordance with the terms and conditions of Article 6.1.4 if Master Licensee fails to comply with the Minimum Development Obligations (defined in Article 6.1).

3.1.3 Notwithstanding any term to the contrary herein, Master Licensee will act as the exclusive supplier of Products for the Territory, including, without limitation, the importing of Products for sale and any other reason in connection the Business. The supply terms are attached in **Appendix 10**.

3.2 Reservation of rights

Licensor reserves all rights not expressly granted to Master Licensee by this Agreement. Without limiting the generality of the foregoing, Licensor reserves the following rights:

- (i) the right to grant others master license or master franchise rights under the System and using the Trademarks in areas outside the Territory;
- (ii) the right to license, establish, offer and sell unit licenses or franchises for Ladurée Stores outside the Territory, whether under the Trademarks or under any other trademarks or trade names, and on any terms and conditions that Licensor deems appropriate;
- (iii) the right to sell the Products online through the Website to customers located in the Territory, subject and pursuant to Article 9.1;
- (iv) the right to sell the Products to Large Accounts provided that in each case, Licensor must grant the exclusive right to Master Licensee to transact and fulfill all sales to such Large Accounts (under such global contract) of Products sold or delivered in the Territory.. Likewise, if Master Licensee enters into an agreement for the distribution of Products in the Territory as well as outside the Territory with a Large Account having its head/registered office in the Territory, Master Licensee will grant a reciprocal exclusive right to Licensor to transact with such Master Licensee's Large Account and fulfill all sales of Products delivered outside the Territory. Such exchange of business opportunities will take place without any of the Parties being entitled to any remuneration or commission in relation to the sales made to Large Accounts by the other Party.
- (v) the right to acquire or be acquired, directly or indirectly, in whole or in part, by any business located anywhere providing any products or services, regardless of any similarity to those provided by Master Licensee (subject in all cases to the terms hereof and rights granted to Master Licensee hereunder and under the Trademark License Agreement);
- (vi) the right to own, acquire, establish and/or operate, and license others to establish and operate, businesses under trademarks other than the Trademarks, whatever their business activity (other than a Competing Business), at any location within or outside the Territory notwithstanding their proximity to existing Ladurée Stores.

ARTICLE 4 – TERM

4.1 This Agreement will enter into force on the date of its execution by the Parties and shall, unless earlier terminated in accordance with the provisions of this Agreement, remain in force for a term of ten (10) years (the “**Term**”).

- 4.2 Twelve (12) months before the expiration of the Term, Master Licensee shall indicate to Licensor its wish to renew or not the Agreement for a new period of ten (10) years, by submitting a new written business plan, in which the minimum Net Sales will increase by at least 7.5% per year with a minimum Net Sales in year 10 equal to twice the minimum Net Sales in year 10 of the preceding business plan for the first ten year Term hereunder.
- 4.3 Between twelve (12) and six (6) months before the expiration of the Term (the “**Renewal Discussion Period**”), the Parties will meet to discuss their intentions regarding a possible renewal of the Agreement, and the terms and conditions of such renewal. In connection therewith, and presuming the Agreement has not been early terminated pursuant to the terms hereof, then Licensor and Master Licensee shall have the following rights and options based on the new business plan :
- a) Licensor may accept the renewal of the Agreement for a new fixed term of ten (10) years with Master Licensee, *mutatis mutandis*, based on, and in accordance with, the terms of Master Licensee’s new business plan; or
 - b) Licensor may refuse to renew the Agreement. In such case, the Parties agree that the Licensor shall then purchase Master Licensee at Fair Market Value (with an option to be substituted by any third party of its choice as purchaser), as defined below, and according to the procedure described below; or
 - c) Licensor may propose the renewal of the Agreement (for a new fixed ten (10) year period) conditioned on Licensor’s proposed modification(s) to Master Licensee’s new business plan, in which case, Master Franchisee shall have the right, in its sole discretion, (a) to agree to such proposed modifications to the new business plan and renew the Agreement, or (b) to “put” or require Licensor to purchase 100% of the ownership interests of Master Licensee at Fair Market Value (with an option for Licensor to be substituted by any third party of its choice as purchaser), as defined below, and according to the procedure described below.

The “**Fair Market Value**” will be determined using a discounted cash flow method based on a renewal of the Agreement for a non-renewable fixed 10-year term, on the basis of a business plan with an annual EBITDA growth rate of 7.50% based on the average EBIDTA of FY8 and FY9 of Master Licensee, with no terminal value and a discount rate consistent with an investment rate return that would be expected by a successor on the basis of this business plan. This value may be adjusted by reference to five (5) comparable transactions that have occurred in the preceding five (5) years in the USA for similar single-brand master license in similar businesses with similar remaining licence duration.

In options b) and c) above, if the Parties fail to reach an agreement on the Fair Market Value, each Party will appoint, within thirty (30) days following such option exercised by the Licensor, an expert of securities valuation among the leading investment banks with international reputation, independent from each of the Parties and experienced in luxury brand and luxury food licensed businesses, who shall prepare and deliver a final report setting forth its determination of the Fair Market Value, together with the justification thereof in reasonable details, within thirty (30) days following his or her appointment.

On the basis of these two reports, the Parties shall try in good faith to agree on a final purchase price.

Failing such agreement within fifteen (15) days, the two experts appointed by the Parties shall designate a third expert among the leading investment banks with international reputation, independent from each of the Parties and experienced in luxury brand and luxury food licensee businesses. Failing to agree on the appointment of such third expert within seven (7) days, such expert will be appointed by the President of the Commercial Court of Paris, in France ruling in summary proceedings and without possible recourse at the request of the most diligent Party.

The third expert shall prepare and deliver a final report setting forth its determination of the Fair Market Value which shall not be greater than the higher, nor less than the lower, of the two Fair Market Values, proposed by the first two experts, together with the justification thereof in reasonable details, within thirty (30) days following his or her appointment.

The Fair Market Value determined by the third expert shall be final and binding on the Parties, except in case of gross or patent mistake.

The three experts shall be bound by the terms of the Agreement and, in particular, the valuation methods of the Fair Market Value set forth above.

Each Party will bear the costs, fees and disbursements incurred in connection with its own expert. In the event of the appointment of a third expert, the costs, fees and disbursements incurred in connection with such appointment will be divided equally between the Parties.

ARTICLE 5 – LICENSOR’S OBLIGATIONS

5.1 Guidelines

- 5.1.1 Licensor shall provide Master Licensee with a confidential login and password to access the latest versions of the Guidelines available on the Licensor’s platform or through Teams (or equivalent platform). The Guidelines can be in French or in English, at Master Licensee’s choice. If a translation of the Guidelines in another language is required by Master Licensee, then Master Licensee shall bear the cost of such translation and shall ensure that the translator complies with all confidentiality requirements under this Agreement. The translated Guidelines shall be transmitted to Licensor who shall be granted by Master Licensee (and as the case may be the translator) a free and worldwide license over such translation for the duration of the author’s rights.
- 5.1.2 A table of all existing Guidelines on the date of signature is enclosed as **Appendix 8**. From time to time, Licensor may notify reasonable changes to the Guidelines to Master Licensee. Master Licensee must amend the Guidelines used in the Territory and implement the changes on a mutually agreed timeline as soon as reasonably practicable following said notification, with the aim of not exceeding one (1) month.
- 5.1.3 Master Licensee acknowledges that the Guidelines are Licensor’s property and shall keep no copy after the Term. Master Licensee acknowledges that Licensor retains full author’s rights and copyrights in the Guidelines and any amendments thereto. Master Licensee shall not copy, disclose or otherwise duplicate the Guidelines on any media, except for the fulfilment of Master Licensee’s obligations under this Agreement.
- 5.1.4 Master Licensee may from time to time during the Term, submit for review and approval by Licensor any modifications to the System and the Guidelines that Master Licensee believes to be necessary or advisable to comply with the legal requirements applicable in the Territory, adapt them to prevailing customs and current commercial practices in the Territory, or for the commercial success of Ladurée Stores operated by Sub-Licensees in the Territory. Licensor shall consider any proposed modifications in good faith (and its agreement shall not be unreasonably withheld, conditioned or delayed) and notify Master Licensee in writing within one (1) month whether Licensor accepts or rejects Master Licensee’s modifications. If Licensor does not respond within one (1) month, the request will be deemed denied.
- 5.1.5 The Guidelines and all such additional and supplemental materials shall be deemed as Confidential Information. Master Licensee shall take all due precautions to ensure the confidentiality of the Guidelines.
- 5.1.6 Master Licensee shall use its best efforts to ensure that all Sub-Licensees conduct their operations in strict compliance with the Guidelines.

5.2 Training

5.2.1 Initial Training of Master Licensee

Master Licensee shall hire or designate a General Manager, acceptable to Licensor, with suitable experience and expertise, for the running of the Business in the Territory.

Within three (3) months following execution of the Agreement, the Key Personnel shall attend and successfully complete Licensor's initial training in one or several locations reasonably chosen by Licensor, and on the dates agreed between Licensor and Master Licensee.

The initial training shall take place in Paris and shall last at least two (2) weeks. The cost of the initial training of the General Manager and the Key Personnel is included in the entry fee referred to in Article 10.1, except for the Accommodation and Travel Costs and other expenses that Master Licensee and Master Licensee's employees and Owners will incur in connection with the training, and any compensation and other costs paid to or incurred by or on behalf of Master Licensee or Master Licensee's employees in connection with the training. In the event the employees of Master Licensee are denied entry into France for training, Master Licensee shall nominate replacement personnel with the necessary qualifications to obtain the necessary visas.

If any member of the Key Personnel is replaced in his/her functions for any reason whatsoever, Master Licensee shall promptly hire a new person for the position and ensure that the latter will follow the abovementioned initial training. Master Franchisee shall pay a reasonable amount to Licensor to cover Licensor's costs for the training of the new member and of any subsequent replacement.

5.2.2 Ongoing Training of Master Licensee

In order to maintain the uniformity and high standard of services provided by Master Licensee and Sub-Licensees and to facilitate the provision of additional services or to otherwise modify the services provided by Sub-Licensees, Licensor may require that Master Licensee's employees designated by Licensor attend periodic training courses either (i) in Master Licensee's premises or at another location chosen by Licensor, or (ii) when possible given the content of the training session, remotely, with e-learning materials such as video tutorial and technical sheets, to enable Master Licensee to subsequently provide training to Sub-Licensees in the Territory.

Ongoing training will be at Licensor's reasonable discretion and will not be required on more than three separate occasions of up to three (3) days maximum each, per year, of which only one will be on site (either Paris or USA), the other two being provided remotely, by visioconference.

Licensor has the right to charge Master Licensee a reasonable fee for ongoing training and Master Licensee will bear all Accommodation and Travel Costs and other expenses incurred by Master Licensee and Master Licensee's employees while attending the ongoing training. If training is provided by Licensor in the Territory, Master Licensee shall reimburse Licensor for all Accommodation and Travel Costs that Licensor's employees reasonably incur in relation thereto, up to an aggregate (all-in) maximum amount per training session of Euros five thousand (€ 5,000) VAT excluded.

Any additional onsite training, support and assistance requested by Master Licensee will be charged to Master Licensee at a reasonable amount, plus the Accommodation and Travel Costs, up to an aggregate (all-in) maximum amount per training session of Euros five thousand (€ 5,000) VAT excluded.

5.2.3 Training of the Sub-Licensees

Licensor will provide assistance with the training of the key personnel of the first Sub-Licensee for each Channel. Master Licensee shall pay to Licensor up to an aggregate (all-in) maximum amount per training session of Euros ten thousand (€10,000) VAT excluded per Sub-Licensee, depending on the type of stores/training.

The contents and duration of the initial training of Sub-Licensees is indicated in the Sub-License Agreement.

Master Licensee shall be responsible for training the key personnel of all other Sub-Licensees in compliance with Article 6.3.

Upon Master Licensee's request, Licensor may provide reasonable assistance to Master Licensee in training Sub-Licensees in accordance with the terms and conditions of Article 6.3.

5.3 General Support

Licensor will provide Master Licensee, by means of telephone consultation, e-mail, or Internet conferencing, with a reasonable amount of advice and guidance relating to services to be provided (at no cost) to the Sub-Licensees prior to and on the opening of each Ladurée Store.

During the Term, Licensor shall provide Master Licensee with ongoing guidance as Licensor deems necessary with respect to methods and procedures to be followed by Master Licensee, all operational aspects of Business, formulation and implementation of advertising and promotional programs, and establishment of administrative, accounting and general operational procedures.

5.4 Monitoring activity

The Software will allow Licensor to reasonably monitor the activity of Master Licensee and of the Sub-Licensees. Licensor will have consultative accesses to the accounts of Master Licensee and of the Sub-Licensees in the Software. Master Licensee consents to it and shall cause the Sub-Licensees to consent to it and will take all reasonable measures to allow such access.

On the basis of the information obtained from the Software, Licensor may provide guidance and recommendations to help Master Licensee improve its operations and the operation of the Sub-Licensees.

5.5 Visits

- 5.5.1 Licensor will visit Master Licensee and a selection of Sub-Licensees at least once a year with a prior notice of two (2) weeks. The Accommodation and Travel Costs of Licensor's representative(s) in relation to such visits will be borne by Licensor. The purpose of the visits is to help Master Licensee improve its operations, ensure that the Know-How is properly implemented and that the Sub-Licensees comply with the Guidelines and this Agreement. Licensor shall take all reasonable steps necessary so as to not disrupt or interfere with Master Licensee's and/or Sub-Licensee's business. Master Licensee will take all reasonable steps, following Licensor's request, to facilitate the inspections and will provide reasonable assistance to Licensor's representative(s) in relation to such activities.
- 5.5.2 Licensor will draft a visit report following each visit and will send a copy of the visit report to Master Licensee for the purpose of helping Master Licensee to improve its operations. Licensor may also require Master Licensee to proceed with corrective actions or undertake additional training.
- 5.5.3 If, following a visit, Licensor has identified one or several non-compliances with the Guidelines or the Agreement, Master Licensee will, within thirty (30) days from the date of receipt of the report, take all necessary steps to comply in all material respects with any reasonable requests made by Licensor and will provide evidence of the same to Licensor or provide Licensor with a satisfying action plan. Licensor will have the right to conduct follow-up visit(s), as necessary. If, in Licensor's reasonable opinion, Master Licensee does not take adequate measures to remedy the breaches within this timeframe, Licensor will be entitled to terminate this Agreement in compliance with Article 12.1.
- 5.5.4 If Master Licensee requests additional visits from Licensor, the costs of such additional visits as well as the Accommodation and Travel Costs of Licensor and other expenses will be subject to a quotation and be separately invoiced to Master Licensee.

ARTICLE 6 – MASTER LICENSEE’S OBLIGATIONS

6.1 Master Licensee’s development obligations

6.1.1 Development Plan

Master Licensee shall dedicate full time and best efforts in connection with the Business, and shall ensure the opening and operation of at least the annual and cumulative minimum numbers of Ladurée Stores required in the Development Plan, in the manner and within each of the time periods specified therein.

The Development Plan is set forth in **Appendix 5.1**.

Master Licensee agrees that the Development Plan has been freely and voluntarily negotiated between the Parties and Master Licensee represents to Licensor its belief that the Development Plan is both reasonable and attainable by it.

Two (2) months before the end of the Test Period, the Parties will meet to renegotiate, in good faith, the Development Plan for the remaining Term. If the Parties fail to reach an agreement on an updated Development Plan, the initially agreed Development Plan shall remain applicable and binding upon Master Licensee.

6.1.2 Net Sales targets

After the Test Period, and for each contract year beginning in the third (3rd) year of this Agreement, the “Net Sales target” shall be an increase of ten percent (10%) of Net Sales of Sub-Licensees compared to the prior contract year and achievement of such targets by Master Licensee shall be compulsory. The minimum Net Sales targets are set forth in **Appendix 5.3**.

For the avoidance of doubt, for purposes of calculating Net Sales for this Section 6.1.2, the Parties acknowledge and agree that only the Net Sales generated by Sub-Licensees shall be taken into account for the calculation of the Net Sales targets (and all other sales, i.e. Net Sales generated from Approved Retailers and BtoB Clients, shall be excluded from such calculations).

The Net Sales targets set forth in the chart provided in **Appendix 5.3** are annual minimums. If, during a given year, Master Licensee achieves higher Net Sales than the required Net Sales target for that year, the annual ten percent (10%) increase for the following year shall not be based on the target amount required in **Appendix 5.3**, but rather on the actual amount of the Net Sales achieved by Master Licensee in that year.

For the sake of clarity, if during a given year, the Net Sales achieved are lower than the Net Sales target for such year, then the Net Sales for the following year shall be calculated based on the Net Sales target that should have been achieved by Master Licensee during the preceding year.

6.1.3 Net Sales derived from the sale of macarons

Macarons are core to Licensor’s Know-How, and the System currently relies upon the macaron as a flagship Product. Consequently, Master Licensee shall ensure that, within the network of Ladurée Stores in the Territory as well as in its wholesale activity, and during each contract year, at least forty percent (40%) of all Net Sales revenue must be achieved from the sale of macarons. For the avoidance of doubt, for the purpose of calculating Net Sales under this Section 6.1.3, all Net Sales shall be taken into account (i.e. all Net Sales of the Sub-Licensees and all Net Sales of Master Licensee to Approved Retailers and BtoB Clients).

6.1.4 Failure to meet the obligations set forth in articles 6.1.1, 6.1.2 and 6.1.3

- a) After the Test Period, if Master Licensee fails to achieve the Net Sales targets required for a given contract year, Master Licensee shall compensate Licensor for such failure by paying to Licensor a Master License Fee on such amounts that Master Franchisee would have paid to Licensor if Master Licensee had met the Net Sales target (the “**Supplemental Fee**”). In such a case, Licensor will provide Master Licensee, within two (2) months following the end of the contract year, with a calculation of the discrepancy and the invoice corresponding to the Supplemental Fee, which Master Licensee shall pay within thirty (30) days following receipt of such invoice. If Master Licensee fails to pay the Supplemental Fee, Licensor may opt for one of the remedies set out below.
- b) If, following the Test Period, Master Licensee fails to achieve the required Net Sales target and/or the Development Plan for two (2) consecutive years, Licensor shall also have the option, following good faith discussions between the Parties, to either:
- (i) Require Master Licensee to pay the Supplemental Fee, under the same conditions as described above; or
 - (ii) Terminate this Agreement in accordance with Article 12.2; or
 - (iii) Reduce the size of the Territory.

Reduction of the Territory or termination of the Agreement by Licensor shall not entitle Master Licensee to any compensation.

6.2 Sub-Licensees

- 6.2.1 Except as contemplated by this Agreement, Master Licensee shall not directly operate Ladurée Stores but only through Sub-Licensees, which will enter into Area Development Agreements and Sub-License Agreements with Master Licensee.
- 6.2.2 All Sub-Licensees must meet the selection criteria (including financial resources and experience) periodically required by Licensor. Such criteria include, among other things:
- The Sub-Licensee shall be registered in the State of Delaware;
 - The Sub-Licensee shall enter into an Area Development Agreement and Sub-License Agreements based on the forms attached in **Appendix 2** including a call option agreement with the Sub-Licensee or its shareholders, ;
 - Unless Licensor waives the requirement to do so, each Sub-Licensee (except for the Sublicensees in the Travel Retail Channel) shall be a joint-venture with Ladurée USA Inc. (or by any of Licensor’s affiliates that Licensor designates) owning a thirty percent (30%) interest in the joint venture.
- 6.2.3 For each Ladurée Store, Master Licensee shall conduct an approval process to confirm that each potential Sub-Licensee and each potential Ladurée Store meets all of Licensor’s then current minimum requirements for new Sub-Licensees and operators of Ladurée Stores, as the same may be amended, replaced or supplemented by Licensor from time to time. Master Licensee shall not enter into a Sub-License Agreement with a Sub-Licensee without Licensor’s prior written consent. Master Licensee shall provide Licensor with such information about each prospective Sub-Licensee as Licensor may periodically require (including, without limitation, each prospective Sub-Licensee’s shareholding structure, identity of the ultimate shareholders, existence and contents of shareholders’ agreements) and the project (location, funding, business plan) and Licensor shall examine the proposal in good faith and may request additional information before granting or withholding its consent. Licensor may disapprove of a prospective Sub-Licensee in its reasonable discretion (which may include insufficient financial resources, lack of experience, or reputational issues). To the extent Licensor approves a Sub-Licensee under this Article 6.2.3, Licensor’s approval of any potential Sub-Licensee or potential Ladurée Store is in no way a guarantee as to the success of that potential Sub-Licensee or potential Ladurée Store.

- 6.2.4 The Area Development Agreements and Sub-License Agreements entered into with each Sub-Licensee must conform in all material respects with the Forms of Area Development Agreement and Sub-License Agreement in **Appendix 2** as it may be amended from time to time by Licensor. Each Area Development Agreement and Sub-License Agreement shall provide rights for Licensor to enforce as a third party beneficiary (i) any provision expressly conferring any material right or benefit to Licensor and (ii) in the event that the Master Licensee fails to enforce any material term of the Sub-License Agreement as required in accordance with its obligations to Licensor, or is unable to do so for any reason, any material provision of the Area Development Agreement and Sub-License Agreements as if it were Master Licensee (to the extent permitted by law or contract). Master Licensee shall ensure that the Form of Area Development Agreement and Sub-License Agreement complies in all material respects with applicable mandatory rules in the Territory. Any material modifications to it by Master Licensee must be reviewed and approved by Licensor prior to Master Licensee's use of it. All proposed modifications will be considered by Licensor in good faith and such approval shall not be unreasonably withheld, conditioned or delayed. Licensor will not approve any modification if, in Licensor's judgment, the modification is harmful to its interest, the System, the Trademarks or not compliant with applicable law. Licensor's review and evaluation of modifications to the Forms of Area Development Agreement and Sub-License Agreement, under this Article, including the preparation of the template for the other channels than the retail channel (attached in **Appendix 2**), shall be at Licensor's costs.
- 6.2.5 Master Licensee shall provide Licensor with a copy of each Sub-License Agreement entered into with a Sub-Licensee within one (1) month following its signature.
- 6.2.6 At all times during the Term, Master Licensee shall comply in all material respects with all laws applicable to the operation of the Business in the Territory. Master Licensee is solely responsible for preparing any disclosure document and registering with the relevant public authorities, if required by applicable laws, in connection with the Business in the Territory. Master Licensee shall ensure that its disclosure document conforms at all times (in all material respects) to the then-current requirements. Master Licensee shall deliver its disclosure document to each prospective Sub-Licensee, in the time and manner, and along with any other materials, required by applicable laws.
- 6.2.7 Master Licensee shall not make or provide, and shall use and adopt all commercially reasonable procedures to prevent any person under Master Licensee's control or supervision from making or providing, to any prospective Sub-Licensee, any oral, written, or visual representation, including a representation in the media, that states, expressly or by implication, a specific level or range of actual or potential sales, income, earnings, revenue, gross profits, or net profits of a Sub-Licensee unless made or provided in accordance with applicable law and with Licensor's prior written consent.
- 6.2.8 Licensor shall be entitled to oppose the renewal of a Sub-License Agreement in case of material (and uncured) non-compliance by the Sub-Licensee with the provisions of its Sub-License Agreement.

6.3 Training of Sub-Licensees

- 6.3.1 Licensor will provide initial training sessions to the first (1st) Sub-Licensee of each Channel, as set forth in Article 5.2.3. Master Licensee is responsible for training all subsequent Sub-Licensees in each Channel at a location in the Territory approved by Licensor. Master Licensee shall offer and provide any and all training programs required by Licensor.
- 6.3.2 In connection with initial training, Master Licensee shall principally use the training materials and manuals approved and supplied by Licensor, as modified by Master Licensee in accordance with this Article. Master Licensee shall modify the training materials and manuals provided by Licensor to comply with local laws and adapt them to prevailing customs and current commercial practices in the Territory, subject to informing and obtaining Licensor's prior consent, which shall not be unreasonably withheld, conditioned or delayed. If Master Licensee considers that a translation into a specific language of the training materials and manuals is necessary, Master Licensee shall translate at its own costs and provide a copy of the translated version to Licensor who will be entitled to use it freely.

6.4 Supporting the Sub-Licensees

6.4.1 Enforcement of Area Development Agreements and Sub-License Agreements

Master Licensee shall comply in all material respects with all of Master Licensee's obligations under each Area Development Agreement and Sub-License Agreement with the standards of service established by Licensor from time to time, and shall require all Sub-Licensees in the Territory to comply in all material respects with such standards, with the Guidelines and more generally with the System.

Master Licensee shall implement and support the System in the Territory so as to maintain and enhance uniform standards and operations throughout the entire Network. Master Licensee shall give prompt and efficient service and shall be governed by the highest ethical standards of fair dealing and honesty when dealing with the public and all existing and prospective Sub-Licensees in order to preserve and enhance the identity and reputation built by the System and the value of the Trademarks.

Master Licensee shall enforce the provisions thereof (including strict compliance (in all material respects) with the System and all reporting and payment obligations) against Sub-Licensees that fail to comply with their obligations thereunder. Master Licensee is responsible for monitoring the development and operations of each Sub-Licensee in the Territory.

6.4.2 Ongoing Support

Master Licensee shall provide all guidance, support and other assistance that is reasonably required of Master Licensee under the terms of each Area Development Agreement and Sub-License Agreement (or as Licensor may reasonably request from time to time) in connection with the opening of each Ladurée Store in the Territory, the sourcing of Products, supplies and services for Sub-Licensees, the advertising and promotion of Sub-Licensees, and the supervision of the use, and compliance with Ladurée International's quality control standards in the use of the Trademarks.

6.4.3 Inspections

Master Licensee shall conduct a thorough and reasonably complete review and evaluation of each Ladurée Store within the Territory at least once a contract year in accordance with the standards and procedures that Licensor reasonably prescribes from time to time, to ensure that the Sub-Licensees strictly comply with the System and the Guidelines. Master Licensee shall conduct reviews on a more frequent basis (as often as reasonably necessary and prudent) with respect to Ladurée Stores that are underperforming (by reference to their business plans). In connection with all reviews, Master Licensee shall prepare and submit to Licensor reports containing all information that Licensor reasonably requires within the periods of time that Licensor specifies but not more than twice a year.

Master Licensee acknowledges and agrees that Licensor has the right to contact and inspect directly any Sub-Licensee at any time to ensure compliance with the System and discuss their satisfaction with the services provided by Master Licensee and any other matter that Licensor deems appropriate. Master Licensee shall take all commercially reasonable steps, upon Licensor's reasonable request, to facilitate Licensor's inspections of and contacts with the Sub-Licensees and Licensor will use best efforts to ensure that the operation of the Business is not disrupted during such inspections.

Licensor shall draft an inspection report following each such inspection and shall send a copy of the inspection report to Master Licensee.

If, following an inspection, Licensor has identified one or several breaches of the Guidelines or the Area Development Agreement or Sub-License Agreement by a Sub-Licensee, Master Licensee shall take all steps to swiftly remedy the situation, including, as the case may be and if Licensor

considers that this is an adequate sanction, terminate the Area Development Agreement or Sub-License Agreement with immediate effect.

If, in Licensor's reasonable opinion, Master Licensee does not take adequate measures or sanctions against a Sub-Licensee who is in material breach of its obligations, Licensor shall be entitled to terminate this Agreement in compliance with Article 12.1.

6.4.4 Material Communications

Master Licensee shall inform Licensor of all material issues faced by and with Sub-Licensees and shall provide Licensor with copies of all material correspondence and other communications between Master Licensee and each Sub-Licensee relating to (i) any material breach or alleged material breach of the terms and conditions of the Area Development Agreement and Sub-License Agreement, (ii) the potential termination or expiry of the Area Development Agreement and Sub-License Agreement, and (iii) any other communication that is material to the franchise relationship (the "**Material Communications**"). Master Licensee shall make a written summary of all verbal Material Communications. Master Licensee shall provide Licensor with an accurate and reasonably complete copy of all Material Communications, or written memoranda thereof as soon as reasonably practicable after the Material Communication is received by or from the Sub-Licensee, with the aim of not exceeding seven (7) days thereafter.

6.4.5 Reports and audits

General obligation. Throughout the Term, Master Licensee shall prepare, at Master Licensee's expense, and maintain and preserve at Master Licensee's principal trading premises or such other premises agreed with Licensor for at least five (5) years after their preparation full, complete and accurate (in all material respects) books, records, accounts and tax returns relating to the Business. Without limiting the generality of the foregoing, the books and records must contain all reports that the Sub-Licensees are required to provide to Master Licensee, copies of all Material Communications, and all inspection reports. Within ten (10) days after Licensor's request, Master Licensee shall provide Licensor with such data, information and supporting records as Licensor from time to time reasonably requests.

Monthly reporting. Monthly reports with a statement of the Net Sales achieved by the Sub-Licensees shall be prepared by Master Licensee and sent to Licensor at the latest within fifteen (15) days after the end of each month. Master Licensee shall use its commercially reasonable efforts to deliver monthly reports related to the Net Sales of BtoB Clients and Approved Retailers and send them to Licensor within fifteen (15) days to thirty (30) days after the end of each month.

Annual statement. Master Licensee shall also provide Licensor, in a format compliant in all material respects with international accounting standards (without footnotes), with an annual statement of Master Licensee's gross revenues within five (5) months after the end of Master Licensee's financial year. All statements of gross revenues must separately set out Sub-Licensees' fees and all other revenue streams. Master Licensee shall keep current financial records in all material respects in accordance with generally accepted accounting principles (without footnotes) and provide Licensor with annual accounts, including a balance sheet and profit and loss account, certified by an independent certified accountant, within six (6) months after the end of Master Licensee's financial year.

Right of Audit. Licensor may carry out one (1) visit per year to inspect or examine Master Licensee's books, records, all files relating to the Sub-Licensees, BtoB activity, wholesale activity, accounts and tax returns relating to the Business at any reasonable time, upon providing reasonable notice. Licensor is also entitled, once per year, upon reasonable advance notice and at a time reasonably acceptable to Master Licensee (designed so as to not unreasonably interfere with Master Licensee's business), to have an independent third-party audit made of Master Licensee's books and financial records. Master Licensee shall cooperate in good faith with such third-party accounting firm engaged by Licensor to conduct such inspection or audit. Master Licensee shall maintain, readily available for inspection by Licensor, and shall furnish to Licensor upon request, copies of all tax returns and all files relating to the Sub-Licensees (including all annual statements of the Sub-Licensees). At Master Licensee's expense, Master Licensee shall

furnish Licensor, for inspection and audit, with all forms, reports, records, financial statements and other information required by Licensor. Any inspection, examination or audit will be performed at Licensor's cost and expense, unless the inspection, examination or audit is required by Master Licensee's failure to submit a report or records required by this Agreement, to provide any information properly requested by Licensor, or to preserve records as required by this Agreement, or unless the inspection, examination or audit reveals an underpayment or understatement of any amount due to Licensor of more than five (5) percent.

6.4.6 Software

Master Licensee will exclusively use and shall cause the Sub-Licensees to use the Software prescribed or approved by Licensor for the operation of the Business and the Ladurée Stores.

In the interest of the Network, Licensor may decide to change or replace the Software (or the service provider), in which case any termination and related costs shall be Licensor's responsibility if Licensor does not want to wait until the end of the contractual term with the Software provider before asking for the implementation of the new Software. In this case, Master Licensee will use its best efforts to cause the Sub-Licensees to, within the reasonable time period agreed by Licensor, install and use the new software or contract with the new service provider selected by Licensor. Master Licensee may also suggest alternative software solutions for Sub-Licensees, which Licensor shall consider adopting and/or approving in good faith.

Master Licensee will enter into and maintain, at its own costs, an agreement with the service provider indicated by Licensor for the provision of the Software. The acquisition, installation, operation and license costs of the Software and associated computer system will be borne respectively by Master Licensee and by each Sub-Licensee. Notwithstanding any term herein or in the Trademark License Agreement to the contrary, Licensor shall use its good faith efforts to cause such agreement with such service provider to be – if possible - on terms and conditions at least as favorable (i.e., MFN-basis) as those provided to Licensor or any Affiliate or other franchisee of Licensor.

6.4.7 Compliance with the System

Master Licensee shall permit Licensor to review and monitor at any time Master Licensee's activities in relation to the System in the Territory, and Master Licensee shall provide Licensor with information as to such activities as Licensor may reasonably request. Licensor shall act reasonably in reviewing and evaluating compliance with the System, in keeping with its upmarket positioning. Licensor shall inform Master Licensee of material deficiencies in Master Licensee's activities or of those of Sub-Licensees in the Territory that may be disclosed by the periodic reports that Master Licensee submits to Licensor, or by inspections conducted by Licensor or Licensor's representatives.

Master Licensee acknowledges the importance and necessity of adapting to the potential evolution of the market and customers. Master Licensee shall implement and shall cause the Sub-Licensees to implement any evolution of the System reasonably decided by Licensor as soon as practicable following receipt of a notification from Licensor, with a target implementation of three (3) months.

6.4.8 Compliance with applicable laws and regulations in the Territory

Master Licensee shall perform all activities contemplated or authorized by this Agreement, the Sub-License Agreements, or otherwise, in compliance with all applicable laws, rules and regulations. Without limiting the generality of the foregoing, in connection with the Business, and the execution and performance of all Area Development Agreements and Sub-License Agreements, Master Licensee shall comply with, and conduct all promotion, advertising, and other activities in accordance with all franchise and other laws applicable in the Territory.

Master Licensee shall promptly notify Licensor of all applicable laws of which Master Licensee is or becomes aware that are or become effective within the Territory and which might have a material impact on the operations of Master Licensee or its relationship with Licensor and/or the

Sub-Licensees. Master Licensee shall secure and maintain in force all required licenses, permits and consents relating to the operation of the Business.

6.4.9 Employees

Master Licensee shall recruit, train and supervise the appropriate personnel necessary to conduct the Business, to implement and support the System in the Territory. All such personnel must be employed by Master Licensee who shall be responsible for them and shall direct their activities.

Master Licensee shall pay all salaries of its personnel. Master Licensee is responsible for all costs associated with the conduct of the Business. Master Licensee is responsible for the payment of all wages, commissions, fringe benefits, insurance premiums and income taxes (and other items required by law), if any, to all personnel working for or hired by Master Licensee.

Master Licensee shall ensure that Master Licensee's employees comply with the provisions of, and shall follow the procedures set out in, the Guidelines or any other materials applicable to employees that Licensor may publish or communicate to Master Licensee.

Master Licensee shall ensure that all of Master Licensee's employees, officers, directors, shareholders and other persons associated with Master Licensee who may or will have access to Licensor's trade secrets or other Confidential Information shall keep it confidential.

6.4.10 Insurance

At Master Licensee's sole cost and expense, Master Licensee shall obtain and maintain in full force and effect at all times during the Term, insurance policies issued by reputable insurers with such minimum levels of cover as is prudent and coherent with market practice, having due regard to the nature of the Business and to Licensor's reasonable recommendations, to notably cover its liability vis-à-vis Licensor, Sub-Licensees, its employees and any third parties, and shall provide Licensor with proof of cover on demand.

Master Licensee shall furnish to Licensor annually a copy of the certificate of insurance or other evidence of the renewal or extension of each insurance policy.

Licensor and Master Licensee agree that Licensor has the right to require Master Licensee to reasonably and in good faith increase the minimum cover level of any insurance policy maintained by Master Licensee as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability insurance, to reflect inflation, identification of special risks, changes in applicable law or standards or liability, higher damage awards, or other relevant changes in circumstances.

6.4.11 Acknowledgements

Master Licensee acknowledges and guarantees that:

- It has had the time and the opportunity to raise all questions concerning the System and the Business that Master Licensee deemed necessary to make an informed decision, before entering into this Agreement;
- It has had the time and the opportunity to negotiate this Agreement;
- It has the required experience, facilities (including storage facilities), financial and human resources and the relevant business licenses, where applicable. In particular, Master Licensee has confirmed and guarantees that its Owners will invest, during the first twelve (12) months from execution of this Agreement, at least \$5 million and up to \$10 million as cash contributions in Master Licensee to finance the development of the Network;
- It has undertaken an independent investigation on the risks of running the Business. It has also fully inquired about Licensor and Ladurée International and their activities;

- It has independently investigated the state and the development of the luxury food products market and, in evaluating this business opportunity, has not relied upon any representations, promises or warranties of Licensor or its Affiliates except as may be expressly set forth in this Agreement. The Master Licensee confirms that it is thoroughly aware of the state of the market in the Territory;
- As an independent contractor, Master Licensee is bearing the risk of launching and developing the Business under its own responsibility but in compliance with Licensor's standards. Carrying out the Business contemplated entails a commercial risk and Master Licensee's success depends essentially on its capabilities to independently develop the Business. It therefore undertakes to allocate and devote at all times the human and financial resources required to successfully implement and comply with the terms herein agreed between the Parties;
- Under no circumstances shall Licensor be held liable for discrepancies between Master Licensee's actual revenues and its own forecasts, which Master Licensee must prepare conscientiously with the assistance of its own counsels;

Each Party guarantees and represents to the other that it is not bound towards any third party by an obligation which would prevent it from entering into this Agreement or any part of it, or which would make the conclusion of this Agreement and/or the Contractual Package subject to any prior authorization which has not been granted to date.

ARTICLE 7 – PRODUCTS AND EQUIPMENT

7.1 Ladurée Manufactured Food Products and Non-Food Products

7.1.1 *Exclusive purchase*

To promote the uniformity and quality of the System, Master Licensee shall purchase the Ladurée Manufactured Food Products and the Non-Food Products exclusively from Licensor, its Affiliates and/or its designated Authorized Suppliers, at wholesale price, as provided herein and indicated in **Appendix 6** and **Appendix 7**.

The Sub-Licensees shall then purchase all Ladurée Manufactured Food Products and Non-Food Products to be sold in the Ladurée Stores exclusively from Master Licensee, not from Licensor or its Affiliates or Authorized Suppliers.

7.1.2 *Minimum Purchase Quota*

In consideration of the rights granted by Licensor to Master Licensee under this Agreement, Master Licensee shall, as from the end of the Test Period, purchase from Licensor, its Affiliates, or Authorized Suppliers, a minimum volume of macarons per contract year for the purpose of selling them to Sub-Licensees. For each contract year as from the third (3rd) contract year, such volume shall increase by at least ten percent (10%) compared to the preceding contract year (the "**Minimum Purchase Quota**"), as provided in **Appendix 5.2**.

For the avoidance of doubt, for the purpose of calculating the Minimum Purchase Quota per contract year, the Parties acknowledge and agree that only the volume of macarons purchased by Master Licensee for sale to the Sub-Licensees shall be taken into account (and all other sales, i.e. to Approved Retailers and BtoB Clients, shall be excluded from such calculations).

The minimum volume of macarons set forth in the chart provided in **Appendix 5.2** are annual minimum volumes. If, during a given year, Master Licensee achieves higher minimum volume of macarons than the required minimum volume of macarons stipulated in **Appendix 5.2**, for that year, the annual ten percent (10%) increase for the following year shall not be based on the minimum volume of macarons required in **Appendix 5.2**, but rather on the actual volume of macarons achieved by Master Licensee in that year.

For the sake of clarity, if, during a given year, Master Licensee achieves lower volumes than the required minimum volume of macarons, the annual ten percent (10%) increase for the following year shall not be based on the actual volume achieved by Master Licensee but rather on the minimum volume of macarons that should have been achieved by Master Licensee.

After the Test Period, if Master Licensee fails to achieve the Minimum Purchase Quota during any contract year, Master Licensee shall compensate Macaroon SA by paying to Macaroon SA an indemnity equal to the difference between the Minimum Purchase Quota as set out in **Appendix 5.2** and the purchases actually achieved. In such a case, Macaroon SA will provide Master Licensee, within two (2) months following the end of the contract year, with a calculation of the discrepancy and with the invoice corresponding to the amount to be paid, which Master Licensee shall pay within thirty (30) days following receipt of such invoice.

If Master Licensee fails to reach the Minimum Purchase Quota for two (2) consecutive contract years, Licensor shall have the option to terminate the Agreement in accordance with Article 12.2.

7.1.3 *Food safety and labelling*

In order for the Ladurée Manufactured Food Products to comply with any food safety, food labelling and related laws and regulations, Master Licensee will, at its own cost, provide Licensor with any information or requirements to be complied with under applicable laws and regulations in this respect to make Licensor able to confirm whether the Ladurée Manufactured Food Products comply with such requirements.

7.2 **Locally Manufactured Products**

7.2.1 The Sub-Licensees will be authorized to manufacture Locally Manufactured Products in local production laboratories and to source locally certain ingredients and products necessary for the preparation of the Locally Manufactured Products, which shall be clearly identified in the Guidelines.

7.2.2 Master Licensee will ensure that the core range of Locally Manufactured Products, as prescribed by Licensor and listed in **Appendix 6**, is at all times offered in the Ladurée Stores; provided, however, based on local tastes and availability of ingredients, the Sub-Licensees will be permitted to offer other Locally Manufactured Products, or to propose adaptations to recipes for Locally Manufactured Products, subject to (i) demonstrating a reasonable need for such other products or adaptations, (ii) complying at all times with the Guidelines with respect to such other products or adaptations, and (iii) obtaining Licensor's prior written approval for all other products or adaptations.

7.2.3 Licensor will set minimum quality standards for such ingredients and products and Master Licensee shall cause the Sub-Licensee to comply with such standards.

7.3 **Prices**

7.3.1 The Ladurée Manufactured Food Products and the Non-Food Products will be sold to Master Licensee at the applicable wholesale price on the date Master Licensee's order is placed. Notwithstanding any term to the contrary in this Agreement, all pricing offered by Licensor or its Affiliates to Master Licensee shall be on a most favored nation basis, with the pricing terms offered to any other similarly-situated licensees or third party purchasers of such Products. For the avoidance of doubt, Ladurée's intragroup agreements and pricing (among its Affiliates) are excluded from this most favored nation provision.

Licensor, its Affiliate or the Authorized Supplier may increase the price of the Ladurée Manufactured Food Products and the Non-Food Products at any time, subject to giving Master Licensee two (2) months' prior written notice and no earlier in time than the price increase applied to other licensees, purchasers and master licensees within the System.

As permitted by applicable law, Licensor will recommend the maximum prices that Master Licensee may elect to charge the Sub-Licensees and Approved Retailers for the Ladurée Manufactured Food Products and the Non-Food Products. Master Licensee will have the right to freely set the prices charged to Sub-Licensees and Approved Retailers, in consultation with Licensor.

7.3.2 Licensor may recommend public prices or maximum public prices for all Products sold to customers by the Sub-Licensees in the Territory, after consulting Master Licensee.

7.3.3 The Sub-Licensees may freely fix their own sale prices.

7.4 FF&E

7.4.1 All furniture, fixture, equipment (including kitchen and laboratory equipment) (the "FF&E"), signs and other materials required for the operation of the Ladurée Stores as may be specified or prescribed by Licensor from time to time shall be purchased by the Sub-Licensees exclusively from Authorized Suppliers. Licensor shall take commercially reasonable efforts to ensure that Authorized Suppliers of FF&E apply pricing terms to Master Licensee on a most favored nation basis with the pricing terms generally offered to other similarly-situated licensees under the System.

7.4.2 Notwithstanding any term herein to the contrary, if Master Licensee finds a supplier offering the same equipment at a lower price than that of the equipment proposed by Licensor, Licensor will approve such supplier if supplier reasonably meets Licensor's minimum quality standards in terms of capacity and reliability. This clause will not apply to all the decorative elements and furniture that are specific to the Ladurée brand and that characterize the System, i.e. mainly all the decorative elements and furniture in customer reception areas.

7.5 Terms and conditions of sale

7.5.1 Any order from Master Licensee to Licensor and/or its Affiliates shall be governed by Licensor's and Licensor's Affiliates then-current general conditions of sale. The general conditions of sale of Licensor and Licensor's Affiliates applicable on the date of execution of the Agreement are attached in **Appendix 10**.

7.5.2 Any order placed with an Authorized Supplier shall be governed by such Authorized Supplier's general terms and conditions of sale, as they may be amended from time to time by said suppliers. Licensor shall not be held responsible for any non-performance in this respect, such as late delivery, nor shall Licensor be held liable for any losses or damages.

7.6 Compliance with import and local regulations

7.6.1 Where applicable, Master Licensee shall be responsible for obtaining all necessary import licenses or permits required for the entry of the Ladurée Manufactured Food Products and the Non-Food Products into the Territory and for their delivery to Master Licensee.

7.6.2 Master Licensee warrants that it has informed and will inform Licensor on an ongoing basis of all local laws and regulations having an influence on the import of the Ladurée Manufactured Food Products and the Non-Food Products, which are in force in the Territory or any part of it on the date of the Agreement. Upon receipt of a notification from Master Licensee, Licensor may, in its reasonable business judgement, elect to (i) cease the use or sale of the concerned Ladurée Manufactured Food Products and the Non-Food Products in the Territory, without Master Licensee being entitled to compensation or (ii) endeavor, with the assistance of Master Licensee, to ensure that the Products comply with any change in applicable laws and regulations in the Territory, by the date of implementation of that change or as soon as reasonably possible thereafter.

7.6.3 Master Licensee shall give Licensor as much advance notice as reasonably possible of any prospective change in the laws and regulations applying to the import and the sale of the Ladurée Manufactured Food Products and the Non-Food Products in the Territory.

7.6.4 Master Licensee is responsible for meeting all local requirements or specific standards regarding the Ladurée Manufactured Food Products and the Non-Food Products in the Territory. All additional costs arising from the implementation of these local requirements and specific standards will be borne by Master Licensee.

7.7 Stock of Ladurée Manufactured Food Products

7.7.1 Master Licensee shall notify Licensor (and its Affiliates where relevant) in writing, of:

- At the latest three (3) months before the end of the year: its estimated orders for the Ladurée Manufactured Food Products for each subsequent year during the term of this Agreement;
- As soon as practicable and on a regular basis: any revision of those estimates;
- Within ten (10) days after the end of each calendar month: a detailed statement of its stock of Ladurée Manufactured Food Products as of the first day of the month.

7.7.2 Master Licensee shall order reasonably sufficient quantities of Ladurée Manufactured Food Products and packaging items to meet the Sub-Licensees' estimated demand.

7.7.3 Master Licensee will store the Ladurée Manufactured Food Products and the Non-Food Products in conditions that will preserve them in good standing and in accordance with the high warehousing standards customary in the industry and with Licensor's hygiene and safety standards and with any applicable safety law and regulation in the Territory.

Licensor (and its Affiliates) shall manufacture and maintain sufficient stocks of Ladurée Manufactured Products to fulfil its obligations under this Agreement. Licensor (and its Affiliates) may however discontinue the manufacture of any of the Ladurée Manufactured Products (and Non-Food Products), in which case Licensor will give Master Licensee as much as possible prior notice (and at least one (1) month) in writing of such discontinuation and Licensor shall fulfil all outstanding orders for the Ladurée Manufactured Products and Non-Food Products in question which have been placed by Master Licensee before the date of the notice (except in case of Force Majeure and/or food safety issue).

7.8 Information to consumers

7.8.1 Master Licensee shall, and shall cause the Sub-Licensees, to comply at all times with consumer laws and regulations, including regarding the information (including Nutritional Information) to be given to consumers and the labelling of the Products and shall bear the related costs in compliance with any and all applicable local laws and regulations and with Licensor's specifications and Guidelines.

7.8.2 Master Licensee acknowledges and agrees that the consumers must be informed of the allergens included in the Food Products, as required by applicable law. Licensor will set the Food Products sheets (i.e. technical data sheets for each Food Product, containing, among other information, the list of ingredients and allergens), according to European regulations, and provide any updates or amendments to Master Licensee who shall implement the same and, complete them where necessary in accordance with applicable regulations in the Territory. Master Licensee shall cause the Sub-Licensees to make available, at all times in the Ladurée Stores a leaflet or page mentioning the list of Food Products, their composition and, if any, the allergens.

7.9 Selling to Approved Retailers

7.9.1 Master Licensee will be entitled to sell Ladurée Manufactured Food Products and Non-Food Products to Approved Retailers, who are not Sub-Licensees and who do not operate Ladurée Stores, subject to Licensor's prior written approval, not to be unreasonably withheld, delayed or conditioned.

- 7.9.2 The retailers introduced by Master Licensee for approval by Licensor shall meet the selection criteria set by Licensor.
- 7.9.3 Licensor, acting reasonably, will be entitled to withhold or withdraw its approval of an Approved Retailer if the latter no longer meets the quality standards set by Licensor.
- 7.9.4 For the purpose of the calculation of the Net Sales and the payment of the fees due to Licensor, Master Licensee shall take all necessary steps to obtain, from each of the Approved Retailers, a monthly declaration of their revenues achieved with the Ladurée Manufactured Food Products and the Non-Food Products, which will be addressed to both Master Licensee and Licensor.

ARTICLE 8 – COMMUNICATION AND MARKETING

8.1 Communication towards prospective sub-licensees

- 8.1.1 Master Licensee shall submit to Licensor, for approval, a communication plan for the recruitment of Sub-Licensees in the Territory within two (2) weeks from the execution of the Agreement for the ongoing calendar year, and, subsequently, on an annual basis in September for the following calendar years.
- 8.1.2 Master Licensee shall take into account Licensor's comments and comply with any changes reasonably requested by Licensor. If Master Licensee does not receive an answer from Licensor within fifteen (15) days from receipt of the communication plan by Licensor, Master Licensee shall send a written reminder to Licensor. The lack of answer by Licensor within fifteen (15) days from receipt of the reminder by Licensor will be deemed to constitute an approval by Licensor.

8.2 Communication towards customers

- 8.2.1 Master Licensee shall submit to Licensor, for approval, a marketing and public relations plan towards customers in the Territory taking into account Licensor's marketing guidelines and promotional calendar, within two (2) weeks from the execution of the Agreement for the ongoing calendar year, and, subsequently, on an annual basis in April for the following calendar years.
- 8.2.2 Master Licensee shall take into account Licensor's comments and comply with any changes reasonably requested by Licensor. If Master Licensee does not receive an answer from Licensor within fifteen (15) days from receipt of the marketing and advertising plan by Licensor, Master Licensee shall send a written reminder to Licensor who shall confirm the marketing and advertising plan as soon as possible and, in any case, within a maximum of five (5) days following such written notification.
- 8.2.3 All advertisements and promotions by Master Licensee must conform to the standards applied by Licensor in terms of advertising as referred to and instructed in the Guidelines, and to applicable law in the Territory. Master Licensee shall refrain from conducting any business or advertising practice that may be detrimental to the reputation of the Trademarks. Master Licensee shall not use any advertisements and promotions that Licensor deems inappropriate and shall submit copies of all advertisements and promotions proposed for use in the Territory for Licensor's approval with sufficient prior notice. Licensor shall respond within a reasonable time following receipt. Silence kept by Licensor after a period of fifteen (15) days following receipt of the proposed advertisements and promotions shall be deemed approved.
- 8.2.4 Master Licensee shall have the duty to supervise the communication and marketing activities of the Sub-Licensees in the Territory, and shall ensure that all advertising materials used by Sub-Licensees in local advertising and promotion comply in all material respects with (i) the Graphic Charter, (ii) the high-end positioning of the System, and (iii) applicable regulations and laws in the Territory.

8.3 Marketing Fund

- 8.3.1 Master Licensee shall dedicate and spend (or cause Sub-Licensee's to spend) annually an amount equivalent to at least one percent (1%) of the Net Sales achieved by Sub-Licensees to marketing and promotional actions in the Territory. Master Licensee shall provide Licensor with such materials and documentation as Licensor may periodically request evidencing such required marketing and promotional expenditures.

ARTICLE 9 – INTERNET

9.1 Website/E-shop

- 9.1.1 Licensor will continue to own and operate the Website. The management of the Website by the Parties will be the subject of the management services agreement entered into between the Parties on the date of this Agreement.
- 9.1.2 All online sales of Products within the Territory will be made exclusively (a) by Licensor through the Website and (b) by Approved Retailers through their multi-brand online shops, subject to Licensor's prior approval.
- 9.1.3 The Products sold by Licensor in the Territory through the Website will be purchased by Licensor from Master Licensee on the terms and conditions agreed in the exclusive supply agreement entered into between the Parties on the date of this Agreement. The delivery of the Products to the customers in the Territory will be handled by Master Licensee in accordance with the terms of the management services agreement.
- 9.1.4 Neither Licensor, Master Licensee nor any Sub-Licensee may offer or sell the Products through the internet, on a website, an app or through any other electronic means within the Territory nor sell online in any other manner, except as described in Article 9.1.2.
- 9.1.5 The Parties will discuss in good faith the click&collect offer.

9.2 Online marketplaces and third party delivery platforms

- 9.2.1 Master Licensee is not authorized to sell, and shall ensure that the Sub-Licensees do not sell, the Products through online marketplaces or third-party delivery websites, unless Licensor provides its approval (not to be unreasonably withheld, conditioned or delayed).

9.3 Social media

- 9.3.1 Licensor will set and periodically amend guidelines on the use of social media regarding the Products and Ladurée Stores that Master Licensee shall, and shall cause the Sub-Licensees to strictly, follow. Licensor may restrict the use of certain social media sites to preserve the reputation of the Trademarks and the System.
- 9.3.2 Master Licensee further acknowledges and agrees that Licensor will open and remain sole administrator of the country pages related to the Trademarks on social media sites of its choice. Licensor will allow Master Licensee and the Sub-Licensees to open local pages, subject to complying at all times in all material respects with Licensor's social media guidelines.
- 9.3.3 In particular, Master Licensee shall comply, and shall take all steps to cause the Sub-Licensees to comply, with the following obligations when communicating on social media platforms:
- Master Licensee and the Sub-Licensees will not adopt any behavior which would infringe or otherwise damage the Trademarks and Licensor's Brand Image and reputation;
 - Master Licensee and the Sub-Licensees will refrain from issuing any comments related to sensitive information (including, without limitation, business-related topics or any Confidential Information).

Master Licensee shall require from its employees, representatives, managers, agents, interns, subcontractors, and service providers the same obligations and restrictions of use mentioned here above.

- 9.3.4 Master Licensee shall, and shall cause the Sub-Licensees to, promptly remove any content posted on any social media site that Licensor would consider, in its sole discretion, as contrary to its social media guidelines.

9.4 Online Apps

To preserve the reputation of the Trademarks and the homogeneity of the System, only the online applications (apps) developed by or for Licensor (or otherwise approved by Licensor) may be used by Master Licensee and the Sub-Licensees, subject at all times to complying with Licensor's guidelines. Master Licensee will not use or develop and will cause the Sub-Licensees not to use or develop, any online application (app) without the prior written approval of Licensor, which may be withheld discretionarily.

ARTICLE 10 – FEES

10.1 Entry fee

- 10.1.1 In consideration of the rights granted by Licensor to Master Licensee to use the System and the Know-How under this Agreement for the Term, Master Licensee will pay to Licensor a fee of Euros three hundred thousand (€ 300,000) VAT excl, which fee shall be paid in four (4) installments over the first year following the execution of the Agreement, as follows:

- EUR seventy-five thousand (€ 75,000) upon execution of the Agreement;
- EUR seventy-five thousand (€ 75,000) within three (3) months following execution of the Agreement;
- EUR seventy-five thousand (€ 75,000) within six (6) months following execution of the Agreement; and
- EUR seventy-five thousand (€ 75,000) within nine (9) months following execution of the Agreement.

- 10.1.2 The entry fee is fully-earned and non-refundable immediately upon payment of such amounts to Licensor.

10.2 Master License Fees

- 10.2.1 In consideration of the rights granted and the support provided by Licensor to Master Licensee, Master Licensee shall pay to Licensor, on a monthly basis, a master license fee corresponding to two percent (2%) of the Net Sales in the Territory for such calendar month (the "**Master License Fee**"). For the sake of clarity, no minimum guaranteed amount of fees shall be imposed to Master Licensee during the Test Period.

- 10.2.2 Although Licensor may have access to the Net Sales figures of all Sub-Licensees through the Software, Master Licensee shall confirm the total Net Sales of all Sub-Licensees and the fees paid by all Sub-Licensees to Master Licensee within fifteen (15) days following the end of each calendar month. With respect to the Net Sales figures of the BtoB Clients and Approved Retailers, Master Licensee shall confirm the total Net Sales thereof, and the fees paid by all BtoB Clients and Approved Retailers within a maximum of thirty (30) days following the end of each calendar month, as stipulated in Article 6.4.5.

- 10.2.3 On the basis of the Net Sales, Licensor will calculate the Master License Fee and will send the corresponding invoice to Master Licensee. Licensor's invoices shall be payable within thirty (30) days from the date of issuance.

10.2.4 If, at the end of each contract year in which the minimum Master License Fee is applicable, the Master License Fee paid by Master Licensee is lower than the minimum guaranteed amount referred to in Article 6.1.2, Licensor will issue an additional invoice corresponding to the difference between the minimum guaranteed Master License Fee and the aggregated amount already paid by Master Licensee for the given year. Such additional invoice shall be paid by Master Licensee within the deadline set forth in Article 10.2.3.

