

RETAIL PRODUCT LICENSE AGREEMENT

THIS RETAIL PRODUCT LICENSE AGREEMENT (this "Agreement"), effective as of July 1, 2018 (the "Effective Date"), is made by and between the University of North Carolina at Chapel Hill (the "University") through its authorized agent, IMG College Licensing LLC, a Georgia limited liability company ("IMGCL"), and NIKE USA, Inc., an Oregon corporation ("NIKE" or "Licensee").

WHEREAS, the University is the exclusive owner of the Licensed Marks (as defined below); and

WHEREAS, the University has authorized IMGCL as the University's agent to administer its trademark licensing program on the University's behalf, which authorization includes the authority to enter into this Agreement on behalf of the University; and

WHEREAS, Licensee desires to use the Licensed Marks and related designs in connection with the manufacture, marketing and sale of the Exclusive Licensed Articles in the Licensed Territory (as such terms are defined below); and

WHEREAS, the University desires to grant Licensee exclusive and nonexclusive licenses for such use pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and undertakings hereinafter set forth and other good and valuable consideration, it is agreed as follows:

1. DEFINITIONS.

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following respective meanings:

1.1 "Affiliate" means any corporation or other entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Licensee. The term "control" means the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

1.2 "All-Sport Agreement" shall have the meaning ascribed to such term in Section 15(b).

1.3 "Authentic Competition Apparel" means apparel supplied by Licensee to any of the University's intercollegiate athletic teams that members of such athletic team, coaches and/or staff wear or may be reasonably expected to wear while participating in their respective intercollegiate athletic program, consisting of uniforms, sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, activewear, thermal wear and performance undergarments.

1.4 "Authentic Jerseys" mean gameday jerseys and/or practice jerseys that are created to the same specifications as the jerseys provided by Licensee to the University's intercollegiate athletic programs under the All-Sport Agreement and worn by student-athletes, coaches and/or staff during intercollegiate competition or practice.

1.5 "Distribution Channels" mean the channels of distribution described in **Appendix C**.

B. 1.6 "Non-Exclusive Licensed Articles" mean licensed articles listed on **Part II of Appendix**

1.7 "Licensed Articles" mean the Exclusive Licensed Articles and the Non-Exclusive Licensed Articles.

1.8 "Licensed Marks" mean: (a) the trademarks, service marks, trade dress, team names, nicknames, abbreviations, city/state names and color schemes (when such city/state names or color schemes are used in a context that makes reference to the University, is directed toward interested consumers and creates the impression with such consumers that the Licensed Articles bearing such city/state names or colors are associated with the University), argyle-trim design, slogans, distinctive landmarks, mascots, seals, and other symbols or designs associated with or referring to the University including, without limitation, those marks listed on **Appendix A**, and (b) any new, additional or replacement marks, symbols, designs or indicia as the University may, from time to time, adopt or use. Licensed Marks do not include those marks protected by the University that are used solely in connection with its academic, research or outreach mission.

1.9 "Licensed Territory" means the 50 United States of America, the District of Columbia, Puerto Rico, United States territories and possessions, and United States military bases worldwide.

1.10 "Material Breach" means: (a) any breach which causes or may cause substantial harm to the University or Licensee, as applicable, or will substantially deprive the University or Licensee, as applicable, of the benefit it reasonably expected under this Agreement, (b) an aggregate of non-material breaches by the University or Licensee, as applicable, where the cumulative effect of such breaches satisfies the standards for materiality under subsection (a) of this definition; (c) any failure by Licensee to pay any undisputed royalties due under Section 5; (d) any breach by Licensee of Sections 2.5, 4.1 (a), 4.1(b), 7.2 through 7.4, or 16; or (d) any breach by the University or IMGCL of Sections 2.1 (b), 12 or 22.

1.11 "Net Sales" means the total gross invoiced selling price including the royalty amount, less lawful quantity trade discounts actually allowed and taken as such by customers and shown on the invoice, less any credits for returns actually made, less sales taxes, and less prepaid transportation charges on Licensed Articles shipped by Licensee from its facilities to the purchaser. There shall be no other deductions allowed including, without limitation, deductions for direct or indirect costs incurred in the manufacturing, distributing, selling, importing or advertising (including cooperative and other advertising and promotional allowances) of the Licensed Articles, nor shall any deductions be allowed for non-collected or uncollectable accounts, commissions, cash or early payment discounts, or any other costs. "Net Sales" shall be computed by Licensee's accounting system, guidance for which is established by generally accepted accounting principles.

1.12 "NIKE Marks" means (a) the NIKE name, the Swoosh Design, the NIKE AIR Design, the Basketball Player Silhouette ("Jumpman") Design, the NIKE Golf Design, (b) the Converse name, All-Star, the Converse All-Star Chuck Taylor Ankle Patch Design, the Five Pointed Star Design, (c) the Sports Specialties name and/or Design, and (d) any other trademarks, logos or brands now or hereafter owned and/or controlled by NIKE, Inc., Licensee or any of their Affiliates.