10.3 Payment of fees

10.3.1 Payment terms

Payments must be made in Euros (€). The Parties shall use the exchange rate quoted on <http://www.bloomerg.com> on the working day preceding the date of invoicing. Licensor may however be free to elect to be paid in the currency of the Territory. In addition, if, at any time, any legal restriction is imposed upon the transfer to or credit of a non-EU resident party with payments in Euros and Master Licensee is not able to pay, Licensor may require payment in any currency designated by Licensor that is available to Master Licensee or, at Licensor's option, may require Master Licensee to deposit all amounts due but unpaid as a result of such a restriction in any type of account, in any bank or institution designated by Licensor in the Territory. Licensor will be entitled to all interest earned on such deposits.

Unless otherwise agreed between the Parties, all payments shall be made by wire transfer on the bank account of Licensor. For this purpose, Master Licensee and Licensor's banking coordinates are provided in **Appendix 12**.

10.3.2 Late payment interest

In accordance with Article L.441-10 of the French Commercial Code, interest will be due in the event of any late payment, calculated based on the interest rate used by the European Central Bank for its most recent refinancing operation plus ten (10) percentage points. Said interest will apply to the full amount outstanding as from the due date of the relevant instalment and until the date it is paid.

For each unpaid invoice, Master Licensee will also be liable to pay a lump sum of forty (40) Euros as compensation for recovery costs, in case of late payment, without prejudice to Licensor's right to claim a higher compensation if its recovery costs are higher. In particular, Licensor reserves the right to hire the services of third-party recovery services if necessary, at Master Licensee's expense. Charges incurred for recovering outstanding amounts may include all legal costs for preparing court documentation, court fees, courts attendance fees, expert fees, all costs incurred by Licensor's staff for attending court hearings, and any other costs incurred by Licensor in connection with recovery.

These amounts will be due automatically without any requirement for prior notice.

10.3.3 Withholding taxes

Master Licensee undertakes to pay all amounts that will be due to Licensor without any deduction or offsetting, net of all taxes, levies and deductions. If any amounts payable by Master Licensee to Licensor are subject to withholding or other taxes that Master Licensee is required to deduct from the payments, Master Licensee shall promptly deliver to Licensor at the time of payment all receipts of applicable governmental authorities for all such taxes withheld or paid.

If Master Licensee is required by any law or regulation to make any deduction or withholding (on account of tax or otherwise) from any payment for the account of Licensor, Master Licensee shall, together with the payment, pay such additional amount as will ensure that Licensor receives (free and clear of any tax or other deductions or withholding) the full amount which it would have received if no such deduction or withholding had been required. Notwithstanding the foregoing, if a convention between France and the country of Master Licensee for the

avoidance of double taxation is applicable, Master Licensee shall be authorized to pay the amount owing to Licensor, after deduction of the withholding tax.

Master Licensee shall ensure that withholding or other taxes that Master Licensee is required to deduct from amounts payable by Master Licensee to Licensor under this Agreement are paid to the relevant taxation authority on the same date as the amounts payable by Master Licensee to Licensor under this Agreement are paid to Licensor.

Master Licensee is responsible for and shall indemnify and hold harmless Licensor against any penalties, interest and expenses incurred by or assessed against Licensor as a result of Master Licensee's failure to withhold such taxes or to timely remit them to the appropriate taxing authority.

Master Licensee shall fully and promptly cooperate with and assist Licensor to provide all information and records Licensor may request in connection with any application by Licensor to any taxing authority with respect to tax credits, exemptions or refunds available for any withholding or other taxes paid or payable by Master Licensee.

ARTICLE 11 – DATA PROTECTION

Each Party shall, in relation to personal data processed in connection with this Agreement, only process such data in accordance with the Data Protection Legislation and only insofar as is necessary for the purpose of performing their obligations under this Agreement.

11.1 Processing of personal data of the Staff by each Party as data controller

Each Party may collect and process, as data controller, certain personal data relating to the employees, officers, business partners and/or subcontractors (collectively, the "**Staff**") of the other Party. In this respect, each Party is responsible for its own processing of personal data relating to the Staff of the other Party.

Each Party undertakes to inform its own Staff, on behalf of the other Party, of the conditions under which their personal data will be processed by this other Party in accordance with this Article.

This information includes:

- the identity and the contact details of the data controller (namely, the other Party) and, where applicable, of the controller's representative and of the data controller's data protection officer;
- the purposes of the processing, namely the management of the contractual and commercial relations of the Parties and the disputes in relation thereto;
- the legal basis for the processing, namely the performance of this Agreement and the legitimate interest of the data controller to manage the disputes in relation thereto;
- the categories of personal data concerned, namely their identity, job title, business contact details and communications or information in relation to the performance of this Agreement;
- the source from which such data were obtained, namely the other Party;
- the recipients or categories of recipients of the personal data, namely the data controller's employees and other individuals in charge of processing the data as part of their duties, the business partners and the data controller's data processors and, in case of a dispute, law officials and officers of the court and the court or authority in charge of the dispute;

- the implementation of appropriate technical and organisational measures to ensure a level of security appropriate to the nature of the processing carried out;
- where applicable and for any processing of personal data involving a transfer outside the European Economic Area, the establishment of appropriate safeguards in this respect and the means of obtaining a copy of or access to them;
- the data retention period, namely the duration of performance of this Agreement plus the limitation period for any legal action relating thereto as well as until the amicable resolution of a pre-litigation or the exhaustion of legal remedies and time limits for the enforcement of decisions in the event of litigation;
- the existence of the right to request from the data controller access to and rectification or erasure of personal data or restriction of processing concerning the data subject and to object to processing. These rights can be exercised to the other Party by contacting:
 - o For the Licensor: privacy@laduree.com
 - o For Master Licensee: privacy@americanmacaroons.com
- the right to lodge a complaint with a supervisory authority.

11.2 Other processing of personal data

In the context of the performance of this Agreement, the Parties will be required to carry out other processing of personal data relating to prospective sub-licensees, owners and representatives of Sub-Licensees, customers and prospective customers as data Controller and/or data Processor.

Concerning the Sub-Licensees' customers and prospective customers, the collection of the related data having been made possible by the positioning and notoriety of the Trademarks, Licensor and its Affiliates may set up a database on a national or international scale including all the prospective customers and customers of the Sub-Licensees and will ensure its functional and technical management. Licensor will incur the set up and ongoing cost of a protection of the database and all apps. If any data breach is a result of Licensor's fault, including with respect to the management of the database and any apps, Licensor will indemnify, defend and hold harmless Master Licensee, any Sublicensees and their respective Affiliates.

Master Licensee will have access to this database for the part relating to the Territory.

Master Licensee shall cause all Sub-Licensees to feed the database with all the customers and prospective customers' data collected by the Sub-Licensees. Licensor shall at all times keep the right to carry out all verification, presentation and maintenance operations useful for the operation of the database. Licensor may also use the database insofar as it relates to the data of the Sub-Licensees' customers and prospective customers for the purposes of communication and promotional activities.

The rights and obligations of the Parties involved in the processing of personal data resulting from this section will be described in a data sharing and processing agreement entered into between Licensor, Licensee and each Sub-Licensee.

ARTICLE 12 – TERMINATION

12.1 Termination with opportunity to cure

If either Party at any time commits a breach of any substantial terms, covenants or representations contained in the Agreement and fails to remedy any such breach within thirty (30) days after receipt of a written notice describing such breach (which period could be extended for as long as such Party is diligently pursuing the cure thereof, with a maximum of

thirty (30) days), the non-defaulting Party may, *ipso jure*, immediately terminate the Agreement by sending written notice to the defaulting Party.

12.2 Termination without opportunity to cure

12.2.1 Notwithstanding the provisions set forth in Article 12.1, either Party shall be entitled to terminate this Agreement *ipso jure* with immediate effect without prior notice, in the following cases :

- The failure by Master Licensee during two (2) consecutive contract years after the end of the Test Period to achieve:
 - (i) the Development Plan (Article 6.1.1), and/or
 - (ii) the Net Sales targets (Article 6.1.2), and/or
 - (iii) the Minimum Purchase Quota (Article 7.1.2), and/or
 - (iv) at least forty percent (40%) of its total annual Net Sales with the sale of macarons (Article 6.1.3).

provided that any termination or remedial action with respect to (i)-(iv) above must be taken by Licensor within two (2) years following the conclusion of such applicable second contract year.

- Master Licensee's willful and fraudulent communication of false or deceitful financial information in violation of Article 6.4.5;
- Master Licensee's willful sale of counterfeit Products;
- The violation of the provisions relating to assignment and transfer by Master Licensee under Article 14;
- The violation of the non-compete undertaking under Article 18;
- The filing by Master Licensee of a petition in bankruptcy or Master Licensee being adjudicated as bankrupt or insolvent, or making an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or Master Licensee discontinuing its business or the appointment of a receiver for the Business who is not discharged within three (3) months;
- one of the Owners or the General Manager (as the case may be) being convicted of a felony criminal offence (other than a driving offense) likely to materially harm the reputation of Licensor;
- The voluntary dissolution of Master Licensee, without Licensor's prior consent.

12.3 Termination for indivisibility of the Contractual Package

This Agreement will automatically terminate, without any particular formality, if the Master Trademark License ceases to be effective for whatever reason.

ARTICLE 13 – CONSEQUENCES OF EXPIRATION AND TERMINATION

13.1 Transfer of Sub-License Agreements

13.1.1 Upon expiration or termination of this Agreement, Master Licensee shall assign to Licensor or any third party designated by Licensor the Sub-License Agreements selected by Licensor which shall be accepted by Licensor or such designated third-party, provided, however, that Master Licensee acknowledges that Licensor may refuse the assignment of one or several Sub-License Agreements in the case that one (1) or several Sub-Licensees are in material breach of the Sub-License Agreement or the Guidelines, which permits Master Licensee to terminate such Sub-License Agreements.

- 13.1.2 Master Licensee or Licensor shall inform in writing the Sub-Licensees selected by Licensor of the assignment of their Sub-License Agreements to Licensor or any third party designated by Licensor, in a neutral and factual manner. The content of such communication shall be approved between the Parties before it is sent to Sub-Licensees without the Master Licensee unreasonably withholding its agreement.

Alternatively, instead of being assigned selected Sub-License Agreements, Licensor may opt to exercise the call option included in the Area Development Agreements and Sub-license Agreements.

Master Licensee shall ensure that each Sub-Licensee shall grant such a call option to Licensor when signing each Area Development Agreement and Sub-License Agreement.

- 13.1.3 Master Licensee shall take all reasonable steps to ensure a smooth transition from Master Licensee to Licensor and to terminate the Sub-License Agreements which are not assigned to Licensor.

13.2 Stock

- 13.2.1 No later than one (1) week before the effective date of the expiration or termination of this Agreement, Master Licensee shall provide Licensor with a full inventory of the remaining stock of Ladurée Manufactured Food Products and of Non-Food Products in its possession.
- 13.2.2 Master Licensee shall make its best efforts to sell these products before the expiration or termination of the Agreement. Otherwise, it shall be obliged to destroy them on the effective date of expiration or termination and provide evidence of the same to Licensor.
- 13.2.3 Unless otherwise agreed, Licensor may decide to repurchase all or any part of the Non-Food Products held by Master Licensee, at book value.
- 13.2.4 Licensor's option shall be exercised by written notice no later than thirty (30) days after receipt of said list.
- 13.2.5 The Parties acknowledge that for food safety reasons, Licensor shall never repurchase any Food Products.

13.3 Database

- 13.3.1 The Parties expressly agree that upon expiration or termination for any reason of this Agreement:
- Licensor will be free to continue using the database referred to in article 11.2 which contains the data of all clients and prospects in the Territory. Licensor shall be entitled to use these data for its own commercial activities or for the commercial activities of any other member of the Network;
 - Licensor will provide Master Licensee with an export of this database which Master Licensee may use in the context of its own commercial activities.

13.4 Additional Obligations

- 13.4.1 Upon termination or expiration of the Agreement, unless a renewal agreement is entered into by the Parties:
- The rights granted to Master Licensee under the Agreement shall immediately terminate and these rights shall revert to Licensor. Licensor shall have the unrestricted right to appoint one or several new master licensees or licensees in the Territory;

- Master Licensee shall no longer directly or indirectly at any time or in any manner identify itself as master licensee, franchisee or licensee of or as otherwise associated with Licensor, or use any of Licensor's distinctive signs in any manner or for any purpose, or use for any purpose any trade name, trade mark, or other commercial symbol that suggests or indicates a connection or association with Licensor;
- Master Licensee shall return to Licensor any copy of the Guidelines in its possession, and provide Licensor with copies of all of Master Licensee's records pertaining to Sub-Licensees and prospective Sub-Licensees;
- Master Licensee shall immediately cease the use of the Know-how and the Guidelines;
- Master Licensee shall pay Licensor all amounts owing to Licensor under this Agreement or any other agreement between Master Licensee and Licensor, including interest accrued thereon, if any.

ARTICLE 14 – ASSIGNMENT AND TRANSFER

14.1 Transfer by Master Licensee

14.1.1 Proposed transfer to a third party other than a Competitor

This Agreement was entered into expressly in consideration of:

- (a) The person of the Owners who Control Master Licensee and whose unique characters, skills, business experience and financial capacity constitute for Licensor one of the main reasons for entering into this Agreement;
- (b) Master Licensee, a corporate entity, holder of the master license under this Agreement.

Consequently, this Agreement is non-transferable and non-assignable (in whole or in part) without Licensor's prior approval, in whatever form namely through sale or transfer, with or without consideration, including through lease-management or lease-purchase of Master Licensee's entire Business as well as through merger or demerger. A Change of Control shall also be considered as a transfer for the purpose of this Article 14.1.

Licensor will examine the request for transfer by considering a serious and comprehensive project containing at least:

- A detailed presentation of the transferee (including its expertise, its financial means and its experience);
- An application to become a Master Licensee filled in and signed by the transferee with an undertaking to comply with all obligations under this Agreement or to execute the then-current standard master franchise agreement of Licensor, if Licensor so requires;
- The payment of an administrative fee of five thousand euros (EUR 5,000) VAT excluded to cover Licensor's costs for the review of the proposed transfer;
- The draft transfer agreement under condition precedent of Licensor's approval.

Licensor will communicate to Master Licensee its decision to approve or refuse the transfer within thirty (30) days from the date of receipt of a complete file from Master Licensee. Licensor has no obligation to approve a transfer and no compensation will be due to Master Licensee in case of refusal by Licensor, even in the event of insolvency proceedings. Licensor's approval will not be unreasonably withheld.

Licensor acknowledges that an authorized transfer will entail, for the future, full discharge of Master Licensee as of the date of the transfer of the Agreement.

Any sale, transfer, sub-license of this Agreement or Change of Control of Master Licensee without Licensor's prior approval will authorize Licensor to terminate the Agreement with immediate effect due to Master Licensee's fault, in accordance with Article 12.2.

14.1.2 *Proposed transfer to a Competitor of Licensor*

If there is a proposed transfer of any ownership interest in Master Licensee to a Competitor of Licensor by any Owner, Master Licensee will notify Licensor stating the identity of the proposed transferee (including the interest holders of such proposed transferee), the terms of the proposed transaction, and all other information reasonably requested by Licensor. Within thirty (30) days after receipt of such notice and information, Licensor will notify Master Licensee of its election of one of the following:

- Licensor may give notice of its intent to terminate this Agreement pursuant to Article 12.1, in which case either: (i) Master Licensee may cancel the transfer (and if canceled the Agreement will not be terminated); or (ii) this Agreement will be terminated for breach; or
- Licensor may consent to such transfer on such terms as Licensor may require, in its sole discretion.

14.1.3 *Initial Public Offering (IPO)*

Master Licensee may not offer its shares for sale or be listed on any stock exchange. Initial public offerings are thus prohibited unless Master Licensee obtains Licensor's prior written approval, which Licensor may grant in its discretion.

14.2 **Transfer by Licensor**

14.2.1 The Agreement was also entered into in consideration of the person of Licensor and more specifically in consideration of the Know-How licensed by Licensor. Master Licensee nevertheless expressly accepts, in advance, Licensor's right to transfer the Agreement to any of its Affiliates or to any third party presenting, in Licensor's reasonable opinion, all required skills to perform all of Licensor's obligations under this Agreement. Master Licensee acknowledges that such a transfer shall entail, for the future, full discharge of Licensor as of the date of the transfer of the Agreement.

Master Licensee also expressly accepts, in advance, any change in Licensor's corporate structure such as, for example, merger, demerger, contribution of assets, Change of Control or transfer to a subsidiary.

ARTICLE 15 – FIRST REFUSAL RIGHT

15.1 If Master Licensee at any time desires to sell or assign for consideration the Business or all or substantially all of Master Licensee's assets, Master Licensee must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to Licensor. Licensor has the right, exercisable by written notice delivered to Master Licensee within thirty (30) calendar days following receipt of the proposed offer, to purchase the interest in the Business or the assets for the price and on terms contained in the offer. Licensor may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) calendar days to prepare for closing. If Licensor does not exercise its right of first refusal, Master Licensee may complete the sale to the proposed purchaser under the terms of the offer, provided Master Licensee otherwise complies with this Article 15. If the sale to the proposed purchaser is not completed within one hundred twenty (120) calendar days after delivery of the offer to Licensor, or if there is a material change in the terms of the sale, Licensor again has the right of first refusal.

15.2 If the Owners holding more than 50% of the total issued and outstanding ownership interests in Master Licensee at any time desire to sell or assign for consideration (in one or a series of related transactions) their ownership interest in Master Licensee (resulting in a change in control of Master Licensee), Master Licensee and the concerned Owners must obtain a bona fide,

executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to Licensor. Licensor has the right, exercisable by written notice delivered to the concerned Owners within thirty (30) calendar days following receipt of the proposed offer, to purchase the ownership interest in Master Licensee for the price and on terms contained in the offer. Licensor may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) calendar days to prepare for closing. If Licensor does not exercise its right of first refusal, the concerned Owners may complete the sale to the proposed purchaser under the terms of the offer, provided Master Licensee complies with this Article 15 and subject to the approval of Licensor under Article 14. If the sale to the proposed purchaser is not completed within one hundred twenty (120) calendar days after delivery of the offer to Licensor, or if there is a material change in the terms of the sale, Licensor again has the right of first refusal.

ARTICLE 16 – RELATIONSHIP BETWEEN THE PARTIES

- 16.1 The relationship between Master Licensee and Licensor is an ordinary commercial relationship between independent parties at “arm’s length”. Licensor and Master Licensee are independent contractors, and nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint-venturer, partner, employee or servant of the other for any purpose.
- 16.2 Master Licensee agrees that it is the only party that employs its staff (even though Licensor may provide Master Licensee with advice, guidance, and training), and that Licensor is not Master Licensee’s employer nor is Licensor the employer of any of Master Licensee’s staff, and even if Licensor expresses an opinion or provides advice, Licensor will play no role in Master Licensee’s decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal).
- 16.3 Master Licensee shall conspicuously identify itself at its principal place of business and in all dealings with third parties, including existing and prospective Sub-Licensees, as a Master Licensee of Licensor in the Territory and the independent owner of the Business under a license from Licensor, and shall place such other notices of independent ownership on all forms, stationery, advertising, business cards and other materials as Licensor may require from time to time.
- 16.4 Neither Licensor nor Master Licensee shall make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that the Parties’ relationship is other than licensor and master licensee. Neither Licensor nor Master Licensee will be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized by this Agreement, nor will Licensor be obligated for any injury or damage to any person or property directly or indirectly arising out of the operation of the Business, whether caused by Master Licensee’s negligence, willful action or failure to act.
- 16.5 Each Party shall pay any and all expenses and charges relating to their respective performance of contractual obligations hereunder.

ARTICLE 17 – INDEMNITIES

- 17.1 Master Licensee will indemnify and keep Licensor and its Affiliates harmless against all costs and losses (including attorney’s fees) arising from third party claims brought against Licensor and/or its Affiliates as a direct result of the conduct of the Business by Master Licensee, and/or the operation of Ladurée Store by the Sub-Licensees in the Territory including in connection with:
- (a) a failure to comply with or a contravention of any applicable present and future authorisations, registrations, duties of care, codes of conduct, regulations, legislations,

notices, permits, consents, approvals and licences issued, imposed or directed by any relevant body; and/or

- (b) the use of the Trademarks in breach of the Master Trademark License; and/or
 - (c) any wrongful act, error or omission of Master Licensee or of any Sub-Licensee, their employees or agents; and/or
 - (d) any failure by Master Licensee or any Sub-Licensee to comply with any provision of this Agreement or the Guidelines.
- 17.2 Licensor will cooperate fully with Master Licensee in defending or settling the claim.
- 17.3 For the sake of clarity, Master Licensee's duty to indemnify Licensor does not apply to third party claims that are the direct result of Licensor's act, omission or other fault.
- 17.4 The terms of this Article 17 shall apply reciprocally, *mutatis mutandis*, with respect to Licensor's covenant to indemnify, defend and hold harmless Master Licensee and its Affiliates against all costs and losses (including reasonable attorneys' fees) in connection with any third party claims brought against Master Licensee and its Affiliates as a result of Licensor's act, omission or other fault.

ARTICLE 18 – NON-COMPETE

- 18.1 Master Licensee acknowledges that the System, the business and reputation associated therewith, the methods and techniques employed by Licensor, the training and assistance provided by Licensor, and the knowledge of Licensor's methods, operations and services, contacts and experience acquired by Master Licensee are of considerable value and would not be acquired except through implementation of this Agreement. Further, Master Licensee acknowledges that Licensor has devoted significant time and expense in the development of the System. As a result, both Parties agree that Licensor possesses a proprietary interest in the Know-How, which the Parties acknowledge as a trade secret owned by Licensor subject to a restricted license to Master Licensee for use during the Term in accordance with the terms and conditions of this Agreement and the Guidelines. Further, Master Licensee agrees that competition by persons or entities associated with Master Licensee and/or with the Business could seriously jeopardize Licensor and the entire Ladurée network because Master Licensee has received an advantage through the knowledge of the day-to-day operations and the Know-how related to the System.
- 18.2 As a consequence, Master Licensee and the Owners (and the owners of the Owners, including the ultimate owners) shall not:
- During the entire Term, be engaged or have any interest, directly or indirectly, with or in any Competitor in the Territory and outside the Territory;
 - For a period of twenty four (24) months following the expiration or termination of this Agreement, be engaged or have any interest, directly or indirectly with or in any Competitor within the Territory.
- Moreover, Master Licensee commits not to start any Competing Business during the same periods.
- 18.3 Master Licensee will cause its Owners, the owners of its Owners, and any other affiliate of Master Licensee and, in relation to any of the foregoing, any person who is a husband, wife, civil partner, son or daughter, to comply with this non-compete undertaking.
- 18.4 Master Licensee acknowledges and agrees that its failure to adhere strictly to the restrictions of this Article 18 will cause substantial and irreparable damage to Licensor for which there is no adequate remedy at law. Accordingly, Master Licensee consents to the application by Licensor

for the grant of, and agrees to pay all court costs and reasonable legal fees and expenses incurred by Licensor to obtain, an injunction prohibiting any conduct by Master Licensee or any of the persons identified in Article 18.3 in violation of any of the terms and conditions of Article 18.

ARTICLE 19 – CONFIDENTIALITY

- 19.1 Under this Agreement, “**Confidential Information**” shall be (i) any information, knowledge, technique, and standard in the Know-How communicated to Master Licensee by Licensor for the operation of the Ladurée Store, including the Guidelines and any information in Licensor’s Intranet, (ii) the content of this Agreement, (iii) information relating to the Ladurée network and (iv) any information presented as confidential by Licensor and for as long as such information has not been made public.
- 19.2 Master Licensee undertakes not to disclose Licensor’s Confidential Information communicated to it by Licensor, as defined above, or to use such information to other ends than the operation of the Ladurée Store.
- 19.3 Notwithstanding the provisions above, shall not be deemed to be Confidential Information any information:
- a) that is or becomes publicly available through no fault of Master Licensee;
 - b) that is already legitimately in the possession of Master Licensee and not subject to a confidentiality obligation;
 - c) that is subsequently obtained by Master Licensee from a third party without restriction on disclosure or a confidentiality obligation;
 - d) that Master Licensee or a third party acquires independently without reference to Confidential Information; or
 - e) that Master Licensee is required to disclose in accordance with applicable law, provided that Master Licensee uses its best efforts to give Licensor a notice of said disclosure, only discloses the items of Confidential Information that it is required to disclose by law, and takes all possible steps to ensure that the information disclosed is still treated as confidential.
- 19.4 In addition, notwithstanding Articles 19.1 and 19.2, Master Licensee may disclose the Confidential Information to its employees, representatives, shareholders and counsels within the limit of what is strictly necessary for the performance of this Agreement and provided that Master Licensee cause these persons to keep the information confidential.
- 19.5 This confidentiality obligation is binding upon Master Licensee during the Term and for a period of ten (10) years after its termination or expiration.

ARTICLE 20 – PERFORMANCE OF THE AGREEMENT

20.1 Full payment of outstanding amounts

- 20.1.1 Master Licensee acknowledges that satisfactory performance of the Agreement entails that it must honor full payment of all amounts owing to Licensor in due time, pursuant to the Agreement.
- 20.1.2 In the event Master Licensee would deem performance of the Agreement by Licensor as unsatisfactory, it shall not have the right to unilaterally withhold the payment of amounts due or demand a reduction of the price of the fees, unless Licensor has committed an obvious material breach of the Agreement.

20.1.3 The provisions of Article 20.1.1 are without prejudice to the rights of Master Licensee to deliver a formal notice to Licensor to fulfil its contractual obligations and to have recourse to the provisions of Article 12.1.

20.2 Ongoing fulfilment of obligations

The Parties agree that only a material breach by a Party will allow the other Party to suspend performance of its own obligations.

20.3 Hardship

20.3.1 The Parties expressly agree to exclude the provisions of Article 1195 of the French Civil Code provided, however, that the Parties agree to enter into in good faith discussions in case of hardship relating to the economic terms and conditions of this Agreement (and related agreements) in the event that conditions contemplated under Article 1195 of the Civil Code eventuate or come to exist.

20.4 Force Majeure

20.4.1 If a Party is prevented, hindered or delayed from or in performing any of its obligations under this Agreement by a Force Majeure Event (the “**Affected Party**”):

- (i) The Affected Party's obligations under this Agreement are suspended while the Force Majeure Event continues and to the extent that it is prevented, hindered or delayed;
- (ii) Immediately after the start of the Force Majeure Event, the Affected Party shall notify the other Party in writing of the Force Majeure Event, the date on which the Force Majeure Event started, the effects of the Force Majeure Event on its ability to perform its obligations under this Agreement and a description of the steps taken or to be taken in order to circumvent and/or mitigate the Force Majeure Event;
- (iii) The Affected Party shall make all reasonable efforts to mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement; and
- (iv) Immediately after the end of the Force Majeure Event, the Affected Party shall notify the other Party in writing that the Force Majeure Event has ended and shall resume performance of its obligations under this Agreement.

Except for a Force Majeure Event affecting the banking system, a payment obligation will never be considered as being out of the control of the Parties for the purpose of this Article 20.4. However, and for the avoidance of doubt, the Parties agree that the Minimum Development Obligations (Article 6.1.1), the Net Sales Targets (Article 6.1.2), the obligation that 40% of the Net Sales be generated with sales of macarons (Article 6.1.3) and the Minimum Purchase Quotas (Article 7.1.3) (or other payment not yet due or performance obligations or requirements) under this or any related agreement shall be excused and/or appropriately adjusted for the period of duration of any Force Majeure Event.

If any such delay occurs, any applicable time period will be automatically extended for a period equal to the time lost, provided, however, that the Party affected makes reasonable efforts to correct the reason for such delay and gives the other Party prompt notice of any such delay; and further provided that Master Licensee will remain obligated to promptly pay all fees and other amounts owing and due to Licensor under this Agreement, without any such delay or extension, to the extent not impacted by the Force Majeure Event as stated above.

20.4.2 If the Force Majeure Event continues for more than two (2) years from the day the Force Majeure Event starts, either Party may terminate this Agreement by giving not less than fifteen (15) days' written notice to the other Party.

ARTICLE 21 – GENERAL PROVISIONS

21.1 Anti-bribery

21.1.1 The Parties agree not to (and procure that no person acting on their behalf will) directly or indirectly make or facilitate (i) any expenditure for any unlawful purpose in connection with the Business or in connection with any activities in relation thereto, (ii) any offer, payment or promise to pay any money or to give anything of value to any government official, political party or any other person with a view to influencing any action or decision of such person.

21.1.2 The Parties further agree not to commit or consent to or participate in any other way in any act of bribery under the laws of any jurisdiction.

21.2 Notices and election of domicile

22.2.1 For all communications relating to the Agreement, the Parties elect domicile at their respective head offices as stated at the beginning of this Agreement. Any change of address of a Party shall be promptly notified in writing to the other Party.

22.2.2 Any and all notices required or permitted under this Agreement must be in writing and must be personally delivered, sent by certified U.S. mail or international courier (such as FedEx or DHL) or by other means that provides the sender with evidence of delivery, rejected delivery, and/or attempted delivery. Any notice by a means that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

21.3 Entire agreement

The Agreement, including its Appendices, comprises all of the agreements entered into between the Parties and replaces any other agreements or arrangements whatsoever, whether written or verbal, relating to the purpose of the Agreement, which may have been entered into between the Parties prior to the date of the Agreement.

21.4 Severability

Should one or more clauses of the Agreement be regarded as illegal, inapplicable or invalid or declared as such by applicable laws or regulations or following a legal decision, such clause(s) will be removed without rendering the remainder of the Agreement invalid, while all its other clauses shall remain fully applicable, on the condition that it does not seriously change the legal and/or economic balance of the Agreement. In all cases, the Parties undertake to take all the measures required in good faith to remedy such illegality, inapplicability or invalidity, whilst maintaining the balance of the Agreement.

21.5 Amendments

This Agreement may not be modified except in writing, signed by both Parties hereto.

21.6 No waiver

Any waiver to take advantage of any total or partial violation of any of the clauses of the Agreement will not result in a modification, a removal of the clause in question or a waiver to take advantage of previous, concomitant, or subsequent violations of the same or other clauses. Such a waiver will only become effective if it is expressed in writing and is signed by a duly authorized representative of the waiving Party.

21.7 Survival

Upon expiration or termination, for any cause, of this Agreement, the provisions of the Agreement which are meant to apply after its expiration shall remain in full force.

21.8 Headings

The headings of the Articles of this Agreement are for convenience only and in no way affect the terms and conditions of this Agreement.

21.9 Language

If this Agreement is translated into any other language than English, the English version shall prevail.

ARTICLE 22 – GOVERNING LAW

This Agreement and all sales transactions between the Parties shall be governed by the laws of France.

ARTICLE 23 – DISPUTE RESOLUTION

23.1 Any claim, dispute, suit, action, controversy, or proceedings of any type whatsoever between or involving the Parties (and/or the Owner), arising out of or in connection with this Agreement (a “Claim”), will be exclusively dealt with in the following manner:

- First, discussed in a face-to-face meeting held at Licensor’s registered office or such other place specified by Licensor within thirty (30) days after Licensor gives to or receives from Master Licensee written notice proposing such a meeting;
- Second, if unresolved within the aforementioned time limit, submitted to non-binding mediation for a minimum of one (1) full day before a mediator appointed in accordance with the mediation rules of the International Chamber of Commerce (ICC) or its successor. The mediator shall be a neutral person and the mediation shall take place in Geneva, Switzerland. Licensor and Master Licensee shall each pay fifty percent (50%) of the costs of any mediation (though Licensor and Master Licensee shall each be solely responsible for any legal fees of their own lawyers). Any party may be represented by lawyers and may, with permission of the mediator, bring persons appropriate to resolving the Claim.
- Third, if the dispute is not settled under the ICC Mediation Rules within forty-five (45) days after filing the application for mediation or within such other period as the Parties may agree in writing, the dispute will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the “ICC Arbitration Rules”) for commercial disputes (or any similar successor rules) as are in force on the date when a notice of arbitration is received. The arbitrator(s) will be appointed in accordance with the ICC Arbitration Rules. If the disputed amount is less than EUR 2 million, the number of arbitrators will be one (1). If the disputed amount is equal to or above EUR 2 million, the number of arbitrators will be one (1) unless either Party may request the number of arbitrators to be three (3). If the arbitral tribunal consists of three (3) arbitrators, each Party will select one (1) arbitrator and the ICC will select the third who must not be of the same nationality as either of the other two arbitrators. The language of arbitration will be English. The place of arbitration will be Geneva, Switzerland. The decision of the arbitral tribunal will be final and binding upon the Parties, and such decision will be enforceable through any courts having jurisdiction. The unsuccessful Party shall pay the successful Party’s reasonable legal fees and costs, capped at the amount of its own legal fees and costs.

23.2 Either Party will be entitled to seek injunctive relief from any Court of competent jurisdiction in the Territory, without going through the process of settlement of disputes described in Article 23.1, for any actual or threatened material breach or violation of this Agreement, in case of emergency.

ARTICLE 24 – ELECTRONIC SIGNATURE

23.3 If the Parties decide to sign the Agreement by hand, one (1) original copy of the Agreement shall be provided to each of them, and one original copy to each Owner.

23.4 This Agreement may also be executed electronically by the Parties in conditions compliant with the provisions of article 1367 of the French Civil Code. In that case, the Parties agree that the Agreement, as electronically signed, is valid evidence allowing the assessment of the Parties' rights, obligations and responsibilities and of the consent of their signatories.

23.5 In any event, the Agreement shall take effect on the date of signature of the last Party signing, unless otherwise agreed in writing.

For Licensor

David HOLDER
CEO

Date of signature:

Signature:

For Master Licensee

Nicholas (Nick) LEWIN
CEO

Date of signature:

Signature:

For the Owners

Who commit to comply with the obligations set forth in Article 14 (Assignment and Transfer), 15 (First Refusal Right), 18 (Non-Compete) and 19 (Confidentiality) of this Agreement.

Mr./Ms.:

Date of signature:

Signature:

Mr./Ms.:

Date of signature:

Signature:

APPENDIX 1 – OWNERSHIP INTEREST

Allocation of Master Licensee's share capital	
Name of Owner	Percentage
TASTE OF PARIS	100 %

**APPENDIX 2 – STANDARD FORM OF AREA DEVELOPMENT AGREEMENT AND SUB-LICENSE
AGREEMENT FOR THE RETAIL CHANNEL**

(to be adapted for the other channels, with the prior approval of the Licensor)

APPENDIX 3 – TRADEMARKS

	Trademark	Registration Date	Registration Number	Country	Type	Classes	Owner	Expiration Date
	ANGELOT (logo)	08/08/2016	894594	USA	Figurative	30, 43	LADUREE INTERNATIONAL SA	08/08/2026
	EUGENIE	09/01/2023	1718258	USA	Verbale	30, 35, 43	LADUREE INTERNATIONAL SA	09/01/2033
	L (ET LOGO COURONNE)	27/04/2023	1753527	USA	Semi-figurative	14, 30, 35, 43	PATISserie E.LADUREE	27/04/2033
	LADUREE	25/10/2019	88669207	USA	Verbale	20, 21	LADUREE INTERNATIONAL SA	04/07/2033
	LADUREE	07/06/2006	78902615	USA	Verbale	04, 05, 16, 30, 43	LADUREE INTERNATIONAL SA	20/11/2027
	LADUREE	18/11/2022	1715464	USA	Verbale	09, 35, 41	LADUREE INTERNATIONAL SA	18/11/2032
	LADUREE	05/05/2023	1444966	USA	Verbale	29, 35	LADUREE INTERNATIONAL SA	13/06/2028
	LADUREE ET COURONNE (LOGO)	18/11/2022	1730503	USA	Semi-figurative	09, 35, 41	LADUREE INTERNATIONAL SA	18/11/2032
	LADUREE ET COURONNE (LOGO)	18/11/2022	1730503	USA	Semi-figurative	29, 30, 43	LADUREE INTERNATIONAL SA	18/11/2032
	LADURÉE PARIS Maison fondée en 1862 + logo couronne angelot	15/06/2020	1050635	USA	Semi-figurative	29, 30, 35, 43	LADUREE INTERNATIONAL SA	15/06/2030

APPENDIX 4 – TERRITORY

The Territory is:

- The United States of America and its territories.

However, in view of the fact that (i) a certain number of Ladurée points of sale are currently and at the date of execution of the Agreement operated by Licensor's US subsidiaries (and managed by Master Licensee pursuant to the terms and conditions of that certain Management Services Agreement, of even date herewith, between Master Licensee, on the one hand, and Ladurée USA Inc., on the other hand (the "Management Services Agreement")) and that (ii) prior registration, exemption or exclusion in the states of Connecticut, California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin must be obtained prior to any operations in these states, the following terms have been agreed between the Parties:

- For the Ladurée US subsidiaries of Licensor listed below, such subsidiaries may continue to be operated by Licensor or its US subsidiaries at their current addresses without violating the provisions of the Agreement, and are currently excluded from the Territory. However, the supply of Products to these points of sale will be exclusively handled by Master Licensee, via an exclusive supply agreement which will be signed on the same date as the Agreement between Pâtisserie E.Ladurée and Macaroon SA, on the one hand, and Master Licensee, on the other hand.

Once an investor wishing to purchase 70% of the shares in all these companies, at a price accepted by Ladurée, has acquired the said shares following the full and complete procedure stipulated in the SPAs applicable, a Sub-License Agreement will be entered into by Master Licensee for the points of sale concerned and their locations will be included in the scope of the Territory.

- According to the Development Plan, Licensor will start all the formalities required to obtain registration, exemption, or exclusion in the states of California, Illinois, New York, Texas, and Washington as soon as the Agreement is executed by the Parties.

For the states of Connecticut, Florida, Hawaii, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, North Dakota, Rhode Island, South Dakota, Utah, Virginia, and Wisconsin it is agreed, to avoid unnecessary costs, that Licensor will begin the formalities after receipt of a written request from Master Licensee, at least four (4) months before the execution of such Sub-License Agreement.

List of Ladurée US subsidiaries and the addresses of the POS concerned:

	Description	Ladurée Group Operator	Location
1.	Soho (Restaurant)	Ladurée Soho LLC	396-398 West Broadway, New York, NY
2.	Soho (Laboratory)	Ladurée Soho LLC	396-398 West Broadway, New York, NY
3.	Soho (Warehouse)	Ladurée Soho LLC	396-398 West Broadway, New York, NY
4.	Soho (Headquarters)	Ladurée Soho LLC	396-398 West Broadway, 2 nd Floor, New York, NY
5.	Madison	Ladurée Madison LLC	Store F/O/B Madison Shoe Corp. of New York d/b/a Santoni Shoes in the building known as 864 Madison Avenue, Manhattan, NY

6.	Penn Station	Ladurée USA, Inc.	411 Eighth Avenue and 372 Ninth Avenue, NY
7.	Hudson Yards	Ladurée Soho LLC	RU #103B in Hudson Yards, New York, NY
8.	Columbus Circle (Pop-up)	Ladurée USA, Inc.	10 Columbus Circle, New York, NY 10019
9.	North Beverly Drive	Ladurée Los Angeles LLC	311 N. Beverly Drive, Beverly Hills, Los Angeles, CA
10.	The Americana at Brand (Cart)	Ladurée Los Angeles LLC	889 Americana Way, Glendale, CA 91210
11.	Los Angeles Warehouse	Ladurée Los Angeles LLC	1015-1019 S. Fairfax Avenue, Los Angeles, CA
12.	Los Angeles Laboratory	Ladurée Los Angeles LLC	1015-1019 S. Fairfax Avenue, Los Angeles, CA
13.	Short Hills	Ladurée New Jersey LLC	Store Number K101 in "The Mall at Short Hills," Millburn, Essex, NJ
14.	Woodbury	Ladurée Woodbury LLC	Kiosk and Outdoor Seating Area in Woodbury Common Premium Outlets, Woodbury, Orange, NY

APPENDIX 5 – DEVELOPMENT PLAN, PURCHASE QUOTA AND NET SALES TARGETS

5.1 Development Plan

Master Licensee agrees to open a total of twenty-five (25) new Ladurée Stores in the Territory during the Term and have them operated by Sub-Licensees, in accordance with the following Development Plan:

Year	Minimum number of new Ladurée Stores to be opened in the Territory	
	Cart/Kiosk	Restaurant/Coffee Shop/Travel* (*Note that Travel retail will be Coffee Shop model)
From Year 1 to end of Year 2 (Test Period) (i.e. from May 2024 until end of April 2026)	2	2
From Year 3 to end of Year 4 (i.e. from May 2026 until end of April 2028)	2	3
From Year 5 to end of Year 6 (i.e. from May 2028 until end of April 2030)	2	4
From Year 7 to end of Year 8 (i.e. from May 2030 until end of April 2032)	2	4
From Year 9 to end of Year 10 (i.e. from May 2032 until the termination date)	2	2

Ladurée Stores already opened, or considered as opened, at the date of the execution of the Agreement:

	Description	Owner	Location
1.	Soho (Restaurant)	Ladurée Soho LLC	396-398 West Broadway, New York, NY
2.	Madison	Ladurée Madison LLC	Store F/O/B Madison Shoe Corp. of New York d/b/a Santoni Shoes in the building known as 864 Madison Avenue, Manhattan, NY
3.	Penn Station	Ladurée USA, Inc.	411 Eighth Avenue and 372 Ninth Avenue, NY
4.	Hudson Yards	Ladurée Soho LLC	RU #103B in Hudson Yards, New York, NY
5.	Columbus Circle (Pop-up)	Ladurée USA, Inc.	10 Columbus Circle, New York, NY 10019
6.	North Beverly Drive	Ladurée Los Angeles LLC	311 N. Beverly Drive, Beverly Hills, Los Angeles, CA
7.	The Americana at Brand (Cart)	Ladurée Los Angeles LLC	889 Americana Way, Glendale, CA 91210
8.	Short Hills	Ladurée New Jersey LLC	Store Number K101 in "The Mall at Short Hills," Millburn, Essex, NJ

9.	Woodbury	Ladurée Woodbury LLC	Kiosk and Outdoor Seating Area in Woodbury Common Premium Outlets, Woodbury, Orange, NY
10.	M'Street	Ladurée Washington LLC/Laduree DMV LLC	3060 M Street Washington DC 20007
11.	Union Market	Ladurée Washington LLC/Laduree DMV LLC	1309 5th St NE Washington, DC DC 20002
12.	Bethesda	Ladurée Washington LLC/Laduree DMV LLC	4808 Bethesda Ave Bethesda MD MD 20814
13.	Aventura Mall	Macaroons and More LLC	19501 Biscayne Boulevard, Suite 069 Aventura FL 33180
14.	Design District	Macaroons and More LLC	140 NE 39th st, suite 137 Miami FL 33137
15.	Lincoln Road	Macaroons and More LLC	1118B Lincoln Rd Miami Beach FL 33139

5.2 Minimum Purchase Quota of macarons (Subject to the terms of Section 7.1.2)

Contract Year	Minimum Purchase of macarons – in Volume
May 2024 to end of April 2025 (FY2024)	N/A
May 2025 to end of April 2026 (FY2025)	N/A
May 2026 to end of April 2027 (FY2026)	Volume purchased in FY2025 + 10%
May 2027 to end of April 2028 (FY2027)	Volume purchased in FY2026 + 10%
May 2028 to end of April 2029 (FY2028)	Volume purchased in FY2027 + 10%
May 2029 to end of April 2030 (FY2029)	Volume purchased in FY2028 + 10%
May 2030 to end of April 2031 (FY2030)	Volume purchased in FY2029 + 10%
May 2031 to end of April 2032 (FY2031)	Volume purchased in FY2030 + 10%
May 2032 to end of April 2033 (FY2032)	Volume purchased in FY2031 + 10%
May 2033 to the termination date ((FY2033)	Volume purchased in FY2032 + 10%

5.3 Net Sales targets (Subject to the terms of Section 6.1.2)

Contract year	Minimum Net Sales targets in USD
May 2024 to end of April 2025 (FY2024)	N/A
May 2025 to end of April 2026 (FY2025)	N/A
May 2026 to end of April 2027 (FY2026)	Net Sales of FY2025 + 10%
May 2027 to end of April 2028 (FY2027)	Net Sales FY2026 + 10%
May 2028 to end of April 2029 (FY2028)	Net Sales FY2027 + 10%
May 2029 to end of April 2030 (FY2029)	Net Sales FY2028 + 10%
May 2030 to end of April 2031 (FY2030)	Net Sales FY2029 + 10%
May 2031 to end of April 2032 (FY2031)	Net Sales FY2030 + 10%
May 2032 to end of April 2033 (FY2032)	Net Sales FY2031 + 10%
May 2033 to the termination date ((FY2033)	Net Sales FY2032 + 10%

For the sake of clarity, it is agreed between the Parties that for the sole purpose of calculating the Net Sales targets in this Appendix 5.3 and the Minimum Purchase Quota of macarons in this Appendix 5.2., the net sales of the Ladurée Stores already opened referred to in Appendix 4, and the volume of

macarons purchased by said Ladurée Stores, will be included in the calculation of the Net Sales and the Minimum Purchase Quota of macarons even if said Ladurée Stores are not acquired by a third party investor and they do not enter into a Sub-License Agreement with Master Licensee. This condition is essential to the economic balance of the Contractual Package and the Management Services Agreement signed between the Parties. Notwithstanding the foregoing, in the event that one or more Ladurée Stores already opened referred to in Appendix 4 will be closed by decision of Ladurée, the net sales and the volume of macarons of such store(s) will then be excluded from the calculation of the Net Sales and the Minimum Purchase Quota of macarons.

APPENDIX 6 – FOOD PRODUCTS

1) Ladurée Manufactured Food Products

The Ladurée Manufactured Food Products shall be supplied by Licensor, its Affiliates and/or any Authorized Supplier designated by Licensor. The range of products being a key element of Licensor's Know-How, such list, in connection with the operation of the Business, may be amended from time to time by Licensor by written notice, and shall then automatically supersede the previous list.

2) Locally Manufactured Products

The core range of Locally Manufactured Products that must be offered by the Sub-Licensees at all times (subject to the terms of the Agreement) is the following:

- Viennoiserie
- Fresh Pastries
- Cakes
- Ice Cream
- Mousseline for French Toasts
- Savory products

APPENDIX 7 – NON-FOOD PRODUCTS

The Non-Food Products shall be supplied by Licensor, its Affiliates and/or any Authorized Supplier designated by Licensor. The range of products being a key element of Licensor's Know-How, such list, in connection with the operation of the Business, may be amended from time to time by Licensor by written notice, and shall then automatically supersede the previous list.

APPENDIX 8 – GUIDELINES LIST

Below is the list of all existing Guidelines at the time of signature of the Agreement. Master Licensee must strictly comply with the Guidelines which form an integral part of this Agreement.

Licensor is entitled to complete the list of Guidelines and to update the existing Guidelines from time to time.

The latest version of each of the Guidelines will be accessible to Master Licensee via the Ladurée platform, through a confidential login and password which shall be provided by Licensor.

It is Master Licensee's duty to connect to the platform and get familiar with the provision of each of the applicable Guidelines in order to make sure the System is implemented appropriately.

LADUREE GUIDELINES SUMMARY

I) MARKETING

- A) Institutional Marketing (3 pages)
- B) Product Marketing (23 pages)
- C) Operational Marketing (49 pages)
 - 1) Retail (13 pages)
 - 2) Restaurant (17 pages)
 - 3) Global (18 pages)
- D) Communication (21 pages)
 - 1) Social networks (12 pages)
 - 2) Press and Influence (8 pages)

II) IMAGE/ GRAPHIC CHARTER

- A) Introduction (4 pages)
- B) Fundamental éléments (25 pages)
- C) Iconigraphy (9 pages)
- D) Photography (5 pages)
- E) Illustration (2 pages)
- F) Tone of voice (4 pages)
- G) Music (2 pages)

III) THE FUNDAMENTALS OF LADUREE SERVICE

- A) Ladurée Employee Essentials (6 pages)
- B) Restaurant and Retail Procedures (69 pages)
 - 1) Restaurant General procedures (37 pages)
 - 2) Retail General procedures (10 pages)
 - 3) Telephone order (3 pages)
 - 4) Order in shop layout (3 pages)
 - 5) Payment (2 pages)
 - 6) Key Phrases/ key words (3 pages)
 - 7) Behaviour/complaints/incidents, Restaurant and retail (10 pages)
- C) Packaging (51 pages)

IV) LADUREE INTERNATIONAL TEAM

- A) Presentation of the POS and operational requirements (40 pages)
- B) Operational Audits (6 pages)
- C) POS Design Books (Studio RAVN + Architect/ technical office) (44 pages)
- D) BP Template (6 pages)
- E) Presentation of retroplanning up to opening (1 page)
- F) Presentation of the various contacts (4 pages)
- I) Offer by type of POS (5 pages)
- J) Sweet production (7 pages)
- K) Savoury production (6 pages)

- L) Audit (1 page)
- M) Process order (Logistic, New product creation process etc.) (10 pages)
- N) Reporting (3 pages)

V) QUALITY OF THE PRODUCTS

- A) Basic rules to follow in LADUREE (19 pages)
- B) Hygien (39 pages)
- C) Storage and rethermalization (6 pages)
- D) Flash Allergens/ Labelling (14 pages)
- E) Audits of shops (1 page)

VI) FINANCE

- A) Long term business plan (2 pages)
- B) Monthly declaration of turnover (3 pages)
- C) Bank Information (1 page)

VII) E-COMMERCE

- A) Introduction to a website project
- B) Roadmap and graphic Charter
- C) Build a website
- D) Showcase Website
- E) Corporate Website

APPENDIX 9 – SUSTAINABLE DEVELOPMENT CHARTER

Licensor, through its Operations Division, wishes to share its values with its licensees and master licensees (“**Licensee**” or “**Licensees**”) and requests that they comply with this charter, which forms part of its Sustainable Development approach.

a) Human rights

Licensee is encouraged to promote and respect international laws relating to the protection of human rights and to not be complicit in violations of the Universal Declaration of Human Rights (UN 1948) or national legislation.

b) Labor law

Forced labor: Licensee must contribute to the eradication of all forms of forced or compulsory labor, work must be freely given and employees must be free to leave their work in accordance with established rules.

The use of forced labor, servitude, slavery, and/or the retention of identity papers, work permits, or any other documents is strictly prohibited.

Child labor: Licensee must contribute to the effective abolition of child labor. The minimum working age must comply with the current legislation in the country, but may in no case be less than 15, regardless of the type of activity, and 18 for hazardous work. In France, the minimum age is 16 for regular work, but must under no circumstances compromise the health, safety, education and dignity of the children.

Non-discrimination: Licensee is invited to contribute to the elimination of job discrimination, which means treating people equally, irrespective of any personal characteristics that are unrelated to merit or to the skills inherent to the job.

Freedom of association and collective bargaining: Licensee must ensure that workers are able to freely make decisions in a climate free of violence, pressure, fear and threats.

c) Environment

Licensee demonstrates social, societal and environmental responsibility.

Licensee takes care to reduce, reuse and recycle waste and seeks to reduce their water and energy consumption.

Licensee also seeks to reduce the environmental impact of their product supply and shipping in terms of optimizing means of transport as well as the selection of suppliers (see the Sustainable Development Charter Providers).

Licensee is mindful of improving its performance in respecting the environment, and it seeks out the most appropriate products and services.

d) Anti-corruption

Licensee is invited to work against corruption in all its forms, including extortion and bribery.

Suppliers and Partners of Licensee do not offer such things as money, gifts, loans or valuables to their customers or grant them privileges in order to win contracts.

e) Fight against money laundering and financing of criminal activities

Licensee agrees to prevent and combat illicit trafficking and money laundering. Licensee must not be engaged in any illegal activity or any activity involving even indirectly money from criminal origin. Licensee will only take part in licit activities.

f) Ethics and Transparency

Subcontractors: Licensee undertakes to ensure that its suppliers/sub-contractors comply with the principles contained in this Charter.

Verification: Licensee shall at all times provide supporting documents upon request, showing its adherence to the above principles, and agrees to allow internal visits from the Audit or Operations Department to verify the application of this Charter.

Master Licensee undertakes to comply with Ladurée’s Sustainable Development Charter	
Date:	
Signature of Master Licensee:	

APPENDIX 10 – GENERAL TERMS AND CONDITIONS OF SALE

GENERAL TERMS AND CONDITIONS OF SALE – MACAROON Ladurée - 2024 FDD (119)

A company organized and existing under the laws of Switzerland – Registered office: Bas-Intyamon, Route des rez 2, 1667 ENNEY – Registration number: CHE-112-566-757

1. Scope

- 1.1. These General Terms and Conditions of Sale (the "Terms") apply to any purchase of Product by a licensee or a master licensee (the "Purchaser") from MACAROON (the "Supplier") and shall prevail over any other document emanating from the Purchaser, including its terms and conditions of purchase, unless otherwise expressly agreed in writing by the Supplier and Purchaser.
- 1.2. In the event of any discrepancy between these Terms and any specific conditions agreed between the parties, the specific conditions shall prevail.

2. Orders

- 2.1. The Purchaser shall place its orders in writing through LADUREE internet portal with access codes provided by LADUREE ("LADUREE Portal") or by email directly to each LADUREE's international area manager by email, at least fifteen (15) business days before the desired delivery date at Supplier's warehouse.
- 2.2. Each order must specify the quantity of products and the mode of transport planned and shall be subject to confirmation by email by the Supplier within five (5) business days from the receipt of the order ("Confirmation Date"). The absence of response by the Supplier shall not constitute an acceptance of the order.
- 2.3. The Supplier's confirmation will set forth the specific quantities to be delivered and the Collection Date (no later than 30 calendar days following the Confirmation Date).
- 2.4. An order may be cancelled or modified by the Purchaser without penalty at any time before the Confirmation Date by sending an email to the area managers of the LADUREE's international Department. After the Confirmation Date, the order shall become binding for both parties and cannot be modified or cancelled.
- 2.5. The Supplier reserves the right to refuse an order for legitimate reasons as follows (i) if previous orders remain unpaid without legitimate reasons, (ii) in case of a breach of one of the license agreements entered into by the Purchaser.
- 2.6. The Supplier shall deliver an invoice to the Purchaser within five (5) business days from the Collection Date.

3. Prices

- 3.1. Prices are invoiced exclusive of tax at the current rate on the date of the order. For the avoidance of doubt, the prices do not include customs duties, shipment costs, insurance costs, import taxes and any taxes whatsoever charged for the products which are to be paid directly by the Purchaser.
- 3.2. Notwithstanding any term to the contrary in these Terms, the purchase price for Products offered by Supplier to Purchaser shall be on a most favored nation basis, with the pricing terms offered to any other third party purchasers of such Products. For the avoidance of doubt, Ladurée's intragroup agreements and pricing (among its affiliates) are excluded from this most favored nation provision.
- 3.3. The prices applicable to the order shall be the prices applicable as of the date the purchase order is received.

4. Products availability

- 4.1. The products are sold EXWORKS (ICC INCOTERMS 2020) Supplier's warehouse.
- 4.2. Unless otherwise agreed by the Supplier, the products shall be made available for collection at the Supplier's warehouse mentioned in the Supplier Transport Conditions Guidelines.
- 4.3. The date of collection of the products (the "Collection Date") shall be no less than ten (10) business days and no more than thirty (30) calendar days after the Confirmation Date.
- 4.4. The Supplier shall be authorized to proceed to partial deliveries considering its production and logistical constraints; provided such partial deliveries shall not excuse any delivery failure by Supplier hereunder.
- 4.5. In case of expected delay, the Supplier will advise the Purchaser and the parties will find the best possible solution to preserve the interests of both parties.
- 4.6. The Purchaser shall be required to take delivery of the products on the Collection Date. If the products are not collected by the Purchaser within five (5) business days from the Collection Date, storage costs shall be invoiced to the Purchaser.
- 4.7. The Supplier shall provide the documents mentioned in the Order Rules Guidelines on the Collection Date. Any additional documentation that might be necessary shall be requested in due time by the Purchaser to the Supplier, which will make its reasonable efforts to obtain such additional documentation.
- 4.8. It is agreed between the parties that the Supplier shall have the right to withhold delivery if the Purchaser has not complied with its material obligations hereunder and notably if the Purchaser has not timely paid amounts due under previous invoices.
- 4.9. Whatever the planned destination, the products shall be transported on pallets in the best format decided by the Supplier at least consistent with the best industry practices and standards for the shipping, preservation and quality of the Products. Any special packaging or palletizing request will be subject to the Supplier's approval. Any special requirement for the packaging (packaging, labelling, translation, etc.) may result in (i) the postponement of the Collection Date and (ii) additional charges to be paid by the Purchaser.

5. Warehousing

A removal order is issued and sent to the Purchaser. This removal order must be signed by the recipient who shall, as the case may be, submit any observations upon receipt of the products. Otherwise, the removal is deemed accepted by the Purchaser; provided that such acceptance shall not apply with respect to any latent inaccuracies, non-conformities or defects.

The Supplier shall provide the Purchaser with relevant documentation regarding optimum conditions for products warehousing and conservation. The Purchaser shall comply with the Supplier's prescriptions.

6. Payment terms

- 6.1. All payments shall be made in Swiss Francs (CHF) by bank transfer on the account specified by the Supplier in writing, without any set-off, deduction or withholding except for any tax which the Purchaser is required by law to deduct or withhold.
- 6.2. All orders shall be paid one hundred percent (100%) forty-five (45) calendar days from the invoice date.
- 6.3. If the Purchaser fails to pay three consecutively issued invoices ("three in a row") on their respective due dates, the Supplier may (without limiting any of its other available rights or remedies): (i) suspend any other orders placed by the Purchaser or any delivery until full payment of any outstanding amount is made; (ii) Modify the payment conditions applicable to subsequent order and asks for one hundred percent (100%) upfront payment before shipping of the products.
- 6.3. In addition, in case of late payment, the amount due shall automatically bear interest calculated on the basis of the interest rate used by the European Central Bank for its most recent refinancing operation plus ten (10) percentage points (without any prior written notice necessary) from the payment due date until the actual date of payment. The Purchaser will also be liable to pay a lump sum of forty (40) Euros as compensation for recovery costs, in case of late payment, without prejudice to the Supplier's right to claim a higher compensation if its recovery costs are higher. In particular, the Supplier reserves the right to hire the services of third party recovery services if necessary, at the Purchaser's expense. Charges incurred for recovering outstanding amounts may include all legal costs for preparing court documentation, court fees, courts attendance fees, expert fees, all costs incurred by the Supplier's staff for attending court hearings, and any other costs incurred by the Supplier in connection with recovery. These amounts will be due automatically without any requirement for prior notice.

7. Title

- 7.1. Title to the non-food products will pass on to the Purchaser upon receipt of full payment by the Supplier. Title to the food products will pass on to the Purchaser upon recovery of the food products by the carrier of the Purchaser. Such retention of title by the Supplier shall be without prejudice to the transfer to the Purchaser of the risks of loss, damage or destruction of the products upon delivery.
- 7.2. Any failure to settle any payment instalment and any late payment may lead to the recovery of the non-food products by the Supplier. Any clause to the contrary in any other document shall be deemed null and void, unless expressly agreed in writing by the Supplier.

8. Quality

- 8.1. The "best before date" on the labels or packaging of the food products indicates the period of full organoleptic quality of the products. The Purchaser is responsible for the management and rotation of stocks and acknowledges, while the products are in its possession or control, and agrees that the quality and the freshness of the food products sold to consumers is of the essence.
- 8.2. Each of the Purchaser and Supplier agrees (as applicable) to fully (i) comply with all laws and regulations applicable to it concerning hygiene and food safety, (ii) follow the food refrigeration chain, and in general (iii) take all measures in order to guarantee the safety of the customers and products. For the avoidance of doubt, the Supplier will only be subject to compliance with European rules.

9. Purchaser's liability

- 9.1. The Supplier guarantees that the products supplied to the Purchaser are compliant with regulations and laws of Europe and the Purchaser acknowledges that it is its duty to verify and comply with the laws and regulations in force in the United States of America, especially with regard to specific regulations applicable to food products. The Purchaser shall therefore be responsible for obtaining all necessary import licenses or permits required and Supplier shall cooperate with all Purchaser requests to assess and address such permits, authorizations and licenses, including but not limited to providing information regarding the Products requested by Purchaser and coordinating

with Purchaser on any necessary supplier verification and auditing procedures. The Supplier shall at all times operate and perform their obligations under this Agreement in compliance with all applicable laws and regulations of France, and of Europe for Products.

9.2. Under no circumstances shall the Supplier be held liable for any damage or loss relating to the Purchaser's non-compliance with legal and regulatory provisions in this regard.

9.3. In the event the customs of the country of destination would refuse the importation of the products on the ground that they contain ingredients which are forbidden by local regulations, the Purchaser shall remain liable for full payment of the related order.

10. Warranties relating to the products

- 10.1. The Supplier warrants that the products supplied to the Purchaser shall, at the time of collection of such products by the carrier for shipment to Purchaser (a) be fit for human consumption under regulations and laws of Europe, (b) comply with all applicable specifications relating to the Product under regulations and laws of Europe, and (c) be packed and handled for shipment in accordance with Article 4.9. Supplier warrants that all Products provided by Supplier are hereby guaranteed, as of the Collection date, to be not adulterated or misbranded. For the sake of clarity, the Purchaser is solely responsible for maintaining the cold chain (if applicable) while the products are in its possession or control, including during the shipment. The Supplier will not replace or refund products that are unfit for sale or consumption if this is the result of the Purchaser's negligence or fault in that respect.
- 10.2. Without prejudice to the steps to be taken vis-à-vis the carrier, claims (relating to non-latent inaccuracies, non-conformities or defects) must be made in writing within three (3) business days of the receipt of the products at the final destination. The Purchaser shall notify the Supplier of any missing products, apparent defect or non-conformity. The Purchaser must provide proof of non-conformity or defects by courier or electronic mail, notably by sending photographs, specifying the nature of the products, the batch number of the products, the quantity concerned, the best before date (if applicable), the copy of the delivery note and the consignment note initiated by the Purchaser. For the products sold packaged, weights and measures indicated in the shipping documentation at the time of delivery are primary evidence of the quantities delivered and shall be presumed to be accurate.
- 10.3. The Supplier shall study, on a case by case basis, the claims made by the Purchaser. If the claim is considered justified by the Supplier, the Supplier may require the Purchaser to destroy the products or return them at the expense of the Supplier. In this latter case, the products will be returned in their original packaging (if reasonably possible) with a return notice attached to the package and must be preserved as reasonably as possible in the state in which the Supplier delivered them. Except as set forth in Section 11.1, the return or destruction of the products, once accepted by the Supplier, will result in the refund of such amounts to Purchaser or the issuance of a credit note by the Supplier to the benefit of the Purchaser, as determined by Purchaser in its discretion. Any product returned without the prior approval of the Supplier shall not be reimbursed and may be destroyed by the Supplier, if deemed appropriate at the expense of the Purchaser. The products returned without the prior approval of the Supplier shall travel at the risk of the Purchaser. In the event of destruction of products on-site and agreed between the Purchaser and the Supplier, a certificate of destruction shall be provided to the Supplier.

11. Product recall procedure

- 11.1. If any governmental entity issues a recall or takes similar action in connection with any of the Products, or if Wholesaler, Supplier determines or learns that an event, incident or circumstance has occurred which may require a recall or market withdrawal, the determining party shall advise the other party of the circumstances promptly. Suppliers shall have the right to control the arrangement of any Product recall, and Wholesaler shall cooperate. The party whose actions are responsible for the recall, market withdrawal or similar action shall be responsible for all reasonable expenses incurred with such a recall, including the costs of destroying products. Suppliers shall promptly notify Wholesaler of any consumer complaints or other information involving the health, safety, quality, composition or packaging of any of the Products supplied to Wholesaler. Each Party shall notify the other of any governmental, customer or consumer inquiries regarding the safety or quality of any of the Products actually supplied to Wholesaler about which the Party becomes aware.

12. Supplier's liability

- 12.1. Except as set forth in Section 11.1, in the event of fault, or defect Supplier shall establish a credit note or otherwise refund amounts due Purchaser, as Purchaser determines, and only if the Purchaser has given written notice thereof in the abovementioned conditions and the product is found upon inspection by the Supplier to be defective.
- 12.2. Except in respect of death or personal injury caused by the Supplier's negligence or fault, the Supplier shall not be liable to the Purchaser by reason of any representation (unless fraudulent), or any implied warranty or condition, for any loss of profit or any indirect, special or consequential loss or damage (whether caused by negligence of the Supplier or its affiliates or otherwise) in relation to the supply or failure to supply of the products or to their resale by the Purchaser or otherwise arising out of or in connection with it.
- 12.3. Purchaser shall not be liable to the Supplier for any loss of profit or any indirect, special or consequential damage in relation to, arising out of or otherwise in connection with the terms or the transactions contemplated hereby, with the exception of any damage to its brand image.

13. Force majeure

- 13.1. The expression "Force Majeure Event" means an event (i) that is beyond the reasonable control of a party (the "Affected Party") (ii) that could not reasonably have been foreseen and (iii) the effect of which could not be avoided through appropriate measures. Force Majeure Event includes, but is not limited to strike, lock-out, act of God, epidemic, war, riot, civil unrest, breakdown of plant or machinery, fire, flood and storm.
- 13.2. Notwithstanding the provisions of Article 13.1, in the event of a breakdown of plant or machinery of the Supplier which would prevent the Suppliers from providing the Wholesaler with macaroons or others Products at a lower level of the order of -50% (minus fifty percent) versus the average of orders over the last two (2) years, the Suppliers shall, with diligence and dispatch, take necessary measures to organize a temporary solution allowing the manufacture of such Products in the United States of America, under conditions to be determined by the Suppliers at their sole discretion, to minimize, on a best efforts basis, as much as possible any interruption and/or delay in satisfying Suppliers' delivery obligations in connection herewith.
- 13.3. Provided that it has complied with its obligation, neither party will be liable to the other in damages or otherwise, for any failure or delay in performing any of its obligations hereunder to the extent that such failure or delay is caused by the occurrence of any Force Majeure Event which adversely affects the performance by such party of any of its obligations (including by preventing, hindering, or delaying such performance) and for so long as such Force Majeure Event continues.
- 13.4. If an Affected Party is prevented, hindered or delayed from or in performing any of its obligations by a Force Majeure Event:
 - The Affected Party's obligations are suspended while the Force Majeure Event continues and to the extent that it is prevented, hindered or delayed;
 - Upon the start of the Force Majeure Event, the Affected Party shall notify the other Party in writing of the Force Majeure Event, the date on which the Force Majeure Event started, the effects of the Force Majeure Event on its ability to perform its obligations and the description of the steps taken or to be taken in order to circumvent and/or mitigate the Force Majeure Event;
 - The Affected Party shall make all reasonable efforts to mitigate the effects of the Force Majeure Event on the performance of its obligations; and
 - Immediately after the end of the Force Majeure Event the Affected Party shall notify the other party in writing that the Force Majeure Event has ended and resume performance of its obligations.

14. HARDSHIP

- 14.1. The Parties expressly agree to exclude the provisions of Article 1195 of the French Civil Code provided, however, that the Parties agree to enter into in good faith discussions in case of hardship relating to the economic terms and conditions of this Agreement (and related agreements) in the event that conditions contemplated under Article 1195 of the Civil Code eventuate or come to exist.

15. Jurisdiction and applicable law

- 15.1. These Terms shall be governed by the laws of France.
- 15.2. Any claim, dispute, suit, action, controversy, or proceedings of any type whatsoever between or involving the parties arising out of or in connection with this Agreement (a "Claim"), will be exclusively dealt with in the following manner:
 - First, discussed in a face-to-face meeting held at the Supplier's registered office or such other place specified by the Supplier within thirty (30) days after the Supplier gives to or receives from the Purchaser written notice proposing such a meeting;
 - Second, if unresolved within the aforementioned time limit, submitted to non-binding mediation for a minimum of one (1) full day before a mediator appointed in accordance with the mediation rules of the International Chamber of Commerce (ICC) or its successor. The mediator shall be a neutral person and the mediation shall take place in Geneva, Switzerland. The Supplier and the Purchaser shall each pay fifty percent (50%) of the costs of any mediation (through the Supplier and the Purchaser shall each be solely responsible for any legal fees of their own lawyers). Any party may be represented by lawyers and may, with permission of the mediator, bring persons appropriate to resolving the Claim.

- Third, if the dispute is not settled under the ICC Mediation Rules within forty-five (45) days after filing the application for mediation or within such other period as the Parties may agree in writing, the dispute will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Arbitration Rules") for commercial disputes (or any similar successor rules) as are in force on the date when a notice of arbitration is received. The arbitrator(s) will be appointed in accordance with the ICC Arbitration Rules. If the disputed amount is less than EUR 2 million, the number of arbitrators will be one (1). If the disputed amount is equal to or above EUR 2 million, the number of arbitrators will be one (1) unless either party may request the number of arbitrators to be three (3). If the arbitral tribunal consists of three (3) arbitrators, each party will select one (1) arbitrator and the ICC will select the third who must not be of the same nationality as either of the other two arbitrators. The language of arbitration will be English. The place of arbitration will be Geneva, Switzerland. The decision of the arbitral tribunal will be final and binding upon the Parties, and such decision will be enforceable through any courts having jurisdiction. The unsuccessful party shall pay the successful party's reasonable legal fees and costs, capped at the amount of its own legal fees and costs.

15.3. Either party will be entitled to seek injunctive relief from any Court of competent jurisdiction, without going through the process of settlement of disputes described above, for any actual or threatened material breach or violation of these Terms, in case of emergency.

GENERAL TERMS AND CONDITIONS OF SALE – PATISSERIE E.LADUREE - 2024 FDD (121)

A company organized and existing under the laws of France with capital of 372,204 euros – Registered office: 84 Avenue d'Iéna – 75016 Paris – France - Paris Trade and Companies Registrar under No. 572 045 540

1. Scope

1.1. These General Terms and Conditions of Sale (the "Terms") apply to any purchase of Product by a licensee or a master licensee (the "Purchaser") from PATISSERIE E. LADUREE (the "Supplier") and shall prevail over any other document emanating from the Purchaser, including its terms and conditions of purchase, unless otherwise expressly agreed in writing by the Supplier and Purchaser.
1.2. In the event of any discrepancy between these Terms and any specific conditions agreed between the parties, the specific conditions shall prevail.

2. Orders

2.1. The Purchaser shall place its orders in writing through LADUREE internet portal with access codes provided by LADUREE ("LADUREE Portal") or by email directly to each LADUREE's international area manager by email, at least fifteen (15) business days before the desired delivery date at Supplier's warehouse.
2.2. Each order must specify the quantity of products and the mode of transport planned and shall be subject to confirmation by email by the Supplier within five (5) business days from the receipt of the order ("Confirmation Date"). The absence of response by the Supplier shall not constitute an acceptance of the order.
2.3. The Supplier's confirmation will set forth the specific quantities to be delivered and the Collection Date (no later than 30 calendar days following the Confirmation Date).
2.4. An order may be cancelled or modified by the Purchaser without penalty at any time before the Confirmation Date by sending an email to the area managers of the LADUREE's international Department. After the Confirmation Date, the order shall become binding for both parties and cannot be modified or cancelled.
2.5. The Supplier reserves the right to refuse an order for legitimate reasons as follows (i) if previous orders remain unpaid without legitimate reasons, (ii) in case of a breach of one of the license agreements entered into by the Purchaser.
2.6. The Supplier shall deliver an invoice to the Purchaser within five (5) business days from the Collection Date.

3. Prices

3.1. Prices are invoiced exclusive of tax at the current rate on the date of the order. For the avoidance of doubt, the prices do not include customs duties, shipment costs, insurance costs, import taxes and any taxes whatsoever charged for the products which are to be paid directly by the Purchaser.
3.2. Notwithstanding any term to the contrary in these Terms, the purchase price for Products offered by Supplier to Purchaser shall be on a most favored nation basis, with the pricing terms offered to any other third party purchasers of such Products. For the avoidance of doubt, Ladurée's intragroup agreements and pricing (among its affiliates) are excluded from this most favored nation provision.
3.3. The prices applicable to the order shall be the prices applicable as of the date the purchase order is received.

4. Products availability

4.1. The products are sold EXWORKS (ICC INCOTERMS 2020) Supplier's warehouse.
4.2. Unless otherwise agreed by the Supplier, the products shall be made available for collection at the Supplier's warehouse mentioned in the Supplier Transport Conditions Guidelines.
4.3. The date of collection of the products (the "Collection Date") shall be no less than ten (10) business days and no more than thirty (30) calendar days after the Confirmation Date.
4.4. The Supplier shall be authorized to proceed to partial deliveries considering its production and logistical constraints; provided such partial deliveries shall not excuse any delivery failure by Supplier hereunder.
4.5. In case of expected delay, the Supplier will advise the Purchaser and the parties will find the best possible solution to preserve the interests of both parties.
4.6. The Purchaser shall be required to take delivery of the products on the Collection Date. If the products are not collected by the Purchaser within five (5) business days from the Collection Date, storage costs shall be invoiced to the Purchaser.
4.7. The Supplier shall provide the documents mentioned in the Order Rules Guidelines on the Collection Date. Any additional documentation that might be necessary shall be requested in due time by the Purchaser to the Supplier, which will make its reasonable efforts to obtain such additional documentation.
4.8. It is agreed between the parties that the Supplier shall have the right to withhold delivery if the Purchaser has not complied with its material obligations hereunder and notably if the Purchaser has not timely paid amounts due under previous invoices.
4.9. Whatever the planned destination, the products shall be transported on pallets in the best format decided by the Supplier at least consistent with the best industry practices and standards for the shipping, preservation and quality of the Products.. Any special packaging or palletizing request will be subject to the Supplier's approval. Any special requirement for the packaging (packaging, labelling, translation, etc.) may result in (i) the postponement of the Collection Date and (ii) additional charges to be paid by the Purchaser.

5. Warehousing

A removal order is issued and sent to the Purchaser. This removal order must be signed by the recipient who shall, as the case may be, submit any observations upon receipt of the products. Otherwise, the removal is deemed accepted by the Purchaser; provided that such acceptance shall not apply with respect to any latent inaccuracies, non-conformities or defects..
The Supplier shall provide the Purchaser with relevant documentation regarding optimum conditions for products warehousing and conservation. The Purchaser shall comply with the Supplier's prescriptions.

6. Payment terms

6.1. All payments shall be made in Euros by bank transfer on the account specified by the Supplier in writing, without any set-off, deduction or withholding except for any tax which the Purchaser is required by law to deduct or withhold.
6.2. All orders shall be paid one hundred percent (100%) forty-five (45) calendar days from the invoice date.
6.3. If the Purchaser fails to pay three consecutively issued invoices ("three in a row") on their respective due dates, the Supplier may (without limiting any of its other available rights or remedies): (i) suspend any other orders placed by the Purchaser or any delivery until full payment of any outstanding amount is made; (ii) Modify the payment conditions applicable to subsequent order and asks for one hundred percent (100%) upfront payment before shipping of the products.
6.3. In addition, in case of late payment, the amount due shall automatically bear interest calculated on the basis of the interest rate used by the European Central Bank for its most recent refinancing operation plus ten (10) percentage points (without any prior written notice necessary) from the payment due date until the actual date of payment. The Purchaser will also be liable to pay a lump sum of forty (40) Euros as compensation for recovery costs, in case of late payment, without prejudice to the Supplier's right to claim a higher compensation if its recovery costs are higher. In particular, the Supplier reserves the right to hire the services of third party recovery services if necessary, at the Purchaser's expense. Charges incurred for recovering outstanding amounts may include all legal costs for preparing court documentation, court fees, costs attendance fees, expert fees, all costs incurred by the Supplier's staff for attending court hearings, and any other costs incurred by the Supplier in connection with recovery. These amounts will be due automatically without any requirement for prior notice.

7. Title

7.1. Title to the non-food products will pass on to the Purchaser upon receipt of full payment by the Supplier. Title to the food products will pass on to the Purchaser upon recovery of the food products by the carrier of the Purchaser. Such retention of title by the Supplier shall be without prejudice to the transfer to the Purchaser of the risks of loss, damage or destruction of the products upon delivery.
7.2. Any failure to settle any payment instalment and any late payment may lead to the recovery of the non-food products by the Supplier. Any clause to the contrary in any other document shall be deemed null and void, unless expressly agreed in writing by the Supplier.

8. Quality

8.1. The "best before date" on the labels or packaging of the food products indicates the period of full organoleptic quality of the products. The Purchaser is responsible for the management and rotation of stocks and acknowledges, while the products are in its possession or control, and agrees that the quality and the freshness of the food products sold to consumers is of the essence.
8.2. Each of the Purchaser and Supplier agrees (as applicable) to fully (i) comply with all laws and regulations applicable to it concerning hygiene and food safety, (ii) follow the food refrigeration chain, and in general (iii) take all measures in order to guarantee the safety of the customers and products. For the avoidance of doubt, the Supplier will only be subject to compliance with European rules.

9. Purchaser's liability

9.1. The Supplier guarantees that the products supplied to the Purchaser are compliant with regulations and laws of Europe and the Purchaser acknowledges that it is its duty to verify and comply with the laws and regulations in force in the United States of America, especially with regard to specific regulations applicable to food products. The Purchaser shall therefore be responsible for obtaining all necessary import licenses or permits required and Supplier shall cooperate with all Purchaser requests to assess and address such permits, authorizations and licenses, including but not limited to providing information regarding the Products requested by Purchaser and coordinating with Purchaser on any necessary supplier verification and auditing procedures. The Supplier shall at all times

operate and perform their obligations under this Agreement in compliance with all applicable laws and regulations of France, and of Europe for Products.

9.2. Under no circumstances shall the Supplier be held liable for any damage or loss relating to the Purchaser's non-compliance with legal and regulatory provisions in this regard.

9.3. In the event the customs of the country of destination would refuse the importation of the products on the ground that they contain ingredients which are forbidden by local regulations, the Purchaser shall remain liable for full payment of the related order.

10. Warranties relating to the products

10.1. The Supplier warrants that the products supplied to the Purchaser shall, at the time of collection of such products by the carrier for shipment to Purchaser (a) be fit for human consumption under regulations and laws of Europe, (b) comply with all applicable specifications relating to the Product under regulations and laws of Europe, and (c) be packed and handled for shipment in accordance with Article 4.9. Supplier warrants that all Products provided by Supplier are hereby guaranteed, as of the Collection date, to be not adulterated or misbranded. For the sake of clarity, the Purchaser is solely responsible for maintaining the cold chain (if applicable) while the products are in its possession or control, including during the shipment. The Supplier will not replace or refund products that are unfit for sale or consumption if this is the result of the Purchaser's negligence or fault in that respect.
10.2. Without prejudice to the steps to be taken vis-à-vis the carrier, claims (relating to non-latent inaccuracies, non-conformities or defects) must be made in writing within three (3) business days of the receipt of the products at the final destination. The Purchaser shall notify the Supplier of any missing products, apparent defect or non-conformity. The Purchaser must provide proof of non-conformity or defects by courier or electronic mail, notably by sending photographs, specifying the nature of the products, the batch number of the products, the quantity concerned, the best before date (if applicable), the copy of the delivery note and the consignment note initiated by the Purchaser. For the products sold packaged, weights and measures indicated in the shipping documentation at the time of delivery are primary evidence of the quantities delivered and shall be presumed to be accurate.
10.3. The Supplier shall study, on a case by case basis, the claims made by the Purchaser. If the claim is considered justified by the Supplier, the Supplier may require the Purchaser to destroy the products or return them at the expense of the Supplier. In this latter case, the products will be returned in their original packaging (if reasonably possible) with a return notice attached to the package and must be preserved as reasonably as possible in the state in which the Supplier delivered them. Except as set forth in Section 11.1, the return or destruction of the products, once accepted by the Supplier, will result in the refund of such amounts to Purchaser or the issuance of a credit note by the Supplier to the benefit of the Purchaser, as determined by Purchaser in its discretion. Any product returned without the prior approval of the Supplier shall not be reimbursed and may be destroyed by the Supplier, if deemed appropriate at the expense of the Purchaser. The products returned without the prior approval of the Supplier shall travel at the risk of the Purchaser. In the event of destruction of products on-site and agreed between the Purchaser and the Supplier, a certificate of destruction shall be provided to the Supplier.

11. Product recall procedure

11.1. If any governmental entity issues a recall or takes similar action in connection with any of the Products, or if Wholesaler, Supplier determines or learns that an event, incident or circumstance has occurred which may require a recall or market withdrawal, the determining party shall advise the other party of the circumstances promptly. Suppliers shall have the right to control the arrangement of any Product recall, and Wholesaler shall cooperate. The party whose actions are responsible for the recall, market withdrawal or similar action shall be responsible for all reasonable expenses incurred with such a recall, including the costs of destroying products. Suppliers shall promptly notify Wholesaler of any consumer complaints or other information involving the health, safety, quality, composition or packaging of any of the Products supplied to Wholesaler. Each Party shall notify the other of any governmental, customer or consumer inquiries regarding the safety or quality of any of the Products actually supplied to Wholesaler about which the Party becomes aware.

12. Supplier's liability

12.1. Except as set forth in Section 11.1, in the event of fault, or defect Supplier shall establish a credit note or otherwise refund amounts due Purchaser, as Purchaser determines, and only if the Purchaser has given written notice thereof in the abovementioned conditions and the product is found upon inspection by the Supplier to be defective.
12.2. Except in respect of death or personal injury caused by the Supplier's negligence or fault, the Supplier shall not be liable to the Purchaser by reason of any representation (unless fraudulent), or any implied warranty or condition, for any loss of profit or any indirect, special or consequential loss or damage (whether caused by negligence of the Supplier or its affiliates or otherwise) in relation to the supply or failure to supply of the products or to their resale by the Purchaser or otherwise arising out of or in connection with it.
12.3. Purchaser shall not be liable to the Supplier for any loss of profit or any indirect, special or consequential damage in relation to, arising out of or otherwise in connection with the terms or the transactions contemplated hereby, with the exception of any damage to its brand image.

13. Force majeure

13.1. The expression "Force Majeure Event" means an event (i) that is beyond the reasonable control of a party (the "Affected Party") (ii) that could not reasonably have been foreseen and (iii) the effect of which could not be avoided through appropriate measures. Force Majeure Event includes, but is not limited to strike, lock-out, act of God, epidemic, war, riot, civil unrest, breakdown of plant or machinery, fire, flood and storm.
13.2. Notwithstanding the provisions of Article 13.1, in the event of a breakdown of plant or machinery of the Supplier which would prevent the Suppliers from providing the Wholesaler with macaroons or others Products at a lower level of the order of -50% (minus fifty percent) versus the average of orders over the last two (2) years, the Suppliers shall, with diligence and dispatch, take necessary measures to organize a temporary solution allowing the manufacture of such Products in the United States of America, under conditions to be determined by the Suppliers at their sole discretion, to minimize, on a best efforts basis, as much as possible any interruption and/or delay in satisfying Suppliers' delivery obligations in connection herewith.
13.3. Provided that it has complied with its obligation, neither party will be liable to the other in damages or otherwise, for any failure or delay in performing any of its obligations hereunder to the extent that such failure or delay is caused by the occurrence of any Force Majeure Event which adversely affects the performance by such party of any of its obligations (including by preventing, hindering, or delaying such performance) and for so long as such Force Majeure Event continues.
13.4. If an Affected Party is prevented, hindered or delayed from or in performing any of its obligations by a Force Majeure Event:
- The Affected Party's obligations are suspended while the Force Majeure Event continues and to the extent that it is prevented, hindered or delayed;
- Upon the start of the Force Majeure Event, the Affected Party shall notify the other Party in writing of the Force Majeure Event, the date on which the Force Majeure Event started, the effects of the Force Majeure Event on its ability to perform its obligations and the description of the steps taken or to be taken in order to circumvent and/or mitigate the Force Majeure Event;
- The Affected Party shall make all reasonable efforts to mitigate the effects of the Force Majeure Event on the performance of its obligations; and
- Immediately after the end of the Force Majeure Event the Affected Party shall notify the other party in writing that the Force Majeure Event has ended and resume performance of its obligations.

14. HARDSHIP

14.1. The Parties expressly agree to exclude the provisions of Article 1195 of the French Civil Code provided, however, that the Parties agree to enter into in good faith discussions in case of hardship relating to the economic terms and conditions of this Agreement (and related agreements) in the event that conditions contemplated under Article 1195 of the Civil Code eventuate or come to exist.

15. Jurisdiction and applicable law

15.1. These Terms shall be governed by the laws of France.
15.2. Any claim, dispute, suit, action, controversy, or proceedings of any type whatsoever between or involving the parties arising out of or in connection with this Agreement (a "Claim"), will be exclusively dealt with in the following manner:

- First, discussed in a face-to-face meeting held at the Supplier's registered office or such other place specified by the Supplier within thirty (30) days after the Supplier gives to or receives from the Purchaser written notice proposing such a meeting;
- Second, if unresolved within the aforementioned time limit, submitted to non-binding mediation for a minimum of one (1) full day before a mediator appointed in accordance with the mediation rules of the International Chamber of Commerce (ICC) or its successor. The mediator shall be a neutral person and the mediation shall take place in Geneva, Switzerland. The Supplier and the Purchaser shall each pay fifty percent (50%) of the costs of any mediation (though the Supplier and the Purchaser shall each be solely responsible for any legal fees of their own lawyers). Any party may be represented by lawyers and may, with permission of the mediator, bring persons appropriate to resolving the Claim.

- Third, if the dispute is not settled under the ICC Mediation Rules within forty-five (45) days after filing the application for mediation or within such other period as the Parties may agree in writing, the dispute will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Arbitration Rules") for commercial disputes (or any similar successor rules) as are in force on the date when a notice of arbitration is received. The arbitrator(s) will be appointed in accordance with the ICC Arbitration Rules. If the disputed amount is less than EUR 2 million, the number of arbitrators will be one (1). If the disputed amount is equal to or above EUR 2 million, the number of arbitrators will be one (1) unless either party may request the number of arbitrators to be three (3). If the arbitral tribunal consists of three (3) arbitrators, each party will select one (1) arbitrator and the ICC will select the third who must not be of the same nationality as either of the other two arbitrators. The language of arbitration will be English. The place of arbitration will be Geneva, Switzerland. The decision of the arbitral tribunal will be final and binding upon the Parties, and such decision will be enforceable through any courts having jurisdiction. The unsuccessful party shall pay the successful party's reasonable legal fees and costs, capped at the amount of its own legal fees and costs.

15.3. Either party will be entitled to seek injunctive relief from any Court of competent jurisdiction, without going through the process of settlement of disputes described above, for any actual or threatened material breach or violation of these Terms, in case of emergency.

APPENDIX 11 – Omitted

APPENDIX 12 – BANKING COORDINATES

For Pâtisserie E. Ladurée :

Banque		Indicatif	Numéro de compte	Clé RIB	Domiciliation
30002		05658	0000070919M	59	ESDC CHOISEUL 1

IDENTIFIANT INTERNATIONAL BANCAIRE

IBAN	FR60 3000 2056 5800 0007 0919 M59
Code B.I.C.	CRLYFRPP

TITULAIRE DU COMPTE :

PÂTISSERIE E.LADUREE
ENCAISSEMENTS ROYALTIES
 84 AVENUE D IENA
 75116 PARIS

For Ladurée International SA:**In Swiss Francs (CHF):**

Numéro de compte:	16-154753-6
IBAN:	CH70 0900 0000 1615 4753 6
BIC:	POFICHBEXX
Type de compte:	Compte commercial
Monnaie:	CHF
Dénomination du compte:	LADUREE INTERNATIONAL SA Enney

In Euros:

Numéro de compte:	16-154754-4
IBAN:	CH48 0900 0000 1615 4754 4
BIC:	POFICHBEXX
Type de compte:	Compte commercial
Monnaie:	EUR
Dénomination du compte:	LADUREE INTERNATIONAL SA Enney
Pour les ordres de paiement étrangers – nom de la banque:	PostFinance SA Mingerstrasse 20 3030 Berne
N° de clearing	090002

Exhibit C: Master Trademark Agreement

LADURÉE

Paris

MASTER TRADEMARK LICENSE AGREEMENT

BETWEEN THE UNDERSIGNED:

LADUREE INTERNATIONAL

A company organized and existing under the laws of Switzerland, with a share capital of CHF 3.120.000, registered under the Federal identification number CH-112.539.507 and having its registered office at Bas-Intyamon, Route des Rez 2, Enney (CH-1667) and duly represented by Mr. David Holder, as President.

Hereinafter referred to as the "Licensor",

AND

AMERICAN MACAROON, LLC

A limited liability company organized and existing under the laws of the State of Delaware, and having its principal office at 129 West 20th St., Penthouse AB, New York, NY 10011, and duly represented by Nicholas (Nick) LEWIN, as CEO

Hereinafter referred to as the "Master Licensee",

Hereinafter referred to each individually as a "**Party**" and together as the "**Parties**"

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PREAMBLE

Licensor is the exclusive owner of the “Ladurée” trademarks worldwide and has built up a strong reputation and goodwill in such trademarks.

Its parent company, Pâtisserie E. Ladurée, manufactures and distributes French luxury pastries in dedicated restaurants, tearooms and retail boutiques operated under the “Ladurée” tradenames and trademarks.

Master Licensee wishes to be granted the exclusive right to develop the network of Ladurée Stores in the Territory as a master licensee.

Master Licensee has entered into a Master Know-How License Agreement with Pâtisserie E. Ladurée pursuant to which it was granted the exclusive right to grant sub-licenses for the purpose of the operation of Ladurée Stores in the Territory with the know-how and the assistance of Pâtisserie E. Ladurée.

Master Licensee now wishes to be granted an exclusive license on the Trademarks for the purpose of operating the Ladurée Stores under the Trademarks in the Territory and in connection with the Master Know-How License Agreement.

In this respect, Licensor and Master Licensee have entered into a preliminary non-binding Term Sheet on January 30, 2023, and Licensor has delivered to Master Licensee (i) at least twenty (20) days before the execution of this Agreement or making any payment to Licensor or to Pâtisserie E. Ladurée, a pre-contract disclosure document compliant with Articles L.330-3 and R.330-1 of the French Commercial Code, and (ii) at least fourteen (14) days before the execution of this Agreement or making any payment to Licensor or Pâtisserie E.Ladurée, a franchise disclosure document compliant with US law at the federal level.

At the end of this cooling-off period, and after having reviewed all the information provided to it by Licensor, Master Licensee, has confirmed its interest in entering into this Agreement.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS

ARTICLE 1 – DEFINITIONS

1.1 When used in this Agreement, including in the Preamble, the following words and expressions, when beginning with a capital letter, shall have the meaning ascribed to them below.

Affiliate	means a person that Controls, is Controlled by, or is under common Control of another person.
Agreement	means this agreement, including all the exhibits attached hereto.
Approved Retailer	The multi-brand retailers in the Territory (other than Sub-Licensees), that are authorized to sell the Ladurée Manufactured Food Products and/or Non-Food Products subject to Licensor’s prior written approval.
BtoB Client	Any professional customer who purchases Products as part of their professional activity but for purposes other than the sale or resale of such Products. This also includes professional events (trade fairs, seminars, conferences, etc.), gifts to employees, gifts to BtoB Clients’ own customers, etc. Large Accounts are BtoB Clients.
Business	The business of (i) soliciting, licensing and supporting Ladurée Stores operated by Sub-Licensees in the

Territory, (ii) importing and selling Products to Ladurée Stores operated by Sub-Licensees in the Territory, or (iii) importing and selling Products to Approved Retailers and/or BtoB Clients in the Territory, pursuant to the terms of this Agreement.

Competing Business	A business that (i) offers and sells, or (ii) franchises or licenses others to operate a business that offers and sells, macarons and up-market French style pastries. An indicative list of identified Competing Businesses is provided in the definition of "Competitor".
Competitor	Any of the following companies/trademarks: (i) Pierre Hermé, (ii) Lenôtre, (iii) Angelina, (iv) Fauchon, (v) COVA, (vi) Pierre Marcolini, (vii) Alain Ducasse, (viii) EL&N, (ix) L'ETO, (x) GODIVA, (xi) Caffé Concerto, (xii) Batsh Coffee, (xiii) TWG Tea. This list of direct competitors of Licensor may be amended by Licensor during the Term of the Agreement on a good faith basis.
Contractual Package	the package composed of this Agreement and the Master Know-How License Agreement, which are indivisible.
Control	in relation to any Party to this Agreement (i) direct or indirect beneficial ownership of more than fifty percent (50%) of the issued share capital, stock or other participating interest carrying the right to vote of that Party, (ii) the right to appoint the majority of the directors of that Party or (iii) the right to direct the conduct of the affairs of that Party. The terms "Controlled" and "Controlling" will have a corresponding meaning.
Data Protection Legislation	All of the following: the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), the Privacy and Electronic Communications (EC Directive) Regulations 2003, or similar legislation under local law in the Territory and all other applicable laws and regulations, relevant industry codes of practice and guidance issued by applicable supervisory authorities or other bodies. The terms "Controller" and "Processor" shall have the meanings described in the Data Protection Legislation.
Development Plan	The Development Plan agreed between Master Licensee and Pâtisserie E. Ladurée and defined in the Master Know-How License Agreement.
Exterior Sign	The exterior sign reproducing the Ladurée Trademark, in compliance with the Graphic Charter.
Food Products	The Ladurée Manufactured Food Products and the Locally Manufactured Products, as these terms are defined in the Master Know-How License Agreement.
Graphic Charter	The graphic charter (graphics, colors, dimensions) used by Licensor for the Trademarks, which Master Licensee must use and comply with on any media reproducing the Trademarks, and that Sub-Licensees must strictly comply with and use for any marketing and promotional materials reproducing the Trademarks. The Graphic Charter is included in the Guidelines.

Guidelines	The operating guidelines provided by Licensor and/or its Affiliates in relation to the use of the Trademarks. The table of available Guidelines at the time of execution is attached as appendix to the Master Know-How License Agreement and may be amended by Licensor at its discretion, upon written notice to Master Licensee, to preserve and enhance the competitiveness of the System and the attractiveness of the Trademarks.
Know-How	The Know-How of Pâtisserie E. Ladurée as defined in the Master Know-How License Agreement.
Initial Fee	The initial fee paid by Master Licensee to Licensor as set forth in Article 5.1.
Ladurée Stores	A restaurant or a retail store or travel retail store or a pop-up store or other point-of-sale (e.g. a kiosk) operated by a Sub-Licensee under the Trademarks, according to the format classification set forth in the Guidelines. A specific range of Food Products is associated with each format of Ladurée Store.
Large Accounts	BtoB customers who have a presence in more than one country.
Local Domain Name	The domain name registered for the operation of Ladurée's e-shop in the USA.
Master Know-How License Agreement	The master know-how license agreement entered into between Pâtisserie E. Ladurée and Master Licensee on the same date as this Agreement and that forms part of the Contractual Package.
Net Sales	<p>The aggregation of the following revenues:</p> <ul style="list-style-type: none">(i) The revenues of any kind earned by Master Licensee with the sale of Products to BtoB Clients (including any revenues derived from Trademark sublicences granted by Master Licensee with prior written authorization from Licensor), minus:<ul style="list-style-type: none">- VAT and other taxes on services, products and sales;- Refunds made (i) in good faith and (ii) in line with the Guidelines; and- Specific reductions/discounts/allowances granted to customers in the normal course of the Business.- Uncollected amounts with respect to BtoB Clients, up to a limit of 0.50%, per contract year, of the revenues of any kind generated from the sales of Products to BtoB Clients.(ii) The revenues of any kind earned by the Sub-Licensees in connection with the operation of their Ladurée Stores minus:<ul style="list-style-type: none">- VAT and other taxes on services, products and sales;

- Refunds made (i) in good faith and (ii) in line with the Guidelines;
 - Tips and gratuities;
 - The retail price of any gift certificates and vouchers when sold but not yet redeemed;
 - Specific reductions/discounts/allowances granted to customers, partners and similar parties in the normal course of the operation of the Ladurée Stores;
 - Uncollected amounts with respect to all revenues of Sub-Licensees, up to a limit of 0.50% of these revenues per contract year.
- (iii) The revenues of any kind generated by Approved Retailers in connection with the sale of Ladurée Products, minus:
- VAT and other taxes on services, products and sales;
 - Refunds made (i) in good faith and (ii) in line with the Guidelines;
 - The retail price of any gift certificates and vouchers when sold but not yet redeemed;
 - Specific reductions/discounts/allowances granted to customers in the normal course of the business; and
 - Uncollected amounts with respect to Approved Retailers, up to a limit of 0.50% per contract year, of the revenues of any kind generated from the Approved Retailers' sales of Products.

For the avoidance of doubt, Licensor acknowledges and agrees that Master Licensee's sales or resales of any Products (including, without limit, macarons) to Sub-Licensees, Approved Retailers, and Management Stores (as defined in the Management Services Agreement, of even date herewith, described in Annex 4) shall not be included in the Net Sales or otherwise subject to any royalty or sales or other fees owing to Licensor hereunder).

Non-Food Products

The "Ladurée" branded products other than the Food Products, such as packaging, key rings, candles, shopping bags, as those are listed as appendix to the Master Know-How License Agreement, which Master Licensee must source exclusively from Licensor, Licensor's Affiliates, or Authorized Suppliers, that Master Licensee will resell (i) to the Sub-Licensees for their sale to customers in the Ladurée Stores and (ii) to Approved Retailers and (iii) to BtoB Clients.

Owners

The owners of Master Licensee, listed in **Exhibit 4**, who directly or indirectly control Master Licensee.

Products

The Food Products and Non-Food Products that (i) the Sub-Licensees are authorized to sell in and from the Ladurée Stores and (ii) Master Licensee may sell to Approved Retailers and BtoB Clients.

Software

The point-of-sale system (POS) prescribed or otherwise approved by Licensor and/or its Affiliates that Master

Licensee and Sub-Licensees must use for the operation of the Business.

Sub-License Agreement	A sub-license or sub-franchise agreement between Master Licensee and Sub-Licensees for the operation of one or several Ladurée Stores in a certain area within the Territory.
Sub-Licensee	A company which has entered into a Sub-License Agreement with Master Licensee, for the operation of a Ladurée Store in the Territory.
Territory	The territory referred to in Exhibit 2 of the Agreement.
Test Period	The first two (2) years of the Agreement, as from the date of execution of the Agreement.
Trademarks	The “Ladurée” tradename, the distinctive signs or logos including such name, whether registered or not, owned and/or used by Licensor, including the domain names and the registered trademarks listed in Exhibit 1 of which Licensor is the exclusive owner in the Territory.

1.2 In this Agreement, unless the context clearly indicates the contrary, any reference:

- to a word in singular form shall also refer to its plural and vice versa;
- to an Article or an Exhibit refers to an article or exhibit of this Agreement unless indicated otherwise.

ARTICLE 2 – SCOPE OF THE AGREEMENT

- 2.1 Licensor hereby grants Master Licensee and Master Licensee hereby accepts the exclusive right to use the Trademarks listed in **Exhibit 1** during the Term for the sole and exclusive purpose of promoting and running the Business in the Territory in compliance with the terms and conditions of this Agreement and those of the Master Know-How License Agreement.
- 2.2 This trademark license includes the right for Master Licensee to grant sub-licenses to Sub-Licensees for the purpose of operating Ladurée Stores in the Territory.
- 2.3 During the Term, Licensor shall not license the Trademarks or related rights to any other person in the Territory. Licensor will not itself establish or grant a license to any other parties to establish Ladurée Stores or sell Products in the Territory. Notwithstanding the foregoing and for the sake of clarity, Master Licensee expressly acknowledges and accepts that Licensor will hold an ownership interest in the Sub-Licensee in charge of the development of the brick-and-mortar retail channel in the Territory.
- 2.4 Licensor (or any of its Affiliates) reserves all rights not expressly granted to Master Licensee in the Agreement. Without limiting the generality of the foregoing, Licensor reserves the following rights:
- the right to grant others master license or master franchise rights under the Trademarks for areas outside the Territory;
 - the right to license, establish, offer and sell sub licenses or franchises for Ladurée Stores outside the Territory, whether under the Trademarks or under any other trademarks or trade names, and on any terms and conditions that Licensor deems appropriate;
 - the right to sell the Products to Large Accounts provided that in each case, Licensor must

grant the exclusive right to Master Licensee to transact and fulfill all sales to such Large Accounts (under such global contract) of Products delivered in the Territory. Likewise, if Master Licensee enters into an agreement for the distribution of Products in the Territory as well as outside the Territory with a Large Account having its head/registered office in the Territory, Master Licensee will grant a reciprocal exclusive right to Licensor to transact with such Master Licensee's Large Account and fulfill all sales of Products delivered outside the Territory. Such exchange of business opportunities will take place without any of the Parties being entitled to any remuneration or commission in relation to the sales made to Large Accounts by the other Party.

- the right to acquire or be acquired, directly or indirectly, in whole or in part, by any business located anywhere providing any products or services, regardless of any similarity to those provided by Master Licensee (subject in all cases to the terms hereof and rights granted to Master Licensee hereunder);
- the right to own, acquire, establish and/or operate, and license others to establish and operate, businesses under trademarks other than the Trademarks, whatever their business activity (other than a Competing Business), at any location within or outside the Territory notwithstanding their proximity to existing Ladurée Stores.

ARTICLE 3 –TRADEMARKS, DOMAIN NAMES AND INTELLECTUAL PROPERTY RIGHTS

3.1 Property of the Trademarks and intellectual property rights

- 3.1.1 Master Licensee acknowledges and agrees that the Trademarks and all intellectual property rights comprised in the Products, the Business, the materials and the documents supplied are Licensor's inalienable, indivisible and exclusive property.
- 3.1.2 Master Licensee may not grant any right to any third party, other than to Sub-Licensees, on the use of the Trademarks, and in general, on all Licensor's symbols, designs, acronyms and distinctive signs.
- 3.1.3 Master Licensee acknowledges and agrees that Licensor may change or make the Trademarks or any distinctive sign evolve if this proves necessary for the validity of the Trademarks or for the adaptation to the evolution of the market, and Master Licensee shall not be entitled to claim any compensation for this substitution. Any change decided by Licensor must be implemented by Master Licensee, at its own expense, within the reasonable time indicated by Licensor.
- 3.1.4 Master Licensee acknowledges that Licensor is the owner of all past, present or future goodwill associated with the Trademarks.
- 3.1.5 Master Licensee further acknowledges that it must fully and promptly disclose and license to Licensor all material ideas, processes, techniques, improvements, additions created pursuant to the operation of Ladurée Stores ("**Improvements**"), or any advertising or promotion materials created for the Ladurée Stores that Master Licensee or its Sub-Licensees or any of their owners or employees create and implement for the Ladurée Stores during the term of the Agreement.

Master Licensee acknowledges and agrees that Licensor has the right to use and authorize others to use the improvements without any obligation to Master Licensee, its Affiliates or Sub-Licensees, or their respective owners, employees of agents, for royalties or other fees. Master Licensee shall not, and shall ensure that Sub-Licensees shall not, introduce any improvements or any additions or modifications of or to Ladurée Stores without Licensor's prior written

consent.

3.2 Use of the Trademarks

3.2.1 Master Licensee agrees:

- (i) to use the Trademarks for the sole purpose of operating the Business and to ensure that the Sub-Licensees use the Trademarks for the sole purpose of operating their Ladurée Store. Any other use shall require Licensor's prior written approval;
- (ii) to operate the Business only with the Trademarks and to use the Trademarks, and ensure that Sub-Licensees use the Trademarks without prefix or suffix;
- (iii) to ensure that Sub-Licensees affix, at their own expense, the Exterior Sign on the front of each Ladurée Store and use the Trademarks in accordance with the instructions provided in the Guidelines;
- (iv) to include, and ensure that Sub-Licensees include, the Trademarks on all documents or advertising materials, such as catalogues, advertisements, posters, invoices, order forms, stationery, etc. intended for the operation of the Business, as well as inside and outside each Ladurée Store, followed by the words (in the official language in the Territory) : "*name of the Sub-Licensee*", sub-licensee of the LADUREE network – Independent contractor", to prevent any confusion regarding its status as independent trader.
- (v) not to include, and ensure that Sub-Licensees do not include the Trademarks in their corporate name or in any other name, either during the term or after the termination or expiry of the Agreement;
- (vi) not to use, and ensure that Sub-Licensees do not use the Trademarks in combination or in conjunction with any other marks, names, words, logos, symbols or devices, and not to engage, and ensure that Sub-Licensees do not engage in any co-branding or collaboration activities, except with Licensor's prior written approval;
- (vii) not to register and/or use and ensure that the Sub-Licensees do not register and/or use any trademark or distinctive sign identical or similar to the Trademarks anywhere in the world and not to participate and ensure that the Sub-Licensees do not participate in any organization the name of which includes the words "Ladurée" in any format;
- (viii) to do its best effort to prevent any behavior that could either be detrimental to the Trademarks or to Licensor's rights therein or that could affect the validity of the Trademarks or diminish the goodwill attached to the Trademarks;
- (ix) not to make, and ensure that Sub-Licensees do not make any advertisements or representations, whether oral or written, using the Trademarks, which may confuse, mislead or deceive the public or be detrimental to Licensor's prestige or reputation;
- (x) to never, be it itself or its Sub-Licensees, directly or indirectly, challenge the validity of the Trademarks and not take any action that would compromise Licensor's rights in the Trademarks, including its right to use and license the Trademarks to others during the term of the Agreement and after its expiration or termination;
- (xi) not to use and make sure that Sub-Licensees do not use the Trademarks to act on behalf of Licensor and/or its Affiliates, in particular to make financial commitments to third parties;
- (xii) contribute to the development and the maintenance of the reputation of the Trademarks by communicating about the Trademarks in positive terms and by complying with any requirements set forth in Guidelines.

3.2.2 Master Licensee undertakes to use and strictly comply and ensure that Sub-Licensees comply with the Graphic Charter for any use of the Trademarks. The Graphic Charter may evolve during the Term.

3.3 Guaranty

3.3.1 Licensor warrants that all necessary steps have been taken to register and secure its rights in the Trademarks, allowing it to license the Trademarks to Master Licensee under this Agreement.

3.3.2 In the event where Master Licensee would be ordered by a final court order to compensate a third-party for counterfeiting or unfair competition in relation to the use of the Trademarks, Licensor undertakes to reimburse the amounts that Master Licensee would be sentenced to pay. This guaranty is however subject to the following conditions:

- (i) Master Licensee shall have used the Trademarks in accordance with the provisions of this Agreement and the Guidelines;
- (ii) Master Licensee shall promptly notify Licensor of any third-party claim in this respect;
- (iii) Master Licensee shall not admit any fault or liability and shall not settle with the third-party without the prior written consent of Licensor;
- (iv) Master Licensee shall allow Licensor to take control of Master Licensee's defense (at Licensor's sole cost and expense) in order to ensure a consistent strategy in the interest of the entire Network.

3.4 Protection of the Trademarks

3.4.1 Master Licensee shall immediately inform Licensor of any harm to any of the Trademarks, whether actual or alleged, and of the use by third-parties of any other trademark, exterior sign or corporate name likely to be confused with any of the Trademarks, of which it becomes aware.

3.4.2 Master Licensee shall provide Licensor with all information in its possession in this respect and shall take all steps reasonably necessary to obtain the information that will enable Licensor to decide of the actions to be taken to protect the Trademarks.

3.4.3 The lawsuit for intellectual property rights infringement shall be brought exclusively by Licensor, and only if Licensor considers such action to be appropriate or necessary. Master Licensee undertakes to provide Licensor with all reasonable assistance that it may request. Subject to the prior approval of Licensor, Master Licensee may join in the lawsuit if it suffers a damage which is distinct from that of Licensor.

3.5 Domain name

3.5.1 Licensor has registered the Local Domain Name.

3.5.2 Licensor shall remain the owner and sole operator of the Local Domain Name.

3.5.3 Master Licensee is not authorized to use the Trademark for any domain name, unless first approved by Licensor (such approval being at Licensor's sole discretion).

ARTICLE 4 – GUIDELINES

4.1 Licensor and/or its Affiliates will provide Master Licensee with a confidential login and password to access the latest versions of the Guidelines on Licensor's platform or through Teams.

- 4.2 Licensor and/or its Affiliates shall be entitled to update the existing Guidelines from time to time. Master Licensee shall comply and shall ensure that the Sub-Licensees comply with the Guidelines, as modified as the case may be, within the reasonable deadline set by Licensor or its Affiliates and no later than sixty (60) days after receipt of the notice of evolution from Licensor. In case of discrepancy between different versions of the Guidelines, the latest version published by Licensor and/or its Affiliates shall prevail.

ARTICLE 5 – FINANCIAL CONSIDERATION

5.1 Initial Fee

- 5.1.1 In consideration of the right to use the Trademarks for the Business and to sublicense the use of the Trademarks to the Sub-Licensees, Master Licensee shall pay to Licensor an initial fee of Euros seven hundred thousand (€ 700,000), VAT excluded,, which fee shall be paid in four (4) installments over the first year following execution of this Agreement, as follows:

- EUR one hundred and seventy-five thousand (€ 175,000) upon execution of the Agreement;
- EUR one hundred and seventy-five thousand (€ 175,000) within three (3) months following execution of the Agreement;
- EUR one hundred and seventy-five thousand (€ 175,000) within six (6) months following execution of the Agreement; and
- EUR hundred and seventy-five thousand (€ 175,000) within nine (9) months following execution of the Agreement.

- 5.1.2 The Initial Fee shall be deemed fully earned by Licensor upon its payment and shall not be refundable, in whole or in part, under any circumstances.

5.2 Master License Fees

- 5.2.1 In consideration of the rights granted herein, Master Licensee shall pay to Licensor, on a monthly basis, a master license fee corresponding to three percent (3%) of the Net Sales in the Territory for such calendar month (the “**Master License Fee**”). For the sake of clarity, no minimum guaranteed amount of fees shall be imposed to Master Licensee during the Test Period.

- 5.2.2 Although, Licensor may have access to the Net Sales figures of all Sub-Licensees through the Software, Master Licensee shall confirm the total Net Sales of all Sub-Licensees and the fees paid by all Sub-Licensees to Master Licensee within fifteen (15) days following the end of each calendar month. With respect to the Net Sales figures of all the BtoB Clients and Approved Retailers, Master Licensee shall confirm the total Net Sales thereof, and the fees paid by all BtoB Clients and Approved Retailers within a maximum of thirty (30) days following the end of each calendar month.

- 5.2.3 On the basis of the Net Sales, Licensor will calculate the Master License Fee due by Master Licensee and will send the corresponding invoice to Master Licensee. Licensor’s invoices shall be payable within thirty (30) days from the date of issuance.

- 5.2.4 If, at the end of each contract year in which the minimum Master License Fee is applicable, the Master License Fees paid by Master Licensee are lower than the minimum guaranteed amount referred to in Article 6.1.2 of the Master Know-How License Agreement, Licensor will issue an additional invoice corresponding to the difference between the minimum guaranteed Master License Fees and the aggregated amount already paid by Master Licensee for the given year. Such additional invoice shall be paid by Master Licensee within the deadline set forth in article 5.2.3 of the Agreement.

- 5.2.5 Unless otherwise agreed between the Parties, all payments shall be made by wire transfer on the bank account of the Licensor. For this purpose, Master Licensee and Licensor's banking coordinates are provided in **Exhibit 3**.
- 5.2.6 Payments must be made in Euros. The Parties shall use the exchange rate quoted on <http://www.bloomberg.com> on the working day preceding the date of invoicing. Licensor may however be free to elect to be paid in the currency of the Territory. In addition, if, at any time, any legal restriction is imposed upon the transfer to or credit of a non-EU resident party with payments in Euros and Master Licensee is not able to pay, Licensor may require payment in any currency designated by Licensor that is available to Master Licensee or, at Licensor's option, may require Master Licensee to deposit all amounts due but unpaid as a result of such a restriction in any type of account, in any bank or institution designated by Licensor in the Territory. Licensor will be entitled to all interest earned on such deposits.

5.3 Late payment penalties

In accordance with Article L.441-10 of the French Commercial Code, interest will be due in the event of any late payment, calculated based on the interest rate used by the European Central Bank for its most recent refinancing operation plus ten (10) percentage points. Said interest will apply to the full amount outstanding as from the due date of the relevant instalment and until the date it is paid.

For each unpaid invoice, Master Licensee will also be liable to pay a lump sum of forty (40) Euros as compensation for recovery costs, in case of late payment, without prejudice to Licensor's right to claim a higher compensation if its recovery costs are higher. In particular, Licensor reserves the right to hire the services of third-party recovery services, if necessary, at Master Licensee's expense. Charges incurred for recovering outstanding amounts may include all legal costs for preparing court documentation, court fees, courts attendance fees, expert fees, all costs incurred by Licensor's staff for attending court hearings, and any other costs incurred by Licensor in connection with recovery.

These amounts will be due automatically without any requirement for prior notice.

5.4 Withholding Taxes

Master Licensee undertakes to pay all amounts that will be due to Licensor without any deduction or offsetting, net of all taxes, levies and deductions. If any amounts payable by Master Licensee to Licensor are subject to withholding or other taxes that Master Licensee is required to deduct from the payments, Master Licensee shall promptly deliver to Licensor at the time of payment all receipts of applicable governmental authorities for all such taxes withheld or paid.