1.13 "Premiums" mean any Licensed Articles that Licensee sells or gives away for the purposes of (a) promoting, publicizing or increasing the sale of its own products or services; or (b) promoting, publicizing or increasing the sale of the products or services of any third party. Premiums shall not include Royalty Exempt Product or Licensed Articles described in the last sentence of Section 2.6.

1.14 "Royalty Exempt Product" means Licensed Articles which: (a) Licensee or its Affiliates uses as samples for quality control, sourcing, pre-production, salesperson, product developer or similar purposes; (b) are "comp" or "promo" product sold to any Licensee Affiliate or given directly to third parties for marketing and related purposes, including, but not limited to, product provided pursuant to product placement agreements, or product given to music, television, entertainment or sports personalities for marketing purposes; or (c) product provided to the University or IMGCL as samples.

1.15 "Royalty Period" means the 12-month period beginning on July 1, 2018 and each 12-month period thereafter during the term of this Agreement.

2. GRANT OF LICENSE.

2.1 License.

(a) Subject to the terms of this Agreement, as of the Effective Date the University hereby grants Licensee: (i) an exclusive license to use the Licensed Marks in connection with the manufacturing, importation, marketing, distribution and sale of the Exclusive Licensed Articles on **Part I of Appendix B** in the Distribution Channels within the Licensed Territory; and (ii) a non-exclusive license to use the Licensed Marks in connection with the manufacturing, importation, marketing, distribution and sale of the Non-Exclusive Licensed Articles on **Part II of Appendix B**.

(b) Neither the University nor IMGCL will: (i) license any of the Licensed Marks to any other person or entity for use in connection with the manufacture, marketing, sale, importation or distribution of any Exclusive Licensed Articles in the marked Distribution Channels described in Appendix C, with the exception of Articles listed on **Part III of Appendix B** in the Super Center/Wholesale Clubs, Grocery/Drug/Convenience Stores, and Specialty Mass/Distribution Channels described in **Appendix C** (the "Exempted Exclusive Licensed Articles") and with the exception of licenses permitted under Section 2.6; (ii) manufacture or sell any Exclusive Licensed Articles bearing any of the Licensed Marks (other than sales by the University of Exclusive Licensed Articles marked as "Exclusive" produced by Licensee under this Agreement); (iii) license any other person or entity to use the University's argyle-trim design in connection with the manufacture, marketing, sale, importation or distribution of any Exclusive Licensed Articles, provided, however, that Licensee, the University and IMGCL acknowledge that Alexander Julian (the designer of the argyle-trim design) has the right to use the argyle-trim design in connection with the manufacture, marketing, sale, importation and distribution of products other than Exclusive Licensed Articles; or (iv) license any other person or entity to use any identifiable, unique aspects utilized by Licensee or any of its Affiliates in connection with the products that Licensee supplies directly to the University for use by the University's intercollegiate athletic programs. Any license granted to a third party by the University or IMGCL may not include the right to produce Exempted Exclusive Licensed Articles which bear uniform numbers other than such uniform numbers as the University and Licensee mutually agree the third party may use for the applicable season. In addition, the University and IMGCL shall each use its approval powers under any license or any other University licensee to ensure that in its good faith reasonable judgment no other licensee of the University creates any licensed product that is confusingly similar to any Exclusive Licensed Articles.

(c) Licensee shall have the right of first opportunity to receive the exclusive right to manufacture, import, market, distribute and sell jerseys not included in the Exclusive Licensed Articles ("Additional Product Rights"). IMGCL or the University shall promptly notify Licensee in writing any time the University wishes to grant any Additional Product Rights. Licensee shall have sixty (60) days

following receipt of each such notice to accept such Additional Product Rights by meeting the material, measurable and matchable terms of such grant which, if accepted, shall be reflected in an amendment to this Agreement. In the event Licensee does not exercise its right of first opportunity under this Section 2.1(c), IMGCL and/or the University may grant to other licensees such Additional Product Rights that Licensee did not accept; provided, however, that: (i) neither IMGCL nor the University may grant such rights on terms more favorable to such other licensees than those offered to Licensee without first notifying Licensee of such terms and granting Licensee an opportunity to accept a grant of such rights on such more favorable terms by meeting the material, measurable and matchable terms of such grant; and (ii) neither IMGCL nor the University may grant any rights, or permit any such other licensee, to produce, market or sell any Authentic Jerseys or other jerseys which use design elements which would make such jerseys confusingly similar to the Authentic Jerseys supplied by Licensee to any of the University's intercollegiate athletic teams.

2.2 NIKE and Other Marks.

(a) Licensee may use the NIKE Marks in a manner determined by Licensee on the Licensed Articles and in any marketing and/or packaging materials in connection therewith; provided, however, that any use of any NIKE Marks described in Section 1.12(c) or (d) shall require approval of IMGCL pursuant to Section 4 below. In addition, the trademarks or brands of any Affiliate Sublicensees (as defined in Section 2.3) may be used in a manner determined by Licensee and such Affiliate Sublicensees, as applicable, on the Licensed Articles for the channels of distribution served by such Affiliate Sublicensee and in any marketing and/or packaging materials in connection with such Licensed Articles; provided, however, that any Affiliate Sublicensee marks described in Section 1.12(c) or (d) shall require approval of IMGCL pursuant to Section 4 below.

(b) Licensee may also use any sport-specific or other marks created by the National Collegiate Athletic Association ("NCAA"), post season bowl games, the BCS National Championship Game or the marks of any athletic conference(s) which the University is a part of on the Licensed Articles and in any marketing and/or packaging materials in connection therewith. Licensee recognizes that it must separately obtain a license to such sport-specific marks from the NCAA and to any conference, bowl or BCS marks.

2.3 Right to Sublicense to Affiliates.

(a) Licensee may assign or sublicense, in whole or in part, its rights and obligations under this Agreement with respect to the Distribution Channels to one or more of Licensee's Affiliates ("Affiliate Sublicensees"). Licensee's right to sublicense or assign its rights and obligations to Affiliate Sublicensees shall include the right of such Affiliates Sublicensee(s) to further sublicense or assign such rights and obligations to third party licensees; provided, however, that any such assignment or sublicense by an Affiliate Sublicensee to a third party shall require the prior written approval of the University or IMGCL. Any such Affiliate Sublicensee shall execute and deliver to IMGCL a written agreement in the form attached as **Appendix E** (as applicable) agreeing to be bound by the terms of this Agreement.

(b) In the event of any assignment or sublicense by Licensee pursuant to this Section 2.3, the Affiliate Sublicensee(s) shall separately submit to IMGCL artwork approvals and samples pursuant to Section 4.3 and 4.4.

(c) All royalty amounts with respect to sales of Exclusive Licensed Articles listed on **Part I of Appendix B** by Affiliate Sublicensee(s) shall be credited toward the Minimum Royalty Guarantee as defined in Section 5.1. All Net Sales and all royalty payments for any Licensed Articles sold by such Affiliate Sublicensee(s) shall be included in the royalty statements and payments made by Licensee pursuant to Section 5 or, at the election of Licensee, an Affiliate Sublicensee(s) may separately deliver and remit directly to IMGCL (with a copy to Licensee) such statements and payments.

(d) In the event any Affiliate Sublicensee(s) commits a Material Breach of its obligations with respect to their respective Exclusive Licensed Articles or Distribution Channels then IMGCL or the University shall give Licensee and the applicable Affiliate Sublicensee(s) written notice of any such breach and the applicable Affiliate Sublicensee(s) shall have an opportunity to cure such breach. If the applicable Affiliate Sublicensee(s) fails to cure such breach, Licensee shall cause such Affiliate Sublicensee(s) to cure the breach or shall cure the breach itself.

2.4 Third Party Manufacturers. The license granted under this Section 2 includes the right to have third parties manufacture the Licensed Articles (including third parties located in countries where the University has not registered the Licensed Marks). Licensee shall be responsible for ensuring that the Licensed Articles are manufactured in accordance with the terms of this Agreement and shall take commercially reasonable steps to ensure that any third party manufacturers utilized by Licensee to produce the Licensed Articles produce the Licensed Articles only as and when directed by Licensee and do not distribute, sell or supply the Licensed Articles to any person or entity other than Licensee. On an annual basis Licensee shall provide IMGCL with a list of third party manufacturers Licensee uses to produce the Licensed Articles, which list shall include the manufacturers' names and addresses.

2.5 Premiums, University Mailing Lists and NCAA Rules.

(a) Licensee shall not use any of the Licensed Articles as Premiums unless Licensee receives prior written authorization from the University or IMGCL. Licensee shall also not provide Licensed Articles as Premiums to any third party whom Licensee knows or should reasonably know intends to use the Licensed Articles as Premiums.

(b) Licensee is not permitted, without the University's prior written authorization, to knowingly promote or market any Licensed Articles by means of a direct mailing or any other direct solicitation to a list of alumni, students, parents, athletic contributors, faculty or staff, or other similar groups maintained, compiled by, or generated by the University. The foregoing restriction shall not apply to any product or other merchandise allotments by Licensee or any of its Affiliates to any University athletic departments, programs, camps, coaches and/or staff.

(c) Licensee recognizes and agrees that any person who has collegiate athletic eligibility cannot have his or her name and/or facsimile utilized on any commercial product without the express written permission of the University and/or the National Collegiate Athletic Association (NCAA). Therefore, in conducting licensed activity under this Agreement, Licensee shall not knowingly encourage or participate in any activity that utilizes the name and/or facsimile of such an athlete on any commercial product without the express written permission of the University and/or the NCAA.