If Master Licensee is required by any law or regulation to make any deduction or withholding (on account of tax or otherwise) from any payment for the account of Licensor, Master Licensee shall, together with the payment, pay such additional amount as will ensure that Licensor receives (free and clear of any tax or other deductions or withholding) the full amount which it would have received if no such deduction or withholding had been required. Notwithstanding the foregoing, if a convention between France and the country of Master Licensee for the avoidance of double taxation is applicable, Master Licensee shall be authorized to pay the amount owing to Licensor, after deduction of the withholding tax.

Master Licensee shall ensure that withholding or other taxes that Master Licensee is required to deduct from amounts payable by Master Licensee to Licensor under this Agreement are paid to the relevant taxation authority on the same date as the amounts payable by Master Licensee to Licensor under this Agreement are paid to Licensor.

Master Licensee is responsible for and shall indemnify and hold harmless Licensor against any penalties, interest and expenses incurred by or assessed against Licensor as a result of Master Licensee's failure to withhold such taxes or to timely remit them to the appropriate taxing authority.

Master Licensee shall fully and promptly cooperate with and assist Licensor to provide all information and records Licensor may request in connection with any application by Licensor to any taxing authority with respect to tax credits, exemptions or refunds available for any withholding or other taxes paid or payable by Master Licensee.

ARTICLE 6 – REPORTING AND FINANCIAL INFORMATION

6.1 General obligation

Throughout the Term, Master Licensee shall prepare, at Master Licensee's expense, and maintain and preserve at Master Licensee's principal trading premises or such other premises agreed with Licensor for at least five (5) years after their preparation full, complete and accurate, in all material respects, books, records, accounts and tax returns relating to the Business. Without limiting the generality of the foregoing, the books and records must contain all reports that the Sub-Licensees are required to provide to Master Licensee, copies of all material correspondence between Master Licensee and the Sub-Licensees, and all inspection reports. Within ten (10) days after Licensor's request, Master Licensee shall provide Licensor with such data, information and supporting records as Licensor from time to time requires.

6.2 Monthly reporting

6.2.1 Monthly reports with a statement of the Net Sales achieved by the Sub-Licensees shall be prepared by Master Licensee and sent to Licensor at the latest within fifteen (15) days after the end of each month.

6.2.2 Master Licensee shall use its commercially reasonable efforts to deliver monthly reports related to the Net Sales of BtoB Clients and Approved Retailers and send them to Licensor within fifteen (15) days to thirty (30) days after the end of each month.

6.3 Annual statement

Master Licensee shall also provide Licensor, in a format compliant in all material respects with international accounting standards (without footnotes), with an annual statement of Master Licensee's gross revenues within five (5) months after the end of Master Licensee's financial year. All statements of gross revenues must separately set out Sub-Licensees' fees and all other revenue streams. Master Licensee shall keep current financial records in accordance with generally accepted accounting principles and provide Licensor with annual accounts, including a balance sheet and profit and loss account, certified by an independent certified accountant, within six (6) months after the end of each financial year.

6.4 Right of Audit

Licensor may carry out one (1) visit per year to inspect or examine Master Licensee's books, records, all files relating to the Sub-Licensees, BtoB activity, wholesale activity, accounts and tax returns relating to the Business at any reasonable time, upon providing reasonable notice.

Licensor is also entitled, once per year, upon reasonable advance notice and at a time reasonably acceptable to Master Licensee (designed so as to not unreasonably interfere with Master Licensee's business), to have an independent third-party audit made of Master Licensee's books and financial records. Master Licensee shall cooperate in good faith with such third-party accounting firm engaged by Licensor to conduct such inspection or audit. Master Licensee shall maintain, readily available for inspection by Licensor, and shall furnish to Licensor upon request, copies of all tax returns and all files relating to the Sub-Licensees (including all annual statements of the Sub-Licensees). At Master Licensee's expense, Master Licensee shall furnish Licensor, for inspection or audit, with all forms, reports, records, financial statements and other information required by Licensor.

Any inspection, examination or audit will be performed at Licensor's cost and expense, unless

the inspection, examination or audit is required by Master Licensee's failure to submit a report or records required by this Agreement, to provide any information properly requested by Licensor, or to preserve records as required by this Agreement, or unless the inspection, examination or audit reveals an underpayment or understatement of any amount due to Licensor of more than five percent (5%).

ARTICLE 7 – DATA PROTECTION

Each Party shall, in relation to personal data processed in connection with this Agreement, only process such data in accordance with the Data Protection Legislation and only insofar as is necessary for the purpose of performing their obligations under this Agreement.

7.1 Processing of personal data of the Staff by each Party as data controller

Each Party may collect and process, as data controller, certain personal data relating to the employees, officers, business partners and/or subcontractors (collectively, the "**Staff**") of the other Party. In this respect, each Party is responsible for its own processing of personal data relating to the Staff of the other Party.

Each Party undertakes to inform its own Staff, on behalf of the other Party, of the conditions under which their personal data will be processed by this other Party in accordance with this Article.

This information includes:

- the identity and the contact details of the data controller (namely, the other Party) and, where applicable, of the controller's representative and of the data controller's data protection officer;
- the purposes of the processing, namely the management of the contractual and commercial relations of the Parties and the disputes in relation thereto;
- the legal basis for the processing, namely the performance of this Agreement and the legitimate interest of the data controller to manage the disputes in relation thereto;
- the categories of personal data concerned, namely their identity, job title, business contact details and communications or information in relation to the performance of this Agreement;
- the source from which such data were obtained, namely the other Party;
- the recipients or categories of recipients of the personal data, namely the data controller's employees and other individuals in charge of processing the data as part of their duties, the business partners and the data controller's data processors and, in case of a dispute, law officials and officers of the court and the court or authority in charge of the dispute;
- the implementation of appropriate technical and organizational measures to ensure a level of security appropriate to the nature of the processing carried out;
- where applicable and for any processing of personal data involving a transfer outside the European Economic Area, the establishment of appropriate safeguards in this respect and the means of obtaining a copy of or access to them;
- the data retention period, namely the duration of performance of this Agreement plus the limitation period for any legal action relating thereto as well as until the amicable resolution of a pre-litigation or the exhaustion of legal remedies and time limits for the enforcement of decisions in the event of litigation;

- the existence of the right to request from the data controller access to and rectification or erasure of personal data or restriction of processing concerning the data subject and to object to processing. These rights can be exercised to the other Party by contacting:
 - o For Licensor: privacy@laduree.com
 - o For Master Licensee: privacy@americanmacaroons.com
- the right to lodge a complaint with a supervisory authority.

7.2 Other processing of personal data

In the context of the performance of this Agreement, the Parties will be required to carry out other processing of personal data relating to prospective sub-licensees, owners and representatives of Sub-Licensees, customers and prospective customers as data Controller and/or data Processor.

Concerning the Sub-Licensees' customers and prospective customers, the collection of the related data having been made possible by the positioning and notoriety of the Trademarks, Licensor and its Affiliates may set up a database on a national or international scale including all the prospective customers and customers of the Sub-Licensees and will ensure its functional and technical management. Licensor will incur the set up and ongoing cost of a protection of the database and all apps. If any data breach is a result of Licensor's fault, including with respect to the management of the database and any apps, Licensor will indemnify, defend and hold harmless Master Licensee, any Sublicensees and their respective Affiliates.

Master Licensee will have access to this database for the part relating to the Territory.

Master Licensee shall cause all Sub-Licensees to feed the database with all the customers and prospective customers' data collected by the Sub-Licensees. Licensor shall at all times keep the right to carry out all verification, presentation and maintenance operations useful for the operation of the database. Licensor may also use the database insofar as it relates to the data of the Sub-Licensees' customers and prospective customers for the purposes of communication and promotional activities.

The rights and obligations of the Parties involved in the processing of personal data resulting from this section will be described in a data sharing and processing agreement entered into between Licensor, Master Licensee and each Sub-Licensee.

ARTICLE 8 – INDIVISIBILITY & CONTRACTUAL PACKAGE

- 8.1 This Agreement is entered into simultaneously with the Master Know-How License Agreement. Together, this Agreement and the Master Know-How License Agreement constitute the "Contractual Package". The Contractual Package is an indivisible whole. As a consequence, if the Master Know-How License Agreement terminates, expires, or ceases to be effective for any reason whatsoever, this Agreement shall terminate concurrently.

ARTICLE 9 – TERM AND RENEWAL

- 9.1 This Agreement will enter into force on the date of its execution by the Parties and shall, unless earlier terminated in accordance with the provisions of this Agreement, remain in force for a term of ten (10) years (the "Term").
- 9.2 Twelve (12) months before the expiration of the Term, Master Licensee shall indicate to Licensor its wish to renew or not the Agreement for a new period of ten (10) years, by submitting a new written business plan, in which the minimum Net Sales will increase by at least 7.5% per year with a minimum Net Sales in year 10 equal to twice the minimum Net Sales in year 10 of the preceding business plan for the first ten year Term hereunder.
- 9.3 Between twelve (12) and six (6) months before the expiration of the Term (the "Renewal Discussion Period"), the Parties will meet to discuss their intentions regarding a possible

renewal of the Agreement, and the terms and conditions of such renewal. In connection therewith, and presuming the Agreement has not been early terminated pursuant to the terms hereof, then Licensor and Master Licensee shall have the following rights and options based on the new business plan :

- a) Licensor may accept the renewal of the Agreement for a new fixed term of ten (10) years with Master Licensee, *mutatis mutandis*, based on, and in accordance with, the terms of Master Licensee's new business plan; or
- b) Licensor may refuse to renew the Agreement. In such case, the Parties agree that the Licensor shall then purchase Master Licensee at Fair Market Value (with an option to be substituted by any third party of its choice as purchaser), as defined below, and according to the procedure described below; or
- c) Licensor may propose the renewal of the Agreement (for a new fixed ten (10) year period) conditioned on Licensor's proposed modification(s) to Master Licensee's new business plan, in which case, Master Franchisee shall have the right, in its sole discretion, (a) to agree to such proposed modifications to the new business plan and renew the Agreement, or (b) to "put" or require Licensor to purchase 100% of the ownership interests of Master Licensee at Fair Market Value (with an option for Licensor to be substituted by any third party of its choice as purchaser), as defined below, and according to the procedure described below.

The "**Fair Market Value**" will be determined using a discounted cash flow method based on a renewal of the Agreement for a non-renewable fixed 10-year term, on the basis of a business plan with an annual EBITDA growth rate of 7.50% based on the average EBITDA of FY8 and FY9 of Master Licensee, with no terminal value and a discount rate consistent with an investment rate return that would be expected by a successor on the basis of this business plan. This value may be adjusted by reference to five (5) comparable transactions that have occurred in the preceding five (5) years in the USA for similar single-brand master license in similar businesses with similar remaining licence duration.

In options b) and c) above, if the Parties fail to reach an agreement on the Fair Market Value, each Party will appoint, within thirty (30) days following such option exercised by the Licensor, an expert of securities valuation among the leading investment banks with international reputation, independent from each of the Parties and experienced in luxury brand and luxury food licensed businesses, who shall prepare and deliver a final report setting forth its determination of the Fair Market Value, together with the justification thereof in reasonable details, within thirty (30) days following his or her appointment.

On the basis of these two reports, the Parties shall try in good faith to agree on a final purchase price.

Failing such agreement within fifteen (15) days, the two experts appointed by the Parties shall designate a third expert among the leading investment banks with international reputation, independent from each of the Parties and experienced in luxury brand and luxury food licensee businesses. Failing to agree on the appointment of such third expert within seven (7) days, such expert will be appointed by the President of the Commercial Court of Paris, in France ruling in summary proceedings and without possible recourse at the request of the most diligent Party.

The third expert shall prepare and deliver a final report setting forth its determination of the Fair Market Value which shall not be greater than the higher, nor less than the lower, of the two Fair Market Values, proposed by the first two experts, together with the justification thereof in reasonable details, within thirty (30) days following his or her appointment.

The Fair Market Value determined by the third expert shall be final and binding on the Parties, except in case of gross or patent mistake.

The three experts shall be bound by the terms of the Agreement and, in particular, the valuation methods of the Fair Market Value set forth above.

Each Party will bear the costs, fees and disbursements incurred in connection with its own expert. In the event of the appointment of a third expert, the costs, fees and disbursements incurred in connection with such appointment will be divided equally between the Parties.

ARTICLE 10 – TERMINATION

10.1 Causes of termination

10.1.1 Termination for breach with opportunity to cure

If either Party at any time commits a breach of any substantial terms, covenants or representations contained in the Agreement and fails to remedy any such breach within thirty (30) days after receipt of a written notice describing such breach (which period could be extended for as long as such Party is diligently pursuing the cure thereof, with a maximum of thirty (30) days), the non-defaulting Party may, *ipso jure*, immediately terminate the Agreement by sending written notice to the defaulting Party.

10.1.2 Termination without opportunity to cure

Notwithstanding the provisions set forth in Article 10.1.1, either Party shall be entitled to terminate this Agreement *ipso jure* with immediate effect without prior notice, in the following cases:

- Master Licensee's willful and fraudulent communication of false or deceitful financial information in violation of Article 6;
- Master Licensee's willful sale of counterfeit Products;
- The violation of the provisions relating to assignment and transfer by Master Licensee under Article 13;
- The filing by Master Licensee of a petition in bankruptcy or Master Licensee being adjudicated as bankrupt or insolvent, or making an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or Master Licensee discontinuing its business or the appointment of a receiver for the Business who is not discharged within three (3) months;
- one of the Owners or the General Manager (as the case may be) being convicted of a felony criminal offence (other than a driving offense) likely to materially harm the reputation of Licensor;
- The voluntary dissolution of Master Licensee, without Licensor's prior consent.

10.2 Effects of termination and expiration

10.2.1 Use of the Trademarks

From the date of termination of the Agreement, Master Licensee shall cease and shall ensure its Sub-Licensees cease, without any delay, using the Trademarks and referring to its past use of the Trademarks. Regarding the Guidelines, instructions, materials bearing Licensor's Trademarks and other signs, Master Licensee shall, upon instruction of Licensor, and at Master Licensee's own costs:

- (i) Hand them over to Licensor and/or its Affiliates, or
- (ii) Destroy them and provide evidence of such destruction.

10.2.2 Database

The Parties expressly agree that upon expiration or termination for any reason of this Agreement:

- Licensor will be free to continue using the database referred to in article 7.2 which contains the data of all clients and prospects in the Territory. Licensor shall be entitled to use these data for its own commercial activities or for the commercial activities of any other member of the Network;
- Licensor will provide Master Licensee with an export of this database which Master Licensee may use in the context of its own commercial activities.

10.2.3 Additional Obligations

Upon termination or expiration of the Agreement, unless a renewal agreement is entered into by the Parties:

- The rights granted to Master Licensee under the Agreement shall immediately terminate and these rights shall revert to Licensor. Licensor shall have the unrestricted right to appoint one or several new master licensees or licensees in the Territory;
- Master Licensee shall no longer directly or indirectly at any time or in any manner identify itself as master licensee, franchisee or licensee of or as otherwise associated with Licensor, or use any of Licensor's distinctive signs in any manner or for any purpose, or use for any purpose any trade name, trade mark, or other commercial symbol that suggests or indicates a connection or association with Licensor;
- Master Licensee shall return to Licensor any copy of the Guidelines in its possession, and provide Licensor with copies of all of Master Licensee's records pertaining to Sub-Licensees and prospective Sub-Licensees;
- Master Licensee shall immediately cease the use of the Know-How and the Guidelines;
- Master Licensee shall pay Licensor all amounts owing to Licensor under this Agreement or any other agreement between Master Licensee and Licensor, including interest accrued thereon, if any.

10.2.4 Surviving clauses

Despite the expiration or termination of the Agreement for any reason whatsoever, the following clauses shall remain in force:

- Article 8 – Indivisibility & Contractual Package
- Article 10 – Termination
- Article 11 – Confidentiality
- Article 16 – General provisions
- Article 17 – Applicable law
- Article 18 - Dispute resolution

ARTICLE 11 – CONFIDENTIALITY

- 11.1 Under this Agreement, “**Confidential Information**” shall be (i) any non-public and proprietary information, knowledge, technique, and standard in the Know-How communicated to Master Licensee by Licensor for the operation of the Ladurée Store, including the Guidelines, (ii) the content of this Agreement, (iii) non-public and proprietary information relating to the Ladurée network and (iv) any information presented as confidential by Licensor and for as long as such information has not been made public.

- 11.2 Master Licensee undertakes not to disclose Licensor's Confidential Information communicated to it by Licensor, as defined above, or to use such information to other ends than the operation of the Ladurée Store.
- 11.3 Notwithstanding the provisions above, shall not be deemed to be Confidential Information any information:
- a) that is or becomes publicly available through no fault of Master Licensee;
 - b) that is already legitimately in the possession of Master Licensee and not subject to a confidentiality obligation;
 - c) that is subsequently obtained by Master Licensee from a third party without restriction on disclosure or a confidentiality obligation;
 - d) that Master Licensee or a third party acquires independently without reference to Confidential Information; or
 - e) that Master Licensee is required to disclose in accordance with applicable law, provided that Master Licensee uses its best efforts to give Licensor a notice of said disclosure, only discloses the items of Confidential Information that it is required to disclose by law, and takes all possible steps to ensure that the information disclosed is still treated as confidential.
- 11.4 In addition, notwithstanding Articles 11.1 and 11.2, Master Licensee may disclose the Confidential Information to its employees, representatives, shareholders and counsels within the limit of what is strictly necessary for the performance of this Agreement and provided that Master Licensee cause these persons to keep the information confidential.
- 11.5 This confidentiality obligation is binding upon Master Licensee during the term of the Agreement and for a period of ten (10) years after its termination or expiration.

ARTICLE 12 – PERFORMANCE OF THE AGREEMENT

12.1 Full payment of outstanding amounts

12.1.1 Master Licensee acknowledges that satisfactory performance of the Agreement entails that it must honor full payment of all amounts owing to Licensor pursuant to the Agreement.

20.1.1 12.1.2 In the event Master Licensee would deem performance of the Agreement by Licensor as unsatisfactory, it shall not have the right to unilaterally withhold the payment of amounts due or demand a reduction of the price of the fees, unless Licensor has committed an obvious material breach of the Agreement.

12.1.3 The provisions of this Article are without prejudice to the rights of Master Licensee to deliver a formal notice to Licensor to fulfil its contractual obligations and to have recourse to the provisions of Article 10.1.1.

12.2 Ongoing fulfilment of obligations

The Parties agree that only a material breach by a Party will allow the other Party to suspend performance of its own obligations.

12.3 Hardship

The Parties expressly agree to exclude the provisions of Article 1195 of the French Civil Code provided, however, that the Parties agree to enter into in good faith discussions in case of hardship relating to the economic terms and conditions of this Agreement (and related

agreements) in the event that conditions contemplated under Article 1195 of the Civil Code eventuate or come to exist.

12.4 Force Majeure

If a Party is prevented, hindered or delayed from or in performing any of its obligations under this Agreement by a Force Majeure Event (the “**Affected Party**”):

- (i) The Affected Party's obligations under this Agreement are suspended while the Force Majeure Event continues and to the extent that it is prevented, hindered or delayed;
- (ii) Immediately after the start of the Force Majeure Event, the Affected Party shall notify the other Party in writing of the Force Majeure Event, the date on which the Force Majeure Event started, the effects of the Force Majeure Event on its ability to perform its obligations under this Agreement and a description of the steps taken or to be taken in order to circumvent and/or mitigate the Force Majeure Event;
- (iii) The Affected Party shall make all reasonable efforts to mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement; and
- (iv) Immediately after the end of the Force Majeure Event, the Affected Party shall notify the other Party in writing that the Force Majeure Event has ended and shall resume performance of its obligations under this Agreement.

Except for a Force Majeure Event affecting the banking system, a payment obligation will never be considered as being out of the control of the Parties for the purpose of this Article 12.4.

If any such delay occurs, any applicable time period will be automatically extended for a period equal to the time lost; provided, however, that the Party affected makes reasonable efforts to correct the reason for such delay and gives to the other Party prompt notice of any such delay; and further provided, however, that Master Licensee will remain obligated to promptly pay all fees and other amounts owing and due to Licensor under this Agreement, without any such delay or extension to the extent not impacted by the Force Majeure Event as stated above.

If the Force Majeure Event continues for more than two (2) years from the day the Force Majeure Event starts, either Party may terminate this Agreement by giving not less than fifteen (15) days' written notice to the other Party.

12.5 Indemnification

12.5.1 Master Licensee will indemnify and keep Licensor and its Affiliates harmless against all costs and losses (including attorney's fees) arising from third party claims brought against Licensor and/or its Affiliates as a direct result of the conduct of the Business by Master Licensee, and/or the operation of Ladurée Stores by the Sub-Licensees in the Territory including in connection with:

- a. a failure to comply with or a contravention of any applicable present and future authorisations, registrations, duties of care, codes of conduct, regulations, law, notices, permits, consents, approvals and licences issued, imposed or directed by any relevant body; and/or
- b. the use of the Trademarks in breach of this Agreement; and/or
- c. any wrongful act, error or omission of Master Licensee or of any Sub-Licensee, their employees or agents; and/or
- d. any failure by Master Licensee or any Sub-Licensee to comply with any provision of this Agreement or the Guidelines.

12.5.2 Licensor will cooperate fully with Master Licensee in defending or settling the claim.

12.5.3 For the sake of clarity, the duty to indemnify Licensor and its Affiliates does not apply to third party claims that are the direct result of Licensor's act, omission or other fault.

12.5.4 The terms of this Article 12 shall apply reciprocally, *mutatis mutandis*, with respect to Licensor's covenant to indemnify, defend and hold harmless Master Licensee and its Affiliates against all costs and losses (including reasonable attorneys' fees) in connection with any third party claims brought against Master Licensee and its Affiliates as a result of Licensor's act, omission or other fault.

ARTICLE 13 – ASSIGNMENT AND TRANSFER

13.1 Assignment and transfer by Master Licensee

13.1.1 Proposed transfer to a third party other than a competitor

This Agreement was entered into expressly in consideration of:

- (a) The person of the Owners who Control Master Licensee and whose unique characters, skills, business experience and financial capacity constitute for Licensor one of the main reasons for entering into this Agreement;
- (b) Master Licensee, a corporate entity, holder of the master license under this Agreement.

Consequently, this Agreement is non-transferable and non-assignable (in whole or in part) without Licensor's prior approval, in whatever form namely through sale or transfer, with or without consideration, including through lease-management or lease-purchase of Master Licensee's entire Business as well as through merger or demerger. A Change of Control shall also be considered as a transfer for the purpose of this Article 13.1.

Licensor will examine the request for transfer by considering a serious and comprehensive project containing at least:

- A detailed presentation of the transferee (including its expertise, its financial means and its experience);
- An application to become a Master Licensee filled in and signed by the transferee with an undertaking to comply with all obligations under this Agreement or to execute the then-current standard master franchise agreement of Licensor, if Licensor so requires;
- The payment of an administrative fee of Euros five thousand (€ 5,000) to cover Licensor's costs for the review of the proposed transfer;
- The draft transfer agreement under condition precedent of Licensor's approval.

Licensor will communicate to Master Licensee its decision to approve or refuse the transfer within thirty (30) days from the date of receipt of a complete file from Master Licensee. Licensor has no obligation to approve a transfer and no compensation will be due to Master Licensee in case of refusal by Licensor, even in the event of insolvency proceedings. Licensor's approval will not be unreasonably withheld.

Licensor acknowledges that an authorized transfer will entail, for the future, full discharge of Master Licensee as of the date of the transfer of the Agreement.

Any sale, transfer, sub-license of this Agreement or Change of Control of Master Licensee without Licensor's prior approval will authorize Licensor to terminate the Agreement with immediate effect due to Master Licensee's fault, in accordance with Article 10.1.2.

13.1.2 *Proposed transfer to a Competitor of Licensor*

If there is a proposed transfer of any ownership interest in Master Licensee to a Competitor of Licensor by any Owner, Master Licensee will notify Licensor stating the identity of the proposed transferee (including the interest holders of such proposed transferee), the terms of the proposed transaction, and all other information reasonably requested by Licensor. Within thirty (30) days after receipt of such notice and information, Licensor will notify Master Licensee of its election of one of the following:

- Licensor may give notice of its intent to terminate this Agreement pursuant to Article 10.1.1, in which case either: (i) Master Licensee may cancel the transfer (and if canceled the Agreement will not be terminated); or (ii) this Agreement will be terminated for breach; or
- Licensor may consent to such transfer on such terms as Licensor may require, in its sole discretion.

13.2 **Assignment and transfer by Licensor**

The Agreement was also entered into in consideration of the person of Licensor and more specifically in consideration of the Know-How licensed by Licensor. Master Licensee nevertheless expressly accepts, in advance, Licensor's right to transfer the Agreement to any of its Affiliates or to any third party presenting, in Licensor's reasonable opinion, all required skills to perform all of Licensor's obligations under this Agreement. Master Licensee acknowledges that such a transfer shall entail, for the future, full discharge of Licensor as of the date of the transfer of the Agreement.

Master Licensee also expressly accepts, in advance, any change in Licensor's corporate structure such as, for example, merger, demerger, contribution of assets, Change of Control or transfer to a subsidiary.

ARTICLE 14 – FIRST REFUSAL RIGHT

- 14.1 If Master Licensee at any time desires to sell or assign for consideration the Business or all or substantially all of Master Licensee's assets, Master Licensee must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to Licensor. Licensor has the right, exercisable by written notice delivered to Master Licensee within thirty (30) calendar days following receipt of the proposed offer, to purchase the interest in the Business or the assets for the price and on terms contained in the offer. Licensor may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) calendar days to prepare for closing. If Licensor does not exercise its right of first refusal, Master Licensee may complete the sale to the proposed purchaser under the terms of the offer, provided Master Licensee otherwise complies with this Article 14. If the sale to the proposed purchaser is not completed within one hundred twenty (120) calendar days after delivery of the offer to Licensor, or if there is a material change in the terms of the sale, Licensor again has the right of first refusal.
- 14.2 If the Owners holding more than fifty percent (50%) of the total issued and outstanding ownership interests in Master Licensee at any time desire to sell or assign for consideration (in one or a series of related transactions) their ownership interest in Master Licensee (resulting in a change in control of Master Licensee), Master Licensee and the concerned Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to Licensor. Licensor has the right, exercisable by written notice delivered to the concerned Owners within thirty (30) calendar days following receipt of the proposed offer, to purchase the ownership interest in Master Licensee for the price and on terms contained in the offer. Licensor may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) calendar days to prepare for closing. If Licensor does not exercise its right of first refusal, the concerned Owners may complete the sale to the proposed purchaser under the terms of the offer, provided Master Licensee complies with this Article 14 and subject to the approval of Licensor under Article 13. If the sale to the proposed purchaser is not completed within one hundred twenty (120) calendar days after delivery of the

offer to Licensor, or if there is a material change in the terms of the sale, Licensor again has the right of first refusal.

ARTICLE 15 – RELATIONSHIP BETWEEN THE PARTIES

- 15.1 The relationship between Master Licensee and Licensor is an ordinary commercial relationship between independent parties at “arm’s length”. Licensor and Master Licensee are independent contractors, and nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint-venturer, partner, employee or servant of the other for any purpose.
- 15.2 Master Licensee agrees that it is the only party that employs its staff (even though Licensor may provide Master Licensee with advice, guidance, and training), and that Licensor is not Master Licensee’s employer nor is Licensor the employer of any of Master Licensee’s staff, and even if Licensor expresses an opinion or provides advice, Licensor will play no role in Master Licensee’s decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal).
- 15.3 Master Licensee shall conspicuously identify itself at its principal place of business and in all dealings with third parties, including existing and prospective Sub-Licensees, as a Master Licensee of Licensor in the Territory and the independent owner of the Business under a license from Licensor, and shall place such other notices of independent ownership on all forms, stationery, advertising, business cards and other materials as Licensor may require from time to time.
- 15.4 Neither Licensor nor Master Licensee shall make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that the Parties’ relationship is other than licensor and master licensee. Neither Licensor nor Master Licensee will be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized by this Agreement, nor will Licensor be obligated for any injury or damage to any person or property directly or indirectly arising out of the operation of the Business, whether caused by Master Licensee’s negligence, willful action or failure to act.
- 15.5 Except as set forth herein, each Party shall pay any and all expenses and charges relating to their respective performance of contractual obligations hereunder.

ARTICLE 16 – GENERAL PROVISIONS

16.1 Anti-bribery

- 16.1.1 The Parties agree not to (and procure that no person acting on their behalf will) directly or indirectly make or facilitate (i) any expenditure for any unlawful purpose in connection with the Business or in connection with any activities in relation thereto, (ii) any offer, payment or promise to pay any money or to give anything of value to any government official, political party or any other person with a view to influencing any action or decision of such person.
- 16.1.2 The Parties further agree not to commit or consent to or participate in any other way in any act of bribery under the laws of any jurisdiction.

16.2 Notices and election of domicile

- 16.2.2 For all communications relating to the Agreement, the Parties elect domicile at their respective head offices as stated at the beginning of this Agreement. Any change of address of a Party shall be promptly notified in writing to the other Party.
- 16.2.3 Any and all notices required or permitted under this Agreement must be in writing and must be personally delivered, sent by certified U.S. mail or international courier (such as FedEx or DHL) or by other means that provides the sender with evidence of delivery, rejected delivery, and/or

attempted delivery. Any notice by a means that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

16.3 Entire agreement

The Agreement, including its Appendices, comprises all of the agreements entered into between the Parties and replaces any other agreements or arrangements whatsoever, whether written or verbal, relating to the purpose of the Agreement, which may have been entered into between the Parties prior to the date of the Agreement.

16.4 Severability

Should one or more clauses of the Agreement be regarded as illegal, inapplicable or invalid or declared as such by applicable laws or regulations or following a legal decision, such clause(s) will be removed without rendering the remainder of the Agreement invalid, while all its other clauses shall remain fully applicable, on the condition that it does not seriously change the legal and/or economic balance of the Agreement. In all cases, the Parties undertake to take all the measures required in good faith to remedy such illegality, inapplicability or invalidity, whilst maintaining the balance of the Agreement.

16.5 Amendments

This Agreement may not be modified except in writing, by amendment signed by both Parties hereto.

16.6 No waiver

Any waiver to take advantage of any total or partial violation of any of the clauses of the Agreement will not result in a modification, a removal of the clause in question or a waiver to take advantage of previous, concomitant, or subsequent violations of the same or other clauses. Such a waiver will only become effective if it is expressed in writing and is signed by a duly authorized representative of the waiving Party.

16.7 Survival

Upon expiration or termination, for any cause, of this Agreement, the provisions of the Agreement which are meant to apply after its expiration shall remain in full force.

16.8 Headings

The headings of the Articles of this Agreement are for convenience only and in no way affect the terms and conditions of this Agreement.

16.9 Language

If this Agreement is translated into any other language than English, the English version shall prevail.

ARTICLE 17 – APPLICABLE LAW

This Agreement and all sales transactions shall be governed by the laws of France.

ARTICLE 18 – DISPUTE RESOLUTION

18.1 Any claim, dispute, suit, action, controversy, or proceedings of any type whatsoever between or involving the Parties (and/or the Owner), arising out of or in connection with this Agreement (a "Claim"), will be exclusively dealt with in the following manner:

- First, discussed in a face-to-face meeting held at Licensor's registered office or such other place specified by Licensor within thirty (30) days after Licensor gives to or receives from Master Licensee written notice proposing such a meeting;
- Second, if unresolved within the aforementioned time limit, submitted to non-binding mediation for a minimum of one (1) full day before a mediator appointed in accordance with the mediation rules of the International Chamber of Commerce (ICC) or its successor. The mediator shall be a neutral person and the mediation shall take place in Geneva, Switzerland. Licensor and Master Licensee shall each pay fifty percent (50%) of the costs of any mediation (though Licensor and Master Licensee shall each be solely responsible for any legal fees of their own lawyers). Any party may be represented by lawyers and may, with permission of the mediator, bring persons appropriate to resolving the Claim.
- Third, if the dispute is not settled under the ICC Mediation Rules within forty-five (45) days after filing the application for mediation or within such other period as the Parties may agree in writing, the dispute will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Arbitration Rules") for commercial disputes (or any similar successor rules) as are in force on the date when a notice of arbitration is received. The arbitrator(s) will be appointed in accordance with the ICC Arbitration Rules. If the disputed amount is less than EUR 2 million, the number of arbitrators will be one (1). If the disputed amount is equal to or above EUR 2 million, the number of arbitrators will be one (1) unless either Party may request the number of arbitrators to be three (3). If the arbitral tribunal consists of three (3) arbitrators, each Party will select one (1) arbitrator and the ICC will select the third who must not be of the same nationality as either of the other two arbitrators. The language of arbitration will be English. The place of arbitration will be Geneva, Switzerland. The decision of the arbitral tribunal will be final and binding upon the Parties, and such decision will be enforceable through any courts having jurisdiction. The unsuccessful Party shall pay the successful Party's reasonable legal fees and costs, capped at the amount of its own legal fees and costs.

18.2 Either Party will be entitled to seek injunctive relief from any Court of competent jurisdiction in the Territory, without going through the process of settlement of disputes described in Article 18.1, for any actual or threatened material breach or violation of this Agreement, in case of emergency.

ARTICLE 19 – ELECTRONIC SIGNATURE

If the Parties decide to sign the Agreement by hand, one (1) original copy of the Agreement shall be provided to each of them.

This Agreement may also be executed electronically by the Parties in conditions compliant with the provisions of article 1367 of the French Civil Code. In that case, the Parties agree that the Agreement, as electronically signed, is valid evidence allowing the assessment of the Parties' rights, obligations and responsibilities and of the consent of their signatories.

In any event, the Agreement shall take effect on the date of signature of the last Party signing, unless otherwise agreed in writing.

<p>Master Licensee : American Macaroon LLC Represented by Nicholas (Nick) Lewin</p> <p>Date: Signature:</p>	<p>Licensor Represented by David Holder</p> <p>Date: Signature:</p>
---	---

Effective date of the Agreement being:.....

EXHIBIT 1 – TRADEMARKS

	Trademark	Registration Date	Registration Number	Country	Type	Classes	Owner	Expiration Date
	ANGELOT (logo)	08/08/2016	894594	USA	Figurative	30, 43	LADUREE INTERNATIONAL SA	08/08/2026
	EUGENIE	09/01/2023	1718258	USA	Verbale	30, 35, 43	LADUREE INTERNATIONAL SA	09/01/2033
	L (ET LOGO COURONNE)	27/04/2023	1753527	USA	Semi-figurative	14, 30, 35, 43	PATISSERIE E.LADUREE	27/04/2033
	LADUREE	25/10/2019	88669207	USA	Verbale	20, 21	LADUREE INTERNATIONAL SA	04/07/2033
	LADUREE	07/06/2006	78902615	USA	Verbale	04, 05, 16, 30, 43	LADUREE INTERNATIONAL SA	20/11/2027
	LADUREE	18/11/2022	1715464	USA	Verbale	09, 35, 41	LADUREE INTERNATIONAL SA	18/11/2032
	LADUREE	05/05/2023	1444966	USA	Verbale	29, 35	LADUREE INTERNATIONAL SA	13/06/2028
	LADUREE ET COURONNE (LOGO)	18/11/2022	1730503	USA	Semi-figurative	09, 35, 41	LADUREE INTERNATIONAL SA	18/11/2032
	LADUREE ET COURONNE (LOGO)	18/11/2022	1730503	USA	Semi-figurative	29, 30, 43	LADUREE INTERNATIONAL SA	18/11/2032
	LADURÉE PARIS Maison fondée en 1862 + logo couronne angelot	15/06/2020	1050635	USA	Semi-figurative	29, 30, 35, 43	LADUREE INTERNATIONAL SA	15/06/2030

EXHIBIT 2 – THE TERRITORY

The Territory is:

- The United States of America and its territories.

However, in view of the fact that (i) a certain number of Ladurée points of sale are currently and at the date of execution of the Agreement operated by Licensor's US subsidiaries (and managed by Master Licensee pursuant to the terms and conditions of that certain Management Services Agreement, of even date herewith, between Master Licensee, on the one hand, and Ladurée USA Inc., on the other hand (the "Management Services Agreement")) and that (ii) prior registration, exemption or exclusion in the states of Connecticut, California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin must be obtained prior to any operations in these states, the following terms have been agreed between the Parties:

- For the Ladurée US subsidiaries of Licensor listed below, such subsidiaries may continue to be operated by Licensor or its US subsidiaries at their current addresses without violating the provisions of the Agreement, and are currently excluded from the Territory. However, the supply of Products to these points of sale will be exclusively handled by Master Licensee, via an exclusive supply agreement which will be signed on the same date as the Agreement between Pâtisserie E.Ladurée and Macaroon SA, on the one hand, and Master Licensee, on the other hand.

Once an investor wishing to purchase 70% of the shares in all these companies, at a price accepted by Ladurée, has acquired the said shares following the full and complete procedure stipulated in the SPAs applicable, a Sub-License Agreement will be entered into by Master Licensee for the points of sale concerned and their locations will be included in the scope of the Territory.

- According to the Development Plan, Licensor will start all the formalities required to obtain registration, exemption, or exclusion in the states of California, Illinois, New York, Texas, and Washington as soon as the Agreement is executed by the Parties.

For the states of Connecticut, Florida, Hawaii, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, North Dakota, Rhode Island, South Dakota, Utah, Virginia, and Wisconsin it is agreed, to avoid unnecessary costs, that Licensor will begin the formalities after receipt of a written request from Master Licensee, at least four (4) months before the execution of such Sub-License Agreement.

List of Ladurée US subsidiaries and the addresses of the POS concerned:

	Description	Ladurée Group Operator	Location
1.	Soho (Restaurant)	Ladurée Soho LLC	396-398 West Broadway, New York, NY
2.	Soho (Laboratory)	Ladurée Soho LLC	396-398 West Broadway, New York, NY
3.	Soho (Warehouse)	Ladurée Soho LLC	396-398 West Broadway, New York, NY
4.	Soho (Headquarters)	Ladurée Soho LLC	396-398 West Broadway, 2 nd Floor, New York, NY
5.	Madison	Ladurée Madison LLC	Store F/O/B Madison Shoe Corp. of New York d/b/a Santoni Shoes in

			the building known as 864 Madison Avenue, Manhattan, NY
6.	Penn Station	Ladurée USA, Inc.	411 Eighth Avenue and 372 Ninth Avenue, NY
7.	Hudson Yards	Ladurée Soho LLC	RU #103B in Hudson Yards, New York, NY
8.	Columbus Circle (Pop-up)	Ladurée USA, Inc.	10 Columbus Circle, New York, NY 10019
9.	North Beverly Drive	Ladurée Los Angeles LLC	311 N. Beverly Drive, Beverly Hills, Los Angeles, CA
10.	The Americana at Brand (Cart)	Ladurée Los Angeles LLC	889 Americana Way, Glendale, CA 91210
11.	Los Angeles Warehouse	Ladurée Los Angeles LLC	1015-1019 S. Fairfax Avenue, Los Angeles, CA
12.	Los Angeles Laboratory	Ladurée Los Angeles LLC	1015-1019 S. Fairfax Avenue, Los Angeles, CA
13.	Short Hills	Ladurée New Jersey LLC	Store Number K101 in "The Mall at Short Hills," Millburn, Essex, NJ
14.	Woodbury	Ladurée Woodbury LLC	Kiosk and Outdoor Seating Area in Woodbury Common Premium Outlets, Woodbury, Orange, NY

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EXHIBIT 3 – LICENSOR'S AND MASTER LICENSEE'S BANK COORDINATES**For Pâtisserie E. Ladurée :**

LCL BANQUE ET ASSURANCE					RELEVÉ D'IDENTITÉ BANCAIRE				
Ce relevé est destiné à être remis, sur leur demande, à vos créanciers ou débiteurs appelés à faire inscrire des opérations à votre compte (virements, prélèvements, etc...). Son utilisation vous garantit le bon enregistrement des opérations en cause et vous évite ainsi des réclamations pour erreurs ou retards d'imputation.									
IDENTIFIANT NATIONAL BANCAIRE									
Banque	Indicatif	Numéro de compte	Clé RIB	Domiciliation					
30002	05658	0000070919M	59	ESDC CHOISEUL 1					
IDENTIFIANT INTERNATIONAL BANCAIRE									
IBAN		FR60 3000 2056 5800 0007 0919 M59							
Code B.I.C.		CRLYFRPP							
TITULAIRE DU COMPTE :									
PATISSERIE E.LADUREE ENCAISSEMENTS ROYALTIES 84 AVENUE D IENA 75116 PARIS									

For Ladurée International SA:**In Swiss Francs (CHF):**

Numéro de compte:	16-154753-6
IBAN:	CH70 0900 0000 1615 4753 6
BIC:	POFICHBEXXX
Type de compte:	Compte commercial
Monnaie:	CHF
Dénomination du compte:	LADUREE INTERNATIONAL SA Enney

In Euros:

Numéro de compte:	16-154754-4
IBAN:	CH48 0900 0000 1615 4754 4
BIC:	POFICHBEXXX
Type de compte:	Compte commercial
Monnaie:	EUR
Dénomination du compte:	LADUREE INTERNATIONAL SA Enney
Pour les ordres de paiement étrangers – nom de la banque:	PostFinance SA Mingerstrasse 20 3030 Berne
N° de clearing	090002

EXHIBIT 4 – OWNERSHIP INTEREST

Allocation of Master Licensee's share capital	
Name of Owner	Percentage
TASTE OF PARIS	100 %

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Exhibit D: Sublicense Agreement and Sublicense Development Agreement

LADURÉE
Paris

Ladurée
Sublicense Agreement

Ladurée
Sublicense Agreement

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Exhibits:

A	Data Sheet	E	ADA Certification
B	Guarantee, Indemnification, and Acknowledgement	F	Sample Form of Non-Disclosure and Non-Competition Agreement
C	List of Principals	G	Site Selection Addendum
D	ACH - Authorization Agreement for Prearranged Payments (Direct Debits)	H	Lease Rider
		I	Index to Defined Terms

Ladurée Sublicense Agreement

THIS SUBLICENSE AGREEMENT (the “**Agreement**”) is made and entered into as of the date that we have indicated on the signature page of this Agreement (the “**Effective Date**”) by and between:

- _____, a _____ organized under the laws of a _____ (“**Sublicensor**” or “**us**” or “**we**”); and
- _____, a [resident of] [corporation organized in] [limited liability company organized in] the State of _____ and having offices at _____ (“**you**” or the “**Sublicensee**”).

Introduction

*Ladurée International, whose head office is in Switzerland, Route de Rez 2, 1667 Enney (“**Ladurée International**”) and PEL (defined below), whose head office is in Paris, 84 avenue d’Iéna – 75116 PARIS, as the result of the expenditure of time, skill, effort, and money, have developed for years and own a distinctive format and system (as defined below) relating to the creation, manufacture and distribution of French luxury food Products (defined below), including the macaron which is its most famous Product. The Ladurée business is carried out within dedicated restaurants, tea-rooms and retail boutiques and online under the Proprietary Marks (defined below) (each, a “**Ladurée Store**”),*

*Sublicensor entered into a Master Know-How License Agreement with Ladurée International’s parent company, Patisserie E. Ladurée (“**PEL**”), dated [•] (the “**Master Know-How Agreement**”). Sublicensor also entered into a Master Trademark License Agreement with Ladurée International dated [•] (the “**Master Trademark Agreement**,” together with the Master Know-How Agreement are referred to in this Agreement as the “**Master Agreements**”). Under the Master Agreements, Sublicensor is granted, and Sublicensor accepted, the right and obligation to establish and operate Ladurée Stores and to license third parties (such as Sublicensee) to operate Ladurée Stores and to use the Proprietary Marks in connection therewith, all according to the terms of contracts such as this Agreement, and all within [the United States] (the “**Territory**”);*

*Among the distinguishing characteristics of a Ladurée Store are that it operates under the System. The term “**System**” as used in this Agreement includes methods implemented by Ladurée International and PEL in connection with the operation of Ladurée Stores, comprising of (among other things) certain operational methods and techniques, food products and non-food products that are authorized for sale from a Ladurée Store (“**Products**”); signage; technical assistance and training in the operation, management and promotion of Ladurée Stores, distinctive interior and exterior design and accessories, and specific reporting, all of which may be changed, improved and further developed by Ladurée International and/or PEL, part of which is set forth in the Guidelines (defined below).*

*The System is identified by means of the Proprietary Marks. The Proprietary Marks include certain trade names (for example, the mark “Ladurée”), service marks, trademarks, logos, emblems, and indicia of origin (for example, the “Ladurée” mark and logo), as well as other trade names, service marks, and trademarks that we may periodically specify in writing for use in connection with the System (all of these are referred to as the “**Proprietary Marks**”). Ladurée International and PEL, and their affiliates, continue to develop, use, and control the use of the Proprietary Marks in order to identify for the public the source of Products and services marketed under those marks and under the System, and to represent the System’s standards of quality, cleanliness, appearance, and service.*

We are in the business of developing, programming, and awarding licensed rights to third party sublicensees, such as you. You will be in the business of operating a Ladurée Store, using the same brand and Proprietary Marks as other independent businesses that operate other Ladurée Stores under the System (including some operated by our affiliates). We will not operate your Ladurée Store for you, although we have (and will continue) to set standards for Ladurée Stores that you will have chosen to adopt as yours by signing this Agreement and by your day-to-day management of your Ladurée Store according to the “Ladurée” brand standards and Guidelines.

You and we have entered into a development agreement (the “**Development Agreement**”) pursuant to which you have the right and obligation to develop Ladurée Stores within the “Development Area” specified in the Development Agreement.

As required under the Development Agreement, you and we are entering into this Agreement so that you may establish and operate a Ladurée Store under the System for that purpose, as well as to receive the training and other assistance we provide as described in this Agreement. You also understand and acknowledge the importance of the standards of quality, cleanliness, appearance, and service and the necessity of operating the business licensed under this Agreement in conformity with the standards and specifications.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

1 GRANT

1.1 *Rights and Obligations.* We grant you the right, and you accept the obligation, all under the terms (and subject to the conditions) of this Agreement:

1.1.1 To operate Ladurée Stores under the System (also referred to as the “**Licensed Business**”) in the Protected Area;

1.1.2 To use the Proprietary Marks and the System, but only in connection with the Licensed Business (recognizing that we may periodically change or improve the Proprietary Marks and the System); and

1.1.3 To do all of those things only at the Accepted Location (as defined in Section 1.2 below).

1.2 *Accepted Location.* The street address of the location for the Licensed Business approved under this Agreement is specified in Exhibit A to this Agreement, and is referred to as the “**Accepted Location.**”

1.2.1 When this Agreement is signed, if you have not yet obtained (and we have not yet approved in writing) a location for the Licensed Business, then:

1.2.1.1 you agree to enter into the site selection addendum (the “**Site Selection Addendum.**” attached as Exhibit G to this Agreement) at the same time as you sign this Agreement; and

1.2.1.2 you will then find a site which will become the Accepted Location after we have provided written acceptance for that site and you have obtained the right to occupy the premises, by lease, sublease, or acquisition of the

property, all subject to our prior written acceptance and in accordance with the Site Selection Addendum.

- 1.2.2 We have the right to grant, condition, and/or to withhold acceptance of the Accepted Location under this Section 1.2. You agree that our review and acceptance of your proposed location, under this Section 1.2 or pursuant to the Site Selection Addendum, does not constitute our assurance, representation, or warranty of any kind that your Licensed Business at the Accepted Location will be profitable or successful (as further described in Section 5 of the Site Selection Addendum).
- 1.2.3 You agree not to relocate the Licensed Business except as otherwise provided in Section 5.9 below
- 1.3 *Protected Area.* During the term of this Agreement, we will not operate, nor will we grant to any other party the right to operate, another Ladurée Store that is physically located within the **“Protected Area”** that is specified in the Data Addendum (Exhibit A), so long as you comply with the terms of this Agreement (and also subject to Sections 1.4 through 1.6 below).
- 1.4 *Reserved Rights.* We and our affiliates (as well as PEL, Ladurée International and their affiliates) reserve all rights that are not expressly granted to you under this Agreement. Among other things, we (and they) have the sole right to do any or all of the following (despite proximity to your Protected Area and/or Licensed Business as well as any actual or threatened impact on sales at your Licensed Business):
- 1.4.1 To establish, and franchise others to establish, Ladurée Stores anywhere outside the Protected Area;
- 1.4.2 To establish, and license others to establish, businesses that do not operate under the System and that do not use the Proprietary Marks licensed under this Agreement, even if those businesses offer or sell Products and services that are the same as or similar to those offered from the Licensed Business, no matter where those businesses are located (but not to be operated as a Ladurée Store inside the Protected Area);
- 1.4.3 To acquire (or be acquired) and then operate any business of any kind, anywhere (but not to be operated as a Ladurée Store inside the Protected Area); and
- 1.4.4 To market and sell Products and services through alternate distribution channels and any channel of distribution (including e-commerce), anywhere (but not from a Ladurée Store that is physically located inside the Protected Area).
- 1.5 *Limits on Where You May Operate.*
- 1.5.1 You agree to offer, provide, and sell Products and services only: **(a)** to customers of the Licensed Business; **(b)** at the Accepted Location; and **(c)** in accordance with the requirements of this Agreement and the procedures set out in the Guidelines.
- 1.5.2 You agree not to offer or sell any products (including the Products) or services through any means other than through the Licensed Business at the Accepted Location (so for example, you agree not to offer or sell Products or services away from the Licensed Business, including from other satellite or temporary locations, mobile vehicles or formats, carts or kiosks, by use of catalogs, the Internet, through other businesses, and/or through any other electronic or print media).

- 1.5.3 You further understand that we will not prohibit other Ladurée Stores (whether owned or franchised by us, our affiliates, Ladurée International or its affiliates) from delivering Products to customers at any location, whether inside or outside of the Protected Area, and that we cannot prevent the distribution of Products from online sources to customers anywhere, including inside the Protected Area.
- 1.6 *Other Brands.* You understand that we and/or Ladurée International and its affiliates may operate (or be affiliated with companies that operate) businesses under brand names (whether as company-owned concepts, as a Sublicensor, as a Sublicensee, or otherwise) in addition to the “Ladurée” brand) and that we may acquire and operate businesses and other brands (or be acquired by a company that operates other brands) (collectively, “**Other Brands**”). You understand and agree that this Agreement does not grant you any rights with respect to any such Other Brands.

2 TERM AND RENEWAL

- 2.1 *Term.* The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire ten (10) years after the Effective Date.
- 2.2 *Renewal.* You will have the right to renew your rights to operate the Licensed Business for _____ (____) additional consecutive successor terms of _____ (____) years each, so long as you have satisfied all of the conditions specified in Sections 2.2.1 through 2.2.9 before each such renewal:
- 2.2.1 You agree to give us written notice of your choice to renew at least nine (9) months before the end of the term of this Agreement (but not more than twelve (12) months before the term expires).
- 2.2.2 You agree to remodel and refurbish the Licensed Business to comply with the then-current standards in effect for new Ladurée Stores (as well as the provisions of Section 8.8 below).
- 2.2.3 At the time of renewal: **(a)** you must be in compliance with the provisions of this Agreement (including any amendment to this Agreement), any successor to this Agreement, and/or any other contract between you (and your affiliates) and us and Ladurée International (and each of its affiliates) and PEL (and each of its affiliates) and **(b)** in our reasonable judgment, you must have been in compliance during the term of this Agreement, even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet those obligations.
- 2.2.4 You must have timely met all of your financial obligations to us, our affiliates, Ladurée International and its affiliates, PEL and its affiliates, as well as your vendors (including your lessors, suppliers, staff, and all other parties with whom you do business), throughout the term of this Agreement (even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet your obligations). You must be current with respect to your financial and other obligations to your lessor, suppliers, and all other parties with whom you do business.
- 2.2.5 You must sign our then-current form of Sublicense Agreement, which will supersede this Agreement in all respects (except with respect to the renewal provisions of the new sublicense agreement, which will not supersede this Section 2), and which you agree may contain terms, conditions, obligations, rights, and other provisions that are

substantially and materially different from those spelled out in this Agreement (including, for example, a higher percentage Royalty Fee). Your direct and indirect owners must also sign and deliver to us a personal guarantee of your obligations under the renewal form of sublicense agreement. (In this Agreement, the term “**entity**” includes a corporation, a limited liability company, a partnership, and/or a limited liability partnership.)

- 2.2.6 Instead of a new initial franchise fee, you agree to pay to us a renewal fee of _____ Dollars (\$_____).
- 2.2.7 You agree to sign and deliver to us a renewal agreement that will include a mutual general release (which will be effective as of when signed as well as the date of renewal), in a form that we will provide (which will include limited exclusions), which will release all claims against us and our affiliates, Ladurée International and its affiliates, and PEL (and each of its affiliates), and those entities’ respective officers, directors, members, managers, agents, and employees. Your affiliates and your respective direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that release to us.
- 2.2.8 You and your personnel must meet our then-current qualification and training requirements.
- 2.2.9 You and your personnel must meet our then-current qualification and training requirements.
- 2.2.10 You must provide us with the financial reports concerning your Licensed Business that we may require, including a current balance sheet and the other information required under Section 12.2.1 below.
- 2.2.11 You agree to present to us satisfactory evidence that you have the right to remain in possession of the Accepted Location for the entire renewal term of this Agreement.

3 OUR DUTIES

- 3.1 *Training.* We will provide you with the training specified in Section 6 below.
- 3.2 *Site Selection.* We will provide the site selection assistance that we think is needed, but you will retain the sole responsibility for choosing a viable site (even if we provide assistance and/or opinions on those site options).
- 3.3 *Architectural Guidelines and Equipping of a Ladurée Store.* We will make available to you, at no additional charge, the architectural features and design characteristics consistent among Ladurée Stores (the “**Architectural Guidelines**”), which, as noted in Section 5.6 below, you must employ designated and approved designers and suppliers to use to adapt the Licensed Business at the Accepted Location. We will also provide the site selection and lease review assistance called for under Section 5.3 below.
- 3.4 *Opening and Additional Assistance.* We may (but are not obligated to) provide a representative to be present at the grand opening of the Licensed Business. We will provide such additional on-site pre-opening and opening supervision and assistance that we think is advisable, and as may be described in the Guidelines.

- 3.5 *Guidelines.* We will lend to you (or provide you with access to) one (1) copy of the “Ladurée” confidential brand guidelines and other written instructions relating to the operation of a Ladurée Store (the “**Guidelines**”), in the manner and as described in Section 10 below, for your use in solely in connection with the Ladurée Store during the term of this Agreement.
- 3.6 *Marketing Materials.* We will assist you in developing the Grand Opening Marketing Program (defined below). We have the right to approve or disapprove all marketing and promotional materials that you propose to use, pursuant to Section 13 below.
- 3.7 *Inspection Before Opening.* We will evaluate the Licensed Business before it first opens for business. You agree to not open the Licensed Business to customers or otherwise start operation until you have received our prior written consent to do so. Among other things, you agree to comply with all pre-opening requirements in the Guidelines. You agree to provide us with written notice of the date that you intend to start operating at least forty-five (45) days in advance of the planned opening date.
- 3.8 *Assistance.* We will provide you with assistance in the marketing, management, and operation of the Licensed Business at the times and in the manner that we determine. We will periodically offer you the services of certain of our representatives, such as a field consultant, and these representatives will periodically visit your Licensed Business and offer advice regarding your operations, as we deem necessary to meet our own standards.
- 3.9 *Services Performed.* You agree that any of our designees, employees, agents, or independent contractors (including PEL or Ladurée International, or their affiliates) may perform any duty or obligation imposed on us by the Agreement, as we may direct (if so, we will, nonetheless, remain responsible to you for the performance of these obligations).
- 3.10 *Our Decision-Making.* In fulfilling our obligations under this Agreement, and in conducting any activities or exercising our rights pursuant to this Agreement, we (and our affiliates) will always have the right: **(a)** to take into account, as we see fit, the effect on, and the interests of, other franchised and company-owned or affiliated businesses and systems; **(b)** to share market and product research, and other proprietary and non-proprietary business information, with other Licensed Businesses and systems in which we (or our affiliates) have an interest, and/or with our affiliates; **(c)** to test market various items in some or all parts of the System; **(d)** to introduce new Products and operational equipment; and/or **(e)** to allocate resources and new developments between and among systems, and/or our affiliates, as we see fit. You understand and agree that all of our obligations under this Agreement are subject to this Section, and that nothing in this Section will in any way affect your obligations under this Agreement.

4 FEES; SALES REPORTING

- 4.1 *Initial Fees.* When you sign this Agreement, you agree to pay us an initial franchise fee of [REDACTED] Dollars (\$ [REDACTED]) (the “**Initial Franchise Fee**”). The Initial Franchise Fee is not refundable, and is payable in consideration of the services that we provide to you in connection with helping you to establish your new Ladurée Store.
- 4.2 *Monthly Fees and Sales Reports.*
- 4.2.1 You agree to: **(a)** pay us a continuing royalty fee equal to seven percent (7%) of the Net Sales of the Licensed Business (“**Royalty Fees**” or “**Royalties**”); and **(b)** report to us your Net Sales, in the form and manner that we specify (a “**Sales Report**”), by the Due Date (defined in Section 4.3 below).

4.2.2 As used in this Agreement:

- 4.2.2.1 The term “**Net Sales**” means all revenue from the sale of all Products and services and all other income of every kind and nature related to, derived from, or originating from the Licensed Business (whether or not permitted under this Agreement), including barter and the proceeds of any business interruption insurance policies, whether for cash or credit, and regardless of theft, or of collection in the case of credit, but excluding: (a) sales taxes and other taxes that you collect from your customers and actually pay to the appropriate taxing authorities; and (b) refunds, discounts, and other payment accommodations that you reasonably provide to your customers.
- 4.2.2.2 The term “**Period**” means a calendar month, or, at our election, a four or five-week retail accounting interval during the year for the purpose of organizing books and records (typically, with thirteen Periods in approximately one year). We have the right to establish the schedule for Periods with reasonable advance notice to you.
- 4.2.2.3 The term “**Month**” means a calendar month, starting on the first day of the calendar month at one instant before 12:00:01 am (local time at our offices) and ending at one instant after 11:59:59 pm on the last day of the calendar month.

4.3 *Due Date and Payment Method.* The parties acknowledge and agree that:

- 4.3.1 Each time you make a sale through our portal, app, or otherwise through us, we will remit the funds due to you but first will withdraw the Royalty Fees due with respect to that incremental transaction. If we are unable to automatically withdraw the Royalty Fees due to us when you make a sale (for example, if a sale does not go through our portal or app, or otherwise), you must pay us the Royalty Fees relating to the transaction by the Due Date and as specified in Sections 4.3.2 and 4.3.4 below.
- 4.3.2 All other payments required by this Section 4 and Section 13 below must be made by the Due Date ACH (as specified below), or by other method of electronic funds transfer that we then require based on your Net Sales during the previous Period, unless otherwise provided in this Agreement. (As used in this Agreement, “**Due Date**” means the fifteenth (15th) day of each Period; however, if the Due Date falls on an official holiday, then the Due Date will instead be the next business day.) In addition, you agree to all of the following:
- 4.3.2.1 You agree to deliver to us all of the reports, statements, and/or other information that is required under Section 12 below, at the time and in the format that we reasonably request. You also agree to deliver the Sales Report to us by the Due Date based on the sales of the previous Period.
- 4.3.2.2 You agree to establish an arrangement for electronic funds transfer to us, or electronic deposit to us of any payments required under this Agreement. Among other things, to implement this point, you agree to sign and return to us our current form of “ACH - Authorization Agreement for Prearranged Payments (Direct Debits),” a copy of which is attached to this Agreement as Exhibit D (and any replacements for that form and process that we deem to be periodically needed to implement this Section 4.3.2), and you agree to: **(a)** comply with the payment and reporting procedures that we may specify

in the Guidelines or otherwise in writing; and **(b)** maintain an adequate balance in your bank account at all times to pay by electronic means the charges that you owe under this Agreement. If we elect to use ACH withdrawal to sweep payment of fees, then you will not be required to submit a separate payment to us unless you do not maintain sufficient funds to pay the full amount due. Accordingly: **(i)** you agree to maintain a proper and sufficient balance in the account from which your ACH deductions are made to pay all of the fees that are due under this Agreement; and **(ii)** if you do not do so, then you agree to pay us upon demand the amounts due and also reimburse us for the bank fees (if any) that we incur as well as a reasonable additional administrative fee that we will have the right to impose. You also agree that we may initiate an ACH withdrawal earlier than the Due Date so that the funds are actually transferred by the bank into our account on the Due Date.

4.3.2.3 You agree that your obligations to make full and timely payment of Royalty Fees (and all other sums due to us) are absolute, unconditional, fully-earned (by us), and due as soon as you are first open to the public.

4.3.2.4 You agree not to, for any reason, delay or withhold the payment of any amount due to us under this Agreement; put into escrow any payment due to us; set-off payments due to us against any claims or alleged claims that you may allege against us, our affiliates, suppliers, or others.

4.3.2.5 You agree that if you do not provide us, as requested, with access to your Computer System to obtain sales information or, if we require pursuant to Section 12.1.4 below or otherwise, printed and signed sales reports, then we will have the right to impute your sales for any period using (among other things) your sales figures from any Period(s) that we choose (which may be those with your highest grossing sales), and that you agree to pay the Royalties on that amount by our deduction of that amount from your direct debit account.

4.4 *No Subordination.* You agree: **(a)** not to subordinate to any other obligation your obligation to pay us the Royalty Fee and/or any other amount payable to us, whether under this Agreement or otherwise; and **(b)** that any such subordination commitment that you may give without our prior written consent will be null and void.

4.5 *Late Payment.* If we do not receive any payment due under this Agreement on or before the due date, then that amount will be deemed overdue. If any payment is late, then you agree to pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month (but if there is a legal maximum interest rate that applies to you in your jurisdiction, not more than that maximum rate). Our entitlement to such interest will be in addition to any other remedies we may have. Any report that we do not receive on or before the due date will also be deemed overdue.

4.6 *Other Funds Due.* You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any amounts that we have paid, that we have become obligated to pay, and/or that we choose to pay on your behalf.

4.7 *Index.* We have the right to adjust, for inflation, the fixed amounts (that is, those expressed in a numeral and not as a percentage of Net Sales) under this Agreement (except for the Initial Franchise Fee) once a year to reflect changes in the Index from the year in which you signed

this Agreement. For the purpose of this Section 4.7, the term "**Index**" means the Consumer Price Index as published by the U.S. Bureau of Labor Statistics ("**BLS**") (1982-84=100; all items; CPI-U; all urban consumers). If the BLS no longer publishes the Index, then we will have the right to designate a reasonable alternative measure of inflation.

- 4.8 *Payments Under Master Agreements.* You understand and acknowledge that we will make certain payments to PEL and/or Ladurée International pursuant to the Master Agreements from the sums that you pay to us.

5 LICENSED BUSINESS LOCATION, CONSTRUCTION AND RENOVATION

- 5.1 *Opening Deadline.* You are responsible for purchasing, leasing, or subleasing a suitable site for the Licensed Business. You agree to establish the Licensed Business and have it open and in operation no later than eight (8) months following the Effective Date. **Time is of the essence.**

- 5.2 *Site for the Ladurée Store.* As provided in Section 1.2 above, if you do not have (and we have not approved in writing) a location for the Ladurée Store as of the Effective Date, then you must find and obtain the right to occupy (by lease, sublease, or acquisition of the property) premises that we find acceptable to serve as your Ladurée Store, all in accordance with the Site Selection Addendum.

- 5.3 *Our Review and Your Responsibilities.* Any reviews that we conduct of the proposed site, lease, and other details concerning your site are for our benefit only, and to evaluate the proposed site against our internal standards. In addition:

5.3.1 You agree that our review, comments about, and even our acceptance of a proposed site, lease, sublease, design plans, and/or renovation plans for the Ladurée Store is not (and shall not be deemed) our recommendation, endorsement, and/or guarantee of the suitability of that location or the terms of the lease, sublease, and/or purchase agreement for the premises of your Ladurée Store.

5.3.2 You agree that: **(a)** the Architectural Guidelines, as well as any review and comments that we provide to the plans that you develop for your Ladurée Store, are not meant to address the requirements of any Operating Codes (as defined in Section 8.7 below); **(b)** our standard plans or comments to your modified plans, will not reflect the requirements of, nor may they be used for, construction drawings or other documentation that you will need in order to obtain permits or authorization to build a specific Ladurée Store; **(c)** you will be solely responsible to comply with all local laws, requirements, architectural needs, and similar design and construction obligations associated with the site, at your expense; and **(d)** our review, comment, and acceptance of your plans will be limited to reviewing those plans to assess compliance with the standards (including issues such as trade dress, presentation of Proprietary Marks, and the provision to the potential customer of certain Products that are central to the purpose, atmosphere, and functioning of Ladurée Stores).

5.3.3 You agree that our recommendation or acceptance of the Accepted Site indicates only that we believe that the Accepted Site falls within the acceptable criteria for sites and premises that we have established as of the time of our recommendation or acceptance of the Accepted Site.

5.3.4 We will not review nor may our acceptance be deemed to address whether or not you have complied with any of the Operating Codes, including provisions of the Americans

with Disabilities Act (the “**ADA**”); and you agree that compliance with such laws is and will be your sole responsibility.

- 5.3.5 You acknowledge that neither we nor PEL or Ladurée International or their affiliates will have any liability to you or any regulatory authority if you fail to obtain and/or maintain any necessary licenses or approvals required for the operation of the Licensed Business.
- 5.4 *Lease Review.* You agree to provide us with a copy of the proposed lease, sublease, or purchase agreement for the Accepted Location, and you agree not to enter into that lease, sublease, or purchase agreement until you have received our written acceptance (subject to Section 5.3.2 above). We have the right to condition our acceptance of the lease, sublease, or purchase agreement (subject to Section 5.3.2 above) upon the inclusion of terms that we find acceptable and that are consistent with our rights and your responsibilities under this Agreement, including, that you and the landlord execute a lease rider in the form attached to this Agreement as Exhibit H. You also agree:
- 5.4.1 to provide us with a copy of the fully signed lease and/or sublease, including a signed lease rider (in the form attached as Exhibit H), before you begin construction or renovations as the Accepted Location;
- 5.4.2 that our recommendation or acceptance of the proposed lease, sublease, or purchase agreement for the Accepted Location indicates only that we believe that the lease, sublease, or purchase agreement falls within the acceptable criteria for sites and premises that we have established as of the time of our recommendation or acceptance of the lease, sublease, or purchase agreement for the Accepted Location;
- 5.4.3 that our acceptance of the proposed site as well as your proposed lease, sublease, or purchase agreement for the Accepted Site does not constitute any guarantee or warranty, express or implied, of the successful operation or profitability of your Ladurée Store operated at the Accepted Site (and that our acceptance indicates only that we believe that the Accepted Site and the terms of the lease, sublease, or purchase agreement fall within our own internal criteria); and
- 5.4.4 that we have advised that you have your own attorney review and evaluate the lease, sublease, or purchase agreement.
- 5.5 *Preparing the Site.* You agree that promptly after obtaining possession of the Accepted Location, you will do all of the following:
- 5.5.1 obtain all required zoning permits, all required building, utility, health, sign permits and licenses, and any other required permits and licenses;
- 5.5.2 purchase or lease equipment, fixtures, furniture, and signs as required under this Agreement (including the specifications we have provided in writing, whether in the Guidelines or otherwise);
- 5.5.3 complete the construction and/or remodeling as described in Section 8.8 below, and installation of all equipment, fixtures, furniture, and signs and decorating of the Licensed Business in full and strict compliance with plans and specifications for the Licensed Business that we have approved in writing, as well as all applicable ordinances, building codes and permit requirements;

- 5.5.4 obtain all customary contractors' partial and final waivers of lien for construction, remodeling, decorating and installation services; and
 - 5.5.5 purchase an opening inventory of Products and other materials and supplies.
- 5.6 *Construction or Renovation.* In connection with any construction or renovation of the Licensed Business (and before you start any such construction or renovation) you agree to comply, at your expense, with all of the following requirements, which you agree to satisfy to our reasonable satisfaction:
- 5.6.1 You agree to employ an approved Ladurée designer and an approved Ladurée supplier to prepare, for our acceptance, preliminary architectural drawings and equipment layout and specifications for site improvement and construction of the Licensed Business based upon the Architectural Guidelines (depending on whether, for example, your Licensed Business will be operated in a stand-alone facility, and end-cap, or as a retro-fit of an existing building). The materials that you submit to us must include a description of any modifications to our specifications (including requirements for dimensions, interior and exterior design and layout, equipment, fixtures, furnishings, signs, and decorating materials) required for the development of a Licensed Business. Our acceptance will be limited to conformance with the Architectural Guidelines, and will not relate to your obligations with respect to any applicable Operating Codes, including the ADA. After we have responded to your preliminary plans and you have obtained any permits and certifications, you agree to submit to us, for our prior written acceptance, final architectural drawings, plans and specifications. We will have the right to request changes and approve, but we will not supervise or otherwise oversee your project. We will not unreasonably withhold our acceptance of your adapted plans, provided that such plans and specifications conform to our general criteria. Once we have approved those final plans, you cannot later change or modify the plans without our prior written consent.
 - 5.6.2 You agree to comply with all Operating Codes, including, the applicable provisions of the ADA regarding the construction and design of the Licensed Business. Additionally, before opening the Licensed Business, and after any renovation, you agree to execute and deliver to us an ADA Certification in the form attached to this Agreement as Exhibit E, to certify that the Licensed Business and any proposed renovations comply with the ADA.
 - 5.6.3 You are solely responsible for obtaining (and maintaining) all permits and certifications (including, zoning permits, licenses, construction, building, utility, health, sign permits and licenses) which may be required by state or local laws, ordinances, or regulations (or that may be necessary or advisable due to any restrictive covenants relating to your location) for the lawful construction and operation of the Licensed Business. You must certify in writing to us that all such permits and certifications have been obtained.
 - 5.6.4 You agree to employ a qualified licensed general contractor who is reasonably acceptable to us to construct the Licensed Business and to complete all improvements.
 - 5.6.5 You agree to obtain (and maintain) during the entire period of construction the insurance required under Section 15 below; and you agree to deliver to us such proof of such insurance as we may reasonably require.

- 5.7 *Pre-Opening.* Before opening for business, you agree to meet all of the preopening requirements specified in this Agreement, the Guidelines, and/or that we may otherwise specify in writing.
- 5.8 *Relocation.* You agree not to relocate the Licensed Business without our prior written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration commitments that we have made to other Sublicensees, franchisees, landlords, real estate developers, and other parties relating to the proximity of a new Ladurée Store to their establishment.

6 DESIGNATED PRINCIPAL, PERSONNEL, AND TRAINING

6.1 *Designated Principal, General Manager and Key Personnel.*

- 6.1.1 One of the parties that owns an interest in you must serve as your “**Designated Principal.**” The Designated Principal must supervise the operation of the Licensed Business. The Designated Principal (and any replacement for that individual) must have qualifications reasonably acceptable to us to serve in this capacity, complete our training program as described below, must have authority over all business decisions related to the Licensed Business, must have the power to bind you in all dealings with us, and must have signed and delivered to us the Guarantee, Indemnification, and Acknowledgement attached to this Agreement as Exhibit B.
- 6.1.2 You must inform us in writing whether the Designated Principal will assume full-time responsibility for the daily supervision and operation of the Licensed Business. If not, then you must employ a full-time manager (a “**General Manager**”) with qualifications reasonably acceptable to us, who will assume responsibility for the daily operation of the Licensed Business.
- 6.1.3 The Licensed Business must at all times be under the active full-time management of either Designated Principal or General Manager (who must have successfully completed our Initial Training program to our satisfaction).
- 6.1.4 The term “**Key Personnel**” means Ladurée Store personnel, in addition to the Designated Principal and General Manager, who have successfully completed our initial and ongoing training requirements and possess the qualifications necessary to the management and/or service roles that each such person will perform in operating the Licensed Business.

6.2 *Initial Training.*

- 6.2.1 *Owners Training.* The Designated Principal and General Manager and any Key Personnel we require must attend and successfully complete, to our satisfaction, the initial training program that we offer at our headquarters or another location that we specify (“**Initial Training**”).
- 6.2.2 If Sublicensee already has completed Initial Training to Sublicensor’s satisfaction, then, at Sublicensor’s option, acting in its sole discretion, Sublicensee may be permitted to conduct the initial training of its Designated Principal, its General Manager (if applicable), and any other managerial personnel, in accordance with the requirements and conditions as Sublicensor may from time to time establish for such training. Sublicensor’s requirements for initial training by Sublicensee shall be set forth

in the Guidelines or other written materials and shall include, but are not limited to, the requirement that all such training activities be conducted: (a) by the Designated Principal(s) or personnel of Sublicensee (or an affiliate of Sublicensee) who have completed Sublicensor's initial training program to the satisfaction of the Sublicensor, and who remain acceptable to Sublicensor to provide initial training; and (b) following the procedures and conditions established by Sublicensor. If Sublicensor determines that the training provided by Sublicensee does not satisfy Sublicensor's standards and requirements, or that any newly trained individual is not trained to Sublicensor's standards, then Sublicensor may require that such newly trained individual(s) attend and complete an initial training program provided by Sublicensor prior to the opening of the Licensed Business.

6.3 *Additional Obligations and Terms Regarding Training.*

- 6.3.1 If for any reason your Designated Principal and/or General Manager cease active management or employment at the Licensed Business, or if we revoke the certification of your Designated Principal or your General Manager to serve in that capacity, then you agree to enroll a qualified replacement (who must be reasonably acceptable to us to serve in that capacity) in our Initial Training program within thirty (30) days after the former individual ended his/her full time employment and/or management responsibilities. The replacement must attend and successfully complete the basic management training program, to our reasonable satisfaction, as soon as it is practical to do so, and you agree that you will first pay us our then-current discounted training fee.
- 6.3.2 We may require that you and your Designated Principal, General Manager and Key Personnel attend such refresher courses, new product launches, seminars, and other training programs as we may reasonably require periodically.
- 6.3.3 We may require you to enroll each of your employees in web-based training programs relating to the Products and services that will be offered to customers of the Ladurée Store.
- 6.3.4 All of your trainees must sign and deliver to us a personal covenant of confidentiality in substantially the form of Exhibit F to this Agreement.
- 6.3.5 Training Costs and Expenses.
- 6.3.5.1 We agree to bear the cost of providing the instruction and required materials, except as otherwise provided in Sections 6.2, 6.3, 6.4, and 6.5 of this Agreement.
- 6.3.5.2 You agree to bear all expenses incurred in connection with any training, including the costs of transportation, lodging, meals, wages, benefits, and worker's compensation insurance for you and your employees. Training may take place at one or more locations that we designate.
- 6.3.5.3 You also agree to cover all of your employees at all times (including the pre-opening period, and including those attending training) under the insurance policies required in Section 15 below.

6.3.5.4 We have the right to reduce the duration or content of the training program for any trainee who has prior experience with the system or in similar businesses.

6.4 *Additional On-Site Training.* You may ask us to provide on-site training in addition to that which we will provide to you in connection with the Initial Training program and/or the opening of the Licensed Business, and if we are able to do so, then you agree to pay us our then-current per diem training charges as well as our out-of-pocket expenses. Additionally, if you do not pass one or more inspections, then we have the right to determine that you are not operating your Ladurée Store in accordance with our brand standards, and we may place you in default of this Agreement and/or require you and/or your employees to complete additional training at the Licensed Business or a location that we designate, at your expense, which will include our then-current per diem training charges and our out-of-pocket expenses for any training conducted at your Licensed Business.

6.5 *Convention.* If we hold a franchise convention, then the party holding a controlling interest in you and your Designated Principal (if different) must register for and attend the convention annually in accordance with our then-current policies. We will bill you for one registration fee prior to the convention, which will provide you with one registration. You may also have additional representatives attend the conference, as long as those representatives are registered and pay the registration fee for their attendance. You are also responsible for all travel and living expenses that you and your representatives incur in connection with attending the convention.

7 PURCHASING AND SUPPLY

The requirements of this Section 7 apply to Ladurée Manufactured Food Products (Section 7.2), Input Items that you must purchase or otherwise source from approved suppliers (Section 7.1), and Input Items that you must otherwise purchase or source in accordance with the standards and specifications (Section 7.3).

7.1 *Input Items.* You agree to buy all equipment, furniture, supplies, apparel, and all other Products used (or offered for sale) at the Ladurée Store (together, “**Input Items**”) only from suppliers as to whom we have given our prior written approval (and whom we have not subsequently disapproved). (The term Input Items also includes any pre-packaged Products that you buy from approved suppliers.) In this regard, the parties further agree:

7.1.1 In determining whether we will approve any particular supplier for an Input Item, we will consider various factors, including: **(a)** whether the supplier can demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; **(b)** whether the supplier has adequate quality controls and capacity to supply your needs promptly and reliably; **(c)** whether approval of the supplier would enable the System, in our sole opinion, to take advantage of marketplace efficiencies; and/or **(d)** whether the supplier will sign a confidentiality agreement and a license agreement in the form that we may require (which may include a royalty fee for the right to use our Proprietary Marks and any other proprietary rights, intellectual property, etc.).

7.1.2 For the purpose of this Agreement, the term “**supplier**” includes, but is not limited to, manufacturers, distributors, resellers, and other vendors. You agree that we have the right to appoint only one supplier for any particular product, or item (which may be us or one of our affiliates).

- 7.1.3 You agree that:
- 7.1.3.1 you will offer and sell all of the Products that we require and that we have approved in writing; and
 - 7.1.3.2 you will not offer or sell any Products that we have not approved, disapproved, or that are otherwise not permitted under this Agreement.
- 7.1.4 If you want to buy any Input Item from an unapproved supplier (except for Ladurée Manufactured Food Products, which are addressed in Section 7.2 below), then you must first submit to us a written request asking for our prior written approval. You agree not to buy from any such supplier unless and until we have given you our prior written consent to do so. We have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory that we have designated for testing. You (or the supplier) may be required to pay a charge, not to exceed the reasonable cost of the inspection, as well as the actual cost of the test. We have the right to also require that the supplier comply with such other requirements that we have the right to designate, including payment of reasonable continuing inspection fees and administrative costs and/or other payment to us by the supplier on account of their dealings with you or other Sublicensees, for use of our trademarks, and for services that we may render to such suppliers. We also reserve the right, at our option, to periodically re-inspect the facilities and products of any such approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria. We are not required to approve any particular supplier, nor to make available the standards, specifications, or formulas to prospective suppliers, which we have the right to deem confidential.
- 7.1.5 You agree we have the right to establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers that are willing to supply all or some Ladurée Stores with some or all of the Products that we require for use and/or sale in the development and/or operation of Ladurée Stores, notwithstanding anything to the contrary contained in this Agreement. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all Input Items, and/or refuse any of your requests if we believe that this action is in the best interests of the System or the network of Ladurée Stores. We have the right to approve or disapprove of the suppliers who may be permitted to sell Input Items to you. Any of our affiliates that sell Input Items to you will do so at our direction. If you are in default of this Agreement, we reserve the right to direct our affiliates not to sell Input Items to you, or to withhold certain discounts that might otherwise be available to you.
- 7.1.6 You agree that we, PEL and Ladurée International have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments, or benefits (collectively, "**Allowances**") offered by suppliers based upon your purchases of Input Items. These Allowances include those based on purchases of products, and other items (such as packaging). You assign all of your right, title, and interest in and to any and all such Allowances and authorize us (or our designee) to collect and retain any or all such Allowances without restriction.
- 7.1.7 If we require you to offer and sell items that bear our Proprietary Marks, or to use items that bear our Proprietary Marks, then you must buy, use, and sell only the items that we require, and you must buy those items only from our approved suppliers.

- 7.2 *Ladurée Manufactured Food Products.* You agree that: **(a)** we have the right to require that certain Products that you offer at the Licensed Business must be produced in accordance with PEL and/or Ladurée International's proprietary standards and specifications (and/or those of its affiliates), and that such items are Ladurée International's proprietary products ("**Ladurée Manufactured Food Products**"); **(b)** we have the right to require that you purchase and offer Ladurée Manufactured Food Products (as well as any packaging bearing the Proprietary Marks) only from us, our affiliates, Ladurée International's, PEL'S or their affiliates, and/or designated suppliers, and not to offer or sell any other such products at or from the Licensed Business; and **(c)** we have the right to determine whether any particular item (now or in the future) is or will be deemed a "Ladurée Manufactured Food Product."
- 7.3 *Specifications.* In addition to the provisions of Sections 7.1 and 7.2 above, as to those Input Items that we do not require you to buy or otherwise source from approved suppliers and that are not Ladurée Manufactured Food Products (as specified in Section 7.2 above), you agree to purchase or otherwise source those Input Items only in accordance with the standards and specifications that we specify in the Guidelines or otherwise in writing (for example, number two pencils).
- 7.4 *Use of the Marks.* You agree to use all Logo Items that we require and not to use any items that are a substitute for a Logo Item without our prior written consent. The term "**Logo Items**" is agreed to mean all marketing materials, signs, decorations, paper goods (including and all forms and stationery used in the Licensed Business). You agree that all Logo Items that you use will bear the Proprietary Marks in the form, color, location, and manner we prescribe (and that all such Logo Items will be subject to our prior written approval as provided in Section 13.9 below).
- 7.5 *Suppliers.* You acknowledge and agree that in connection with purchasing, leasing, licensing, or otherwise obtaining any service or item from a third-party supplier (including those that we have approved, required, or otherwise): **(a)** we have no responsibility (and you expressly disclaim any recovery against us) for those suppliers' services, items, contract terms, or otherwise in connection with those suppliers' performance; **(b)** if there are any shortcomings in the services, items, or terms of purchase, lease, or license from those suppliers, that you will seek recovery and/or compensation only from the supplier that sold, leased, licensed, or otherwise provided that service and/or item to you (and not from us or our affiliates).
- 7.6 *PEL and Ladurée International.* You understand and agree that PEL and Ladurée International have the right (but not the obligation) to: (a) exercise some or all of their rights under this Agreement; and (b) act to protect their rights and commercial arrangements. References to various rights, "Ladurée" brand and system standards, and similar provisions in this Agreement are understood by the parties to mean standards that PEL and/or Ladurée International may have set and that PEL and/or Ladurée International may enforce, whether or not those points are specifically stated.

8 YOUR DUTIES

In addition to all of the other duties specified in this Agreement, for the sake of brand enhancement and protection, you agree to all of the following:

- 8.1 *Importance of Following Standards.* You understand and acknowledge that every detail of the Licensed Business is important to you, to us, PEL and Ladurée International, and to other "Ladurée" Sublicensees in order to develop and maintain the brand and operating standards, to provide customer service to customers and participants, to increase the demand for the

Products sold, by all Ladurée Store operators, and to protect and enhance the reputation and goodwill associated with the brand.

8.2 *Opening.* In connection with the opening of the Licensed Business:

- 8.2.1 You agree to open the Licensed Business by the date specified in Section 5.1 above. Subject to availability and scheduling, we may send a representative to attend the opening (however, we have no obligation to do so).
- 8.2.2 You will not open the Licensed Business until we have determined that all construction has been substantially completed, and that such construction conforms to the standards (including those pertaining to materials, quality of work, signage, decor, paint, and equipment) and we have accepted in writing your proposal to open, which we will not unreasonably withhold.
- 8.2.3 You agree not to open the Licensed Business until the Designated Principal, General Manager, and Key Personnel have successfully completed all training that we require, and not until you have hired and trained to the standards a sufficient number of employees to service the anticipated level of the Licensed Business's customers.
- 8.2.4 In addition, you agree not to open the Licensed Business until the Initial Franchise Fee and any other amounts due to us (and our affiliates) under this Agreement or any other agreements have been paid.

8.3 *Staffing.*

- 8.3.1 You agree to maintain a competent, conscientious staff in numbers sufficient to offer and provide the Products to customers. We require your Licensed Business to staff specified positions that we may designate from time to time as necessary or appropriate for providing quality customer experience according to the standards. We will provide our requirements for service/function positions that we may periodically establish and which will be set out in the Guidelines.
- 8.3.2 For the sake of efficiency and to enhance and protect our brand you and your staff must, at all times, cooperate with us and with our representatives, and conduct the operation of the business in a first-class and professional manner in terms of dealing with customers, vendors, and our staff as well.
- 8.3.3 You agree that you will seek to develop, cultivate, and maintain a cooperative, cordial, and respectful work environment for your staff and among all of the owners of the Licensed Business.

8.4 *Operate According to the Guidelines.* To ensure that the highest degree of quality and service is maintained, you agree to operate your Licensed Business in strict conformity with such methods, standards, and specifications that we may periodically require in the Guidelines or otherwise in writing. In this regard, you agree to do all of the following:

- 8.4.1 You agree to maintain in sufficient supply, and to use at all times only the items, products, equipment, services, materials, and supplies that meet our written standards and specifications, and you also agree not to deviate from the standards and specifications by using or offering any non-conforming items without our specific prior written consent.

- 8.4.2 You agree: **(a)** to sell or offer for sale only those Products and items using the standards and techniques that we have approved in writing for you to offer and use at your Licensed Business; **(b)** to sell or offer for sale all Products and items using the standards and techniques that we specify in writing; **(c)** not to deviate from the standards and specifications; **(d)** to stop using and offering for use any Products that we at any time disapprove in writing (recognizing that we have the right to do so at any time); and **(e)** that if you propose to deviate (or if you do deviate) from the standards and specifications, whether or not we have approved the deviation, that deviation will become PEL's property.
- 8.4.3 You agree to permit us, or our agents, at any reasonable time, to inspect the Products, equipment and to remove samples of items or Products, without payment, in amounts reasonably necessary for testing by us or an independent third party to determine whether the Products, equipment, or samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if we had not previously approved the supplier of the item or if the sample fails to conform to our specifications.
- 8.4.4 You agree to buy and install, at your expense, all fixtures, furnishings, equipment, decor, and signs as we may specify, and to periodically make upgrades and other changes to such items at your expense as we may reasonably request in writing. Without limiting the above, you agree that changes in the system standard may require you to purchase new and/or additional equipment for use in the Licensed Business.
- 8.4.5 You agree not to install or permit to be installed on or about the premises of the Licensed Business, without our prior written consent, any fixtures, furnishings, equipment, machines, décor, signs, or other items that we have not previously in writing approved as meeting the standards and specifications.
- 8.4.6 You agree to immediately notify us in writing if you or any of your Principals are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interests in them.
- 8.4.7 You agree to purchase or lease, and use, the music system and playlist that we require, and pay fees to the licensing organization associated with playing that music.
- 8.5 *Use of the Premises.* You may use the Accepted Location only for the purpose of operating the Licensed Business and for no other purpose. You agree not to co-brand or permit any other business to operate at the Accepted Location.
- 8.6 *Hours and Days of Operation.* You agree to keep the Licensed Business open and in normal operation for such hours and days as we may periodically specify in the Guidelines or as we may otherwise approve in writing.
- 8.7 *Health Standards and Operating Codes.* You agree to meet and maintain the highest health standards and ratings applicable to the operation of the Licensed Business. You agree to fully and faithfully comply with all Operating Codes applicable to your Licensed Business. You will have the sole responsibility to fully and faithfully comply with any Operating Codes, and we will not review whether you are in compliance with any Operating Codes. As used in this Agreement, "**Operating Codes**" means all applicable laws, codes, ordinances, and/or regulations that apply to the Products, construction and design of the Ladurée Store, health, safety, instructor qualification, and/or other aspects of operating the Licensed Business

(including the ADA, laws pertaining to employment, etc.), as well as requirements pertaining to Ladurée Store employees, and others to obtain permits, licensure, background checks, and fingerprinting, and other such requirements.

- 8.7.1 You agree to send us, within two (2) days of your receipt, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any agency with jurisdiction over the Licensed Business.
 - 8.7.2 You must also obtain and maintain during the term of this Agreement all licenses and approvals from any governmental or regulatory agency required for the operation of the Licensed Business or provision of the Products you will offer, sell, and provide. Where required, you must obtain the approval of any regulatory authority with jurisdiction over the operation of your Licensed Business.
 - 8.7.3 You acknowledge that we will have no liability to you or any regulatory authority for any failure by you to obtain or maintain during the term of this Agreement any necessary licenses or approvals required for the operation of the Licensed Business.
- 8.8 *Your Licensed Business:*
- 8.8.1 *Licensed Business Condition, Maintenance.* You agree that at all times, you will maintain the Licensed Business in a high degree of sanitation, repair, and condition. In addition, you agree to make such repairs and replacements to the Ladurée Store as may be required for that purpose (but no others without our prior written consent), including the periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor that we may reasonably require. You also agree to obtain maintenance services from qualified vendors for any equipment as we may specify and maintain those service agreements at all times. Your maintenance and upkeep obligations under this Section 8.8,1 are separate from those with respect to periodic upgrades that we may require regarding fixtures, furnishings, equipment, decor, and signs, and Section 8.8.2 below with respect to Major Remodeling.
 - 8.8.2 You also agree to complete a Minor Refurbishment as we may reasonably require, which will not be more than once every three (3) years.
 - 8.8.3 *Major Remodeling.* In addition to the maintenance and upkeep obligations requirements under Section 8.8.1 above, you agree to refurbish the Licensed Business at your expense to conform to our then-current building design, exterior facade, trade dress, signage, furnishings, decor, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current image for new Ladurée Stores, including remodeling, redecoration, and modifications to existing improvements, all of which we may require in writing (collectively, "**Major Remodeling**").
 - 8.8.3.1 You will not have to conduct a Major Remodeling more often than once every ten (10) years during the term of this Agreement (and not in an economically unreasonable amount); provided, however, that we may require Major Remodeling more often if a Major Remodeling is required as a precondition to renewal (as described in Section 2.2.2 above); and
 - 8.8.3.2 You will have one (1) year after you receive our written notice within which to complete a Major Remodeling (but, in the case of a renewal, the Major Remodeling must be completed before you may renew).

- 8.9 *Use of the Marks.* You agree to follow all of our instructions and requirements regarding any marketing and promotional materials, signs, decorations, merchandise, any and all replacement trade dress products, and other items that we may designate to bear our then-current Proprietary Marks and logos (including our requirements as to the form, color, location, and manner for making use of those marks).
- 8.10 *Depending on your type of Entity:*
- 8.10.1 *Corporation.* If you are a corporation, then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Licensed Business; **(b)** maintain stop transfer instructions on your records against the transfer of any equity securities and will only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Agreement; **(c)** not issue any additional shares (whether voting securities or securities convertible into voting securities); and **(d)** maintain a current list of all owners of record and all beneficial owners of any class of voting stock of your company and furnish the list to us upon request.
- 8.10.2 *Partnership/LLP.* If you are a general partnership, a limited partnership, or a limited liability partnership (LLP), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Licensed Business; **(b)** furnish us with a copy of your partnership agreement as well as such other documents as we may reasonably request, and any amendments to them; **(c)** prepare and furnish to us, upon request, a current list of all of your general and limited partners; and **(d)** consistent with the transfer restrictions set out in this Agreement, maintain instructions against the transfer of any partnership interests without our prior written approval.
- 8.10.3 *LLC.* If you are a limited liability company (LLC), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Licensed Business; **(b)** furnish us with a copy of your articles of organization and operating agreement, as well as such other documents as we may reasonably request, and any amendments to them; **(c)** prepare and furnish to us, upon request, a current list of all members and managers in your LLC; and **(d)** maintain stop transfer instructions on your records against the transfer of equity securities and will only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.
- 8.10.4 *Guarantees.* If you (that is, the Sublicensee under this Agreement) are an entity, then you agree to obtain, and deliver to us, a guarantee of your performance under this Agreement and covenant concerning confidentiality and competition, in the form attached as Exhibit B, from each current and future direct and indirect: **(a)** shareholder of a corporate Sublicensee; **(b)** member of a limited liability company Sublicensee; **(c)** partner of a partnership Sublicensee; and/or **(d)** partner of a limited liability partnership Sublicensee.
- 8.11 *Quality-Control and Customer Survey Programs.* We may periodically designate an independent evaluation service to conduct a "mystery shopper," "customer survey," and/or similar quality-control and evaluation programs with respect to some or all of the Ladurée Stores in the system. You agree to participate in such programs as we require, and promptly pay the then-current charges of the evaluation service. If you receive an unsatisfactory or

failing report in connection with any such program, then you agree to: **(a)** immediately implement any remedial actions we require; and **(b)** reimburse us for the expenses we incur as a result thereof (including the cost of having the evaluation service re-evaluate the Licensed Business, our inspections of the Licensed Business, and other costs or incidental expenses).

8.12 *Prices.*

8.12.1 We may periodically provide suggested retail pricing; however (subject to Section 8.12.2 below), you will always have the right to set your own prices.

8.12.2 You agree that we may set reasonable restrictions on the maximum and minimum prices you may charge for the Products offered and sold at the Ladurée Store under this Agreement. You will have the right to set the prices that you will charge to your customers; provided, however, that (subject to applicable law): **(a)** if we have established a maximum price for a particular item, then you may charge any price for that item up to and including the maximum price we have established; and **(b)** if we have established a minimum price for a particular item, then you may charge any price for that item that is equal to or above the minimum price we have established.

8.13 *Environmental Matters.* Both parties recognize and agree that there are changing standards in this area in terms of applicable law, competitors' actions, consumer expectations, obtaining a market advantage, available and affordable solutions, and other relevant considerations. In view of those and other considerations, as well as the long-term nature of this Agreement, you agree that we have the right to periodically set reasonable standards with respect to environmental, sustainability, and energy for the System through the Guidelines, and you agree to abide by those standards.

8.14 *Innovations.* You agree to disclose to us all ideas, concepts, methods, techniques, and products conceived or developed by you, your affiliates, owners and/or employees during the term of this Agreement relating to the development and/or operation of the Ladurée Store. All such products, services, concepts, methods, techniques, and new information will be deemed to be PEL's sole and exclusive property and works made-for-hire for PEL. You hereby grant to PEL (and agree to obtain from your affiliates, owners, employees, and/or contractors), a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques, and products in any businesses that we and/or our affiliates, PEL or Ladurée International, our (and other) sublicensees and designees operate. PEL and its affiliates will have the right to use those ideas, concepts, methods, techniques, and/or products without compensation to you. You agree not to use or allow any other person or entity to use any such concept, method, technique, or product without obtaining our prior written approval.

8.15 *Suspending Operation.* You agree to immediately suspend operating the Licensed Business and promptly notify us in writing if: **(a)** any equipment used, or Products sold, at the Licensed Business deviate from the standards; **(b)** any equipment used, or Products sold, at the Licensed Business fail to comply with applicable laws or regulations; **(c)** you fail to maintain the equipment, Licensed Business premises, personnel, or operation of the Licensed Business in accordance with any applicable law or regulations; and/or **(d)** if you are in material default of your obligations under this Agreement. In the event of such a suspension of operations, you agree to immediately notify us, in writing, and also remedy the unsafe, or other condition or other violation of the applicable law or regulation. You agree not to reopen the Licensed Business until after we have inspected the Licensed Business premises (physically or otherwise), and we have determined that you have corrected the condition and that all equipment used, or Products to be sold, at the Licensed Business comply with the standards. This Section 8.15 does not limit or restrict our other rights under this Agreement.

9 PROPRIETARY MARKS

- 9.1 *Our Representations.* We represent to you that we have an appropriate license under the Master Agreements to use and to license the use of the Proprietary Marks.
- 9.2 *Your Agreement.* With respect to your use of the Proprietary Marks, you agree that:
- 9.2.1 You will use only the Proprietary Marks that we have designated in writing, and you will use them only in the manner we have authorized and permitted in writing; and all items bearing the Proprietary Marks must bear the then-current logo.
 - 9.2.2 You will use the Proprietary Marks only for the operation of the Licensed Business and only at the location authorized under this Agreement, or in Sublicensor approved marketing for the business conducted at or from that location (subject to the other provisions of this Agreement).
 - 9.2.3 Unless we otherwise direct you in writing to do so, you agree to operate and advertise the Licensed Business only under the name “Ladurée” without prefix or suffix (except with our prior written approval).
 - 9.2.4 During the term of this Agreement and any renewal of this Agreement, you agree to identify yourself (in a manner reasonably acceptable to us) as the owner of the Licensed Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Licensed Business (visible to customers, visible only to your staff, and otherwise as we may designate in writing).
 - 9.2.5 Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights.
 - 9.2.6 You agree not to use the Proprietary Marks to incur any obligation or indebtedness on our behalf.
 - 9.2.7 You agree not to use the Proprietary Marks: **(a)** as part of your corporate or other legal name; **(b)** as part of any e-mail address, domain name, social networking site page, or other identification of you in any electronic medium (except as otherwise provided in Section 14.11); and/or **(c)** in any human relations (HR) document or materials, including job applications, employment agreements, pay checks, pay stubs, and the like.
 - 9.2.8 You agree to: **(a)** comply with our instructions in filing and maintaining requisite trade name or fictitious name registrations; and **(b)** execute any documents that we (or our affiliates) deem necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability, including any additional license agreements we may require for use of the Proprietary Marks on the Internet or in other marketing.
 - 9.2.9 With respect to litigation involving the Proprietary Marks, the parties agree that:
 - 9.2.9.1 You agree to promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the

Proprietary Marks licensed under this Agreement. You agree to communicate only with us, our affiliates, our counsel, or your counsel regarding any such infringement or challenge. You acknowledge that we, PEL and Ladurée International have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We, PEL and Ladurée International will also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

9.2.9.2 Defense and Costs:

- (a) *If You Used the Marks in Accordance with this Agreement*: If you have used the Proprietary Marks in accordance with this Agreement, then we or PEL or Ladurée International will defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use thereof, and you will be reimbursed for your reasonable out-of-pocket litigation costs in doing such acts and things (except that you will bear the salary costs of your employees, and we, PEL or Ladurée International will bear the costs of any judgment or settlement). .
- (b) *If You Used the Marks But Not in Accordance with this Agreement*: If you used the Proprietary Marks in any manner that was not in accordance with this Agreement (including our instructions), then we, PEL or Ladurée International will still defend you, but at your expense, against such third party claims, suits, or demands (including all of the costs of defense as well as the cost of any judgment or settlement). You agree to reimburse us, PEL or Ladurée International for the cost of such litigation (or, upon our written request, pay our legal fees directly), including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses, as well as the cost of any judgment or settlement.

9.2.9.3 If we, PEL or Ladurée International undertake the defense or prosecution of any litigation or other similar proceeding relating to the Proprietary Marks, then you agree to sign any and all documents, and do those acts and things that may, in our counsel's opinion, be necessary to carry out the defense or prosecution of that matter (including becoming a nominal party to any legal action).

9.3 *Your Acknowledgements*. You agree that:

- 9.3.1 Ladurée International owns all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them.
- 9.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System.
- 9.3.3 Neither you nor any of your owners, principals, or other persons acting on your behalf will directly or indirectly contest the validity or our ownership of the Proprietary Marks, nor will you, directly or indirectly, seek to register the Proprietary Marks with any government agency (unless we have given you our express prior written consent to do so).

- 9.3.4 Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.
- 9.3.5 Any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to PEL and Ladurée International's benefit, and upon expiration or termination of this Agreement and the license granted as part of this Agreement, there will be no monetary amount assigned as attributable to any goodwill associated with your use of the System or of the Proprietary Marks.
- 9.3.6 The license that we have granted to you under this Agreement to use the Proprietary Marks is not exclusive, and therefore we (and PEL and Ladurée International) have the right, among other things:
- 9.3.6.1 To use the Proprietary Marks in connection with selling Products;
 - 9.3.6.2 To grant other licenses for the Proprietary Marks, in addition to licenses we may have already granted to you and other licensees; and
 - 9.3.6.3 To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises for those other marks without giving you any rights to those other marks.
- 9.4 *Change to Marks.* We and PEL and Ladurée International reserve the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating as part of the System if the currently owned Proprietary Marks no longer can be used, or if we or PEL or Ladurée International determine, exercising our or their right to do so, that substitution of different, updated, or changed Proprietary Marks will be beneficial to the System. In such circumstances, you agree to adopt the new Proprietary Marks and that your right to use the substituted proprietary marks shall be governed by (and pursuant to) the terms of this Agreement.
- 9.5 Staffing.
- 9.5.1 All employees of Sublicensee are solely employees of Sublicensee, not Sublicensor or of PEL or Ladurée International. Sublicensee shall not be an agent of Sublicensor or of PEL or Ladurée International for any purpose, whether in regard to Sublicensee's employees, or otherwise.
 - 9.5.2 Therefore, neither Sublicensor nor PEL nor Ladurée International shall have any labor relationship whatsoever, neither with the Sublicensee nor with its personnel; in consequence, any type of payment or indemnity to Sublicensee's personnel, pertaining to labor, social security and related matters will be the sole and exclusive responsibility of Sublicensee. Consequently, any type of obligations and benefits, including (i) employment, such as payments of salaries, contributions, indemnities and overtime payment for working on night shifts, holidays and Sundays are only an exclusive responsibility of Sublicensee; (ii) civil and criminal, (iii) social security; and (iv) tax duties; with regards to its dependent personnel for every and any workplace accident and all risks or damages that might occur in occasion of this Agreement will be the sole and exclusive responsibility of Sublicensee; matters to which Sublicensee shall take and maintain all security and safeguard measures to comply with laws that are in force and taking into account the nature and circumstances whichh the services may require. Therefore, Sublicensee shall defend, indemnify and hold Sublicensor and/or Ladurée International and/or PEL and their affiliates and their respective parent

company, affiliates, employees, representatives and agents harmless from and against any claims, liabilities, damages, costs and expenses (including, without limitation, attorneys' fees) brought against or suffered or incurred by Sublicensor and/or Ladurée International and/or PEL or their affiliates, should the Sublicensee or any of its employees, agents, representatives, assistants or associates ever claim payments against Sublicensor and/or Ladurée International and/or PEL relating to Section 9.5.3(i)-(iv) above.

10 CONFIDENTIAL GUIDELINES

- 10.1 *You Agree to Abide by the Guidelines.* In order to protect our reputation and goodwill and to maintain the standards of operation under our Proprietary Marks, you agree to conduct your business in accordance with the written instructions that we provide, including the Guidelines. We will lend to you (or permit you to have access to) one (1) copy of the Guidelines, only for the term of this Agreement, and only for your use in connection with operating the Licensed Business during the term of this Agreement.
- 10.2 *Format of the Guidelines.* We will have the right to provide the Guidelines in any one or more formats that we or PEL or Ladurée International determine are appropriate (including making some or all of the Guidelines available to you only in digital form and/or in other written or printed form), and we may periodically change how we provide the Guidelines. If at any time we choose to provide some or all of the Guidelines electronically, you agree to immediately return to us any and all physical copies of the portions of the Guidelines that we have previously provided to you.
- 10.3 *Ownership of the Guidelines.* The Guidelines will at all times remain PEL and Ladurée International's sole property and you agree to promptly return the Guidelines (including any and all copies of some or all of the Guidelines) when this Agreement expires and/or is terminated.
- 10.4 *Confidentiality and Use of the Guidelines.*
- 10.4.1 The Guidelines contains proprietary information and you agree to keep the Guidelines confidential both during the term of this Agreement and after this Agreement expires and/or is terminated. You agree that, at all times, you will insure that your copy of the Guidelines will be available at the Licensed Business premises in a current and up-to-date manner. Whenever the Guidelines is not in use by authorized personnel, you agree to maintain secure access to the Guidelines at the premises of the Licensed Business, and you agree to grant only authorized personnel (as defined in the Guidelines) with access to the security protocols for the Guidelines.
- 10.4.2 You agree to never make any unauthorized use, disclosure, and/or duplication of the Guidelines in whole or in part.
- 10.5 *You Agree to Treat Guidelines as Confidential.* You agree that at all times, you will treat the Guidelines, any other instructions and manuals that we (or PEL or Ladurée International) create (or approve) for use in the operation of the Licensed Business, and the information contained in those materials, as confidential, and you also agree to use your best efforts to maintain such information as secret and confidential. You agree that you will never copy, duplicate, record, or otherwise reproduce those materials, in whole or in part, nor will you otherwise make those materials available to any unauthorized person.

- 10.6 *Which Copy of the Guidelines Controls.* You agree to keep your copy of the Guidelines only at the Licensed Business (and as provided in Section 10.4 above) and also to ensure that the Guidelines are kept current and up to date. You also agree that if there is any dispute as to the contents of the Guidelines, the terms of the master copy of the Guidelines that we (or PEL or Ladurée International) maintain will be controlling. Access to any electronic version of the Guidelines will also be subject to our reasonable requirements with respect to security and other matters, as described in Section 14 below.
- 10.7 *Revisions to the Guidelines.* We (and PEL and Ladurée International) have the right to revise the contents of the Guidelines whenever we (or PEL or Ladurée International) deem it appropriate to do so, and you agree to make corresponding revisions to your copy of the Guidelines and to comply with each new or changed standard.
- 10.8 *Modifications to the System.* You recognize and agree that we (or PEL or Ladurée International) may periodically change or modify the System and you agree to accept and use for the purpose of this Agreement any such change in the System (which may include, among other things, new or modified trade names, service marks, trademarks or copyrighted materials, new products, new equipment or new techniques) as if they were part of this Agreement at the time when you and we signed this Agreement. You agree to make such expenditures and such changes or modifications as we may reasonably require pursuant to this Section and otherwise in this Agreement.

11 CONFIDENTIAL INFORMATION

11.1 Confidentiality.

- 11.1.1 You agree that you will not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use (for yourself and/or for the benefit of any other person, persons, partnership, entity, association, or corporation) any Confidential Information that may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement. You agree that you will divulge our Confidential Information only to those of your employees as must have access to it in order to operate the Licensed Business.
- 11.1.2 Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed Confidential Information for purposes of this Agreement, except information that you can demonstrate came to your attention before disclosure of that information by us; or which, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by another party that has the right to publish or communicate that information.
- 11.1.3 Any employee who may have access to any Confidential Information regarding the Licensed Business must execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with you. Such covenants must be on a form that we provide, which form will, among other things, designate us as a third-party beneficiary of such covenants with the independent right to enforce them.
- 11.1.4 As used in this Agreement, the term “**Confidential Information**” includes, without limitation, our business concepts and plans, business model, financial model, methods, equipment, operating techniques, marketing methods, processes, formulae, recipes, manufacturing and vendor information, results of operations and quality

control information, financial information, sales, royalty rates, accounting chart, demographic and trade area information, prospective site locations, market penetration techniques, plans, or schedules, the Guidelines, customer profiles, preferences, or statistics, information about our offerings, itemized costs, Sublicensee composition, territories, and development plans, this Agreement and other agreements related to the Licensed Business, and all related trade secrets or other confidential or proprietary information treated as such by us, whether by course of conduct, by letter or report, or by the use of any appropriate proprietary stamp or legend designating such information or item to be confidential or proprietary, by any communication to such effect made before or at the time any Confidential Information is disclosed to you.

- 11.2 *Consequences of Breach.* You agree that any failure to comply with the requirements of this Section 11 will cause us irreparable injury, and you agree to pay all costs (including, reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

12 ACCOUNTING, FINANCIAL AND OTHER RECORDS, AND INSPECTIONS

12.1 *Accounting Records and Sales Reports.*

12.1.1 With respect to the operation and financial condition of the Licensed Business, we will have the right to designate, and you agree to adopt, the fiscal year and interim fiscal periods that we decide are appropriate for the System.

12.1.2 With respect to the Licensed Business, you agree to maintain for at least five (5) years during (as well as after) the term of this Agreement (and also after any termination and/or transfer), full, complete, and accurate books, records, and accounts prepared in accordance with generally accepted accounting principles and in the form and manner we have prescribed periodically in the Guidelines or otherwise in writing, including: **(a)** daily cash reports; **(b)** cash receipts journal and general ledger; **(c)** cash disbursements and weekly payroll journal and schedule; **(d)** monthly bank statements, bank reconciliations, daily deposit slips, and cancelled checks; **(e)** all tax returns; **(f)** supplier's invoices (paid and unpaid); **(g)** dated daily and weekly cash register journals and POS reports in accordance with the standards; **(h)** periodic balance sheets, periodic profit and loss statements, and periodic trial balances; **(i)** operational schedules and weekly inventory records; **(j)** records of promotion and coupon redemption; and **(k)** such other records that we may periodically and reasonably request. You agree to allow us access to review all of these records as specified below in Section 12.6.

12.1.3 We have the right to specify the accounting software and a common chart of accounts, and, if we do so, you agree to use that software and chart of accounts (and require your bookkeeper and accountant to do so) in preparing and submitting your financial statements to us.

12.1.3.1 We have the right (among other things) to require that you use only an approved (a) bookkeeping service; (b) payroll processing vendor; and/or (c) an approved independent certified public accountant.

12.1.3.2 All of the records required under this Section 12.1 and in Sections 12.2 and 12.3 below must be maintained in digital form, accessible to us and/or our designee (for example, our accountants) remotely and in that digital form,

and using a software program or online site (such as “QuickBooks”) that we approve, so that the data can be reviewed and/or downloaded to our computer system in a compatible and comparable manner.

12.1.3.3 You agree to provide to the accounting service provider complete and accurate information that we or the accounting service provider require, and agree that we will have full access to the data and information that you provide to the accounting service provider or through the designated program.

12.1.3.4 Nothing in this Agreement requires your CPA to share with us its advice or guidance to you.

12.1.4 You agree to permit us at all times to independently access your Computer System so that we may, among other things, review the Net Sales information for your Licensed Business. You further agree to submit to us each Month, in the form we specify and/or utilizing our Required Software (as that term is defined in Section 14.1.2 below), the Sales Report for the immediately preceding Month. You agree to submit the report to us by whatever method that we reasonably require (whether electronically through your use of our Required Software or otherwise, and in a manner that we designate so that it is compatible with our computer systems) for our receipt no later than the times required under Section 4.3 above. You agree that if you do not submit those reports to us in a timely manner, and/or if you do not permit us to access your Computer System as provided, we will have the right to charge you for the costs that we incur in auditing your records. We may modify the frequency in which we require you to submit Sales Reports to us.

12.2 *Financial Statements.*

12.2.1 You agree to provide us, at your expense, and in a format that we reasonably specify, a complete annual financial statement prepared on a review basis by an independent certified public accountant (as to whom we do not have a reasonable objection) within ninety (90) days after the end of each fiscal year of the Licensed Business during the term of this Agreement. Your financial statement must be prepared according to generally accepted accounting principles, include a fiscal year-end balance sheet, an income statement of the Licensed Business for that fiscal year reflecting all year-end adjustments, and a statement of changes in your cash flow reflecting the results of operations of the Licensed Business during the most recently completed fiscal year.

12.2.2 In addition, during the term of this Agreement after the opening of the Licensed Business, you agree to submit to us, in a format acceptable to us (or, at our election, in a form that we have specified): **(a)** a fiscal period and fiscal year-to-date profit and loss statement and a periodic balance sheet (which may be unaudited) for the Licensed Business and a periodic trial balance through the end of each Period; **(b)** reports of those income and expense items of the Licensed Business for the Period that we periodically specify for use in any revenue, earnings, and/or cost summary we choose to furnish to prospective Sublicensees (provided that we will not identify to prospective Sublicensees the specific financial results of the Licensed Business); **(c)** copies of all state sales tax returns for the Licensed Business; and **(d)** copies of withholding remittances. You agree to provide to us the materials required by Sections 12.2.2(a) and 12.2.2(b) above within fifteen (15) days after the end of each fiscal quarter; and the materials required by Sections 12.2.2(c) and 12.2.2(d) within ten (10) days after you have filed those returns with the appropriate taxing authorities.

- 12.2.3 You must certify as correct and true all reports and information that you submit to us pursuant to this Section 12.2. You also agree to provide us with copies of your income tax returns within ten (10) days after you file those but not more than one hundred and eighty (180) days after each fiscal year end. If you do not meet your obligation to provide us with access to your books and records, as well as copies of required accounting records and financial statements, as specified in this Section 12, or if you fail to provide us with required reports (such as sales reports), then we will have the right to require you to have your annual financial statement prepared on a review basis by an independent certified public accountant that is reasonably satisfactory to us.
- 12.2.4 You agree that upon our request, and for a limited period of time, you will provide us (and/or our agents, such as our auditors) with passwords and pass codes necessary for the limited purpose of accessing your Computer System in order to conduct the inspections specified in this Section 12. You also agree that you will change all passwords and pass codes after the inspection is completed.
- 12.3 *Additional Information.* You also agree to submit to us (in addition to the sales reports required pursuant to Section 12.1.4 above), for review or auditing, such other forms, reports, records, information, and data as and when we may reasonably designate, in the form and format, and at the times and places as we may reasonably require, upon request and as specified periodically in the Guidelines or otherwise in writing, including: **(a)** information in electronic format; **(b)** restated in accordance with our financial reporting periods; **(c)** consistent with our then-current financial reporting periods and accounting practices and standards; and/or **(d)** as necessary so that we can comply with reporting obligations imposed upon us by tax authorities with jurisdiction over the Licensed Business and/or our company. The reporting requirements of this Section 12.3 will be in addition to, and not in lieu of, the electronic reporting required under Section 14 below.
- 12.4 *PCI Compliance and Credit Cards.* With respect to processing customer payments by credit and debit cards, you agree to do all of the following:
- 12.4.1 You agree to comply with all of our policies regarding customer payment by credit and/or debit cards, including for example the required use of credit and/or debit cards and other payment methods offered by Payment Vendors, minimum purchase requirements for a customer's use of a credit and/or debit card, and other such requirements that we may set out in the Guidelines.
- 12.4.2 You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Payment Vendors**") that we may periodically designate as mandatory. The term "**Payment Vendors**" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet").
- 12.4.3 You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval.
- 12.4.4 We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider.