2.6 New Account Request. If a fan/gift shop or similar retailer in the Campus/Local Distribution Channel who is not owned by the University, is located in the immediate University campus community and is not currently a NIKE-approved account contacts Licensee to request becoming such an approved account for purposes of purchasing and selling the Exclusive Licensed Articles, Licensee shall evaluate such request under

Licensee's standard approval process including, without limitation, Licensee's credit and account agreement requirements. If Licensee approves such accounts, they shall be approved for Licensee's "Sports Specialties" label only. If Licensee declines to approve any such account, the University may permit a third-party licensee to produce and sell Exclusive Licensed Articles (other than Authentic Jerseys and Authentic Competition Apparel) for sale to such account provided that such Exclusive Licensed Articles: (a) may not use design elements which would make such articles confusingly similar to any Exclusive Licensed Articles produced by Licensee; and (b) may not bear uniform numbers other than such uniform numbers as the University and Licensee mutually agree such third-party licensee may use for the applicable season. In addition, if Licensee subsequently approves any such account, the University shall terminate such third-party licensee within one hundred twenty (120) days of notice from Licensee to the University or IMGCL that Licensee has approved such account.

2.7 Other Obligations of Licensee. Licensee shall not use, and shall ensure that its Affiliate Sublicensees, if any, do not use, the Licensed Marks for any purpose other than as authorized in this Agreement. In addition, Licensee shall advertise, distribute and sell Licensed Articles only in the Distribution Channels or to distributors for sale in the Distribution Channels.

3. CONTINUATION OF RIGHTS.

The exclusive rights granted to Licensee under this Agreement shall continue regardless of whether the University ceases to use IMGCL as its agent. In such an event, this Agreement shall remain in full force and effect and Licensee shall direct all royalty payments, statements, and line art approval requests and samples directly to the University or such new agent or representative as the University may designate.

4. QUALITY, NOTICES, APPROVALS AND SAMPLES.

4.1 Product Quality and Standards.

(a) The quality and style of the Licensed Articles shall (i) be at least as high as the quality of similar goods presently sold or distributed by the Licensee in the Licensed Territory or, in the case of Licensed Articles of any Affiliate Sublicensee, at least as high as the quality of similar goods presently sold or distributed by such Affiliate Sublicensee, (ii) be suitable for their intended purpose, (iii) not cause harm when used with ordinary care, and (iv) not infringe or violate the rights of any third party, provided, however, that Licensee makes no representations or warranties of any kind with respect to any infringement or violation of the rights of any third parties arising out of or related to the Licensed Marks.

(b) Licensee shall use the Licensed Marks on all Licensed Articles, as well as labels, containers, and packages for the Licensed Articles ("Packaging") and in all print and online advertisements promoting the Licensed Articles ("Advertising Materials") in accordance with the trademark guidelines set forth in Section 7.2.

(c) Licensee and University shall comply with the Agreement Regarding Labor Standards and Corporate Social Responsibility ("Labor Code Agreement"), which designates specific factory monitoring organization affiliations of the University and is attached hereto as Appendix F and hereby incorporated herein by reference. In the event that University elects to change its monitoring organization affiliations during the term, Licensee shall agree to incorporate the corresponding Fair Labor Association ("FLA") and/or Worker rights Consortium ("WRC") affiliations and protocols that reflect the University's changed affiliation status,

which shall be subject to the University's approval in each such instance. NIKE has executed agreements with various companies that purchase, manufacture and sell NIKE trademarked products with collegiate logos ("NIKE Licensees"). NIKE Licensees only manufacture such products in NIKE audited and approved contract factories, as such the University agrees that NIKE Licensees shall be governed by the Code of Conduct and monitoring set forth in this Section 4.1(c).

(d) Licensee shall comply with all applicable laws, regulations, standards and procedures relating or pertaining to the manufacture, use, advertising, distribution or sale of the Licensed Articles.

4.2 Official Label. Licensee shall affix to each Licensed Article, its Packaging and, where practical, any printed Advertising Materials an "Officially Licensed Collegiate Products" tag or label in the form reasonably prescribed by IMGCL, which label may also include a NIKE Mark(s) or, as applicable, the mark or brand of the Sublicensee Affiliate.

4.3 Approval of Artwork. Prior to the sale of any Licensed Article and prior to the publication of any Advertising Materials, Licensee shall submit to IMGCL for approval, at Licensee's expense and in the format reasonably required by IMGCL, line art for each proposed Licensed Article and Packaging and representative examples of Advertising Materials as the same would be distributed, sold or, in the case of Advertising Materials, published. IMGCL shall have ten (10) business days from its receipt of the line art to grant its approval or disapproval, which approval or disapproval may not be unreasonably withheld. If IMGCL approves in writing or via electronic system the line art, the same shall be accepted to serve as an example of quality for that Licensed Article, Packaging and/or Advertising Materials, and production quantities may be manufactured, used, sold and distributed by Licensee in conformity with the approved line art.

4.4 Samples. Upon request of IMGCL, Licensee shall submit to IMGCL one sample of a Licensed Article and/or a representative example of Advertising Materials manufactured, distributed, published or sold by Licensee as may be reasonably necessary for IMGCL to examine and test to assure compliance with the quality and standards for under this Agreement. Any request for samples must be made by IMGCL at the time line art is submitted to IMGCL for approval. Each sample shall be shipped in its usual Packaging together with all labels, tags, and other materials usually accompanying the item. Licensee shall bear the expense of manufacturing and shipping such sample to the destination(s) designated by IMGCL.

4.5 Non-Conforming Articles.

(a) If IMGCL notifies Licensee of any material defect in any Licensed Article, Packaging and/or Advertising Materials, Licensee shall have sixty (60) days from the date it receives such notice to correct such defect (which correction, if Licensee chooses, may include removing the defective Licensed Article, Packaging and/or Advertising Materials from the marketplace). Defective Exclusive Licensed Articles, Packaging and/or Advertising Materials in Licensee's inventory shall not be distributed or sold until such time as Licensee corrects the quality.

(b) Notwithstanding subsection (a) above, Licensee shall have the right to sell any Licensed Articles that are 'seconds' or 'irregulars' at Licensee's normal closeout distribution channels such

as Licensee's employee stores, Licensee's factory outlet stores and/or factory outlet stores that are owned or operated by third parties (collectively, "Closeout Channels"). Licensee shall pay the University a royalty on such sales as provided in Section 5. Any defective products that are not "seconds" or "irregulars" shall, upon request of IMGCL, be removed from the marketplace and destroyed or donated to a mutually agreed upon charity at Licensee's expense.

4.6 Inspection of Distribution Facility. Upon thirty (30) days prior written notice, IMGCL or its duly authorized representatives shall have the right, once per year during the term of this Agreement, to inspect the distribution premises of Licensee and Affiliate Sublicensee(s) from which the Licensed Articles are distributed to insure that standards of quality, as reflected in the approved line art or in any samples of Licensed Articles, are being maintained. Any such inspection shall (a) take place during normal business hours, (b) be subject to such reasonable security and confidentiality requirements as Licensee may reasonably require, and (c) not unreasonably interfere with Licensee's operations or prevent or delay Licensee from meeting its delivery obligation to its customers or otherwise cause Licensee to incur "chargebacks" or other costs or expenses in meeting (or being delayed from meeting) such obligations.

5. ROYALTY.

5.1 Royalty Rate and Minimum Royalty Guarantee.

(a) Royalty Rate.

(i) Except for Royalty Exempt Product, Licensee agrees to pay the University a royalty equal to fifteen percent (15%) of the Net Sales of all Licensed Articles sold on or after the Effective Date. Licensed Articles shall be deemed to have been sold when invoiced or, if not invoiced, when shipped or paid for, whichever occurs first.

(ii) If, at any time during the term of this Agreement, the royalty rate paid by Licensee on any product or product category to any other premier collegiate licensor is higher than the royalty rate paid to University on such product or product category, Licensee shall notify University of such fact and increase the royalty rate paid to University on such product or product category to an equal rate.

(b) Minimum Royalty Guarantee.

(i) The sum of the total cumulative royalties paid by Licensee to University during the term of this Agreement shall be no less than \$6,000,000. Licensee agrees to pay the University the Minimum Royalty Guarantee amounts set forth below during each year of the Agreement. If, during any year of the Agreement, the sum of the total royalties paid by Licensee pursuant to subsection (a) for the Licensed Articles do not exceed the Minimum Royalty Guarantee for that year, Licensee shall pay the University the difference between the royalties paid and the Minimum Royalty Guarantee within sixty (60) days following the end of such contract year.

Contract Year

Aggregate Royalty Guarantee

2018-19	\$ 600,000
2019-20	\$1,200,000
2020-21	\$1,800,000

2021-22	\$2,400,000
2022-23	\$3,000,000
2023-24	\$3,600,000
2024-25	\$4,200,000
2025-26	\$4,800,000
2026-27	\$5,400,000
2027-28	\$6,000,000

5.2 Royalty Payments and Statements.

(a) All royalty payments under Section 5.1 shall be sent to IMGCL as follows: (i) quarterly royalty payments pursuant to Section 5.1(a) shall be made within forty five (45) days following the end of each quarter (with the first quarter ending September 30); and (ii) any payments under Section 5.1(b) shall be made within forty-five (45) days of the end of the applicable Royalty Period; provided, however, that any royalty payments with respect to Licensed Articles sold to any United States military bases in any foreign countries shall be made within sixty (60) days of the end of the applicable Royalty Period.

(b) With each quarterly royalty payment pursuant to Section 5.1(a), Licensee shall submit to IMGCL a royalty statement in the form attached hereto as **Appendix D** (a "Royalty Statement") showing (i) the quantity, description, and Net Sales (including itemization of any permitted deductions and/or exemptions) of the Licensed Articles distributed and/or sold during the preceding calendar quarter listed, (ii) Licensed Article style number, (iii) royalty rate, and (iv) royalty amount. Royalty Statements shall be submitted whether or not they reflect any sales.

(c) Licensee shall pay interest at the rate of one and one-half percent (1.5%) per month, compounded on a monthly basis, or the maximum rate allowed by law, if lower, on any undisputed royalty payment due under the Agreement that remains unpaid after such payment becomes due.