- 12.4.5 In addition to the other requirements of this Agreement to provide us with various information and reports, you agree to provide us with the information that we reasonably require concerning your compliance with data and cybersecurity requirements.
- 12.4.6 You agree to comply with our requirements concerning data collection and protection, as specified in Section 14.3 below.
- 12.4.7 You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.
- 12.5 *Gift Cards and Incentive Programs.* You agree to offer for sale, participate in, and honor for purchases by customers, all gift cards and other incentive or convenience programs that we may periodically institute (including loyalty programs that we or a third party vendor operate, as well as mobile apps, mobile payment, and/or other customer affinity applications; together, “**Customer Apps**”); and you agree to do all of those things in compliance with the standards and procedures for such programs (which may be set out in the Guidelines or otherwise in writing). You agree to abide by our written standards with respect to gift card residual value. For this purpose, you must purchase the software, hardware, and other items needed to participate in, sell, and process Customer Apps, and to contact with Customer App vendors (including suppliers of gift cards and gift card processing services), as we may specify in writing in the Guidelines or otherwise. You must also pay such transaction fees as may be required by the vendors of the gift card system. You agree not to sell, issue, or redeem coupons, gift certificates and gift cards other than gift cards that we have approved in writing.
- 12.6 *Our Right to Inspect Your Books and Records.* We have the right at all reasonable times to examine, copy, and/or personally review or audit (at our expense) all of your sales receipts, books, records, and sales and income tax returns in person or through electronic access (at our option). We will also have the right, at any time, to have an independent audit made of your books and records. If an inspection should reveal that you have understated any payments in any report to us, then this will constitute a default under this Agreement, and you agree to immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month (but if there is a legal maximum interest rate that applies to you in your jurisdiction, not more than that maximum rate). If we conduct an inspection because you did not timely provide sales reports to us, or if an inspection discloses that you understated your sales, in any report to us (and/or underpaid your Royalties), by two percent (2%) or more, or if you did not maintain and/or provide us with access to your records, then you agree (in addition to paying us the overdue amount and interest) to reimburse us for any and all costs and expenses we incur in connection with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). These remedies will be in addition to any other remedies we may have. We may exercise our rights under this Section 12 directly or by engaging outside professional advisors (for example, a CPA) to represent us.
- 12.7 *Operational Inspections.* In addition to the provisions of Section 12.6 above, you also grant to us and our agents the right to enter upon the Licensed Business premises at any reasonable time for the purpose of conducting inspections, for among other purposes, preserving the validity of the Proprietary Marks, and verifying your compliance with this Agreement and the

policies and procedures outlined in the Guidelines. You agree to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or from our agents (and without limiting our other rights under this Agreement), you agree to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. You further agree to pay us our then-current per diem fee for our representative(s) and to reimburse us for our reasonable travel expenses if additional inspections at the Licensed Business are required when a violation has occurred and you have not corrected the violation, or if you did not provide us with your records or access to your records upon reasonable request that is permitted under this Agreement.

13 **MARKETING**

- 13.1 *Grand Opening Marketing Program.* You agree to spend at least _____ Dollars (\$_____) for grand opening marketing and promotional programs in conjunction with the Licensed Business's initial grand opening, pursuant to a grand opening marketing plan that you develop and that we approve in writing (the "**Grand Opening Marketing Program**"). The Grand Opening Marketing Program must begin sixty (60) days before the scheduled commencement date for the Licensed Business and be completed no later than sixty (60) days after the Licensed Business commences operation, and is subject to the provisions of Section 13.4 below. You may include giveaways in the Grand Opening Marketing Program (but only the wholesale cost plus direct labor associated with those giveaways).
- 13.2 *Materials Available for Purchase.* We may periodically make available to you for purchase marketing plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point of purchase materials, special promotions, direct mail materials, community relations programs, and similar marketing and promotional materials for use in local marketing.
- 13.3 *Standards.* All of your local marketing and promotion must: (a) be in the media, and of the type and format, that we may approve; (b) be conducted in a dignified manner; and (c) conform to the standards and requirements that we may specify. You agree not to use any advertising, marketing materials, and/or promotional plans unless and until you have received our prior written approval, as specified in Section 13.4 below.
- 13.4 *Our Review and Right to Approve All Proposed Marketing.* For all proposed local marketing and promotion, advertising, and promotional plans, you must submit to us samples of such plans and materials (by means described in Section 24 below), for our review and prior written approval. If you have not received our written approval within fourteen (14) days after we have received those proposed ads, samples, and/or other marketing materials, then we will be deemed to have disapproved them. You agree that any and all copyright in and to advertising, marketing materials, and promotional plans developed by or on behalf of you will be our sole property, and you agree to sign such documents (and, if necessary, require your employees and independent contractors to sign such documents) that we deem reasonably necessary to give effect to this provision.
- 13.5 *Rebates.* You agree that periodic rebates, give aways and other promotions and programs will, if and when we adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in reasonable rebates, give aways, marketing programs, and other promotions that we establish and/or that other Sublicensees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities.

- 13.6 *Considerations as to Charitable Efforts.* You agree that certain associations between you and/or the Licensed Business and/or the Proprietary Marks and/or the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, our reputation and/or the good will associated with the Proprietary Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions, positions, and/or make statements that are (or that may be perceived by the public to be) taken in the name of, in connection or association with you, the Proprietary Marks, the Licensed Business, us, and/or the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.
- 13.7 *Additional Marketing Expenditure Encouraged.* You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may (and we encourage you to) spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Licensed Business.
- 13.8 *Promotions.* You agree to participate in promotional programs that we periodically develop, in the manner that we direct, which may include providing services and products to frequent customers, including discounted and/or complimentary products or services.

14 TECHNOLOGY PLATFORM

- 14.1 *Computer Systems and Required Software.* With respect to computer systems and required software:
- 14.1.1 We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Ladurée Stores, and in accordance with the standards, including:
- a. back office and point of sale systems, data, audio, video (including managed video security surveillance, which we have the right to monitor to the extent permitted by law), telephone, voice messaging, retrieval, and transmission systems for use at Ladurée Stores, between or among Ladurée Stores, and between and among the Licensed Business, and you, and us;
 - b. point-of-sale (POS) (defined in Section 14.6 below);
 - c. physical, electronic, and other security systems and measures;
 - d. printers and other peripheral devices;
 - e. archival back-up systems;
 - f. internet access mode (such as form of telecommunications connection) and speed;
 - g. technology used to enhance and evaluate the customer experience (including digital ordering devices, kiosk, touchpads, and the like);
 - h. digital and virtual display boards and related technology, hardware, software, and firmware;

- i. front-of-the-house WiFi and other connectivity service for customers;
- j. cloud-based back-end management systems and storage sites;
- k. in-shop music systems under Section 8.4.7 above; and
- l. consumer-marketing oriented technology (including customer apps, affinity and rewards hardware and software, facial and other customer-recognition technology, and approved social media/networking sites)

(collectively, all of the above in this Section 14.1.1 are referred to as the "**Computer System**").

14.1.2 We have the right, but not the obligation, to develop or have developed for us, or to designate: **(a)** programs, computer software, and other software (e.g., accounting system software) that you must use in connection with the Computer System (including applications, technology platforms, and other such solutions) ("**Required Software**"), which you must install and maintain; **(b)** updates, supplements, modifications, or enhancements to the Required Software, which you must install and maintain; **(c)** the media upon which you must record data; and **(d)** the database file structure of your Computer System. If we require you to use any or all of the above items, then you agree that you will do so. The term "Required Software" also includes the affinity program cards and related items that are required under Section 12.5 above.

14.1.3 You agree to install, use, maintain, update, and replace (as needed) all elements of the Computer System and Required Software at your expense. You agree to pay us or third party vendors, as the case may be, initial and ongoing fees in order to install, maintain, and continue to use the Required Software, hardware, and other elements of the Computer System.

14.1.4 You agree to implement and periodically make upgrades and other changes at your expense to the Computer System and Required Software as we may reasonably request in writing (collectively, "**Computer Upgrades**") (which may be in conjunction with a Minor Refurbishment or as is otherwise needed).

14.1.5 You agree to comply with all specifications that we issue with respect to the Computer System and the Required Software, and with respect to Computer Upgrades, at your expense. You agree to afford us unimpeded access to your Computer System and Required Software, including all information and data maintained thereon, in the manner, form, and at the times that we request.

14.1.6 You also agree that we will have the right to approve or disapprove your use of any other technology solutions (including beacons and other tracking methodologies).

14.2 *Data.*

14.2.1 You agree that all data relating to the Licensed Business that you collect, create, provide, or otherwise develop on your Computer System (whether or not uploaded to and/or downloaded from our system) is and will be owned exclusively by us, and that we will have the right to access, download, and use that data in any manner that we deem appropriate without compensation to you.

- 14.2.2 You agree that all other data that you create or collect in connection with the System, and in connection with your operation of the Licensed Business (including customer and transaction data), is and will be owned exclusively by us during the term of, and after termination or expiration of, this Agreement.
- 14.2.3 In order to operate your Licensed Business under this Agreement, we hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and for your use in connection with operating the Licensed Business. You agree that except for the right to use the data under this clause, you will not develop or have any ownership rights in or to the data.
- 14.2.4 You agree to transfer to us all data (in the digital machine-readable format that we specify, and/or printed copies, and/or originals) promptly upon our request when made, whether periodically during the term of this Agreement, upon termination and/or expiration of this Agreement, or at the time of any transfer of an interest in you and/or of the Licensed Business.
- 14.2.5 For the limited purpose of this Section 14.2, references to “data” exclude consumers’ credit card and/or other payment information.
- 14.3 *Data Requirements and Usage.* We may periodically specify in the Guidelines or otherwise in writing the information that you agree to collect and maintain on the Computer System installed at the Licensed Business, and you agree to provide to us such reports as we may reasonably request from the data so collected and maintained. In addition:
- 14.3.1 You agree to abide by all applicable laws pertaining to the data (including those pertaining to the collection, use, maintenance, disposition, and/or privacy of consumer, employee, vendor, and transactional information) (“**Privacy Laws**”).
- 14.3.2 You agree to also comply with any standards and policies that we may issue (without any obligation to do so) pertaining to the collection, use, maintenance, disposition, and/or privacy of consumer, employee, vendor, and transactional information. If you become aware (and/or if you should be aware) that there is a conflict between the standards and policies and Privacy Laws, then you agree to: **(a)** comply with the requirements of the Privacy Laws; **(b)** immediately give us written notice of that conflict; and **(c)** promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet the standards and policies pertaining to privacy within the bounds of Privacy Laws.
- 14.3.3 You agree to not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to such policy.
- 14.3.4 You agree to implement at all times appropriate physical and electronic security as is necessary to secure your Computer System, including complex passwords that you change periodically, and to comply with any standards and policies that we may issue (without obligation to do so) in this regard.
- 14.4 *Extranet.* You agree to comply with our requirements (as set forth in the Guidelines or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet and/or such other computer systems as we may reasonably require. The term “**Extranet**” means a private network based upon Internet protocols that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet. We may establish an Extranet (but are

not required to do so or to maintain an Extranet). The Extranet may include, among other things, the Guidelines, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You agree to purchase and maintain such computer software and hardware (including telecommunications capacity) as may be required to connect to and utilize the Extranet. You agree to execute and deliver to us such documents as we may deem reasonably necessary to permit you to access the Extranet.

- 14.5 *No Separate Digital Sites.* Except to the extent that we have otherwise approved in writing, you agree to neither establish nor permit any other party to establish a Digital Site relating in any manner whatsoever to the Licensed Business or referring to the Proprietary Marks. We will have the right, but not the obligation, to provide one or more references or webpage(s), as we may periodically designate, within our Digital Site. The term “**Digital Site**” means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, webpages, microsites, social media and networking sites (including Facebook, Twitter, LinkedIn, You Tube, Snapchat, Pinterest, Instagram, etc.), blogs, vlogs, podcasts, applications to be used on mobile devices (e.g., iOS or Android apps), and other applications, etc. (whether they are now in existence or developed at some point in the future). However, if we give you our prior written consent to have some form of separate Digital Site (which we are not obligated to approve), then each of the following provisions will apply:
- 14.5.1 You agree that you will not establish or use any Digital Site without our prior written approval.
 - 14.5.2 Any Digital Site that you own or that is maintained by or for your benefit will be deemed “marketing” under this Agreement, and will be subject to (among other things) our right of review and prior approval under Section 13.9 above.
 - 14.5.3 Before establishing any Digital Site, you agree to submit to us, for our prior written approval, a sample of the proposed Digital Site domain name, format, visible content (including, proposed screen shots, links, and other content), and non-visible content (including, meta tags, cookies, and other electronic tags) in the form and manner we may reasonably require.
 - 14.5.4 You may not use or modify such Digital Site without our prior written approval as to such proposed use or modification.
 - 14.5.5 In addition to any other applicable requirements, you agree to comply with the standards and specifications for Digital Sites that we may periodically prescribe in the Guidelines or otherwise in writing (including requirements pertaining to designating us as the sole administrator or co-administrator of the Digital Site).
 - 14.5.6 If we require, you agree to establish such hyperlinks to our Digital Site and others as we may request in writing.
 - 14.5.7 If we require you to do so, you agree to make weekly or other periodic updates to the Digital Site to reflect information regarding specials and other promotions at your Licensed Business.
 - 14.5.8 We may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf, and we will have the right (but not the obligation) to exercise all of the rights and privileges that an administrator may exercise.

- 14.6 *POS Systems.* You agree to record all sales on integrated computer-based point of sale systems we approve or on such other types of cash registers and other devices (such as iPads, touch screens, printers, bar code readers, card readers, cash drawers, battery back-up, etc.) that we may designate in the Guidelines or otherwise in writing (taken together, “**POS Systems**”), which shall be considered part of your Computer System. You agree to utilize POS Systems that are fully compatible with any program, software program, and/or system which we, in our discretion, may employ (including mobile or remote device, application and payment systems), and you agree to record all Net Sales and all sales information on such equipment. We may designate one or more third party suppliers or servicers to provide installation, maintenance, and/or support for the POS System, and you agree to enter into and maintain such agreements (including making such payments) as we or the third party suppliers and/or servicers require in connection with the installation, maintenance, and/or support for the POS System. You agree to at all times maintain a continuous high-speed connection to the Internet to send and receive POS data to us, in accordance with any standards for that internal connection that we may establish.
- 14.7 *E-Mail.* You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail, text message, and/or other electronic method without obtaining our prior written consent as to: (a) the content of such electronic advertisements or solicitations; and (b) your plan for transmitting such advertisements. In addition to any other provision of this Agreement, you will be solely responsible for compliance with any laws pertaining to sending electronic communication including, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the “CAN-SPAM Act of 2003”), the Federal Telephone Consumer Protection Act, and the Canada Anti-Spam Law (known as “CASL”). (As used in this Agreement, the term “**electronic communication**” includes all methods for sending communication electronically, whether or not currently invented or used, including e-mails, text messages, app- and/or internet-based communication, and faxes.)
- 14.8 *Outsourcing.* You agree not to hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, and/or any other of your obligations, without our prior written approval. Our consideration of any proposed outsourcing vendors may be conditioned upon, among other things, such third party or outside vendor’s entry into a confidentiality agreement with us and you in a form that we may reasonably provide and the third party or outside vendor’s agreement to pay for all initial and ongoing costs related to interfaces with our computer systems. The provisions of this section are in addition to and not instead of any other provision of this Agreement. You agree not to install (and/or remove) any software or firmware from the Computer System without our prior written consent.
- 14.9 *Telephone Service.* You agree to use the telephone service for the Ladurée Store that we may require, which may be one or more centralized vendors that we designate for that purpose. You agree that we may designate, and own, the telephone numbers for your Licensed Business, and you agree to sign the forms necessary to implement this clause.
- 14.10 *Changes.* You agree that changes to technology are dynamic and likely to occur during the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to abide by those reasonable new standards as if this Section 14 were periodically revised by us for that purpose, and you also agree to pay vendors’ charges for those new items and services.

14.11 *Electronic Communication – Including E-Mail, Texts, and other Messaging.* You agree that exchanging information with us by electronic communication methods is an important way to enable quick, effective, and efficient communication, and that we are entitled to rely upon your use of electronic communications as part of the economic bargain underlying this Agreement. To facilitate the use of electronic communication to exchange information, you authorize the transmission of those electronic communications by us and our employees, vendors, and affiliates (on matters pertaining to the business contemplated under this Agreement) (together, “**Official Senders**”) to you during the term of this Agreement.

14.11.1 In order to implement the terms of this Section 14.11, you agree that: **(a)** Official Senders are authorized to send electronic communications to those of your employees as you may occasionally designate for the purpose of communicating with us and others; **(b)** you will cause your officers, directors, members, managers, and employees (as a condition of their employment or position with you) to give their consent (in an electronic communication or in a pen-and-paper writing, as we may reasonably require) to Official Senders’ transmission of electronic communication to those persons, and that such persons may not opt-out, or otherwise ask to no longer receive electronic communication, from Official Senders during the time that such person works for or is affiliated with you; and **(c)** you will not opt-out, or otherwise ask to no longer receive electronic communications, from Official Senders during the term of this Agreement.

14.11.2 The consent given in this Section 14.11 will not apply to the provision of notices by either party under this Agreement using e-mail unless the parties otherwise agree in a pen-and-paper writing signed by both parties.

14.11.3 We may permit or require you to use a specific e-mail address (or address using another communications method) (for example, one that will contain a Top Level Domain Name that we designate, such as “jane.jones@LadureeSublicensee.com”) (the “**Permitted E-mail Address**”) in connection with the operation of the Licensed Business, under the standards that we set for use of that Permitted E-mail Address. You will be required to sign the form E-Mail authorization letter that we may specify for this purpose. If we assign you a Permitted E-mail Address, then you agree that you (and your employees) will use only that e-mail account for all business associated with your Licensed Business.

15 INSURANCE

15.1 *Required Insurance Coverage.* Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required under this Agreement for events having occurred during the Term of this Agreement), at your expense, at least the following insurance policy or policies in connection with the Licensed Business or other facilities on premises, or by reason of the construction, operation, or occupancy of the Licensed Business or other facilities on premises. Such policy or policies must be written by an insurance company or companies we have approved, having at all times a rating of at least “A-” in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed and admitted to do business in the state in which the Licensed Business is located, and must include, at a minimum (however, you agree that we may reasonably specify additional coverages and higher policy limits in the Guidelines or otherwise in writing to reflect inflation, identification of new risks, changes in the law or

standards of liability, higher damage awards, and/or other relevant changes in circumstances), the following (all subject to the additional requirements of this Section 15):

- 15.1.1 Commercial general liability insurance with limits of at least _____ Dollars (\$_____) per occurrence, and _____ Dollars (\$_____) general aggregate, and product liability insurance with limits of at least _____ Dollars (\$_____) general aggregate including the following coverages: Employer's liability and abuse and molestation coverage; professional liability, personal injury (employee and contractual inclusion deleted); products/completed operation; assault and battery; terrorism; and tenant's legal liability with limits of at least _____ Dollars (\$_____). All such coverages insuring Sublicensor and Sublicensee against all claims, suits, obligations, liabilities, and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Licensed Business. This coverage shall not exclude losses due to assault, battery, and/or the use or brandishing of firearms.
- 15.1.2 Comprehensive liability insurance including owned (if applicable), non-owned, and hired vehicle coverage (mandatory), and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least _____ Dollars (\$_____) combined single limit, and _____ Dollars (\$_____) general aggregate limit.
- 15.1.3 Excess liability coverage over general liability, auto liability, worker's compensation, and abuse/molestation, with at least _____ Dollars (\$_____) per occurrence and in the aggregate.
- 15.1.4 Statutory workers' compensation insurance and employer's liability insurance (all subject to Section 15.2 below) for a minimum limit equal to at least the greater of _____ Dollars (\$_____), statutory requirements, and the amounts required as underlying by your umbrella carrier, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Ladurée Store is located.
- 15.1.5 Data theft and Cyber Liability Privacy Notification and Crisis Management First & Third Party (subject to Section 15.2 below) with limits of liability not less than _____ Dollars (\$_____) combined single limit.
- 15.1.6 Employment practices liability insurance (subject to Section 15.2 below) with limits of liability not less than _____ Dollars (\$_____) combined single limit.
- 15.1.7 Any other insurance coverage that is required by applicable law (subject to Section 15.2 below).
- 15.1.8 All coverages must be written with no coinsurance penalty.
- 15.2 *Additional Terms Applicable to All Policies.* In addition to the other provisions of this Section 15 (above and those below), you agree that:
- 15.2.1 All policies listed in Section 15.1 above (unless otherwise noted below) must contain such endorsements as we will periodically specify in the Guidelines.

- 15.2.2 All policies must waive subrogation as between us (and our insurance carriers) and you (and your insurance carriers).
- 15.2.3 All public liability and property damage policies must: **(a)** list as additional insureds, us and any other entities in which we have an interest (as well as all other entities affiliated with us), and each of those parties' respective members, managers, shareholders, directors, officers, partners, joint venturers, employees, servants, and agents, and their successors and assigns; and **(b)** contain a provision that we, although named as an additional insured, will nevertheless be entitled to recover under said policies on any loss occasioned to us or our servants, agents, or employees by reason of the negligence of you or your servants, agents, or employees, including as additional insureds.
- 15.2.4 You agree to provide us with sixty (60) days' advance written notice in the event of cancellation, change, and/or non-renewal of any policy, in the manner provided in Section 24 below.
- 15.3 *Other Insurance Does Not Impact your Obligation.* Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified will not be limited in any way by reason of any insurance that we may maintain, nor will your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 21.4 below. Additionally, the requirements of this Section 15 will not be reduced, diminished, eroded, or otherwise affected by insurance that you carry (and/or claims made under that insurance) for other businesses, including other Ladurée Stores that you (and/or your affiliates) operate under the System.
- 15.4 *Certificates of Insurance.* At least thirty (30) days before the time you are first required to carry any insurance under this Agreement, and from then on, at least thirty (30) days before the expiration of any such policy (and also on the first anniversary of the Effective Date, and on each subsequent anniversary of the Effective Date), you agree to deliver to us certificates of insurance evidencing the proper coverage with limits not less than those required under this Agreement. All certificates must expressly provide that we will receive at least thirty (30) days' prior written notice if there is a material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. Additional certificates evidencing the insurance required by Section 15.1 above must name us, and each of our affiliates, directors, agents, and employees, as additional insured parties, and must expressly provide that those parties' interests will not be affected by any breach by you of any policy provisions for which such certificates evidence coverage.
- 15.5 *Required Coverages are Minimums.* You agree that the specifications and coverage requirements in this Section 15 are minimums only, and that we recommend that you review these with your own insurance advisors to determine whether additional coverage is warranted in the operation of your Licensed Business.
- 15.6 *Obtaining Coverage.* If you fail to maintain or acquire insurance, we will have the right (but not the obligation) to obtain insurance coverage on your behalf, in which case we will invoice you for the insurance premiums plus our reasonable expenses, and you agree to pay those invoices within five (5) days after we send them to you.
- 16 TRANSFER OF INTEREST**
- 16.1 *By Us.* We will have the right to transfer or assign this Agreement and/or all or any part of our rights or obligations under this Agreement to PEL and/or Ladurée International and/or their affiliates, or where applicable, and subject to the prior written approval of PEL and Ladurée

International, any person or legal entity, and any assignee of us, which assignee will become solely responsible for all of our obligations under this Agreement from the date of assignment.

- 16.2 *Your Principals.* Each party that holds any interest whatsoever in you (whether directly, indirectly, and/or beneficially) (each, a “**Principal**”), and the interest that each Principal holds in you (directly, indirectly, and/or beneficially) is identified in Exhibit C to this Agreement. You represent and warrant to us, and agree, that your owners are accurately set forth on Exhibit C to this Agreement, and you also agree not to permit the identity of those owners, and/or their respective interests in you, to change without complying with this Agreement.
- 16.3 *Principals.* We will have a continuing right to designate any person or entity that owns a direct or indirect interest in you as a Principal, and Exhibit C will be so amended automatically upon written notice to you.
- 16.4 *By You.* You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted this franchise in reliance on your (or your Principals’) business skill, financial capacity, and personal character. Accordingly:
- 16.4.1 You agree not to make a transfer (and not to permit any other party to make a transfer) without our prior written consent, or, where applicable, PEL and/or Ladurée International’s prior written consent.
- 16.4.1.1 As used in this Agreement, the term “**transfer**” is agreed to mean any sale, assignment, conveyance, pledge, encumbrance, merger, creation of a security interest in, and/or giving away of any direct or indirect interest in: **(a)** this Agreement; **(b)** you; **(c)** any or all of your rights and/or obligations under this Agreement; and/or **(d)** all or substantially all of the assets of the Licensed Business.
- 16.4.1.2 Any purported assignment or transfer that does not have our prior written consent, or, where applicable, PEL and/or Ladurée International’s prior written consent, as required by this Section 16 will be null and void and will also constitute a material breach of this Agreement, for which we may immediately terminate this Agreement without opportunity to cure, pursuant to Section 17.2.5 below.
- 16.4.2 You agree (unless you are a partnership) that: **(a)** without our prior written approval, or, where applicable, PEL and/or Ladurée International’s prior written consent, you will not issue any voting securities or interests, or securities or interests convertible into voting securities; and **(b)** the recipient of any such security or other interest will become a Principal under this Agreement if we designate them as such. If you are a general partnership, limited partnership, or limited liability partnership, then the partners of that partnership will not, without our prior written consent, or, where applicable, PEL and/or Ladurée International’s prior written consent, admit additional limited or general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner in such a partnership will automatically be deemed to be a Principal.
- 16.4.3 Principals must not, without our prior written consent, or, where applicable, PEL and/or Ladurée International’s prior written consent, transfer, pledge, and/or otherwise encumber their interest in you. Any such transaction shall also be deemed a “transfer” under this Agreement.

- 16.4.4 You also agree that in the case of any proposed transfer, you authorize us to truthfully answer questions posed to us by the proposed transferee, including providing that party with information relating to your Ladurée Store (such as sales reports) (although we will have the right not to provide any or all such information).
- 16.5 *Transfer Conditions.* We will not unreasonably withhold any consent required by Section 16.4 above; provided, that if you propose to transfer your obligations under this Agreement or any material asset, or if any party proposes to transfer any direct or indirect interest in you, then we will have the right to require that you satisfy any or all of the following conditions before we grant our approval to the proposed transfer:
- 16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective officers, directors, members, managers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, claims arising under this Agreement, any other agreement between you and us, and/or your affiliates, our affiliates, and applicable laws and rules.
- 16.5.2 The transferee of a Principal will be designated as a Principal and each transferee who is designated a Principal must enter into a written agreement, in a form satisfactory to us, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in you; and, if your obligations were guaranteed by the transferor, the Principal must guarantee the performance of all such obligations in writing in a form satisfactory to us.
- 16.5.3 The proposed new Principals (after the transfer) must meet our educational, managerial, and business standards; each must possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Licensed Business, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Licensed Business.
- 16.5.4 We will have the right to require that you execute, for a term ending on the expiration date of this Agreement, the form of Sublicense Agreement that we are then offering to new System sublicensees, and such other ancillary agreements that we may require for the business franchised under this Agreement, and those agreements will supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, higher Royalties and marketing fees.
- 16.5.5 If we request, then you must conduct Major Remodeling and purchase new equipment to conform to the then-current standards and specifications of new Ladurée Stores then-being established in the System, and you agree to complete the upgrading and other requirements specified above in Section 8.8.2 within the time period that we specify.
- 16.5.6 You agree to pay in full all of your monetary obligations to us and our affiliates, and to all vendors (whether arising under this Agreement or otherwise), and you must not be otherwise in default of any of your obligations under this Agreement (including your reporting obligations).
- 16.5.7 The transferor must remain liable for all of the obligations to us in connection with the Licensed Business that arose before the effective date of the transfer, and any

covenants that survive the termination or expiration of this Agreement, and must execute any and all instruments that we reasonably request to evidence such liability.

- 16.5.8 A Principal of the transferee whom we designate to be a new Designated Principal, and those of the transferee's Designated Principal, General Manager, and Key Personnel as we may require, must successfully complete (to our satisfaction) all training programs that we require upon such terms and conditions as we may reasonably require (and while we will not charge a fee for attendance at such training programs, the transferee will be responsible for the salary and all expenses of the person(s) that attend training).
- 16.5.9 You agree to pay us a transfer fee to compensate us for our legal, accounting, training, and other expenses incurred in connection with the transfer. The transfer fee will be _____ Dollars (\$_____).
- 16.5.10 The transferor must acknowledge and agree that the transferor will remain bound by the covenants contained in Sections 19.3, 19.4, and 19.5 below.
- 16.6 *Right of First Refusal.* If you or any of your Principals wish to accept any *bona fide* offer from a third party to purchase you, any of your material assets, or any direct or indirect interest in you, then all of the following will apply:
- 16.6.1 You (or the Principal who proposes to sell his/her interest) must promptly notify us in writing of the offer and provide to us the information and documentation relating to the offer that we may require. We will have the right and option, exercisable within thirty (30) days after we have received all such information that we have requested, to send written notice to the seller that we intend to purchase the seller's interest on the same economic terms and conditions offered by the third party. After exercising our right, we will also have the right to conduct additional reasonable due diligence and to require the seller to enter into a purchase agreement in a form mutually acceptable to us and to the seller. If we elect to purchase the seller's interest, then the closing on such purchase will occur within thirty (30) days from the date of notice to the seller of the election to purchase by us.
- 16.6.2 Any material change in the terms of the offer before closing will constitute a new offer subject to our same rights of first refusal (as set forth in this Section 16.6) as in the case of the third party's initial offer. If we do not exercise the option afforded by this Section 16.6 that will not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 16, with respect to a proposed transfer.
- 16.6.3 If the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one independent appraiser, then we will promptly designate an independent appraiser and you will promptly designate another independent appraiser and those two appraisers will, in turn, promptly designate a third appraiser; and all three appraisers will promptly confer and reach a single determination (or, if unable to reach a single determination, a valuation determined by a majority vote of those appraisers), which determination

will be binding upon both you and us. Both parties will equally share the cost of any such appraisal.

- 16.6.4 If we exercise our rights under this Section 16.6, then we will have the right to set off all amounts due from you (including one-half (½) of the cost of an appraisal, if any, conducted under Section 16.6.3 above) against any payment to you.
- 16.6.5 For the avoidance of doubt, this Section 16.6 will not apply in case of offer from PEL and/or Ladurée International and/or their affiliates, notably in the event of the execution of their call option rights stipulated under the Development Agreement and/or the Master Agreements.
- 16.7 *Death or Incapacity.* If you or any Principal dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must promptly notify us of the circumstances, and apply to us in writing within six (6) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 16, as applicable; however, we will not impose a transfer fee for such a transfer if you reimburse us for our reasonable out-of-pocket expenses incurred in reviewing, approving, and documenting your proposed transaction, including our attorneys' fees.
- 16.7.1 In addition, if the deceased or incapacitated person is the Designated Principal, we will have the right (but not the obligation) to take over operation of the Licensed Business until the transfer is completed and to charge a reasonable management fee for our services.
- 16.7.2 For purposes of this section, "**incapacity**" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement: **(a)** for a period of thirty (30) or more consecutive days; or **(b)** for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 16.3, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement.
- 16.7.3 If an interest is not disposed of under this section within six (6) months after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 17.2 below.
- 16.8 *Consent to Transfer.* our consent to a transfer that is the subject of this Section 16 will not constitute a waiver of any claims that we may have against the transferring party, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.
- 16.9 *No Transfers to a Non-Sublicensee Party to Operate a Similar Ladurée Store.* You agree that neither you nor any Principal of yours will transfer or attempt to transfer any or all of your Licensed Business to a third party who will operate a similar business at the Accepted Location but not under the System and the Proprietary Marks, and not under a Sublicense Agreement with us.
- 16.10 *Bankruptcy Issues.* If you or any person holding any interest (direct or indirect) in you become a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of you, your

obligations, and/or rights under this Agreement, any material assets of yours, and/or any indirect or direct interest in you will be subject to all of the terms of this Section 16, including the terms of Sections 16.4, 16.5, and 16.6 above.

- 16.11 *Securities Offers.* All materials for an offering of stock, ownership, and/or partnership interests in you or any of your affiliates that are required by applicable law must be submitted to us for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering must be submitted to us for such review before their use.
- 16.11.1 You agree that: **(a)** no offering by you or any of your affiliates may imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities or your affiliates; **(b)** our review of any offering will be limited solely to the relationship between you and us (and, if applicable, any of your affiliates and us); and **(c)** we will have the right, but not obligation, to require that the offering materials contain a written statement that we require concerning the limitations stated above.
- 16.11.2 You (and the offeror if you are not the offering party), your Principals, and all other participants in the offering must fully indemnify us and all of the Sublicensor Parties (as defined in Section 21.5.2 below) in connection with the offering.
- 16.11.3 For each proposed offering, you agree to pay us a non-refundable fee of _____ Dollars (\$ _____) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing, documenting, and discussing the proposed offering with you and your representatives.
- 16.11.4 You agree to give us written notice at least thirty (30) days before starting any offering or other transaction described in this Section 16.11. Any such offering will be subject to all of the other provisions of this Section 16, including the terms set forth in Sections 16.4, 16.5, 16.6; and further, without limiting the foregoing, it is agreed that any such offering will be subject to our approval as to the structure and voting control of the offeror (and you, if you are not the offeror) after the financing is completed.
- 16.11.5 You agree to deliver to us (at your expense) an opinion of your legal counsel (addressed to us and in a form acceptable to us) that the offering documents properly use the Proprietary Marks and accurately describe your relationship with us and/or our affiliates.
- 16.11.6 You also agree that after your initial offering, described above, for the remainder of the term of the Agreement, you will submit to us for our review and prior written approval all additional securities documents (including periodic reports, such as quarterly, annual, and special reports) that you prepare and file (or use) in connection with any such offering. You agree to reimburse us for our reasonable costs and expenses (including legal and accounting fees) that we incur in connection with our review of those materials.
- 16.12 *Call Option.* You acknowledge and agree that the assets of the Licensed Business and this Agreement is subject to purchase by Sublicensor pursuant to the “Call Option” under the terms set out in the Development Agreement.

17 DEFAULT AND TERMINATION

- 17.1 *Automatic with no notice and no opportunity to cure.* If any one or more of the following events take place, then you will be deemed to be in default under this Agreement, and all rights granted in this Agreement will automatically terminate without notice to you: **(a)** if you will become insolvent or make a general assignment for the benefit of creditors; **(b)** if a bill in equity or other proceeding for the appointment of a receiver for you or another custodian for your business or assets is filed and consented to by you; **(c)** if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; **(d)** if proceedings for a composition with creditors under any applicable law is instituted by or against you; **(e)** if a material final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless appealed or a supersedeas bond is filed); **(f)** if you are dissolved; or if execution is levied against your business or property; **(g)** if suit to foreclose any lien or mortgage against the Licensed Business premises or equipment is instituted against you and not dismissed within thirty (30) days; and/or **(h)** if the real or personal property of your Licensed Business will be sold after levy thereupon by any sheriff, marshal, or constable.
- 17.2 *With Notice and no opportunity to cure.* If any one or more of the following events occur, then you will be in default under this Agreement, and we will have the right to terminate this Agreement and all rights granted under this Agreement, without affording you any opportunity to cure the default, effective immediately upon the delivery of our written notice to you (in the manner provided in Section 24 below):
- 17.2.1 If you do not obtain an Accepted Location for the Licensed Business within the time limits specified under the Site Selection Addendum, or if you do not construct and open the Licensed Business within the time limits specified in Sections 5.1 and 8.2 above (and within the requirements specified in Sections 5 and 8.2 above);
- 17.2.2 If at any time: **(a)** you cease to operate or otherwise abandon the Licensed Business for two (2) or more consecutive business days and/or two (2) or more business days within any week (during which you are otherwise required to be open, and without our prior written consent otherwise, unless necessary due to an event of force majeure as defined in Section 22 below); **(b)** you lose the right to possession of the premises; **(c)** forfeit the right to do or transact business in the jurisdiction where the Licensed Business is located (however, if through no fault of yours, the premises are damaged or destroyed by an event such that you cannot complete repairs or reconstruction within ninety (90) days thereafter, then you will have thirty (30) days after such event in which to apply for our consent to relocate and/or reconstruct the premises, which we will not unreasonably withhold, subject to Section 1.2.3 above);
- 17.2.3 If you or any of your Principals are charged with and/or convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interests in them;
- 17.2.4 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Licensed Business and/or if you fail to comply with the requirements of Section 8.15 above;
- 17.2.5 If you or any of your Principals purport to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 16 above;

- 17.2.6 If you fail to comply with the requirements of Section 19 below;
- 17.2.7 If, contrary to the terms of Sections 10 or 11 above, you disclose or divulge the contents of the Guidelines or other confidential information that we provide to you;
- 17.2.8 If an approved transfer of an interest in you is not completed within a reasonable time, as required by Section 16.7 above;
- 17.2.9 If you maintain false books or records, or submit any false reports (including information provided as part of your application for this franchise) to us;
- 17.2.10 If you commit three (3) or more material defaults under this Agreement in any one (1) year period, whether or not each such default has been cured after notice;
- 17.2.11 If, after receipt of notice from us of a violation of the provisions of Sections 7.1 and/or 8.4 above, you continue to purchase any Input Items from an unapproved supplier, or if you sell anything from the Ladurée Store that is not a Retail Product or a Service;
- 17.2.12 If you engage in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice; and/or
- 17.2.13 If you make any unauthorized or improper use of the Proprietary Marks, or if you or any of your Principals use the Proprietary Marks in a manner that we do not permit (whether under this Agreement and/or otherwise) or that is inconsistent with our direction, or if you or any of your Principals directly or indirectly contest the validity of our ownership of the Proprietary Marks, our right to use and to license others to use the Proprietary Marks, or seek to (or actually do) register any of our Proprietary Marks with any agency (public or private) for any purpose without our prior written consent to do so.
- 17.3 *With Notice and Opportunity to Cure.*
- 17.3.1 Except as otherwise provided above in Sections 17.1 and 17.2 above, if you are in default of your obligations under this Agreement, then we may terminate this Agreement by giving you written notice of termination (in the manner provided under Section 24 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by: **(a)** immediately initiating a remedy to cure such default; **(b)** curing the default to our satisfaction; and **(c)** promptly providing proof of the cure to us, all within the thirty (30) day period. If you do not cure any such default within the specified time (or such longer period as applicable law may require), then this Agreement will terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).
- 17.3.2 If you are in default under the terms of any other Sublicense Agreement or other contract between you (and/or your affiliates) and us (and/or our affiliates), that will also constitute a default under Section 17.3.1 above.
- 17.4 *Bankruptcy.* If, for any reason, this Agreement is not terminated pursuant to this Section 17, and this Agreement is assumed, or assignment of same to any person or entity who has made a *bona fide* offer to accept an assignment of this Agreement is contemplated, pursuant to the U.S. Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: **(a)** the name and address of the proposed assignee; and **(b)** all of the terms and conditions of

the proposed assignment and assumption; must be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment or assumption of the Agreement; and, in any event, within ten (10) days before the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. We will then have the prior right and option, to be exercised by notice given at any time before the effective date of such proposed assignment and assumption, to accept an assignment of the Agreement to us upon the same terms and conditions, and for the same consideration, if any, as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions that may be payable by you out of the consideration to be paid by such assignee for the assignment or assumption of this Agreement.

- 17.5 *Our Rights Instead of Termination.* If we are entitled to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, we will also have the right to take any lesser action instead of terminating this Agreement.
- 17.6 *Reservation of Rights under Section 17.5.* If any rights, options, arrangements, or areas are terminated or modified in accordance with Section 17.5 above, such action will be without prejudice to our right to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.
- 17.7 *Damages.* You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur as a result of any default by you under this Agreement and any other agreement between the parties (and their respective affiliates) (in addition to other remedies that we may have).
- 17.8 *Cross-Default.* We have the right to consider any default by you under this Agreement as a default under any other agreement between us (including our affiliates) and you (including your affiliates). We also have the right to consider any default by you under any other agreement between you (including your affiliates) and us (including our affiliates) as a default under this Agreement.

18 OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to you will forthwith terminate, and all of the following will take effect (except to the extent otherwise permitted under a separate valid Sublicense Agreement between you and/or one of your affiliates and us):

- 18.1 *Cease Operation.* You agree to: **(a)** immediately and permanently stop operating the Licensed Business; and **(b)** never directly or indirectly represent to the public that you are a present or former Sublicensee of ours.
- 18.2 *Stop Using Marks and Intellectual Property.* You agree to immediately and permanently cease to use, in any manner whatsoever, all aspects of the System, including any confidential methods, procedures and techniques associated with the System, the marks "Ladurée" as well as any other current and former Proprietary Marks, distinctive forms, slogans, signs, symbols, and devices associated with the System, and any and all other intellectual property associated with the System. Without limiting the above, you agree to stop making any further use of any and all signs, marketing materials, displays, stationery, forms, and any other articles that display the Proprietary Marks.

- 18.3 *Cancel Assumed Names.* You agree to take such action as may be necessary to cancel any assumed name or equivalent registration which contains the marks “Ladurée” as well as any other Proprietary Marks, and/or any other service mark or trademark of ours, and you will give us evidence that we deem satisfactory to provide that you have complied with this obligation within five (5) days after termination or expiration of this Agreement.
- 18.4 *Premises.* We will have the right (but not the obligation) to require you to assign to us, or, where applicable, PEL and/or Ladurée International, any interest that you (and/or your affiliates) may have in the lease or sublease for the ground upon which the Ladurée Store is operated and/or for the building in which the Ladurée Store is operated.
- 18.4.1 If we, or, where applicable, PEL and/or Ladurée International, do not elect or if we are unable to exercise any option we may have to acquire the lease or sublease for the premises of the Licensed Business, or otherwise acquire the right to occupy the premises, you will make such modifications or alterations to the premises operated under this Agreement (including, the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Ladurée Stores, and must make such specific additional changes to the premises that we may reasonably request for that purpose. In addition, you will cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other print and online identifiers, whether or not authorized by us, that you have while operating the Licensed Business, and must promptly execute such documents or take such steps necessary to remove reference to the Licensed Business from all trade or business directories, including online directories, or at our request transfer same to us.
- 18.4.2 If you fail or refuse to comply with all of the requirements of this Section 18.4, then we (or our designee) will have the right to enter upon the premises of the Licensed Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your cost, which expense you agree to pay upon demand.
- 18.5 *Our Option to Buy Your Assets.* We or, where applicable, PEL and/or Ladurée International and/or their affiliates, will have the right (but not the obligation), which we may exercise at any time within thirty (30) days after expiration, termination, or default under this Agreement and/or default under your lease/sublease for the premises, to buy from you (and/or your affiliates) any or all of your furnishings, equipment, signs, fixtures, supplies, or inventory related to the operation of the Licensed Business, at the lesser of your cost or fair market value. The parties agree that “fair market value” will be determined based upon a five (5) year straight-line depreciation of original costs. For equipment and fixtures that are five (5) or more years old, the parties agree that fair market value is deemed to be ten percent (10%) of the equipment’s original cost. If we elect to exercise any option to purchase provided in this Section, we will have the right to set off all amounts due from you.
- 18.6 *No Use of the Marks in Other Businesses.* You agree, if you continue to operate or subsequently begin to operate any other business, that you will not use any reproduction, counterfeit copy, and/or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Proprietary Marks. You further agree not to use, in any manner whatsoever, any designation of origin, description, trademark, service mark, or representation that suggests or implies a past or present association or connection with us, the System, the equipment, and/or the Proprietary Marks.

- 18.7 *Pay All Sums Due.* You agree to promptly pay all sums owing to us and our affiliates (regardless of whether those obligations arise under this Agreement or otherwise). In the event of termination for any of your defaults, those sums will include all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses), that we incur as a result of the default.
- 18.8 *Pay Damages.* You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur as a result of your default under this Agreement and/or subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 18, which will be in addition to amounts due to us under Section 18.11 below.
- 18.9 *Return Confidential Information.* You agree to immediately return to us the Guidelines and all other materials, records, and instructions containing confidential information (including, any copies of some or all of those items, even if such copies were made in violation of this Agreement), all of which are acknowledged to be our property.
- 18.10 *Right to Enter and Continue Operations.* In order to preserve the goodwill of the System following termination, we (or our designee) will have the right to enter the Licensed Business (without liability to you, your Principals, or otherwise) for the purpose of continuing the Licensed Business's operation and maintaining the goodwill of the business.
- 18.11 *Our Rights.* You agree not to do anything that would potentially interfere with or impede the exercise of our rights under this Section 18.
- 18.12 *Lost Future Royalties.* If we terminate this Agreement based on your default, or if you abandon or otherwise cease to operate the Licensed Business, then, in addition to all other amounts due to us under this Agreement, you agree to pay to us, as liquidated damages, an amount calculated as follows: **(a)** the average of your monthly Royalty Fees that are due under this Agreement for the twenty-four (24) months immediately before your abandonment or our delivery of the notice of default (or, if you have been operating for less than twenty-four (24) months, the average of your monthly Royalty Fees for the number of months you have operated the Shop); **(b)** multiplied by the lesser of twenty-four (24) or the number of months remaining in the then-current term of this Agreement under Section 2 above.
- 18.13 *Offsets.* We have the right to offset amounts that you owe to us against any payment that we may be required to make under this Agreement.

19 COVENANTS

- 19.1 *Full Time Efforts.* You agree that during the term of this Agreement, except as we have otherwise approved in writing, you (or the Designated Principal and/or General Manager) will devote full time, energy, and best efforts to the management and operation of the Licensed Business.
- 19.2 *Understandings.*
- 19.2.1 You agree that: **(a)** pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and Confidential Information from us and our affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the System; **(b)** the System and the opportunities,

associations and experience we have established and that you will have access to under this Agreement are of substantial and material value; **(c)** in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** we would be unable to adequately protect the System and its trade secrets and Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Sublicensees in the system if Sublicensees were permitted to hold interests in Competitive Businesses (as defined below); and **(e)** restrictions on your right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder your activities.

- 19.2.2 As used in this Section 19, the term “**Competitive Business**” is agreed to mean a business that offers and sells macarons or “up-market” French style pastries.
- 19.3 *Covenant Not to Compete or Engage in Injurious Conduct.* Accordingly, you covenant and agree that, during the term of this Agreement and for a continuous period of two (2) years after the expiration or termination of this Agreement, and/or a transfer as contemplated in Section 16 above, you will not directly, indirectly, for yourself, or through, on behalf of, or in conjunction with any party, in any manner whatsoever, do any of the following:
- 19.3.1 Divert or attempt to divert any actual or potential business or customer of any Ladurée Store to any competitor or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.
- 19.3.2 Own, maintain, develop, operate, engage in, assist, franchise, or license, make loans to, lease real or personal property to, and/or have any whatsoever interest in, or render services or give advice to, any Competitive Business.
- 19.3.3 Solicit customers of the Licensed Business for any commercial purpose other than the operation of the Licensed Business under this Agreement.
- 19.4 *Where Restrictions Apply.* During the term of this Agreement, there is no geographical limitation on the restrictions set forth in Section 19.3 above. During the two-year period following the expiration or earlier termination of this Agreement, or a transfer as contemplated under Section 16 above, these restrictions will apply only **(a)** at the Accepted Location; **(b)** within [REDACTED] miles of the Accepted Location; and **(c)** within [REDACTED] miles of any other “Ladurée” Ladurée Store business that is then-currently operated, was operated (within the past year), and/or is then under active development elsewhere in the United States. These restrictions will not apply to businesses that you operate that we (or our affiliates) have franchised to you (or your affiliates) pursuant to a Sublicense Agreement in good standing with us or one of our affiliates.
- 19.5 *Post-Term.* You further covenant and agree that, for a continuous period of two (2) years after **(a)** the expiration of this Agreement, **(b)** the termination of this Agreement, and/or **(c)** a transfer as contemplated in Section 16 above:
- 19.5.1 You will not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease, and/or transfer the Accepted Location to any person, firm, partnership, corporation, or other entity that you know, or have reason to know, intends to operate a Competitive Business at the Accepted Location; and

- 19.5.2 You also agree that, by the terms of any conveyance, selling, assigning, leasing or transferring your interest in the Accepted Location, you shall include these restrictive covenants as necessary to ensure that a Competitive Business that would violate this Section is not operated at the Accepted Location for this two-year period, and you will take all steps necessary to ensure that these restrictive covenants become a matter of public record.
- 19.6 *Non-Compliance.* Any time during which you do not comply with the requirements of this Section 19, whether that non-compliance takes place after termination, expiration, and/or a transfer, will not be credited toward satisfying the two-year obligation specified above.
- 19.7 *Publicly-Held Entities.* Section 19.3.3 above will not apply to your ownership of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement, the term “**publicly-held corporation**” will be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.
- 19.8 *Personal Covenants.* You agree to require and obtain execution of covenants similar to those set forth in Sections 9.3, 11, 16, 18 above, and this Section 19 (as modified to apply to an individual), from your Designated Principal, General Manager, and Key Personnel and other managerial and/or executive staff, as well as your Principals. The covenants required by this section must be in the form provided in Exhibit F to this Agreement. If you do not obtain execution of the covenants required by this section and deliver to us those signed covenants, that failure will constitute a default under Section 17.2.6 above.
- 19.9 *Construction.* The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. We have the right to reduce the scope of any part of this Section 19 and, if we do so, you agree to comply with the obligations as we have reduced them.
- 19.10 *Claims Not a Defense.* You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants in this Section 19. You agree to pay all costs and expenses (including reasonable attorneys’ fees, court costs, discovery costs, and all other related expenses) that we incur in connection with the enforcement of this Section 19.
- 19.11 *Covenant as to Anti-Terrorism Laws.* You and the owners of your business (“**Owners**”) agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and the Owners certify, represent, and warrant that none of their respective property or interests are “blocked” under any of the Anti-Terrorism Laws and that neither you nor any of the Owners are in violation of any of the Anti-Terrorism Laws. You also agree not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or relating to terrorist acts and/or acts of war.
- 19.12 *Defaults.* You agree that if you violate this Section 19, that would result in irreparable injury to us for which no adequate remedy at law may be available, and accordingly, you consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 19.

20 TAXES, PERMITS, AND INDEBTEDNESS

- 20.1 *Payment of Taxes.* You agree to promptly pay when due all taxes levied or assessed, including, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of the business franchised under this Agreement. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax imposed on us with respect to any payments that you make to us as required under this Agreement, unless the tax is credited against income tax that we otherwise pay to a taxing authority.
- 20.2 *Payment of Trade Creditors.* You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or the Licensed Business (including for example the landlord for the premises of your Ladurée Store).
- 20.3 *Your Right to Contest Liabilities.* If there is a bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Licensed Business, or any improvements thereon.
- 20.4 *Compliance with Law.* You agree to comply with all Operating Codes and to timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Licensed Business, including, licenses to do business, health certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of any Operating Codes are in conflict with the terms of this Agreement, the Guidelines, or our other instructions, you agree to: **(a)** comply with said laws; **(b)** immediately provide us with written notice describing the nature of the conflict; and **(c)** cooperate with us and our counsel in developing a way to comply with the terms of this Agreement, as well as applicable law, to the extent that it is possible to do so.
- 20.5 *Notice of Violations and Actions.* You agree to notify us in writing within two (2) days after you receive notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within two (2) days after occurrence of any accident or injury which may adversely affect the operation of the Licensed Business or your financial condition, or give rise to liability or a claim against either party to this Agreement.

21 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 *Independent Contractor Relationship.* The parties agree that:

21.1.1 this Agreement does not create a fiduciary relationship between them;

21.1.2 you are the only party that will be in day-to-day control of your Licensed Business, even though we will share the brand and Proprietary Marks as specified in this Agreement, and neither this Agreement nor any of the systems, guidance, computer programs, processes, or requirements under which you operate alter that basic fact;

21.1.3 nothing in this Agreement and nothing in our course of conduct is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever; and

- 21.1.4 neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.
- 21.2 *Notice of Status.* At all times during the term of this Agreement and any extensions hereof, you will hold yourself out as an independent contractor operating the business pursuant to a franchise from us both to the public and also to your staff. You agree to take such action as may be necessary to do so, including exhibiting a notice of that fact in conspicuous places at the Accepted Location, the content and placement of which we reserve the right to specify in the Guidelines or otherwise.
- 21.3 *No Contracts in our Name.* It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and that we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action; nor will we be liable by reason of any act or omission in your conduct of the Licensed Business or for any claim or judgment arising therefrom against either party to this Agreement.
- 21.4 *Indemnification.*
- 21.4.1 You agree to indemnify, defend, and hold harmless each of the Sublicensor Parties and the Ladurée Parties harmless against any and all Expenses arising directly or indirectly from any Claim, as well as from any claimed breach by you of this Agreement. Your indemnity obligations shall: **(a)** survive the expiration or termination of this Agreement, and shall not be affected by any insurance coverage that you and/or any Sublicensor Party may maintain; and **(b)** exclude any Claim and/or Expense that a court with competent jurisdiction determines was caused solely by a Sublicensor Party's gross negligence and/or willful misconduct.
- 21.4.2 *Procedure.* We will give you notice of any Claim and/or Expense for which the Sublicensor Parties and/or Ladurée Parties intend to seek indemnification; however, if we do not give that notice, it will not relieve you of any obligation (except to the extent of any actual prejudice to you). You will have the opportunity to assume the defense of the Claim, at your expense and through legal counsel reasonably acceptable to us, provided that in our judgment, you proceed in good faith, expeditiously, and diligently, and that the defense you undertake does not jeopardize any defenses of the Sublicensor Parties. We shall have the right: **(a)** to participate in any defense that you undertake with counsel of our own choosing, at our expense; and **(b)** to undertake, direct, and control the defense and settlement of the Claim (at your expense) if in our sole judgment you fail to properly and competently assume defense of the Claim within a reasonable time and/or if, in our sole judgment, there would be a conflict of interest between your interest and that of any Sublicensor Party.
- 21.4.3 *Definitions.* As used in this Section 21.4, the parties agree that the following terms will have the following meanings:
- 21.4.3.1 **"Claim"** means any allegation, cause of action, and or complaint asserted by a third party that is the result of, or in connection with, your exercise of your rights and/or carrying out of your obligations under this Agreement (including any claim associated with your operation of the Ladurée Store, sale of Products, events occurring at the Ladurée Store, data theft or other data-related event, or otherwise, whether asserted by a customer, vendor, employee, or otherwise), a violation of any Operating Code, and/or any

default by you under this Agreement (including all claims, demands, causes of action, suits, damages, settlement costs, liabilities, fines, penalties, assessments, judgments, losses, and Expenses). For the sake of clarify, the parties confirm that the indemnification obligations under Sections 9.2.9.2(b) and 16.11.2 are included within this definition of a Claim.

21.4.3.2 “**Expenses**” includes interest charges; fees for accountants, attorneys and their staff, arbitrators, and expert witnesses; costs of investigation and proof of facts; court costs; travel and living expenses; and other costs and expenses associated with litigation, investigative hearings, or alternative dispute resolution, whether or not a proceeding is formally commenced.

21.4.3.3 “**Sublicensor Parties**” means us and our shareholders, parents, subsidiaries, and affiliates, and their respective officers, directors, members, managers, agents, and employees.

21.4.3.4 “**Ladurée Parties**” means Ladurée International, PEL, and each of their shareholders, parents, subsidiaries, and affiliates, and their respective officers, directors, members, managers, agents, and employees.

21.4.4 We agree to indemnify you with respect to your use of the Proprietary Marks as provided in Section 9.2.9.2(a) above.

22 FORCE MAJEURE

22.1 *Impact.* Neither party will be responsible to the other for non-performance or delay in performance occasioned by causes reasonably beyond its control (except as otherwise provided in Section 22.1), including: **(a)** acts of nature; **(b)** acts of war, terrorism, or insurrection; **(c)** public health emergencies, epidemics, pandemics, hurricanes, tornadoes, environmental emergencies, strikes, lockouts, labor actions, boycotts, floods, fires, and/or other casualties; and/or **(d)** our inability (and that of our affiliates and/or suppliers) to manufacture, purchase, and/or cause delivery of any services or products used in the operation of the Licensed Business. You agree to abide by any brand standards that we may establish in connection with continuing to operate, reopening, and other matters relating to operations that are impacted by a Force Majeure event.

22.2 *Transmittal of Funds.* The inability of either party to obtain and/or remit funds will be considered within control of such party for the purpose of Section 22.1 above. If any such delay occurs, any applicable time period will be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that you will remain obligated to promptly pay all fees owing and due to us under this Agreement, without any such delay or extension.

23 APPROVALS AND WAIVERS

23.1 *Request for Approval.* Whenever this Agreement requires our prior approval, acceptance, and/or consent, you agree to make a timely written request to us therefor, and in each instance, our approval, acceptance, or consent will be valid only if it is provided in writing.