(d) The receipt or acceptance by IMGCL of any Royalty Statement, or the receipt or acceptance of any royalty payment made, shall not prevent the University from subsequently challenging the validity or accuracy of such statement or payment in any subsequent audit pursuant to Section 6.

6. RECORDS AND RIGHT TO AUDIT.

(a) Licensee shall keep, maintain and preserve at its principal place of business during the term of this Agreement and for at least three (3) years following expiration of the Royalty Period to which they relate, complete and accurate books, accounts and records (including customer invoices) covering all sales of Licensed Articles (the "Records") in a manner such that the information contained in the statements referred to in Section 5 can be reasonably determined. Not more than once per calendar year, IMGCL and/or its authorized representatives shall have the right, upon sixty (60) days prior written notice and at IMGCL's sole cost and expense, to inspect and audit the Records during normal business hours. At IMGCL's request, Licensee will provide IMGCL and/or its authorized representatives the above-referenced invoice detail information in an Excel CD-ROM or disk format. Neither IMGCL nor its representatives shall copy or duplicate any Records. Where necessary, IMGCL or its representatives may request working copies of audit materials from Licensee's designated personnel. In no event shall IMGCL or its representatives remove any Records from Licensee's premises nor shall Licensee be required to provide or make available such Records other than at Licensee's premises.

(b) IMGCL and/or its representatives shall have reasonable access to said Records for inspection and audit purposes at Licensee's premises, provided that (i) IMGCL and its representatives shall comply with Licensee's reasonable security requirements, (ii) such access may not unreasonably interfere with the normal operation of Licensee's business, (iii) any representative of IMGCL who conducts or is otherwise involved in any audit shall, prior to receiving any Records from Licensee, sign a confidentiality agreement in a form provided by Licensee, and (iv) Licensee will be permitted to have its personnel present during the audit.

(c) If any audit reveals an underpayment by Licensee of any royalties owed under this Agreement, IMGCL shall provide Licensee with written notice containing a detailed description and supporting documentation of such underpayment. Licensee shall promptly pay any verified underpayment of royalties plus interest. Should an audit verify an underpayment of ten percent (10%) or more of the royalties for any Royalty Period for which the audit was performed, Licensee shall also pay the reasonable out-of-pocket costs of the audit actually incurred by IMGCL.

7. OWNERSHIP AND USE OF LICENSED INDICIA.

7.1 Ownership: Authority to License. IMGCL represents and warrants to Licensee, on behalf of itself and the University, that:

(a) the University (i) to the best of their knowledge is the sole and exclusive owner of each of the Licensed Marks, and (ii) has the right to use each of the Licensed Marks including, without limitation, the right to grant exclusive use of the Licensed Marks to Licensee pursuant to this Agreement;

(b) to the best of their knowledge there are no oppositions or cancellation proceedings pending against any of the Licensed Marks in the United States Patent and Trademark Office;

(c) to the best of their knowledge Licensee's use of the Licensed Marks in accordance with the terms of this Agreement will not infringe on or violate the rights of any third party, and

(d) IMGCL has full power and authority to execute and deliver this Agreement in the name and on behalf of the University.

7.2 Trademark Guidelines. Wherever appropriate, the Licensed Marks shall be used as a proper adjective, and the common noun for the product shall be used in conjunction with the Licensed Marks, and (b) the proper symbol to identify the Licensed Marks as a trademark (i.e., the ® symbol if the Licensed Marks is registered or the "TM" symbol if not so registered) and/or copyright legend (i.e., © [Date][University of North Carolina at Chapel Hill]) shall be placed adjacent to each Licensed Marks.

7.3 Covenant Not to Assert Ownership.

(a) Licensee makes no claim to any goodwill associated with the Licensed Marks. Licensee will not in any manner represent that it has any ownership in the Licensed Marks or in any registration thereof, and will not knowingly in any way do or cause to be done any act or thing contesting or in any way impairing any part of such right, title and interest. Licensee therefore agrees that, except for the rights granted herein, it has no interest in or ownership of the Licensed Marks, and further agrees not to register or attempt to register, in any jurisdiction, any of the Licensed Marks.

(b) Nothing in this Agreement gives Licensee any right, title, or interest in the Licensed Marks except the right to use the Licensed Marks in accordance with the terms of this Agreement. Licensee's use of the Licensed Marks shall inure to the benefit of the University.

7.4 No Combined Use. Except as permitted by this Agreement or as otherwise approved in writing by the University or IMGCL, Licensee agrees not to use any other trademark, service mark, trade name, logo, symbol or device in combination with any Licensed Marks nor shall Licensee use any of the Licensed Marks or any confusingly similar mark as, or as part of, a trademark, service mark, trade name, fictitious name, company or corporate name.

7.5 Assistance and Cooperation.

(a) Except upon the prior written request and authorization of IMGCL or the University, Licensee shall not take any action to prevent infringements, imitations or illegal uses of any of the Licensed Marks.

(b) Licensee shall, at IMGCL's sole cost and expense, reasonably assist and cooperate with IMGCL to enable IMGCL to comply with, the laws of the Licensed Territory pertaining to the use and protection of trademarks, including trademark notice and registered user requirements, in order to maintain the validity of the Licensed Marks and the ownership thereof by the University.

7.6 No Limitation of Rights Regarding NIKE Marks or Intellectual Property. Notwithstanding the foregoing, no provision of this Agreement shall prohibit or limit (or be construed as prohibiting or limiting) in any way Licensee or any of its Affiliates from (a) commencing any action of its own with respect to any infringement of any of the NIKE Marks or other intellectual property of Licensee or any of its Affiliates, (b) obtaining, defending or enforcing rights in such NIKE Marks or other intellectual property, or (c) filing any trademark applications with the United States Patent and Trademark Office or with any other governmental entity for such NIKE Marks or other intellectual property.

8. INDEMNIFICATION.

8.1 By Licensee. Licensee agrees to defend, indemnify and hold harmless IMGCL, the University, and their respective officers, agents, and employees from any claims, demands, causes of action or damages, loss, liabilities, costs and expenses, including reasonable attorney's fees, arising out of or relating to any claim brought by a third party (a "Loss") that arises out of (i) any unauthorized use by Licensee of the Licensed Marks or any breach by Licensee of any of its representations, warranties, covenants or obligations contained in this Agreement, (ii) the manufacture, advertising, promotion, distribution, export, sale and offering for sale by Licensee of the Licensed Articles, (iii) the use by Licensee of Packaging and/or Advertising Materials; and (iv) any unauthorized use or infringement of any patent, copyright, trademark or other proprietary right of a third party by Licensee in connection with the Licensed Articles, Packaging and/or Advertising Materials. Notwithstanding the foregoing, Licensee's obligations under this Section 8.1 shall not apply to any Loss to the extent arising out of (i) any claim that use by Licensee of the Licensed Marks in accordance with this Agreement infringe on, misappropriate, or otherwise violate the rights of any third party, (ii) Licensee's compliance with any requirements of IMGCL and/or the University, or (iii) any negligent act or omission of IMGCL or the University or any of their respective officers, agents, and employees.

8.2 By IMGCL and the University. IMGCL and, to the extent permitted by the North Carolina Tort Claims Act, the University each agree to defend, indemnify and hold harmless the Licensee, its Affiliates and their respective officers, agents, and employees from any and all Losses arising out of (a) the University's ownership of or authority to license use of the Licensed Marks and (b) any breach by IMGCL or the University of any of its representations, warranties, covenants or obligations contained in this Agreement.

8.3 Procedure. The indemnification obligation of a party (the "Indemnitor") under this Section 8 is subject to the party or person entitled to such indemnity (the "Indemnatee") complying with the following conditions: (a) the Indemnatee promptly notifying the Indemnitor of the Loss (except that an Indemnatee's failure to promptly notify the Indemnitor will not limit, impair or otherwise affect the Indemnatee's rights under this Section 8 unless the Indemnitor is prejudiced by that failure, and then only to the extent of the prejudice); and (b) the Indemnatee gives the Indemnitor full and complete authority (including without limitation, settlement authority) and reasonable assistance (including without limitation, reasonable access to information in the Indemnatee's possession) for the defense. However, the Indemnitor's rights under this Section 8.3 are contingent on its agreement that it will not settle any claim without the Indemnatee's prior written consent unless that settlement includes a full and final release of all claims against the Indemnatee and does not impose any obligations on the Indemnatee.

9. INSURANCE.

(a) Licensee represents and warrants that the NIKE group of companies to which Licensee is a member ("NIKE Group") has the financial resources to honor Licensee's liability under this Agreement and that (i) the NIKE Group currently carries excess liability insurance over a one million dollar (\$1,000,000) self-insured retention ("SIR"); and (ii) Licensee losses under the SIR are paid from a funded reserve account. In the event Licensee is unable to continue to self-insure at, or beyond, such levels as set forth above, or elects not to self-insure, it shall notify IMGCL of same and obtain insurance as prescribed in subparagraph (b) below.

(b) In the event Licensee elects not to, or is unable to, self-insure at or beyond, the levels as set forth in subsection (a) above, Licensee will obtain and maintain general liability, property damage, and product liability insurance providing coverage of at least one million dollars (\$1,000,000) per occurrence for personal and advertising injury, bodily injury or death of persons and damage to property that result directly or indirectly from any Licensed Article, Packaging or Advertising Materials.

10. TERM AND TERMINATION.

10.1 Term. The term of this Agreement shall begin on the Effective Date and shall expire on June 30, 2028 unless earlier renewed pursuant to Section 12 or terminated for any of the reasons set forth in Section 10.2 or 10.3.

10.2 Termination by University. The University may terminate this Agreement upon the occurrence of one or more of the following events:

(a) Licensee commits a Material Breach and fails to cure such breach within sixty (60) days from receipt of written notice of such breach from IMGCL;

(b) Should the Licensee file a petition in bankruptcy or be adjudicated as bankrupt or insolvent, or make an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or if the Licensee discontinues its business or if a receiver is appointed for the Licensee or the Licensee's business who is not discharged within sixty (60) days; and

(c) The All-Sport Agreement (as defined in Section 15) is terminated and is not renewed, extended, replaced or superseded by another such agreement between the University and Licensee.