23.2 *No Warranties or Guarantees.* You agree that we make no warranties or guarantees upon which you may rely, and that we assume no liability or obligation to you, by providing any

waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

- 23.3 *No Waivers.* The parties agree that: (a) no delay, waiver, omission, or forbearance on our part to exercise any right, option, duty, or power arising out of any breach or default by you or any other Sublicensee under any of the terms, provisions, covenants, or conditions of this Agreement; (b) no custom or practice by the parties at variance with the terms of this Agreement, will constitute our waiver of our right to enforce any such right, option, duty, or power as against you, or as to subsequent breach or default by you; (c) if we accept late payments from you or any payments due, that will not be deemed to be our waiver of any earlier or later breach by you of any terms, provisions, covenants, or conditions of this Agreement; and (d) no course of dealings or course of conduct will be effective to amend the terms of this Agreement.

24 NOTICES

- 24.1 Any and all notices required or permitted under this Agreement must be in writing and must be personally delivered, sent by certified U.S. mail, or by other means that provides the sender with evidence of delivery, rejected delivery, and/or attempted delivery. Any notice by a means that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.
- 24.2 Notices shall be sent to the address designated on the signature page of this Agreement (unless a party changes its address for those notices by giving prior written notice to the other party in the manner specified above). If the parties have designated a specific e-mail address, then notices sent to that e-mail address (which may be changed as noted above) will be considered as having been sent at the time they are delivered into that e-mail address.
- 24.3 The Guidelines, any changes that we or Ladurée International or PEL make to the Guidelines, and/or any other written instructions that we or Ladurée International or PEL provide relating to operational matters, are not considered to be “notices” for the purpose of the delivery requirements in this Section 24.

25 ENTIRE AGREEMENT AND AMENDMENT

- 25.1 *Entire Agreement.* This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete Agreement between the parties to this Agreement concerning the subject matter hereof, and supersede all prior agreements, communications, statements, and representations (however, if this Agreement is to renew a previous sublicense agreement, then the parties’ original agreement on the number of renewal terms shall apply during the term of this Agreement notwithstanding Section 2.2 above). The parties confirm that: **(a)** they were not induced by any representations other than the words of this Agreement (and the FDD) before deciding whether to sign this Agreement; and **(b)** they relied only on the words printed in this Agreement in deciding whether to enter into this Agreement.
- 25.2 *Amendment.* Except for those changes that we are permitted to make unilaterally under this Agreement, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

26 SEVERABILITY AND CONSTRUCTION

- 26.1 *Introductory Paragraphs.* The parties agree that the introductory paragraphs of this Agreement, under the heading “Introduction,” are accurate, and the parties agree to incorporate those paragraphs into the text of this Agreement as if they were printed here in full.
- 26.2 *Severability.* Except as expressly provided to the contrary in this Agreement, each portion, section, part, term, and/or provision of this Agreement will be considered severable; and if, for any reason, any portion, section, part, term, and/or provision in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties to this Agreement; and said invalid portions, sections, parts, terms, and/or provisions will be deemed not to be a part of this Agreement.
- 26.3 *No Third Party Rights.* Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than you, we, and such of our respective successors and assigns as may be contemplated (and, as to you, permitted) by Section 16.4 above, any rights or remedies under or by reason of this Agreement.
- 26.4 *Captions Don't Amend Terms.* All captions in this Agreement are intended solely for the convenience of the parties, and no caption will be deemed to affect the meaning or construction of any provision hereof.
- 26.5 *Including.* The parties agree that when the terms “include”, “includes”, and “including” are used in this Agreement, those terms shall be understood to mean “*including but not limited to*”.
- 26.6 *Survival.* All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, will so survive the expiration and/or termination of this Agreement.
- 26.7 *Expenses.* Each party agrees to bear all of the costs of exercising its rights and carrying out its responsibilities under this Agreement, except as otherwise provided.
- 26.8 *Counterparts.* This Agreement may be signed in counterparts, and signature pages may be exchanged by electronic means, each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, will be considered as one complete Agreement.

27 APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 *Choice of Law.*

- 27.1.1 This Agreement will be interpreted and construed exclusively under the laws of the State of [REDACTED], which laws will prevail in the event of any conflict of law (without regard to, and without giving effect to, [REDACTED] choice-of-law rules); provided, however, that if the covenants in Section 19 of this Agreement would not be enforced as written under [REDACTED] law, then the parties agree that those covenants will instead be interpreted and construed under the laws of the state in which the Licensed Business is located.

- 27.1.2 Nothing in this Section 27.1 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the State of [REDACTED] (or any other state) that would not otherwise apply if the words in this Section 27.1 were not included in this Agreement.
- 27.1.3 The parties agree that the UN Convention on Contracts for the International Sale of Goods is disclaimed, and shall not apply, to the parties' relationship.
- 27.2 *Choice of Venue.* Subject to Section 27.3 below, the parties agree that any action that you bring against us and/or Ladurée International or PEL, in any court, must be brought only within the courts that have jurisdiction over where we then currently have our principal place of business (currently, in [REDACTED]). Any action that we and/or Ladurée International or PEL bring against you in any court may be brought within the judicial district in which we maintain our principal place of business. In addition, the parties agree that:
- 27.2.1 This Section 27.2 will not be construed as preventing either party from removing an action to a federal court; provided, however, that venue will be as set forth above;
- 27.2.2 They hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision; and
- 27.2.3 Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action.
- 27.3 *Mediation.* Before any party may bring an action in court against the other, the parties agree that they must first meet to mediate the dispute (except as otherwise provided in Section 27.5 below). Any such mediation will be non-binding and will be conducted in accordance with the then-current rules for mediation of commercial disputes of JAMS, Inc. (formerly, "Judicial Arbitration and Mediation Services, Inc.") at its location in or nearest to [REDACTED].
- 27.4 *Parties Rights Are Cumulative.* No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy under this Agreement, by law, and/or equity provided or permitted, but each will be cumulative of every other right or remedy.
- 27.5 *Injunctions.* Nothing contained in this Agreement will bar our right (or that of Ladurée International and PEL) to obtain injunctive relief in a court of competent jurisdiction against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. If we seek such an injunction, you agree that we will not be required to post a bond.
- 27.6 **WAIVER OF JURY TRIALS.** Each party to this Agreement irrevocably waives trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.
- 27.7 **MUST BRING CLAIMS WITHIN ONE YEAR.** Each party to this Agreement agrees that any and all claims and actions arising out of or relating to this Agreement, the parties' relationship, and/or your operation of the Licensed Business, brought by any party to this Agreement against the other (excluding claims seeking indemnification), shall be commenced within one (1) year from the occurrence of the facts giving rise to such

claim or action, or, it is expressly acknowledged and agreed by all parties, such claim or action shall be irrevocably barred.

27.8 **WAIVER OF PUNITIVE DAMAGES.** Each party to this Agreement hereby waives to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other, and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages it has sustained (including lost future royalties).

27.9 *Payment of Legal Fees.* You agree to pay us all damages, costs and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: **(a)** obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including Sections 9 and 17 above); and/or **(b)** successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

28 LADURÉE INTERNATIONAL AND PEL AS THIRD PARTY BENEFICIARIES

28.1 Sublicensee and Sublicensor agree, and Ladurée International and PEL accept, that Ladurée International and PEL shall be third-party beneficiaries with the independent right to exercise each right of Sublicensor and to enforce each obligation of Sublicensee under this Agreement. If Sublicensor fails to take action within a reasonable time to exercise any right of Sublicensor or to enforce any obligation of Sublicensee, Ladurée International or PEL may take action to exercise such right or to enforce such obligation.

28.2 If Sublicensor's rights under the Master Agreements expire or are terminated, then Ladurée International and PEL shall have the unilateral right (but not the obligation) to assume Sublicensor's rights and obligations under this Agreement. If Ladurée International or PEL elects to assume Sublicensor's rights and obligations under this Agreement, then upon written notice thereof from Ladurée International or PEL:

28.3 Sublicensee shall thereafter make each payment required under this Agreement directly to Ladurée International or PEL, as applicable, and shall otherwise treat such party as Sublicensor in all respects, until such time as Sublicensee receives notice from Ladurée International or PEL that Sublicensor has been replaced by a third party.

28.4 Sublicensee hereby consents to the assignment by Sublicensor to Ladurée International or PEL, and to the assumption by Ladurée International or PEL, pursuant to Section 28.2, of all rights and obligations of Sublicensor hereunder, and to the subsequent assignment and assumption of such rights and obligations to the new sublicensee appointed by Ladurée International or PEL for the Territory. Sublicensee agrees to sign such additional documents that Ladurée International or PEL may reasonably require in order to implement this Section 28.

29 ACKNOWLEDGMENTS

29.1 *Your Investigation of the Ladurée Store Possibilities.* You acknowledge, recognize, and agree that: **(a)** you conducted an independent investigation of the business franchised under this Agreement; **(b)** this business venture involves business and financial risks; and **(c)** your

success will be largely dependent upon your personal ability (and that of your owners as independent businesspersons).

- 29.2 *No Warranties or Guarantees.* We expressly disclaim the making of (and you agree that you did not receive) any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business contemplated by this Agreement.
- 29.3 *Receipt of FDD and Complete Agreement.* You acknowledge that you received a copy of this Agreement, the exhibit(s), and agreements relating to this Agreement (if any), with all of the blank lines filled in, with sufficient time to review it with your advisors. You also acknowledge that you received our FDD at least fourteen (14) days before you signed this Agreement and made any payment to us.
- 29.4 *You Have Read the Agreement.* You agree that you have read and understood the FDD, this Agreement, and all of the exhibits to this Agreement.
- 29.5 *Your Advisors.* You acknowledge that we recommend that you seek advice from advisors of your own choosing (including a lawyer and an accountant) about the potential benefits and risks of entering into this Agreement, and that you had sufficient time and opportunity to consult with those advisors (even if you have chosen not to do so).
- 29.6 *No Conflicting Obligations.* Each party represents and warrants to the other party that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict that party from: **(a)** negotiating and entering into this Agreement; **(b)** exercising its rights under this Agreement; and/or **(c)** fulfilling its obligations and responsibilities under this Agreement.
- 29.7 *Your Responsibility for the Choice of the Accepted Location.* You agree that you have sole and complete responsibility for the choice of the Accepted Location; that we have not (and will not be deemed to have, even by our requirement that you use a location service and/or our approval of the site that is the Accepted Location) given any representation, promise, or guarantee of your success at the Accepted Location; and that you will be solely responsible for your own success at the Accepted Location.
- 29.8 *Your Responsibility for Operation of the Licensed Business.* Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of your franchised Ladurée Store, you retain the right and sole responsibility for the day-to-day management and operation of the Licensed Business and the implementation and maintenance of system standards at the Licensed Business.
- 29.9 *Different Franchise Offerings to Others.* You agree that we may modify the terms under which we will offer franchises to other parties in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.
- 29.10 *Advice.* You agree that any advice that we and/or Ladurée International or PEL provide is only that; that such advice is not a guarantee of success; and that you must reach and implement your own decisions about how to operate your Licensed Business on a day-to-day basis under the System.
- 29.11 *Your Designated Principal and General Manager.* You agree that we have the right to rely upon either one or both of the Designated Principal or General Manager as having

responsibility and decision-making authority regarding the Licensed Business's operation and your business.

29.12 *Your Independence.* You agree that:

29.12.1 you are the only party that employs your staff (even though we may provide you with advice, guidance, and training);

29.12.2 neither we nor Ladurée International or PEL are your employer nor are we the employer of any of your staff, and even if we express an opinion or provide advice, we will play no role in your decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

29.12.3 the guidance that we provide, and requirements under which you will operate, are intended to promote and protect the value of the brand and the Proprietary Marks;

29.12.4 when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement the System and standards for your business (including the system and the requirements under this Agreement); and

29.12.5 you have made (and will remain always responsible for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including adopting the standards as your standards), and hiring employees and employment matters (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal), engaging professional advisors, and all other facets of your operation.

29.13 *Success Depends on You.* You agree that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided by you and your staff, as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

29.14 *General Release.* If this Agreement is not the first contract between you (and your affiliates) and us (and our affiliates), then you agree to the following:

*You (on behalf of yourself and your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, members, managers, shareholders, agents and employees, in their corporate and individual capacities) and all guarantors of your obligations under this Agreement (collectively, "**Releasors**") freely and without any influence forever release (and covenant not to sue) us, Ladurée International, our respective parents, subsidiaries, and affiliates, and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Releasees**"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**claims**"), which any Releasor now owns or holds or may at any time have owned or held, including, claims arising under applicable laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of any franchise to any Releasor, the development and*

operation of the Ladurée Stores and the development and operation of all other businesses operated by any Releasor that are franchised by any Releasee. You understand as well that you may later learn of new or different facts, but still, it is your intention to fully, finally, and forever release all of the claims that are released above.

IN WITNESS WHEREOF, intending to be legally bound by this Agreement, the parties have duly signed and delivered this Agreement as of the Effective Date (as written below).

Sublicensor Entity

Sublicensee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

By: _____

Name: _____

Title: _____

Address for Notices:

Address for Notices:

Telephone: _____

Telephone: _____

Fax: _____

Fax: _____

Attn: _____

Attn: _____

E-mail: _____

E-mail: _____

Ladurée
 SUBLICENSE AGREEMENT
 EXHIBIT A
 DATA SHEET

¶	Section Cross- Reference	Item
1	1.2	The Accepted Location under this Agreement will be: <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>
2	1.3	The Protected Area under this Agreement (Subject to Section 1.3 of this Agreement) is: <input type="checkbox"/> A circle with a radius of _____ (_____) miles and its center at the front door of the Store (subject to 1.3 of this Agreement) (but not including areas that are on the other side of a natural boundary and away from the Store, such as a river). <i>or</i> <input type="checkbox"/> The area within the following boundaries: To the east: _____ To the south: _____ To the west: _____ To the north: _____

Initials

_____ Sublicensee

_____ Sublicensor

Ladurée
 SUBLICENSE AGREEMENT
 EXHIBIT B
GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

In order to induce [_____] (“**Sublicensor**”) to sign the Ladurée Sublicense Agreement between _____ Sublicensor and _____ (“**Sublicensee**”), dated _____ (the “**Agreement**”), each of the undersigned parties, jointly and severally, hereby unconditionally guarantee to Sublicensor and its successors and assigns that all of Sublicensee’s obligations (monetary and otherwise) under the Agreement as well as any other contract between Sublicensee and Sublicensor (and/or Sublicensor’s affiliates) will be punctually paid and performed.

Each person signing this Personal Guarantee acknowledges and agrees, jointly and severally, that:

- Upon demand from Sublicensor, Patisserie E. Ladurée and/or Ladurée International, s/he will immediately make each payment required of Sublicensee under the Agreement and/or any other contract (including another Sublicense Agreement) with Sublicensor and/or its affiliates.
- S/he waives any right to require Sublicensor, Patisserie E. Ladurée and/or Ladurée International to: **(a)** proceed against Sublicensee for any payment required under the Agreement (and/or any other contract with Sublicensor and/or its affiliates); **(b)** proceed against or exhaust any security from Sublicensee; **(c)** pursue or exhaust any remedy, including any legal or equitable relief, against Sublicensee; and/or **(d)** give notice of demand for payment by Sublicensee.
- Without affecting the obligations of the undersigned persons under this Guarantee, Sublicensor, Patisserie E. Ladurée and/or Ladurée International may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Sublicensee, or settle, adjust, or compromise any claims against Sublicensee. Each of the undersigned persons waive notice of amendment of the Agreement (and any other contract with Sublicensor, Patisserie E. Ladurée, Ladurée International, and/or their respective affiliates) and notice of demand for payment by Sublicensee, and agree to be bound by any and all such amendments and changes to the Agreement (and any other contract with Sublicensor, Patisserie E. Ladurée, Ladurée International, and their respective affiliates).
- S/he will defend, indemnify and hold Sublicensor, Patisserie E. Ladurée and Ladurée International harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys’ fees, court costs, discovery costs, and all other related expenses) resulting from, consisting of, or arising out of or in connection with any failure by Sublicensee to perform any obligation of Sublicensee under the Agreement (and any other contract with Sublicensor and Sublicensor’s affiliates) and/or any amendment to the Agreement.
- S/he will be personally bound by all of Sublicensee’s covenants, obligations, and promises in the Agreement.
- S/he agrees to be personally bound by all of Sublicensee’s covenants, obligations, and promises in the Agreement, which include, but are not limited to, the covenants in the following Sections of the Agreement: **Section 9.3** (generally regarding trademarks), **Section 11** (generally regarding confidentiality), **Section 16** (generally regarding Transfers),

Section 18 (generally regarding obligations upon termination or expiration of this Agreement), and **Section 19** (generally regarding covenants against competition) of the Agreement.

- S/he understands that: **(a)** this Guarantee does not grant her/him any rights under the Agreement (including but not limited to the right to use any of Sublicensor’s marks such as the “Ladurée” marks) or the system licensed to Sublicensee under the Agreement; **(b)** s/he have read, in full, and understands, all of the provisions of the Agreement that are referred to above in this paragraph, and that s/he intends to fully comply with those provisions of the Agreement as if they were printed here in full; and **(c)** s/he have had the opportunity to consult with a lawyer of her/his own choosing in deciding whether to sign this Guarantee.

This Guarantee will be interpreted and construed in accordance with **Section 27** of the Agreement (including but not limited to the waiver of punitive damages, waiver of jury trial, agreement to bring claims within one year, and agreement not to engage in class or common actions). Among other things, that means that this Guarantee will be interpreted and construed exclusively under the laws of the State of [redacted], and that in the event of any conflict of law, [redacted] law will prevail (without applying [redacted] conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned persons has signed this Guarantee as of the date of the Agreement.

_____	_____	_____
(signed in his/her personal capacity)	(signed in his/her personal capacity)	(signed in his/her personal capacity)
Printed Name: _____	Printed Name: _____	Printed Name: _____
Date: _____	Date: _____	Date: _____
Home Address: _____	Home Address: _____	Home Address: _____
_____	_____	_____
_____	_____	_____

Ladurée
SUBLICENSE AGREEMENT
EXHIBIT C
LIST OF PRINCIPALS

Name of Principal	Home Address	Percentage Interest Held in Sublicensee

Initials

Sublicensee

Sublicensor

Ladurée
SUBLICENSE AGREEMENT
EXHIBIT D

**AUTHORIZATION AGREEMENT FOR ACH PAYMENTS
(DIRECT DEBITS FOR ROYALTY AND OTHER FEES)**

_____ (Name of Person or Legal Entity)

_____ (Tax ID Number (FEIN))

The undersigned depositor (“**Depositor**” or “**Sublicensee**”) hereby authorizes [_____] (“**Sublicensor**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**” or “**Bank**”) to debit or credit such account(s) pursuant to our instructions.

Depository/Bank Name

Branch Name

City

State

Zip Code

Bank Transit/ABA Number

Account Number

This authorization is to remain in full and force and effect until sixty (60) days after we have received written notification from Sublicensee of its termination.

Printed Name
of Depositor: _____

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

Ladurée
SUBLICENSE AGREEMENT
EXHIBIT E
ADA CERTIFICATION

[_____] (“**Sublicensor**” or “**us**”) and _____ (“**Sublicensee**” or “**you**”) are parties to a Sublicense Agreement dated _____, 202____ (the “**Sublicense Agreement**”) for the operation of a Licensed Business at (the “**Licensed Business**”).

- In accordance with Section 5.6.2 of the Sublicense Agreement, you certify to us that, to the best of your knowledge, the Licensed Business and its adjacent areas comply with all applicable accessibility laws, statutes, codes, rules, regulations, and standards (including but not limited to the Americans with Disabilities Act).
- You acknowledge that you are an independent contractor and the requirement of this certification by Sublicensor, Patisserie E. Ladurée and/or Ladurée International does not constitute ownership, control, leasing, or operation of the Licensed Business.
- You acknowledge that we have relied on the information contained in this certification.
- You agree to indemnify us, Patisserie E. Ladurée and Ladurée International, and our and their respective affiliates, and their respective officers, directors, members, managers, shareholders, and employees in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with your compliance with the Americans with Disabilities Act, as well as the costs (including reasonable attorneys’ fees, court costs, discovery costs, and all other related expenses) related to the same.

Acknowledged and Agreed:

Sublicensee:

By:_____

Printed Name:_____

Title:_____

Ladurée
 SUBLICENSE AGREEMENT
 EXHIBIT F-1

SAMPLE FORM OF
 NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
*(to be signed by Sublicensee with its
 executive/management staff)*

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT (“**Agreement**”) is made on _____, 202___, by and between _____ (the “**Sublicensee**”), and _____, who is a Principal, manager, supervisor, member, partner, or a person in an executive or managerial position with, Sublicensee (the “**Member**”).

Background:

A. _____ (“**Sublicensor**”) has been licensed a format and system (the “**System**”) relating to the establishment and operation of “Ladurée” businesses in structures that bear the distinct Ladurée interior and exterior trade dress, and under the Ladurée Proprietary Marks, as defined below (each, a “**Ladurée Store**”).

B. Ladurée Stores are identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (including for example the mark “Ladurée”) and certain other trade names, service marks, and trademarks that Sublicensor currently and may in the future designate in writing for use in connection with the System (the “**Proprietary Marks**”).

C. Sublicensor and Sublicensee have executed a Sublicense Agreement (“**Sublicense Agreement**”) granting Sublicensee the right to operate a “Ladurée” Ladurée Store (the “**Licensed Business**”) and to offer and sell products, services, and other ancillary products approved by Sublicensor and use the Proprietary Marks in connection therewith under the terms and conditions of the Sublicense Agreement.

D. The Member, by virtue of his or her position with Sublicensee, will gain access to certain Confidential Information, as defined below, and must therefore be bound by the same confidentiality and non-competition agreement that Sublicensee is bound by.

IN CONSIDERATION of these premises, the conditions stated in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are acknowledged, the parties agree as follows:

1. Confidential Information. During the time that Member is engaged by Sublicensee, and after that engagement ends, Member will not communicate, divulge, or use for the benefit of any other party the methods of operation of the Licensed Business that the Member learns about during the Member’s engagement by Sublicensee. Any and all information, knowledge, know-how, and techniques that are deemed confidential are will be deemed confidential for purposes of this Agreement.

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Sublicense Agreement, and by virtue of his/her position with Sublicensee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, recipes, sales, promotional, and marketing methods and techniques of Sublicensor and the System.

(b) Member covenants and agrees that during the term of the Sublicense Agreement, except as otherwise approved in writing by Sublicensor, Member will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of the Licensed Business or of any business using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Sublicensor's Proprietary Marks and the System; or

(ii) Either directly or indirectly for him/herself or on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Licensed Business.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Sublicensor, Member will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, Member will not own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Licensed Business and which business is, or is intended to be, located within a _____ mile radius of the Licensed Business.

(d) As used in this Agreement, the term "same as or similar to the Licensed Business" means a business that offers and sells macarons or "up-market" French style pastries.

(e) As used in this Agreement, the term "Post-Term Period" means two (2) years from the date of termination of Member's employment with Sublicensee (except as may otherwise be required under applicable law). Any period of non-compliance with this requirement shall not count toward satisfying this requirement.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Sublicensor irreparable injury, and Member agrees to pay all costs (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) incurred by Sublicensor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained in this Agreement are severable. If any of them, or any part or parts of them, will be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court will have the authority to reform and modify that provision in order that the restriction will be the maximum necessary to protect Sublicensor's and/or Member's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court will impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by the Sublicensor or Sublicensee to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that or any other right provided in this Agreement, and no waiver of any violation of any terms and provisions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Third-Party Beneficiary. Member hereby acknowledges and agrees that Sublicensor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Sublicensee.

7. Employer. Member hereby acknowledges and agrees that Sublicensee is its employer, and that Sublicensor does not employ Member, is not a “joint employer” with Sublicensee, nor does Sublicensor have anything to say about Member’s employment relationship to Sublicensee.

IN WITNESS WHEREOF, the Sublicensee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

SUBLICENSEE

MEMBER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Ladurée
 SUBLICENSE AGREEMENT
 EXHIBIT F-2

SAMPLE FORM OF
 NON-DISCLOSURE AGREEMENT
*(to be signed by Sublicensee with its
 non-management staff)*

THIS NON-DISCLOSURE AGREEMENT (“**Agreement**”) is made on _____, 202____, by and between _____ (the “**Sublicensee**”) and _____, who is an employee of Sublicensee (the “**Employee**”).

Background:

A. _____ (“**Sublicensor**”) has been licensed a format and system (the “**System**”) relating to the establishment and operation of “Ladurée” businesses in structures that bear the distinct Ladurée interior and exterior trade dress, and under the Ladurée Proprietary Marks, as defined below (each, a “**Ladurée Store**”).

B. Ladurée Stores are identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (including for example the mark “Ladurée”) and certain other trade names, service marks, and trademarks that Sublicensor currently and may in the future designate in writing for use in connection with the System (the “**Proprietary Marks**”).

C. Sublicensor and Sublicensee have executed a Sublicense Agreement (“**Sublicense Agreement**”) granting Sublicensee the right to operate a “Ladurée” Ladurée Store (the “**Licensed Business**”) and to offer and sell products, services, and other ancillary products approved by Sublicensor and use the Proprietary Marks in connection therewith under the terms and conditions of the Sublicense Agreement.

D. The Employee, by virtue of his or her position with Sublicensee, will gain access to certain Confidential Information, as defined below, and must therefore be bound by the same confidentiality and non-competition agreement that Sublicensee is bound by.

IN CONSIDERATION of these premises, the conditions stated in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are acknowledged, the parties agree as follows:

1. Confidential Information. During the time that Member is engaged by Sublicensee, and after that engagement ends, Member will not communicate, divulge, or use for the benefit of any other party the methods of operation of the Licensed Business that the Member learns about during the Member’s engagement by Sublicensee. Any and all information, knowledge, know-how, recipes, and techniques that are deemed confidential are will be deemed confidential for purposes of this Agreement.

2. Injunctive Relief. Employee acknowledges that any failure to comply with the requirements of this Agreement will cause Sublicensor irreparable injury, and Employee agrees to pay all costs (including reasonable attorneys’ fees, court costs, discovery costs, and all other related expenses) incurred by Sublicensor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

3. Severability. All agreements and covenants contained in this Agreement are severable. If any of them, or any part or parts of them, will be held invalid by any court of competent jurisdiction for any reason, then the Employee agrees that the court will have the authority to reform and modify that provision in order that the restriction will be the maximum necessary to protect Sublicensor’s and/or Employee’s legitimate business needs as permitted by applicable law and public policy. In so doing, the Employee agrees that the court will impose the provision with retroactive effect as close as possible to the provision held to be invalid.

4. Delay. No delay or failure by the Sublicensor or Sublicensee to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that or any other right provided under this Agreement, and no waiver of any violation of any terms and provisions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

5. Third-Party Beneficiary. Employee hereby acknowledges and agrees that Sublicensor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Sublicensee.

6. Employer. Employee hereby acknowledges and agrees that Sublicensee is its employer, and that Sublicensor does not employ Employee, is not a “joint employer” with Sublicensee, nor does Sublicensor have anything to say about Employee’s employment relationship to Sublicensee.

IN WITNESS WHEREOF, the Sublicensee and the Employee attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

SUBLICENSEE

EMPLOYEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Ladurée
 SUBLICENSE AGREEMENT
 EXHIBIT G

SITE SELECTION ADDENDUM

_____ (“**Sublicensor**” or “**us**” or “**we**”) and _____ (“**Sublicensee**” or “**you**”) have on _____, 202____ entered into a Ladurée Sublicense Agreement (“**Sublicense Agreement**”) and wish to supplement its terms as set out below in this Site Selection Addendum (the “**Addendum**”). The parties agree as follows:

AGREEMENT

1. **Time to Locate Site:** Within one hundred and twenty (120) days after the date of this Addendum, you agree to acquire or enter into a binding lease/sublease (collectively, a “**lease**”), at your own expense, commercial real estate that is properly zoned for the use of the business that you will conduct under the Sublicense Agreement (the “**Licensed Business**”) at a site that we will have approved in writing as provided below. You must provide us with a copy of the signed purchase agreement or lease/sublease (and you need to close/settle on the property if purchasing).

a. Such location must be within the following area: _____

(the “**Site Selection Area**”).

b. The only reason that the Site Selection Area is described is for the purpose of selecting a site for the Licensed Business.

c. We will not establish, nor franchise another party to establish, a “Ladurée” business operating under the System within the Site Selection Area until the end of the Search Period. For purposes of this Addendum, the term “**Search Period**” means ninety (90) days from the date of this Addendum, or the period from the date of this Addendum until we have approved of a location for your Licensed Business, whichever event first occurs. Upon expiration of the Search Period, the protections of this paragraph 1.c will expire and you will have no further rights in and to the Site Selection Area other than as otherwise provided in the Sublicense Agreement.

d. If you do not acquire or lease a site (that we have accepted in writing) for the Licensed Business in accordance with this Addendum by not later than one hundred and eighty (180) days after the date of this Addendum, that will constitute a default under Section 17.2 of the Sublicense Agreement and also under this Addendum, and we will have the right to terminate the Sublicense Agreement and this Addendum pursuant to the terms of Section 17.2 of the Sublicense Agreement.

2. **Site Evaluation Services:** We will provide you with our site selection guidelines, including our minimum standards for a location for the Licensed Business, and such site selection counseling and assistance as we may deem advisable. We will perform one (1) on-site evaluation as we may deem advisable in response to your requests for site approval without a separate charge. If we perform any additional on-site evaluations, you must reimburse, as applicable, us for all reasonable expenses that we incur in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging and meals. We will not provide on site evaluation for any proposed site before we have received from you a completed site approval form for the site (prepared as set forth in Section 3 below).

3. **Site Selection Package Submission and Approval:** You must submit to us, in the form that we specify: **(a)** a completed site approval form (in the form that we require); **(b)** such other information or materials that we may reasonably require; and **(c)** an option contract, letter of intent, or other

evidence satisfactory to us that confirms your favorable prospects for obtaining the site. You acknowledge that time is of the essence. We will have thirty (30) days after receipt of all such information and materials from you to approve or disapprove the proposed site as the location for the Licensed Business. We have the right to approve or disapprove any such site to serve as the Accepted Location for the Licensed Business. If we do not approve a proposed site by giving you written notice within the 30-day period, then we will be deemed to have disapproved the site.

4. **Lease Responsibilities:** After we have approved a site and before the expiration of the Search Period, you must execute a lease, which must be coterminous with the Sublicense Agreement, or a binding agreement to purchase the site. our approval of any lease is conditioned upon inclusion in the lease of the lease rider attached to the Sublicense Agreement as Exhibit H. However, even if we examine the lease, we are not responsible for review of the lease for any terms other than those contained in the lease rider.

5. **Accepted Location:** After we have approved the location for the Licensed Business and you have leased or acquired that location, the location will constitute the **Accepted Location** described in Section 1.2 of the Sublicense Agreement. The Accepted Location will be specified on Exhibit A to the Sublicense Agreement, and will become a part the Sublicense Agreement.

a. You hereby agree that our approval of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Licensed Business or for any other purpose. our approval of the site indicates only that we believe the site complies with our minimum acceptable criteria solely for our own purposes as of the time of the evaluation. The parties each acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to our approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria that we used could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond our control.

b. We will not be responsible for the failure of a site (even if we have approved that site) to meet your expectations as to revenue or operational criteria.

c. You agree that your acceptance of a franchise for the operation of the Licensed Business at the site is based on its own independent investigation of the suitability of the site.

6. **Construction:** This Addendum will be considered an integral part of the Sublicense Agreement between the parties to this Addendum, and the terms of this Addendum will be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined in this Agreement will have the same meaning as set forth in the Sublicense Agreement. Except as modified or supplemented by this Addendum, the terms of the Sublicense Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each party to this Addendum intending to be legally bound has caused its duly authorized representative to duly execute and deliver this Addendum on the date first above written.

Sublicensor

Sublicensee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Ladurée
 SUBLICENSE AGREEMENT
 EXHIBIT H
 LEASE RIDER

THIS ADDENDUM (the "**Addendum**") was executed on _____, 202____, by and between _____ ("**Sublicensee**") and _____ ("**Landlord**"), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated in this Addendum ("**Lease**") dated as of _____, 202____ for the premises located at _____, in _____ ("**Premises**").

Sublicensee has also entered (or will also enter) into a Sublicense Agreement ("**Sublicense Agreement**") with _____ ("**Sublicensor**") for the development and operation of a "Ladurée" business at the Premises, and as a condition to obtaining Sublicensor's approval of the Lease, the Lease for the Premises must contain the provisions contained in this Addendum.

NOW THEREFORE, in consideration of mutual covenants set forth below, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Sublicensee hereby agree as follows:

1. Landlord agrees to deliver to Sublicensor a copy of any notice of default by Sublicensee or termination of the Lease at the same time such notice is delivered to Sublicensee. Sublicensor agrees to deliver to Landlord a copy of any notice of termination under the Sublicense Agreement. Sublicensee hereby consents to that exchange of information by Landlord and Sublicensor.
2. Sublicensee hereby assigns to Sublicensor, with Landlord's irrevocable and unconditional consent, all of Sublicensee's rights, title and interests to and under the Lease upon any termination or non-renewal of the Sublicense Agreement, but no such assignment will be effective unless and until: (a) the Sublicense Agreement is terminated or expires without renewal; and (b) Sublicensor has notified the Sublicensee and Landlord in writing that Sublicensor assumes Sublicensee's obligations under the Lease.
3. Sublicensor will have the right, but not the obligation, to cure any breach of the Lease (within fifteen (15) business days after the expiration of the period in which Sublicensee had to cure any such default by Sublicensee, should Sublicensee fail to do so) upon giving written notice of its election to Sublicensee and Landlord, and, if so stated in the notice, to also succeed to Sublicensee's rights, title and interests thereunder. The Lease may not be modified, amended, supplemented, renewed, extended, or assigned by Sublicensee without Sublicensor's prior written consent.
4. Sublicensee and Landlord agree that Sublicensor will have no liability or obligation whatsoever under the Lease unless and until Sublicensor assumes the Lease in writing pursuant to Section 2 or Section 3, above.
5. If Sublicensor assumes the Lease, as provided above, Sublicensor may, without Landlord's prior consent, sublet and/or assign the Lease to another Sublicensee of Sublicensor to operate a "Ladurée" business at the Premises provided that the proposed Sublicensee has met all of Sublicensor's applicable criteria and requirements and has executed a Sublicense Agreement with Sublicensor. Landlord agrees to execute such further documentation to confirm its consent to an assignment permitted under this Addendum as Sublicensor may reasonably

request. Upon such assignment to a Sublicensee of Sublicensor, Sublicensor will be released from any further liability under the terms and conditions of the Lease.

6. Landlord and Sublicensee hereby acknowledge that Sublicensee has agreed under the Sublicense Agreement that Sublicensor and its employees or agents will have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Sublicensor, its employees or agents. Landlord and Sublicensee hereby further acknowledge that if the Sublicense Agreement expires (without renewal) or is terminated, Sublicensee is obligated to take certain steps under the Sublicense Agreement to de-identify the Premises as a "Ladurée" business (unless Sublicensor takes an assignment of the lease, as provided above). Landlord agrees to permit Sublicensor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Sublicensor, provided that Sublicensor will bear the expense of repairing any damage to the Premises as a result thereof.
7. If Landlord is an affiliate or an owner of Sublicensee, Landlord and Sublicensee agree that if Landlord proposes to sell the Premises, before the sale of the Premises, upon the request of Sublicensor the Lease will be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the "Ladurée" business is located.
8. Landlord agrees that during and after the term of the Lease, it will not disclose or use Sublicensor's Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "**Confidential Information**" as used in this Addendum will mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Sublicensee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Premises, including, without limitation, all information identifying or describing the floor plan and layout, furnishings, equipment, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, techniques, trade dress, "look and feel," design, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Sublicensee on the Premises. Landlord acknowledges that all such Confidential Information belongs exclusively to Sublicensor.
9. Landlord agrees that: **(a)** Sublicensor has granted to only one party, the Sublicensee, the right to use Sublicensor's proprietary trade name, trademarks, service marks logos, insignias, slogans, emblems, symbols, designs, and indicia of origin (collectively the "**Marks**") at the Premises under the terms of the Sublicense Agreement; and **(b)** Sublicensor has not granted any rights or privileges to use the Marks to Landlord.
10. Landlord and Sublicensee agree that the Premises will be used solely for the operation of a "Ladurée" business.
11. Landlord and Sublicensee agree that any default by Sublicensee under the Lease will also constitute a default under the Sublicense Agreement, and any default by Sublicensee under the Sublicense Agreement will also constitute a default by Sublicensee under the Lease.
12. Landlord and Sublicensee agree that the terms in this Addendum will supersede any contrary terms in the Lease and that they will not later amend the lease in a manner that supersedes the terms in this Addendum.
13. Sublicensor (and Ladurée International) along with their respective successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.

14. Landlord and Sublicensee agree that copies of any and all notices required or permitted under this Addendum, or under the Lease, will also be sent to Sublicensor at _____ (attention _____), or to such other address as Sublicensor may specify by giving written notice to Landlord.

WITNESS the execution hereof under seal.

Landlord:

Sublicensor*

Sublicensee:

Date:

Date:

Date:

Subscribed and sworn to before me this ____ day of _____, 202____.

Subscribed and sworn to before me this ____ day of _____, 202____.

Subscribed and sworn to before me this ____ day of _____, 202____.

Notary Public

Notary Public

Notary Public

My Commission expires:

My Commission expires:

My Commission expires:

* The Sublicensor has signed this lease rider only to acknowledge its terms and not to accept any obligations under the lease.

Ladurée
 SUBLICENSE AGREEMENT
 EXHIBIT I
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LADURÉE
Paris

Ladurée
Development Agreement

LADURÉE DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “**Agreement**”) is made and entered into on this ____ day of _____, 202__ (“**Effective Date**”) by and between:

- _____, a _____ organized under the laws of a _____ (“**Sublicensor**” or “**us**” or “**we**”); and
- _____, a [resident of] [corporation organized in] [limited liability company organized in] the State of _____ and having offices at _____ (“**you**” or the “**Developer**”).

Introduction

Ladurée International, whose head office is in Switzerland, Route de Rez 2, 1667 Enney (“**Ladurée International**”), and PEL (defined below), whose head office is in Paris, 84 avenue d’Iéna – 75116 PARIS, as the result of the expenditure of time, skill, effort, and money, have developed for years and own a distinctive format and system (as defined below) relating to the creation, manufacture and distribution of French luxury food Products (defined below), including the macaron which is its most famous Product. The Ladurée business is carried out within dedicated restaurants, tea-rooms and retail boutiques and online under the Proprietary Marks (defined below) (each, a “**Ladurée Store**”),

Sublicensor entered into a Master Know-How License Agreement with Ladurée International’s parent company, Patisserie E. Ladurée (“**PEL**”), dated [•] (the “**Master Know-How Agreement**”). Sublicensor also entered into a Master Trademark License Agreement with Ladurée International dated [•] (the “**Master Trademark Agreement**,” together with the Master Know-How Agreement are referred to in this Agreement as the “**Master Agreements**”). Under the Master Agreements, Sublicensor is granted, and Sublicensor accepted, the right and obligation to establish and operate Ladurée Stores and to license third parties (such as Sublicensee) to operate Ladurée Stores and to use the Proprietary Marks in connection therewith, all according to the terms of contracts such as this Agreement, and all within [the United States] (the “**Territory**”);

Among the distinguishing characteristics of a Ladurée Store are that it operates under the System. The term “**System**” as used in this Agreement includes methods implemented by Ladurée International and PEL in connection with the operation of Ladurée Stores, comprising of (among other things) certain operational methods and techniques, food products and non-food products that are authorized for sale from a Ladurée Store (“**Products**”); signage; technical assistance and training in the operation, management and promotion of Ladurée Stores, distinctive interior and exterior design and accessories, and specific reporting, all of which may be changed, improved and further developed by Ladurée International and/or PEL.

The System is identified by means of the Proprietary Marks. The Proprietary Marks include certain trade names (for example, the mark “Ladurée”), service marks, trademarks, logos, emblems, and indicia of origin (for example, the “Ladurée” mark and logo), as well as other trade names, service marks, and trademarks that we may periodically specify in writing for use in connection with the System (all of these are referred to as the “**Proprietary Marks**”). Ladurée International and PEL, and their affiliates, continue to develop, use, and control the use of the Proprietary Marks in order to identify for the public the source of Products and services marketed under those marks and under the System, and to represent the System’s standards of quality, cleanliness, appearance, and service.

You have requested to be in the business of operating Ladurée Stores within the Development Area (defined below), using the same brand and Proprietary Marks as other independent businesses that operate other Ladurée Stores under the System (including some operated by our affiliates), and you and we are

entering into this Agreement for that purpose.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

1 *Development.* This Agreement relates to the terms under which you will develop Ladurée Stores within the “**Development Area**” that is specified in Exhibit A attached to this Agreement. Each Ladurée Store will be established under the terms of a separate Sublicense Agreement (the “**Sublicense Agreement**”) that will specify, among other things, the approved location of each such Ladurée Store.

2 *Development Schedule and Business Plan.*

2.1 You agree to establish each of the Ladurée Stores according to the development schedule that the parties have agreed to, as specified in Exhibit A attached to this Agreement. That schedule is referred to as the “**Development Schedule**” in this Agreement.

2.2 You also agree to meet the annual plan for Net Sales estimates for the Ladurée Stores operated in the Development Area as specified in Exhibit A attached to this Agreement. That plan is referred to as the “**Business Plan**” in this Agreement.

2.3 You acknowledge that you have agreed to comply with the Development Schedule and the Business Plan after having obtained advice from your financial and other advisors, and that the Development Schedule and Business Plan are essential elements of Sublicensor’s consent to enter into this Agreement.

2.4 The parties agree that if Developer fails to achieve the Business Plan, and/or reach at least sixty percent (60%) of the estimated annual Net Sales in any year, shall entitle Sublicensor to terminate this Agreement pursuant to Section 9.2 below and Ladurée International to exercise the Call Option set out in Section 12 below.

3 *Term.* The term of this Agreement starts only when both parties have signed below, and ends on the last date specified in the Development Schedule, unless this Agreement is sooner terminated (the “**Term**”).

4 *Development Fee.* In consideration of the development rights granted under this Agreement, you agree to pay us a development fee in an amount equal to _____ for each Ladurée Store to be developed under this Agreement in order to comply with the Development Schedule, the aggregate amount of which is specified in Exhibit A to this Agreement (the “**Development Fee**”), which you agree to pay to us when you sign this Agreement.

4.1 If you are in compliance with your obligations under this Agreement, then at the time you enter into each Sublicense Agreement with us for Ladurée Stores that you develop pursuant to the Development Schedule, we will credit to you the sum of _____ towards the payment of the initial franchise fee due under the Sublicense Agreement for that Ladurée Store (provided, that the total amount of the credits that we grant to you under this Section 4.1 will not exceed the total Development Fee that you have actually paid to us).

4.2 The Development Fee will be fully earned when we receive it from you and it will be non-refundable in consideration of administrative and other expenses we incur and for the development opportunities lost or deferred as a result of the rights we have granted to you under this Agreement.

5 *Development Rights.* If you are in compliance with your obligations under this Agreement and all of the Sublicense Agreements between you (and your affiliates) and us (and our affiliates), then we will not

establish, nor license anyone other than you to establish, a Ladurée Store in the Development Area until the end of the Term, except as otherwise provided under Section 6 below.

6 *Reservation of Rights.* Except as otherwise specifically provided under Section 5 above, we retain all other rights, and therefore we will have the right (among others), and on any terms and conditions we deem advisable, and without granting you any rights therein, to:

6.1 establish, and franchise others to establish, Ladurée Stores anywhere outside the Development Area;

6.2 establish, and license others to establish, businesses that do not operate under the System and that do not use the Proprietary Marks, even if those businesses offer or sell Products and services that are the same as or similar to those offered from a Ladurée Store, no matter where those businesses are located (but not to be operated as a Ladurée Store inside the Development Area);

6.3 acquire (or be acquired) and then operate any business of any kind, anywhere (but not to be operated as a Ladurée Store inside the Development Area); and

6.4 market and sell Products and services through alternate distribution channels and any channel of distribution (including e-commerce), anywhere (but not from a Ladurée Store that is physically located inside the Development Area).

7 *No License to Use the Proprietary Marks or System.* This Agreement does not confer upon you any license to use, in any manner whatsoever, the Proprietary Marks or System. To the extent that we are licensing those rights to you, that license will be set out under each of the Sublicense Agreements.

8 *Signing of the Sublicense Agreement.* You must sign a Sublicense Agreement for each Ladurée Store. Each Ladurée Store will be located at a site that we must have approved, within the Development Area, as provided below (the “**Accepted Location**”). The Sublicense Agreement for the first Ladurée Store developed under this Agreement will be in the form of the Sublicense Agreement that is attached as Exhibit D. The Sublicense Agreement for each additional Ladurée Store that you develop will be the form of Sublicense Agreement that we are then generally offering at the time each such Sublicense Agreement is signed. You must sign the Sublicense Agreement for each Ladurée Store and submit that Sublicense Agreement to us for countersignature not more than fifteen (15) days after you sign the lease for that Ladurée Store, and in any case not more than thirty (30) days before the Ladurée Store is reasonably expected to open for business.

9 *Default*

9.1 Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Developer or such a petition is filed against and not opposed by Developer; or if Developer is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer’s business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer’s assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer’s business or property; or if suit to foreclose any lien or mortgage against the premises or equipment of any Ladurée Stores developed in connection with this Agreement is instituted against Developer and not dismissed within thirty (30) days; or if the real or personal property of Developer shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.2 If Developer fails to meet its obligations under the Development Schedule or Business Plan, such action shall constitute a default under this Agreement, upon which Sublicensor, in its discretion, may terminate this Agreement and all rights granted hereunder without affording Developer any opportunity to cure the default, effective immediately upon the delivery of written notice to Developer.

9.3 Except as otherwise provided in Sections 9.1 and 9.2, above, if Developer fails to comply with any material term and condition of this Agreement, or fails to comply with the terms and conditions of any Sublicense Agreement or other development agreement between the Developer (or a person or entity affiliated with or controlled by the Developer) and Sublicensor, such action shall constitute a default under this Agreement. Upon the occurrence of any such default, Sublicensor may terminate this Agreement by giving written notice of termination stating the nature of such default to Developer at least fifteen (15) days prior to the effective date of termination; provided, however, that Developer may avoid termination by immediately initiating a remedy to cure such default, curing it to Sublicensor's satisfaction, and by promptly providing proof thereof to Sublicensor within the fifteen-day period (or such longer period as applicable law may require). If any such default is not cured within the specified time (or such longer period as applicable law may require), this Agreement and all rights granted hereunder (including but not limited to, the right to develop any new Ladurée Stores) will terminate without further notice to Developer, effective immediately upon the expiration of the fifteen (15) day period (or such longer period as applicable law may require).

9.4 In lieu of termination, Sublicensor shall have the right to reduce or eliminate all or only certain rights of Developer under this Agreement (including, for example, to reduce the size of or eliminate completely the Development Area); and if Sublicensor exercises said right, Sublicensor shall not have waived its right to, in the case of future defaults, exercise all other rights, and invoke all other provisions, that are provided in law and/or set out under this Agreement.

9.5 Upon termination or expiration of this Agreement, Developer shall have no right to establish or operate any Ladurée Stores for which a Sublicense Agreement has not been executed by Sublicensor at the time of termination. Thereafter, Sublicensor shall be entitled to establish, and to license others to establish, Ladurée Stores in the Development Area (except as may be otherwise provided under any Sublicense Agreement that has been executed between Sublicensor and Developer).

9.6 Developer acknowledges and agrees that a default under this Agreement shall constitute a default under all Sublicense Agreements entered into in connection with this Agreement.

9.7 No right or remedy herein conferred upon or reserved to Sublicensor is exclusive of any other right or remedy provided or permitted by law or equity.

10 *Transfers*

10.1 Sublicensor shall have the right to transfer or assign this Agreement and/or all or any part of its rights or obligations under this Agreement to PEL and/or Ladurée International and/or their affiliates, or where applicable, and subject to the prior written approval of PEL and Ladurée International, any person or legal entity, and any assignee of us, which assignee will become solely responsible for all of our obligations under this Agreement from the date of assignment.

10.2 If Developer is a corporation, partnership, or LLC, each principal of Developer ("**Principal**"), and the interest of each Principal in Developer, is identified in Exhibit C hereto. Any person or entity which owns a direct or indirect interest in Developer may be designated as a Principal by Sublicensor in its sole discretion, and Exhibit C shall be so amended automatically upon notice thereof to Developer.

10.3 Sublicensor shall have a continuing right to designate as a Principal any person or entity which owns a direct or indirect interest in Developer.

10.4 Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Sublicensor has granted the rights described in this

Agreement in reliance on Developer's or Developer's Principals' business skill, financial capacity, and personal character. Accordingly:

10.4.1 Developer shall not, without the prior written consent of Sublicensor, transfer, pledge or otherwise encumber: (a) the rights and obligations of the Developer under this Agreement; or (b) any material asset of Developer.

10.4.2 If Developer is a corporation, Developer shall not, without the prior written consent of Sublicensor, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become a Principal under this Agreement, if so designated by Sublicensor.

10.4.3 If Developer is a partnership or LLC, the partners of the partnership or members of the LLC shall not, without the prior written consent of Sublicensor, admit additional general partners or managing members, remove a general partner or managing member, or otherwise materially alter the powers of any general partner or managing member. Each general partner or member of a partnership or LLC shall automatically be deemed a Principal of Developer.

10.4.4 A Principal shall not, without the prior written consent of Sublicensor, transfer, pledge or otherwise encumber any interest of the Principal in Developer as shown in Exhibit C.

10.4.5 Developer acknowledges and agrees that any transfer, pledge or other encumbrance by Developer which does not have Sublicensor's prior written approval shall be deemed null and void.

10.5 Sublicensor shall not unreasonably withhold any consent required by Section 10.4; provided, if Developer proposes to transfer its obligations hereunder or any material asset, or if a Principal proposes to transfer any direct or indirect interest in Developer, Sublicensor shall have absolute discretion to require any or all of the following as conditions of its approval:

10.5.1 The transferor shall have executed a general release, in a form satisfactory to Sublicensor, of any and all claims against Sublicensor and its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between Developer and Sublicensor or its affiliates, and federal, state, and local laws and rules;

10.5.2 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Sublicensor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Developer; and, if the obligations of Developer were guaranteed by the transferor, the Principal shall guarantee the performance of all such obligations in writing in a form satisfactory to Sublicensor;

10.5.3 After the transfer, the Principals of the Developer shall meet Sublicensor's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the business of Developer, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the business;

10.5.4 If a proposed transfer would result in a change in control of the Developer, at Sublicensor's option, the Developer shall execute, for a term ending on the expiration date of this Agreement the form of area development agreement then being offered to new System Developers, and such other ancillary agreements required by Sublicensor for the business contemplated hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement;

10.5.5 The transferor shall remain liable for all of the obligations to Sublicensor in connection with this Agreement that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Sublicensor to evidence such liability;

10.5.6 At Developer's expense, one Principal designated by Sublicensor shall successfully complete all training programs required by Sublicensor upon such terms and conditions as Sublicensor may reasonably require;

10.5.7 Developer shall pay a transfer fee in the amount of _____;

10.5.8 The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in Section 11.2 and Section 11.3 of this Agreement; and

10.5.9 Developer shall have paid Sublicensor all of remaining installments of the Development Fee, if any, that Developer has not yet paid to Sublicensor.

10.6 Right of First Refusal.

10.6.1 If Developer or any Principal desires to accept any *bona fide* offer from a third party to purchase Developer, any material assets of Developer, or any direct or indirect interest in Developer, Developer or such Principal shall promptly notify Sublicensor of such offer and shall provide such information and documentation relating to the offer as Sublicensor may require. Sublicensor shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to the seller that Sublicensor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Sublicensor elects to purchase the seller's interest, the closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to purchase by Sublicensor.

10.6.2 Any material change in the terms of the offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Sublicensor as in the case of the third party's initial offer. Failure of Sublicensor to exercise the option afforded by this Section 10.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 10, with respect to a proposed transfer.

10.6.3 In the event the consideration, terms, and/or conditions offered by a third party are such that Sublicensor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Sublicensor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they shall attempt to appoint a mutually acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one independent appraiser, then an independent appraiser shall be promptly designated by Sublicensor and another independent appraiser shall be promptly designated by Developer, which two appraisers will, in turn, promptly designate a third appraiser; all three appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Sublicensor and Developer. The cost of any such appraisal shall be shared equally by Sublicensor and Developer. If Sublicensor elects to exercise its right of first refusal, it shall have the right to set off all amounts due from Developer, and one-half of the cost of the appraisal, if any, against any payment to the Seller.

10.7 Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party approved by Sublicensor within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the distributee of such interest must be approved by Sublicensor. If the distributee is not approved by Sublicensor, then the distributee shall

transfer the deceased's interest to a third party approved by Sublicensor within twelve (12) months after the deceased's death.

10.8 Upon the permanent disability of any Principal with a controlling interest in Developer, Sublicensor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 10 within six (6) months after notice to Developer. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Sublicensor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 10.8 as of the date of refusal. Sublicensor shall pay the cost of the required examination.

10.9 Upon the death or permanent disability of any Principal of Developer, such person or his representative shall promptly notify Sublicensor of such death or claim of permanent disability. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as any *inter vivos* transfer.

10.10 Sublicensor's consent to a transfer which is the subject of this Section 10 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Sublicensor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

10.11 If Developer or any person holding any interest (direct or indirect) in Developer becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of Developer, Developer's obligations and/or rights hereunder, any material assets of Developer, or any indirect or direct interest in Developer shall be subject to all of the terms of this Section 10, including without limitation the rights set forth in Sections 10.4, 10.5, and 10.6 above.

10.12 All materials for an offering of stock, ownership, and/or partnership interests in Developer or any of Developer's affiliates that are required by federal or state law must be submitted to Sublicensor for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering must be submitted to Sublicensor for such review before their use.

10.12.1 Developer agrees that: (a) no offering by Developer or any of Developer's affiliates may imply (by use of the Proprietary Marks or otherwise) that Sublicensor is participating in an underwriting, issuance, or offering of Developer's securities or Developer's affiliates; (b) Sublicensor's review of any offering will be limited solely to the relationship between Developer and Sublicensor (and, if applicable, any of Developer's affiliates and Sublicensor); and (c) Sublicensor will have the right, but not the obligation, to require that the offering materials contain a written statement that Sublicensor requires concerning the limitations stated above.

10.12.2 Developer (and the offeror if Developer is not the offering party), Developer's principals, and all other participants in the offering must fully indemnify Sublicensor and its affiliates and each of their directors, officers, agents and employees in connection with the offering.

10.12.3 For each proposed offering, Developer agrees to Sublicensor a non-refundable fee of _____ or such greater amount as is necessary to reimburse Sublicensor for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering.

10.12.4 Developer agrees to give Sublicensor written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 10.12 commences. Any such offering will be subject to all of the other provisions of this Section 10, including without limitation the terms set forth

in Sections 10.4, 10.5, 10.6; and further, without limiting the foregoing, it is agreed that any such offering will be subject to Sublicensor's approval as to the structure and voting control of the offeror (and Developer, if Developer is not the offeror) after the financing is completed.

10.12.5 Developer must also, for the remainder of the term of the Agreement, submit to Sublicensor for Sublicensor's review and prior written approval all additional securities documents Developer is required to prepare and file (or use) in connection with any offering of stock, ownership, and/or partnership interests. Developer must reimburse Sublicensor for its reasonable costs and expenses Sublicensor incurs in connection with the review of those materials.

11 Covenants

11.1 Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Sublicensor, Developer (or one (1) Principal of Developer who will assume primary responsibility for the operations of Developer and shall have been previously approved in writing by Sublicensor) shall devote full time, energy, and best efforts to the management and operation of the business contemplated hereunder.

11.2 Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Sublicensor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Sublicensor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership corporation or entity, divert or attempt to divert any business or customer of the Ladurée Stores or of any Ladurée Stores using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Sublicensor's Proprietary Marks and the System.

11.3 Developer covenants that, except as otherwise approved in writing by Sublicensor, it shall not, during the term of this Agreement, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or entity, own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to Ladurée Stores; and shall not for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 10 above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 11.3; either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, corporation or entity), own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Ladurée Stores required to be developed under this Agreement and which business is, or is intended to be, located (i) within the Development Area; (ii) within a _____ mile radius of any Ladurée Store developed under this Agreement; or (iii) within a _____ mile radius of any Ladurée Store under the System at the time the obligations under this Section 11.3 commenced. As used in this Agreement, the term "same as or similar to the business operated under this Agreement or the Ladurée Stores required to be developed under this Agreement" shall mean any other retail business that sells or offers macarons or "up-market" French style pastries at any one or more retail location(s).

11.4 Section 11.3 hereof shall not apply to ownership by Developer of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement, the term "**publicly-held corporation**" shall be deemed to refer to a corporation which has securities that have been registered under the federal Securities Exchange Act of 1934.

11.5 At Sublicensor's request, Developer shall require and obtain execution of covenants similar to those set forth in Sections 10 and 11 (as modified to apply to an individual) from any or all of the following persons: Developer's Principals and senior level management personnel. The covenants required by this

Section 11.5 shall be in the form provided in Exhibit E to this Agreement. Failure by Developer to obtain execution of a covenant required by this Section 11.5 shall constitute a default under Section 9.3 hereof.

11.6 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 11 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Sublicensor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 11.

11.7 Developer understands and acknowledges that Sublicensor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 11.2 and 11.3 in this Agreement, or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof; and Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 17 hereof.

11.8 Developer expressly agrees that the existence of any claims it may have against Sublicensor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Sublicensor of the covenants in this Section 11. Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Sublicensor in connection with the enforcement of this Section 11.

11.9 Developer acknowledges that Developer's violation of the terms of this Section 11 would result in irreparable injury to Sublicensor for which no adequate remedy at law may be available, and Developer accordingly consents to the issuance of an injunction prohibiting any conduct by Developer in violation of the terms of this Section 11.

12 *Call Option*

By signing this Development Agreement, Developer irrevocably accepts the terms of the Call option agreement attached as Exhibit F, and undertakes to sign it at the same time as signing this Agreement.

13 *Notices*

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, of rejected delivery, or attempted delivery to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, rejected delivery, or delivery not possible because the recipient has moved and left no forwarding address shall be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery. The Manual, any changes that we make to the Manual, and/or any other written instructions that we provide relating to operational matters, are not considered to be "notices" for the purpose of the delivery requirements in this Section 13.

14 *Permits And Compliance With Laws*

14.1 Developer shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business contemplated under this Agreement.

14.2 Developer shall notify Sublicensor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of Developer and/or any Ladurée Stores established pursuant to this Agreement.

15 *Independent Contractor and Indemnification*

15.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Developer shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

15.2 At all times during the term of this Agreement, Developer shall hold itself out to the public as an independent contractor operating pursuant to this Agreement. Developer agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the Developer's offices, the content of which Sublicensor reserves the right to specify.

15.3 It is understood and agreed that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty, or representation on Sublicensor's behalf, or to incur any debt or other obligation in Sublicensor's name; and that Sublicensor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Sublicensor be liable by reason of any act or omission of Developer in Developer's operations hereunder, or for any claim or judgment arising therefrom against Developer or Sublicensor.

15.4 Developer shall, to the fullest extent permissible under applicable law, indemnify and hold Sublicensor, Sublicensor's owners and affiliates, and their respective officers, directors, employees, and agents, harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with Developer's operation of the business contemplated hereunder, as well as the costs, including attorneys' fees, of defending against them.

16 *Approvals and Waivers*

16.1 Whenever this Agreement requires Sublicensor's prior approval or consent, Developer shall make a timely written request to Sublicensor therefor, and such approval or consent must be obtained in writing.

16.2 Developer acknowledges and agrees that Sublicensor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer, by providing any waiver, approval, consent, or suggestion to Developer in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

16.3 No delay, waiver, omission, or forbearance on the part of Sublicensor to exercise any right, option, duty, or power arising out of any breach or default by Developer under any of the terms, provisions, covenants, or conditions of this Agreement, shall constitute a waiver by Sublicensor to enforce any such right, option, duty, or power as against Developer, or as to subsequent breach or default by Developer. Subsequent acceptance by Sublicensor of any payments due to it hereunder shall not be deemed to be a waiver by Sublicensor of any preceding breach by Developer of any terms, provisions, covenants, or conditions of this Agreement.

17 *Entire Agreement and Amendment*

This Agreement and the exhibits referred to herein constitute the entire, full, and complete Agreement between Sublicensor and Developer concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Developer to execute this Agreement. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. However, nothing in this Agreement or any other contract is intended as, nor shall it be interpreted to be, a disclaimer by Sublicensor of any representation made in its Franchise Disclosure Document ("FDD"), including the exhibits and any amendments to the FDD.

18 Severability and Construction

18.1 Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

18.2 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Sublicensor, Sublicensor's officers, directors, and employees, and such of Developer's and Sublicensor's respective successors and assigns as may be contemplated (and, as to Developer, permitted) by Section 10 hereof, any rights or remedies under or by reason of this Agreement.

18.3 Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which Sublicensor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

18.4 All capitalized terms not defined herein shall have the meaning ascribed to them in the Sublicense Agreement.

18.5 All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

18.6 All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

19 Applicable Law

19.1 This Agreement takes effect upon its acceptance and execution by Sublicensor, and shall be interpreted and construed exclusively under the laws of the State of _____, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of _____ choice of law rules); provided, however, that if the covenants in Section 11 of this Agreement would not be enforceable under the laws of _____, and Developer is located outside of _____, then such covenants shall be interpreted and construed under the laws of the state in which the Developer's principal place of business is located. Nothing in this Section 19.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of _____ to which this Agreement would not otherwise be subject.

19.2 The parties agree that any action brought by Developer against Sublicensor in any court, whether federal or state, shall be brought within such state and in the judicial district in which Sublicensor has its principal place of business. Any action brought by Sublicensor against Developer in any court, whether federal or state, may be brought within the state and judicial district in which Sublicensor has its principal place of business. The parties agree that this Section 19.2 shall not be construed as preventing either party from removing an action from state to federal court. Developer hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action.

19.3 Before any party may bring an action in court against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding and shall be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. Notwithstanding anything to the contrary, this Section 19.3 shall not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation.

19.4 No right or remedy conferred upon or reserved to Sublicensor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.5 Nothing herein contained shall bar Sublicensor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

19.6 Sublicensor and Developer irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Developer and Sublicensor, or Developer's operation of the business contemplated hereunder, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

19.7 Sublicensor and Developer hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other, and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

20 Acknowledgments

20.1 Developer acknowledges that it has conducted an independent investigation of the business contemplated hereunder, recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Developer and if a corporation, partnership, or LLC, its owners as independent businesspersons.

20.2 Sublicensor expressly disclaims the making of, and Developer acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

20.3 Developer acknowledges that it received a copy of this Agreement, and has read and understood this Agreement the exhibit(s) hereto, and agreements relating hereto, if any, with all of the blank lines therein filled in, prior to the date on which this Agreement was executed, and with sufficient time within which to review the Agreement and to consult with advisors of Developer's own choosing about the potential benefits and risks of entering into this Agreement. Developer further acknowledges that it received Sublicensor's franchise disclosure document required by the Federal Trade Commission Franchise Rule, 16 C.F.R. Part 436, at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement in duplicate on the day and year first above written.

Sublicensor

Developer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address for Notices:

Address for Notices:

Telephone: _____

Telephone: _____

Fax: _____

Fax: _____

Attn: _____

Attn: _____

**LADURÉE
DEVELOPMENT AGREEMENT**

**EXHIBIT A
DEVELOPMENT AREA, DEVELOPMENT FEE
DEVELOPMENT SCHEDULE AND BUSINESS PLAN**

1. Development Area. All Ladurée Stores developed under this Development Agreement shall be located within the boundaries of the following area:

2. Development Fee. The Development Fee shall be:

2. Development Schedule. Recognizing that time is of the essence, Developer agrees to satisfy the development schedule set forth below:

Year	Minimum number of new Ladurée Stores to be opened in the Development Area		Total minimum number of Ladurée Stores in operation on 31 December of each year in the Development Area
	Restaurant	Retail Shop	
2023	(to fill in)	(to fill in)	(to fill in)
2024	(to fill in)	(to fill in)	(to fill in)
2025	(to fill in)	(to fill in)	(to fill in)
2026	(to fill in)	(to fill in)	(to fill in)
2027	(to fill in)	(to fill in)	(to fill in)
2028	(to fill in)	(to fill in)	(to fill in)
2029	(to fill in)	(to fill in)	(to fill in)
2030	(to fill in)	(to fill in)	(to fill in)
2031	(to fill in)	(to fill in)	(to fill in)
2032	(to fill in)	(to fill in)	(to fill in)

3. Business Plan. Developer estimates annual Net Sales (among all Laduree Stores operated) in the Development Area during the Term, in accordance with the following Business Plan:

Calendar Year	Estimated annual Net Sales (in USD – VAT Excl.)
2023	(to fill in)
2024	(to fill in)
2025	(to fill in)
2026	(to fill in)
2027	(to fill in)
2028	(to fill in)
2029	(to fill in)
2030	(to fill in)
2031	(to fill in)
2032	(to fill in)

INITIALED:

SUBLICENSOR: _____ **DEVELOPER:** _____

**LADURÉE
DEVELOPMENT AGREEMENT**

**EXHIBIT B
GUARANTEE**

As an inducement to _____ (“**Sublicensor**”) to execute the Ladurée Development Agreement between Sublicensor and _____ (“**Developer**”) dated _____, 202__ (the “**Agreement**”), the undersigned hereby agree to defend, indemnify and hold Sublicensor, Sublicensor’s affiliates, and their respective officers, directors, employees, and agents harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney’s fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein.

The undersigned hereby acknowledge and agree to be individually bound by all of the covenants contained in Section 11 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 19 of the Agreement (including but not limited to the waiver of jury trial, the waiver of punitive damages, the agreement not to participate in class actions, and the limitation on the time within which claims may be brought). This Guarantee shall be interpreted and construed under the laws of the State of _____. In the event of any conflict of law, the laws of the State of _____ shall prevail (without regard to, and without giving effect to, the application of _____ conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTORS

By: _____
[In his/her personal capacity]

By: _____
[In his/her personal capacity]

By: _____
[In his/her personal capacity]

Printed
Name: _____

Printed
Name: _____

Printed
Name: _____

Home Address

Home Address

Home Address

**LADURÉE
DEVELOPMENT AGREEMENT**

**EXHIBIT C
LIST OF PRINCIPALS**

Name of Principal	Address	Interest (%)

INITIALED:

SUBLICENSOR: _____ DEVELOPER: _____

**LADURÉE
DEVELOPMENT AGREEMENT**

**EXHIBIT D
SUBLICENSE AGREEMENT**

The form of Sublicense Agreement currently offered by Sublicensor is attached.

**LADURÉE
DEVELOPMENT AGREEMENT**

EXHIBIT E-1

SAMPLE FORM OF
NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
*(to be signed by Sublicensee with its
executive/management staff)*

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT (“**Agreement**”) is made on _____, 202____, by and between _____ (the “**Developer**”), and _____, who is a Principal, manager, supervisor, member, partner, or a person in an executive or managerial position with, Sublicensee (the “**Member**”).

Background:

A. _____ (“**Developer**”) has been licensed a format and system (the “**System**”) relating to the establishment and operation of “Ladurée” businesses operating in structures that bear the distinct Ladurée interior and exterior trade dress, and under the “Ladurée” Proprietary Marks, as defined below (each, a “**Ladurée Store**”).

B. Ladurée Stores are identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (including for example the mark “Ladurée”) and certain other trade names, service marks, and trademarks that Sublicensor currently and may in the future designate in writing for use in connection with the System (the “**Proprietary Marks**”).

C. Developer and Sublicensee have executed a Development Agreement (“**Development Agreement**”) granting Sublicensee the right to operate, and obligating Sublicensee to develop, Ladurée Stores (the “**Development Business**”) and to offer and sell products, services, and other ancillary products approved by Sublicensor and use the Proprietary Marks in connection therewith under the terms and conditions of the Development Agreement.

D. The Member, by virtue of his or her position with Sublicensee, will gain access to certain Confidential Information, as defined below, and must therefore be bound by the same confidentiality and non-competition agreement that Sublicensee is bound by.

IN CONSIDERATION of these premises, the conditions stated in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are acknowledged, the parties agree as follows:

1. Confidential Information. During the time that Member is engaged by Sublicensee, and after that engagement ends, Member will not communicate, divulge, or use for the benefit of any other party the methods of operation of the Development Business that the Member learns about during the Member’s engagement by Sublicensee. Any and all information, knowledge, know-how, and techniques that are deemed confidential are will be deemed confidential for purposes of this Agreement.

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Sublicense Agreement, and by virtue of his/her position with Sublicensee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, recipes, sales, promotional, and marketing methods and techniques of Developer and the System.

(b) Member covenants and agrees that during the term of the Sublicense Agreement, except

as otherwise approved in writing by Developer, Member will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of the Development Business or of any business using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

(ii) Either directly or indirectly for him/herself or on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Development Business or a Ladurée Store.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Developer, Member will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, Member will not own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Development Business or a Ladurée Store and which business is, or is intended to be, located within a _____ mile radius of the Development Business.

(d) As used in this Agreement, the term “same as or similar to the Licensed Business” means a business that offers and sells macarons or “up-market” French style pastries.

(e) As used in this Agreement, the term “Post-Term Period” means two (2) years from the date of termination of Member’s employment with Sublicensee (except as may otherwise be required under applicable law). Any period of non-compliance with this requirement shall not count toward satisfying this requirement.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Developer irreparable injury, and Member agrees to pay all costs (including reasonable attorneys’ fees, court costs, discovery costs, and all other related expenses) incurred by Developer in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained in this Agreement are severable. If any of them, or any part or parts of them, will be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court will have the authority to reform and modify that provision in order that the restriction will be the maximum necessary to protect Developer’s and/or Member’s legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court will impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by the Developer or Sublicensee to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that or any other right provided in this Agreement, and no waiver of any violation of any terms and provisions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Third-Party Beneficiary. Member hereby acknowledges and agrees that Developer is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Sublicensee.

7. Employer. Member hereby acknowledges and agrees that Sublicensee is its employer, and that Developer does not employ Member, is not a “joint employer” with Sublicensee, nor does Developer have anything to say about Member’s employment relationship to Sublicensee.

IN WITNESS WHEREOF, the Sublicensee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

SUBLICENSEE

MEMBER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**LADURÉE
DEVELOPMENT AGREEMENT**

EXHIBIT E-2

SAMPLE FORM OF
NON-DISCLOSURE AGREEMENT
*(to be signed by Sublicensee with its
non-management staff)*

THIS NON-DISCLOSURE AGREEMENT (“**Agreement**”) is made on _____, 202____, by and between _____ (the “**Sublicensee**”) and _____, who is an employee of Sublicensee (the “**Employee**”).

Background:

A. _____ (“**Developer**”) has been licensed a format and system (the “**System**”) relating to the establishment and operation of “Ladurée” businesses operating in structures that bear the distinct Ladurée interior and exterior trade dress, and under the “Ladurée” Proprietary Marks, as defined below (each, a “**Ladurée Store**”).

B. Ladurée Stores are identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (including for example the mark “Ladurée”) and certain other trade names, service marks, and trademarks that Sublicensor currently and may in the future designate in writing for use in connection with the System (the “**Proprietary Marks**”).

C. Developer and Sublicensee have executed a Development Agreement (“**Development Agreement**”) granting Sublicensee the right to operate, and obligating Sublicensee to develop, Ladurée Stores (the “**Development Business**”) and to offer and sell products, services, and other ancillary products approved by Sublicensor and use the Proprietary Marks in connection therewith under the terms and conditions of the Development Agreement.

D. The Member, by virtue of his or her position with Sublicensee, will gain access to certain Confidential Information, as defined below, and must therefore be bound by the same confidentiality and non-competition agreement that Sublicensee is bound by.

IN CONSIDERATION of these premises, the conditions stated in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are acknowledged, the parties agree as follows:

1. Confidential Information. During the time that Member is engaged by Sublicensee, and after that engagement ends, Member will not communicate, divulge, or use for the benefit of any other party the methods of operation of the Development Business that the Member learns about during the Member’s engagement by Sublicensee. Any and all information, knowledge, know-how, recipes, and techniques that are deemed confidential are will be deemed confidential for purposes of this Agreement.

2. Injunctive Relief. Employee acknowledges that any failure to comply with the requirements of this Agreement will cause Sublicensor irreparable injury, and Employee agrees to pay all costs (including reasonable attorneys’ fees, court costs, discovery costs, and all other related expenses) incurred by Developer in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

3. Severability. All agreements and covenants contained in this Agreement are severable. If any of them, or any part or parts of them, will be held invalid by any court of competent jurisdiction for any reason, then the Employee agrees that the court will have the authority to reform and modify that provision

in order that the restriction will be the maximum necessary to protect Developer's and/or Employee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Employee agrees that the court will impose the provision with retroactive effect as close as possible to the provision held to be invalid.

4. Delay. No delay or failure by the Developer or Sublicensee to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that or any other right provided under this Agreement, and no waiver of any violation of any terms and provisions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

5. Third-Party Beneficiary. Employee hereby acknowledges and agrees that Developer is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Sublicensee.

6. Employer. Employee hereby acknowledges and agrees that Sublicensee is its employer, and that Developer does not employ Employee, is not a "joint employer" with Sublicensee, nor does Developer have anything to say about Employee's employment relationship to Sublicensee.

IN WITNESS WHEREOF, the Sublicensee and the Employee attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

SUBLICENSEE

EMPLOYEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**LADURÉE
DEVELOPMENT AGREEMENT**

EXHIBIT F

CALL OPTION AGREEMENT

(to be reviewed before signing by a local US law firm designated by Ladurée International)

CALL OPTION AGREEMENT

BETWEEN

LADUREE INTERNATIONAL SA
(the "**Beneficiary**")

[]

(the "**Holder**")

AND

[]

(the "**Company**")

On []

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THIS CALL OPTION AGREEMENT IS ENTERED BY AND BETWEEN:

1. [•], a [simplified joint stock company] with a share capital of USD [•], having its registered office located at [•], registered with the Trade and Companies Register of [•] under number [•] represented by [•] duly authorized for the purpose hereof;

[OR]

Mr./Ms., born on [•] in [•], of [•] nationality, residing in [•] married under [*matrimonial regime*];

(hereinafter the "**Holder**"),

FIRST PART,

2. LADUREE INTERNATIONAL SA

A company organized and existing under the laws of Switzerland, with a share capital of CHF 3.120.000, registered under the Federal identification number CH-112.539.507 and having its registered office at Bas-Intyamon, Route des Rez 2, Enney (CH-1667), SWITZERLAND, and duly represented by Mr. David Holder, its President.

(hereinafter the "**Beneficiary**"),

SECOND PART,

AND :

3. [•], a company registered under the laws of [•] with a share capital of EUR [•], having its registered office located at [•], registered with the Trade and Companies Register of [•] under the number [•], represented by [•] duly authorized for the purpose hereof;

(hereinafter the "**Company**").

The Holder, the Beneficiary and the Company are hereinafter collectively referred to as the "**Parties**" and each of them individually as a "**Party**".

WHEREAS:

- A. On the date hereof, the Holder is [the sole shareholder/ a shareholder] of the Company and holds [•] % of the share capital and voting rights of the Company.
- B. By separate agreement executed on [•], the Company entered into a Sublicence Agreement with the Sublicensor of the Beneficiary (mutually referred as the "**Agreement**").
- C. As part of the Agreement, the Parties have agreed to grant the Beneficiary the right to acquire the Option Assets or the Option Securities (as defined below) from the Company or the Holder as the case may be, under the terms and conditions set forth in this call option agreement (the "**Call Option Agreement**").

NOW IT IS HEREBY AGREED AS FOLLOWS:**1. DEFINITIONS**

For the purposes of this Call Option Agreement, capitalized terms shall have the meaning ascribed to them below:

"Accounting Principles"	means the accounting methods and principles generally accepted in France;
"Affiliate "	shall mean any other Person that directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with such specified Person;
"Agreement"	has the meaning given to it in the preamble of this Call Option Agreement;
"Assets"	means any asset owned by the Company or its Affiliates as of the Exercise Date such as equipment, tools, plant, machinery, contracts, employees, lease agreements etc.;
"Beneficiary"	has the meaning given to it in the appearances of this Call Option Agreement;
"Call Option"	has the meaning given to it in Article 0;
"Call Option Agreement"	has the meaning given to it in the preamble;
"Completion Date"	has the meaning given to it in Article 4.2.3;
"Control"	in relation to any Party to this Call Option (i) direct or indirect beneficial ownership of more than fifty percent (50%) of the issued share capital, stock or other participating interest carrying the right to vote of that Party, (ii) the right to appoint the majority of the directors of that Party or (iii) the right to direct the conduct of the affairs of that Party;.

"Encumbrance"	means any pledge of real or personal property, mortgage, lien, right of retention, charge, ownership right, easement or right of way, pre-emptive rights, options or other security, or similar third-party rights (whether statutory, contractual or otherwise) over any asset or security retraining the free disposal and/or beneficial ownership over any asset;
"Entity"	shall mean any company, partnership (limited or general), joint venture, trust, association, economic interest group or other organization, enterprise, or entity;
"Exercise Date"	has the meaning given to it in Article 2.4 ;
"Exercise Notice"	has the meaning given to it in Article 2.4 ;
"Exercise Period"	has the meaning given to it in Article 2.3 ;
"Expert"	has the meaning given to it in Article 3 ;
"Fair Market Value"	shall mean the fair market value of the Assets or Securities, as the case may be, held by the Company or the Holder, respectively, as of the Exercise Date;
"Financial Statements "	means the financial statements (balance sheet, profit and loss account and appendices), drawn up in accordance with the applicable Accounting Principles, of the Company, certified by the statutory auditors of the Company as the case may be;
"Holder"	has the meaning given to it in the appearances of this Call Option Agreement;
"List of Experts"	means exclusively the Big 4 accounting firms i.e., Deloitte, Ernst and Young (EY), PricewaterhouseCoopers (PwC) and KPMG;
"Material Breach"	means any breach listed as an example in Article 17.2 of the Agreement;
"Net Financial Debt" or "NFD"	means, as of a given date, the sum of the following items relating to the Company: <p><i>Cash on hand or credited to the account of a financial institution;</i></p> <p><i>+ Marketable securities acquired for cash management purposes (excluding treasury shares);</i></p> <p><i>- Loans, bonds, bank loans, overdrafts or any other financial debt (including accrued interest) due to financial institutions, partners or third parties;</i></p> <p><i>- Outstanding principal due under leasing agreements and finance leases;</i></p>

- *Off-balance sheet commitments similar to debt, including but not limited to pension commitments and other long-term benefits granted to employees and dividends decided upon and not yet paid.*

"Option Assets"	means the Assets that the Company or its Affiliates will own at the Exercise Date;
"Option Securities"	means all of the Securities issued by the Company that the Holder holds at the date hereof (i.e. [] Shares) and will hold at the Exercise Date on a fully diluted basis as well as, where applicable, all the Securities issued by a subsidiaries of the Company that the Company holds at the date hereof and will hold at the Exercise Date on a fully diluted basis ;
"Person"	means any private individual or any Entity;
"Securities "	means all securities issued or to be issued by the Company, including the Shares, preferred shares, or any other form of right giving access, or likely to give access, directly or indirectly, immediately or in the future, with or without exercise, notice or other formality, by conversion, exchange, repayment, presentation or exercise of a warrant or by any other means to the allocation of shares or of other securities representing or giving access to a fraction of the share capital, of the profits, of the liquidation surplus or of the voting rights of the Company, including without limitation any shareholder loan, any preferential rights of subscription to any share capital increase in the Company, or to any issue of any security issued or allocated as a result of a transformation, merger, spin-off, contribution or similar operation of the Company.
"Shares"	mean the shares issued or to be issued by the Company irrespective of class or category;
"Third Party"	means any individual or legal entity other than a Party to this Call Option Agreement.

2. CALL OPTION – EXERCISE PERIOD

The Holder, or the Company as the case may be, hereby irrevocably grants to the Beneficiary, the right (but not the obligation) to acquire, at the discretion of the Beneficiary, all or a part of, the Option Assets or the Option Securities upon simple notification by the Beneficiary to the Holder or the Company of its decision to exercise its call option under the terms and conditions set forth herein (the **"Call Option"**). The Company and the Holder declare that they give their consent to the acquisition of such Option Assets or the Option Securities respectively in a firm and definitive manner and that this consent is not subject to revocation or withdrawal. Consequently, the acquisition of such Option Assets or such Option Securities subject to the Call Option shall be completed as soon as the Beneficiary expresses its intention to acquire such Option Assets or such Option Securities, as evidenced by the

sending of an Exercise Notice (as defined in Article 2.4 below). Any action or intervention by the Holder as from the date hereof which is intended to jeopardize or attempt to jeopardize this Call Option Agreement shall be without effect.

- 2.1. The Beneficiary accepts the benefit of the Call Option as an option to purchase the Option Assets or the Option Securities, without, however, making a commitment to exercise the Call Option granted to him.
- 2.2. The Call Option granted to the Beneficiary may only be exercised once, for all or a part of the Option Assets or all or a part of the Option Securities during the relevant Exercise Period (as this term is defined under Article 2.3 below).
- 2.3. The Beneficiary shall be entitled to exercise the Call Option by notifying the Company or the Holder, as the case may be, in writing of its intention to exercise the Call Option relating to the Assets or the Securities at any time during a six (6) month time period starting from the earlier of (i) the receipt of the termination notice of the Agreement in compliance with its terms, including in the case of early termination by mutual agreement or (ii) the date of expiration of the Agreement (the "**Exercise Period**").
- 2.4. During the Exercise Period, the Beneficiary may exercise the Call Option by notifying the Company or the Holder of its decision to purchase the Option Assets or the Option Securities (the "**Exercise Notice**"). The date of sending of the Exercise Notice is hereinafter referred to as the "**Exercise Date**".

If the Beneficiary fails to send to the Holder or the Company an Exercise Notice within the time limits referred to in Article 2.3 for a given Exercise Period, the Beneficiary may no longer exercise its rights to acquire the Option Assets or the Option Securities for the given Exercise Period. In any event, the Call Option shall automatically terminate without compensation on either side at the end of the last Exercise Period.

3. PRICE

3.1. Determination of the price

The price of the Option Assets or the Option Securities, as the case may be, will be determined by application of the provisions of this Article 3, by an independent expert (hereinafter the "**Expert**") not being currently mandated by one of the Parties at the time of the Exercise Notice and chosen by mutual agreement between them among the List of Experts within thirty (30) calendar days following the Exercise Notice.

Failing such agreement, an expert of securities valuation with international reputation whose sole task will be to determine the price will be appointed by the President of the Commercial Court of Paris, seized at the request of the most diligent Party and ruling in summary proceedings and whose decision shall be final and without appeal possible.

The Expert's mission shall be limited to the determination of the price of the Option Assets or Option Securities depending on the Exercise Notice.

The Expert shall prepare and deliver a final report establishing the price to the Parties within thirty (30) calendar days of his appointment.

The Expert shall prepare and deliver his final report taking into account any liabilities and risks not communicated by the Company or the Holder.

This report and the determination of the price of the Option Assets or Option Securities by the Expert will be final and binding on the Parties, except in the case of fraud or gross error committed by the Expert during his mission.

The Parties shall cooperate with the Expert in order to enable him to carry out his mission within the agreed time frame and in particular to provide him with such information as he may reasonably request for this purpose.

Any communication between the Expert on the one hand, and the Parties on the other hand, during the expertise proceedings must be strictly adversarial.

In the event that the Expert is unwilling or unable, for any reason whatsoever, to render a decision, a new Expert shall be appointed in accordance with the provisions of this Article 3.

The costs, fees and disbursements incurred in connection with the Expert's mission will be divided equally between the Company or the Holder, on the one hand, and the Beneficiary on the other hand, in the event of termination of the Agreement by the Beneficiary for Material Breach or of wrongful termination by the Company. Except in these situations, the costs, fees and disbursements incurred in connection with the Expert's mission will be fully supported by the Beneficiary, unless the Assets or the Securities are purchased on the behalf of a Third Party such as a future licensee of the Beneficiary.

3.2. Determination of the price of the Option Assets

The price for the Option Assets in connection with the exercise of the Call Option shall be the Fair Market Value of the Option Assets.

If the Agreement is (i) terminated by the Beneficiary for Material Breach of the Agreement by the Company or (ii) wrongfully terminated by the Company, a twenty percent (20%) discount shall apply to such price.

3.3. Determination of the price of the Option Securities

The price for 100% of the Option Securities in connection with the exercise of the Call Option on the Option Securities shall be the Fair Market Value of the Company, minus its Net Financial Debt.

If the Agreement is (i) terminated by the Beneficiary for Material Breach of the Agreement by the Company or (ii) wrongfully terminated by the Company, a twenty percent (20%) discount shall apply to the price.

It is expressly agreed between the Parties that, in the event that the price of the Option Securities is negative, the Option Securities concerned would be sold at the symbolic price of one (1) euro.

4. CALL OPTION PROCEDURE – PAYMENT OF THE PRICE

4.1. Communication of the Financial Statements of the Company

The Financial Statements shall be prepared by the Company, in accordance with the Accounting Principles, and the Holder undertakes to deliver them to the Beneficiary no later than on March 31 of each year during the Exercise Period.

The Company undertakes jointly and severally with the Holder to deliver the Financial Statements to the Beneficiary as stated in the paragraph above.

4.2. Transfer of ownership – Payment of the price

4.2.1. Transfer of ownership and use of the Option Assets

The transfer of ownership and use of the Option Assets shall occur within thirty (30) calendar days following the determination of the price by the Expert in accordance with the procedure provided in Article 3.

In any event, the Option Assets must be transferred to the Beneficiary free from any Encumbrance.

The Beneficiary shall have the right to substitute any Person of its choice to proceed with the acquisition of the Option Assets from the Company, subject to remaining jointly and severally liable regarding the payment of the price.

4.2.2. Transfer of ownership and use of the Option Securities

The transfer of ownership and use of the Option Securities shall occur within thirty (30) calendar days following the determination of the price by the Expert in accordance with the procedure provided in Article 3.

In any event, the Option Securities must be transferred to the Beneficiary free from any Encumbrance. They will be sold with all dividend rights attached.

The transfer of ownership of the Option Securities between the Holder, or the Company where applicable, and the Beneficiary will occur by the transcription in the Company's share transfer register, or the subsidiary's share transfer register where applicable, and in the individual shareholders' accounts.

The Beneficiary shall have the right to substitute any Person of its choice to proceed with the acquisition of the Option Securities from the Holder or the Company, subject to remaining jointly and severally liable regarding the payment of the price.

4.2.3. Payment of the Option Assets or the Option Securities

The Parties agree that the payment of the price of the Option Assets or the Option Securities shall occur no later than thirty (30) calendar days after the transfer of the Option Assets or the Option Securities, as the case may be (the "**Completion Date**").

4.2.4. Method of payment of the price

All payments in respect of the price of the Option Assets or Option Securities made under the Call Option shall be made by wire transfer in Euros. The payment will be considered validly made upon presentation of the SWIFT document issued by the bank evidencing the payment of the price on the Company or Holder's account.

5. COMMITMENTS OF THE HOLDER / THE COMPANY

5.1. Temporary non-transferability of the Option Assets / Option Securities

[To be reviewed by a local counsel]

As long as the Call Option Agreement is in effect:

- (i) The Company or the Holder, as the case may be, undertakes to remain the owner of the Option Assets and Option Securities free from any Encumbrance other than this Call Option Agreement, in order to enable the Beneficiary to acquire them.

- (ii) The Company or Holder as the case may be, undertakes never to sell, pledge, encumber or act upon any Third-Party proposals relating to the Option Assets and Option Securities, and never to negotiate or agree to negotiate, or create or allow to exist any Third-Party rights relating to the Option Assets and Option Securities.
- (iii) The Holder undertakes not to carry out a capital increase of the Company nor to issue any securities or options of the Company whatsoever to any third party without the prior written consent of the Beneficiary, and in the event the Beneficiary gives his consent, provided that said third party enters into a call option in favor of the Beneficiary relating to all of its shares held in the Company's share capital, following the same template as this Call Option Agreement, at the latest on the day of the completion of the capital increase or issuance of securities.

The Company undertakes the same obligations towards its subsidiaries.

5.2. Management of the Company **[assuming that the Holder is also a corporate officer of the Company]**

The Holder shall be the President of the Company for the duration of the Call Option Agreement.

In particular, the Holder undertakes, from the date hereof until the Completion Date resulting from the exercise of the Call Option:

- to manage the Company with due diligence and to carry out only day-to-day management operations in accordance with its past practices;
- not to make any changes in Accounting Principles;
- not to modify the terms of payment of its debts or the collection of its debts without the prior written agreement of the Beneficiary;
- not to carry out any transaction that is not consistent with its previous cash management or that would artificially reduce the amount of its net financial debt;
- not to dispose of any tangible or intangible fixed assets of the Company without the prior written consent of the Beneficiary.

The Company undertakes the same obligations towards its subsidiaries.

6. DECLARATIONS AND WARRANTIES OF THE HOLDER / THE COMPANY

The Holder **[In case of a Holder which is a Legal Entity]** the Company represents and warrants that:

- it is a company validly incorporated and validly existing under the laws of [•];
- it is not subject to an ad hoc mandate or conciliation procedure, or to any similar agreement with all or some of its creditors, nor to any safeguard, insolvency or bankruptcy proceedings or any other equivalent procedure;
- it has all powers and capacity to enter into the Call Option Agreement and has received all authorizations from its corporate bodies for this purpose;
- the Call Option Agreement constitutes a firm commitment that binds him validly and irrevocably;

- all the Option Securities have been validly issued, fully subscribed, entirely paid up and are free and clear of any Encumbrances or other security. The share transfer registry, the shareholders' accounts, the minutes books and all the other mandatory statutory books and registers of the Company and the Company's subsidiaries have been properly kept in accordance with applicable laws, contain complete and accurate records of all material matters required to be dealt with in such registers, books and records;
- the Option Securities are the property of the Holder (or of the Company where applicable) and the Holder (or of the Company where applicable) may freely transfer the Option Securities without any restriction whatsoever;
- the Option Assets are the property of the Company (or of the Company's subsidiary where applicable) and the Company (or of the Company's subsidiary where applicable) may freely transfer the Option Assets without any restriction whatsoever;
- the conclusion and execution of the Call Option Agreement and the obligations it gives rise to:
 - are not contrary to any commitment made by it or to an agreement to which it is a party and does not result in the breach of any commitment;
 - does not constitute a violation to any legal or regulatory provision or to any usage that would be applicable to it;
 - does not contravene any judicial, administrative or arbitral decision;
 - does not risk being contradicted, or its execution thwarted by any litigation or any administrative, judicial or arbitral proceedings against it.

These statements must be restated by the Holder or the Company when the transfer of the ownership of the Assets or the Securities.

7. REPRESENTATIONS AND WARRANTIES

If the Call Option is exercised, the Beneficiary and the Company or Holder as the case may be, shall negotiate in good faith the terms and conditions of representations and warranties, which shall comply with market practices in such matters, which shall be executed on the day of the transfer of ownership of the Option Assets or Option Securities and shall:

- provide for an indemnification of the Beneficiary by the Holder or the Company, in case of breach of representations, up to 20% of the purchase price, except for fraud in which case the cap shall be increased to 100% of the purchase price; and
- provide a financial counter-guarantee (bank guarantee) within the limit of ten (10) % of the price and for a period of thirty-six (36) months.

8. DURATION

This Call Option Agreement shall take effect on the date hereof and shall terminate on the date of the transfer of the Option Assets or Option Securities to the Beneficiary or no later than the first day following the end of the last possible Exercise Period, which shall be six (6) months after the earlier of expiration or termination of the Agreement, except for Sections 9 (*Enforcement*), 10 (*Applicable Law - Litigation*) and 11.1 (*Confidentiality*) which shall survive the termination of this Call Option Agreement for a period of two (2) years following such termination.

9. ENFORCEMENT

Each Party agrees that if a Party defaults in the execution of any such undertakings hereunder (before or after the exercise of the right to purchase the Option Assets or Option Securities by the other Parties), the allocation of damages to the other Parties will not be an appropriate and sufficient remedy.

Each Party acknowledges that, accordingly, (i) the beneficiary of any option or right hereunder shall, in any case, be entitled to pursue specific performance (*exécution forcée*) without prejudice to all other remedies available to the Beneficiary and in particular any additional compensation for the loss suffered and (ii) there exists no physical, legal nor moral obstacle that would prevent such specific performance (*exécution forcée*) to take place and (iii) each Party may in any case be entitled to pursue specific performance (*exécution forcée*) even if an obvious disproportion between the cost of the performance of its obligation for the debtor and the interest of the beneficiary would result from such specific performance (*exécution forcée*).

10. APPLICABLE LAW AND RESOLUTION OF DISPUTES

10.1. This Call Option Agreement shall be governed by and construed in accordance with French law.

10.2. Any claim, dispute, suit, action, controversy, or proceedings of any type whatsoever between or involving the Parties arising out of or in connection with this Call Option Agreement (a “**Claim**”), will be exclusively dealt with in the following manner:

First, discussed in a face-to-face meeting held at the Beneficiary registered office or such other place specified by the Beneficiary within thirty (30) days after the Beneficiary gives to or receives from the Company or the Holder as the case may be, written notice proposing such a meeting;

Second, if unresolved within the aforementioned time limit, submitted to non-binding mediation for a minimum of one (1) full day before a mediator appointed in accordance with the mediation rules of the International Chamber of Commerce (ICC) or its successor. The mediator shall be a neutral person and the mediation shall take place in Paris, France. The Beneficiary and the Company or the Holder as the case may be, shall each pay fifty percent (50%) of the costs of any mediation (though the Beneficiary and the Company or the Holder as the case may be, shall each be solely responsible for any legal fees of their own lawyers). Any party may be represented by lawyers and may, with permission of the mediator, bring persons appropriate to resolving the Claim.

Third, if the dispute is not settled under the ICC Mediation Rules within forty-five (45) days after filing the application for mediation or within such other period as the Parties may agree in writing, the dispute will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the “ICC Arbitration Rules”) for commercial disputes (or any similar successor rules) as are in force on the date when a notice of arbitration is received. The arbitrator(s) will be appointed in accordance with the ICC Arbitration Rules. If the disputed amount is less than EUR 2 million, the number of arbitrators will be one (1). If the disputed amount is equal to or above EUR 2 million, the number of arbitrators will be one (1) unless either Party may request the number of arbitrators to be three (3). If the arbitral tribunal consists of three (3) arbitrators, each Party will select one (1) arbitrator and the ICC will select the third who must not be of the same nationality as either of the other two arbitrators. The language of arbitration will be English. The place of arbitration will be Paris, France. The decision of the arbitral tribunal will be final and binding upon the Parties, and such decision will be enforceable through any courts having jurisdiction. The unsuccessful Party shall pay the successful Party’s reasonable legal fees and costs, capped at the amount of its own legal fees and costs.

10.3. Either Party will be entitled to seek injunctive relief from any Court of competent jurisdiction in the territory where the Company is operated, without going through the process of settlement of disputes described in Article 10.2, for any actual or threatened material breach or violation of this Call Option Agreement, in case of emergency.

11. MISCELLANEOUS PROVISIONS

11.1. Confidentiality

Each Party undertakes to keep the provisions of the Call Option Agreement confidential and not to make any disclosure of its provisions to third parties without the prior agreement of the other Party, unless such disclosure or announcement is (i) provided for in the Call Option Agreement, (ii) required by the legal or regulatory provisions in force, or (iii) necessary to defend the interests of the Party in the context of the resolution of a dispute, or (iv) with any financial organization to which the Beneficiary would like to be able to demonstrate the nature of its assets.

It is specified that the provisions of the Call Option Agreement referred to in this Article 11.1 (Confidentiality) shall survive for a period of two (2) years after the expiry of the Call Option Agreement.

11.2. Severability, Amendments and Waivers

The Call Option Agreement constitutes the full and sole agreement of the Parties on the stipulations contained therein. Consequently, it replaces and cancels any agreement, convention, exchange of letters or verbal agreement that may have been concluded between the Parties prior to the date hereof and relating to the same subject matter, with the exception of the Agreement concluded between the Parties [on the date hereof].

In the event any of the provisions hereof were held to be null or inapplicable, in any form and for any reason, the Parties undertake to consult each other to remedy the cause of such nullity, so that, except where impossible, the Call Option Agreement remain in full force without disruption.

The Call Option Agreement may only be amended or modified by a written document duly executed by all the Parties.

No tolerance, inaction or inertia on the part of a Party shall be construed as a waiver of its rights under the Call Option Agreement.

11.3. Assignment

The Parties, acting individually or together, shall not transfer their rights and obligations under the Call Option Agreement, in whole or in part, to a Third Party without the prior written consent of the other Parties (a "**Permitted Transfer**").

However, the Beneficiary has the right to transfer its rights and obligations to any one of its Affiliates, it being specified that in such a case, the Beneficiary shall remain jointly and severally liable for the proper performance of the present Call Option Agreement.

This Call Option Agreement shall be binding upon the Parties hereto, and their respective successors and heirs and permitted transferees or assignees.

In the event of a Permitted Transfer, the Holder or the Company undertakes to make the Third Party adhere to this Call Option Agreement no later than on the transfer date; the said Third Party shall thus become a Party for purposes of the Call Option Agreement. The Company or the Holder shall remain jointly and severally liable for the proper performance of the present Call Option Agreement.

Any purported transfer in violation of this Call Option Agreement shall be null and void and of no force and effect, and the purported transferee shall have no rights or privileges in or with respect of the Assets or Securities.

11.4. Approval of the Beneficiary as new shareholder

[In case the bylaws provide for an approval provision]

[If the Company is wholly owned by the Holder] [In accordance with Article [•] of the Company's articles of association, if the Call Option is exercised as provided above, the transfer between the Holder (sole shareholder of the Company) and the Beneficiary shall not require any prior approval.]

[If the Company is not wholly owned by the Holder] In accordance with article [•] of the Company's articles of association, if the Call Option is exercised in accordance with the above terms and conditions, the transfer must be authorized beforehand, and the Beneficiary must be approved by the shareholders of the Company. In the event of exercise of the Call Option, the Holder and the Company, each for its own part, shall ensure that the shareholders vote in favor of the approval of the envisaged transfer and of the Beneficiary, under the terms and conditions of the approval procedure provided for in Article [•] of the Company's articles of association.]

11.5. Other statements

Each of the Parties undertakes to communicate, execute and deliver any document as well as take any action or decision which may be necessary for the performance of the Call Option Agreement.

Notwithstanding the provisions of articles 1224 and 1226 of the French civil Code, the Parties agree that the termination of the Call Option Agreement in case of a serious breach of its terms by any Party may not result from a notification made in this respect by one Party under the conditions provided under article 1226 of the French Civil Code, but may only result from an enforceable decision of a competent court.

Each Party declares to assume all the risks arising from an unpredictable change of circumstances as a result of which implementing this Call Option Agreement would become excessively onerous for such Party and acknowledges that there is a hazard regarding the valuation of the Shares, Securities or Assets which may vary in the future. As a consequence, each Party waives its right to make any claim under article 1195 of the French Civil Code, in particular with respect to any variation of the value of the Shares or Assets.

The Parties declare that they have sought counsel from their respective own lawyers and/ or other advisors and have therefore been able to independently assess the scope of their rights and obligations under the Call Option Agreement. No advisor or lawyer shall be deemed to be the sole draftsman of this Call Option Agreement *vis à vis* the Parties.

11.6. Notices

All notices and other communications required or authorized hereunder shall be in writing and validly made if either delivered via courier or sent by express delivery mail (such as UPS, FedEx or DHL) or e-mail (provided that it be confirmed by same day express delivery mail) to the registered office or residence of the Party concerned as specified in the above recitals.

Any change in address or representative for purposes hereof shall be notified by the Party concerned to the other Parties as provided above.

Notices and other communications delivered via express delivery courier shall be deemed to be received as of their date of delivery, as evidenced by the delivery receipt.

Notices and other communications sent by e-mail shall be deemed to be received as of the date thereof, provided that they be confirmed by same day express delivery mail.

11.7. Computation of deadlines

The deadlines will be computed by application of the provisions of articles 640 to 642 of the French Code of Civil Procedure (*Code de procédure civile*).

11.8. Fees

Subject to any stipulation to the contrary in the Call Option Agreement, each of the Parties shall bear all costs and expenses incurred by it in connection herewith and the operations provided for herein, including the fees and disbursements of any third party whose services have been used by said Party.

[signatures on the next page]

SIGNATURE PAGE

In Paris, on []

In four (4) original copies, including one (1) copy for each Party and one (1) copy for registration purposes (where necessary).

LADUREE INTERNATIONAL SA

[HOLDER]

[By: []]

By: []

COMPANY []

By: []

Exhibit E:**List of Franchisees**

FRANCHISEES
as of December 31, 2023

Macaroons and More LLC
19501 Biscayne Blvd., Suite 400
Aventura, FL 33180

Laduree DMV, LLC
Address: 3060 M Street, NW
Washington D.C. 20007
Tel: (202) 948-6350

Note: Our affiliate, has the following master franchisees:

Country	Operating name of the master licensee or licensee	Address	Date of execution of contract (or last renewal date)
Germany	FOOD MANAGEMENT & SERVICE GMBH	Beta-Street 27 in 85774 Unterföhring	31/12/2021
Kingdom of South Arabia	VITAL INVESTMENT LLC	Bloom Emirates Properties Building, A Khalediya, Abu Dhabi	01/01/2020
Bahrain	AL ASHRAFIYAH INVESTMENRS W.L.L	Office 51, Building 31, Road 383, Block 305, P.O Box 5520, Manama Kngdom of Bahrain	16/02/21
Canada (without Ontario)	VIVAT ENTERPRISES LTD	14401-1188 West Georgia Street Vancouver British Columbia V6E 4A2 Canada	11/06/15
Canada – Ontario	MXM ENTERPRISES LTD	c/o THORSTEINSSONS LLP 181 BAY STREET, SUITE 3300 BAY WELLINGTON TOWER, BROOKFIELD PLACE ONTARIO CANADA M5J 2T3	16/11/2017

China (Shanghai)	FRENCH REFINED COFFEE (Shanghai) OWNED AND REPRESENTED BY VITAL INVESTMENT LLC	B-017, Room 501, Floor 5, NO 700, Liyuan Road, Hangpu District, Shanghai	01/12/21
Egypt	FRENCH SPIRIT LLC	Bloom Emirates Properties Building, A Khalediya, Abu Dhabi, UAE	31/12/2019
United Arab Emirates	FRENCH SPIRIT COFFEE SHOP LLC OWNED AND REPRESENTED BY VITAL INVESTMENT LLC	Boulevard Plaza Tower 2 – Downtown Dubai UAE	30/05/18
India	CK LIFESTYLE LLP	H-1 Maharani Bagh New Delhi, East Delhi, 110065	30/04/2020
Ireland	LUXURY TREATS LTD	Harlockstown, Dunboyne County Meath Republic of Ireland	24/04/2009
Israel	VITAL INVESTMENT LLC	Bloom Emirates Properties Building, A Khalediya Abu Dhabi, UAE	31/12/21
Japan	K.K. LADUREE JAPON	51-23-21 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan	09/2022
Kazakhstan	ALUA DEVELOPMENT LLP	AL-FARABI 77/7 Building, Bostandykskiy district, post code 050059 ALMATY, REPUBLIC OF KAZAKHSTAN	29/10/2019
Koweit	VITAL INVESTMENT LLC	Bloom Emirates Properties Building, A Khalediya, Abu Dhabi, UAE	06/12/2019
Luxembourg	GOURMET PLUS S a r l	19, rue de Bastogne, L-9638 Pommerloch - Luxembourg	15/10/2020

Malta	TESTA CATERING CONCEPTS Ltd	“RU 19” The Pjazza, The Point, Tigne Point, Sliema, Malta	06/09/2019
Mexico	OPERADORA	Avenida de las Palmas 425, Mezanine D, Lomas de Chapultepec, Primera Seccion, 11000 MEXICO CITY, MEXICO	15/05/2019
Oman	VITAL INVESTMENT LLC	Bloom Emirates Properties Building, A Khalediya, Abu Dhabi, UAE	30/09/2020
Qatar	PRIME COMPANY	MAMOURA AREA, ALI BIN ABU TALEB STREET POBOX 9691 DOHA 6002 QATAR 55 Al Waab Salwa Road Street 340 Building N°248, Al Waab City*	01/01/19

AFFILIATE STORES
as of December 31, 2023

Restaurant	Location
Soho (Restaurant)	396-398 West Broadway, New York, NY
Soho (Laboratory)	396-398 West Broadway, New York, NY
Soho (Warehouse)	396-398 West Broadway, New York, NY
Soho (Headquarters)	396-398 West Broadway, 2 nd Floor, New York, NY
Madison	Store F/O/B Madison Shoe Corp. of New York d/b/a Santoni Shoes in the building known as 864 Madison Avenue, Manhattan, NY
Penn Station	411 Eighth Avenue and 372 Ninth Avenue, NY
Hudson Yards	RU #103B in Hudson Yards, New York, NY
Columbus Circle (Pop-up)	10 Columbus Circle, New York, NY 10019
North Beverly Drive	311 N. Beverly Drive, Beverly Hills, Los Angeles, CA
The Americana at Brand (Cart)	889 Americana Way, Glendale, CA 91210
Los Angeles Warehouse	1015-1019 S. Fairfax Avenue, Los Angeles, CA
Los Angeles Laboratory	1015-1019 S. Fairfax Avenue, Los Angeles, CA
Short Hills	Store Number K101 in “The Mall at Short Hills,” Millburn,

Restaurant	Location
	Essex, NJ
Woodbury	Kiosk and Outdoor Seating Area in Woodbury Common Premium Outlets, Woodbury, Orange, NY

Exhibit F: Franchisees That Left the System

None

Exhibit G: Table of Contents to Guidelines

GUIDELINES TABLE OF CONTENTS

I) MARKETING

- A) Institutional Marketing (*3 pages*)
- B) Product Marketing (*23 pages*)
- C) Operational Marketing (*49 pages*)
 - 1) Retail (*13 pages*)
 - 2) Restaurant (*17 pages*)
 - 3) Global (*18 pages*)
- D) Communication (*21 pages*)
 - 1) Social networks (*12 pages*)
 - 2) Press and Influence (*8 pages*)

II) IMAGE/ GRAPHIC CHARTER

- A) Introduction (*4 pages*)
- B) Fundamental éléments (*25 pages*)
- C) Iconography (*9 pages*)
- D) Photography (*5 pages*)
- E) Illustration (*2 pages*)
- F) Tone of voice (*4 pages*)
- G) Music (*2 pages*)

III) THE FUNDAMENTALS OF LADUREE SERVICE

- A) Ladurée Employee Essentials (*6 pages*)
- B) Restaurant and Retail Procedures (*69 pages*)
 - 1) Restaurant General procedures (*37 pages*)
 - 2) Retail General procedures (*10 pages*)
 - 3) Telephone order (*3 pages*)
 - 4) Order in shop layout (*3 pages*)
 - 5) Payment (*2 pages*)
 - 6) Key Phrases/ key words (*3 pages*)
 - 7) Behaviour/complaints/incidents, Restaurant and retail (*10 pages*)
- C) Packaging (*51 pages*)

IV) LADUREE INTERNATIONAL TEAM

- A) Presentation of the POS and operational requirements (*40 pages*)
- B) Operational Audits (*6 pages*)
- C) POS Design Books (Studio RAVN + Architect/ technical office) (*44 pages*)

- D) BP Template (6 pages)
- E) Presentation of retroplanning up to opening (1 page)
- F) Presentation of the various contacts (4 pages)
- I) Offer by type of POS (5 pages)
- J) Sweet production (7 pages)
- K) Savoury production (6 pages)
- L) Audit (1 page)
- M) Process order (Logistic, New product creation process etc.) (10 pages)
- N) Reporting (3 pages)

V) QUALITY OF THE PRODUCTS

- A) Basic rules to follow in LADUREE (19 pages)
- B) Hygien (39 pages)
- C) Storage and rethermalization (6 pages)
- D) Flash Allergens/ Labelling (14 pages)
- E) Audits of shops (1 page)

VI) FINANCE

- A) Long term business plan (2 pages)
- B) Monthly declaration of turnover (3 pages)
- C) Bank Information (1 page)

VII) E-COMMERCE

- A) Introduction to a website project (11 pages)
- B) Roadmap and graphic Charter (12 pages)
- C) Build a website (28 pages)
- D) Showcase Website (2 pages)
- E) Corporate Website (3 pages)

547 Total Pages in Manual

Exhibit H: State-Specific Disclosures and Amendments to Agreements

MICHIGAN

This Michigan notice applies only to franchisees who are residents of Michigan or who operate their franchises in 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.

(j) No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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, Consumer Protection Division (Attention: Franchise), P.O. Box 30213, Lansing, MI 48909, telephone (517) 373-7117.

Exhibit I-1:**State Administrators**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner Dep’t of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677	NEW YORK New York State Dep’t of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8285
HAWAII Commissioner of Securities Dep’t of Commerce & Consumer Affairs Business Registration Div. Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 / (808) 586-2722	NORTH DAKOTA North Dakota Securities Dep’t State Capitol Dep’t 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Dep’t of Business Regulation Securities Div., Building 69, First Floor John O. Pastore Center - 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Div. of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Div. 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Div. of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General’s Office Corporate Oversight Div., Franchise Section 525 West Ottawa Street, 1st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Dep’t of Financial Institutions Securities Div. – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Dep’t of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Div. of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

Exhibit I-2:**State Agents for Service of Process**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner Dep’t of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677	NEW YORK New York Secretary of State New York Dep’t of State One Commerce Plz, 99 Washington Av, 6th Fl. Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Dep’t of Commerce & Consumer Affairs Business Registration Div. Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 / (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Director of Dep’t of Business Regulation Dep’t of Business Regulation Securities Div., Building 69, First Floor John O. Pastore Center - 1511 Pontiac Av. Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Div. of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General’s Office Corporate Oversight Div., Franchise Section 525 West Ottawa Street, 1st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Director of Dep’t of Financial Institutions Securities Div. – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Dep’t of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 / (651) 539-1600	WISCONSIN Div. of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

Exhibit J:**Form of General Release**

The following is our current general release language that we expect to include in a release that a franchisee or transferor may sign as part of a renewal or an approved transfer. We have the right to periodically modify the release.

Franchisee, its officers and directors, its owners, and their respective agents, heirs, administrators, successors, and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Laduree International SA, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "**Franchisor Group**"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of the Master Business.

Each party represents and warrants to the others, and agrees, that it may later learn of new or different facts, but that still, it is that party's intention to fully, finally, and forever release all of the Demands that are released above. This includes the parties' waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.") The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise Agreement or the Master Business. The Franchisee Group and its owners represent and warrant that they have not asserted (nor made an assignment or any other transfer of any interest in) the claims, causes of action, suits, debts, agreements, or promises described above.

Exhibit K: State Effective Dates

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

States	Effective Date
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
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit L-1:**FDD Receipts**

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Ladurée International SA ("**Ladurée**") offers you a franchise, then Ladurée must provide this disclosure document to you at least 14 calendar days (but in Michigan and Rhode Island 10 business days; and in New York, 10 business days or at the earlier of the first personal meeting if earlier) before you sign a binding agreement with (or make a payment to) us or an affiliate in connection with the proposed development agreement or franchise agreement.

If Ladurée 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit F.

The franchisor is Ladurée International SA, located at Bas-Intyamou, Route des Rez 2, Enney (CH-1667) Switzerland. Its telephone number is +41 26 921 83 40.

The issuance date of this Franchise Disclosure Document is April 17, 2024.

The franchise seller is David Holder at Ladurée International SA, Bas-Intyamou, Route des Rez 2, Enney (CH-1667), Switzerland (tel: +41 26 921 83 40). Any additional individual franchise sellers involved in offering the franchise are:

_____.

Ladurée authorizes the state agencies identified on Exhibit H-2 to receive service of process for it in those states.

I received a Franchise Disclosure Document dated April 17, 2024 that included the following Exhibits:

- | | |
|---|--|
| A Financial Statements | H State-Specific Disclosures and Amendments to Agreements |
| B Master Know How Agreement | I List of State Administrators and Agents for Service of Process |
| C Master Trademark Agreement | J Form of General Release |
| D Sublicense Agreement and Sublicense Development Agreement | K State Effective Dates |
| E List of Franchisees | L Receipts |
| F Franchisees That Left the System | |
| G Table of Contents of Guidelines | |

Date Received

Prospective Franchisee

Name (Please print)

Address

Please keep this copy for your records

Exhibit L-2:**FDD Receipts**

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Ladurée International SA ("**Ladurée**") offers you a franchise, then Ladurée must provide this disclosure document to you at least 14 calendar days (but in Michigan and Rhode Island 10 business days; and in New York, 10 business days or at the earlier of the first personal meeting if earlier) before you sign a binding agreement with (or make a payment to) us or an affiliate in connection with the proposed development agreement or franchise agreement.

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Date Received

Prospective Franchisee

Name (Please print)

Address

Please sign, date, and either mail this receipt page to Laduree International SA at Bas-Intyamou, Route des Rez 2, Enney (CH-1667), Switzerland, or scan and e-mail mcarron@laduree.com.