10.3 Termination by Licensee. Licensee may terminate this Agreement if the University or IMGCL commits a Material Breach and fails to cure such breach within sixty (60) days from receipt of written notice of such breach from Licensee.

11. DUTIES UPON TERMINATION.

11.1 Effect of Expiration or Termination. After expiration or termination of this Agreement for any reason:

(a) Licensee shall furnish to IMGCL a statement showing the number and description of Licensed Articles on hand or in process; and

(b) Except in the case of any termination pursuant to Section 10.3, any unpaid balance of royalty payments (including Minimum Royalty Guarantees) owing and due under this Agreement shall be due and payable.

11.2 Disposal of Inventory.

(a) After expiration or termination of this Agreement for any reason (other than a termination pursuant to Section 10.2), Licensee may, for a period of one hundred eighty (180) days (the "Disposal Period"), continue to (i) market, sell and distribute its inventory of Licensed Articles, and (ii) complete the manufacture and, upon completion, market, sell and distribute, all Licensed Articles that are in-process at the time of such expiration or termination. During the Disposal Period, Licensee shall deliver all Royalty Statements and royalty payments due in accordance with Section 5 and shall comply with all other terms and conditions of this Agreement in connection with its manufacture, marketing, sale and distribution of Licensed Articles.

(b) Following expiration of the Disposal Period, Licensee shall donate any unsold Licensed Articles to a charity mutually agreed to by Licensee and the University.

11.3 Effect on Other Agreements. Any expiration or termination of this Agreement shall not affect any rights Licensee or any of its Affiliates may have under any other agreement between Licensee (or any of its Affiliates) and the University including, without limitation, the All-Sport Agreement, except as explicitly provided in such other agreements.

12. RENEWAL RIGHT; EXCLUSIVE NEGOTIATING PERIOD; RIGHT OF FIRST REFUSAL.

12.1 Renewal Right; Exclusive Negotiating Period. At the request of Licensee made no later than November 1, 2026 IMGCL or the University shall for a period of two (2) months negotiate with Licensee in good faith with respect to the terms of a renewal of this Agreement. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms. Prior to January 1, 2027 (the "Exclusive Negotiating End Date"), neither IMGCL nor the University shall, directly or indirectly, engage in discussions or negotiations with any third-party regarding the use of any Licensed Marks on or in connection with any Exclusive Licensed Articles (the "Licensed Rights") after the term of this Agreement. Notwithstanding the foregoing, the rights and obligations under this Section 12.1 shall apply to the same extent as Licensee's corresponding right of first negotiation in the All-Sport Agreement such that: (a) so long as Licensee has, and the University is bound by, such right under the All-Sport Agreement, this Section 12.1 shall remain in full force and effect; (b) if such right under the All-Sport Agreement is no longer in effect for any reason, then this Section 12.1 shall no longer apply; and (c) if such right under the All-Sport Agreement is waived or is not exercised, then such waiver or failure to exercise shall also be considered a waiver or failure to exercise the rights under this Section 12.1.

12.2 Right of First Refusal. During the term of this Agreement and for a period of ninety (90) days thereafter (the "First Refusal Period"), Licensee shall have the right of first refusal for the Licensed Rights as follows: If IMGCL and/or the University receives any bona fide third-party offer at any time on or after the Exclusive Negotiating End Date but prior to the end of the First Refusal Period, with respect to the Licensed Rights, IMGCL and/or the University shall promptly submit to Licensee in writing the specific terms of such bona fide third-party offer (the "Offer"). Licensee shall have fifteen (15) business days from the date of its receipt of the Offer to notify IMGCL or the University, as applicable, in writing if it will enter into a new contract on terms no less favorable to the University than the material, measurable and matchable terms of such Offer. If Licensee so notifies IMGCL or the University within such 15-day period, IMGCL or the University, as applicable, shall enter into a contract with Licensee on the terms of Licensee's offer. If Licensee fails or declines to match or better the material, measurable and matchable terms of the Offer within such 15-day period, IMGCL or the University, as applicable, may thereafter consummate an agreement with such third-party on the terms of the Offer made. Prior to the end of the Exclusive Negotiating End Date, neither IMGCL nor the University shall solicit, consider or discuss with any third party or present to Licensee, and Licensee shall not be obligated to respond to, any third-party offer for the Licensed Rights. Notwithstanding the foregoing, the rights and obligations under this Section 12.2 shall apply to the same extent as Licensee's corresponding right of first refusal in the All-Sport Agreement such that: (a) so long as Licensee has, and the University is bound by, such right under the All-Sport Agreement, this Section 12.2 shall remain in full force and effect; (b) if such right under the All-Sport Agreement is no longer in effect for any reason, then this Section 12.2 shall no longer apply; and (c) if such right under the All-Sport Agreement is waived or is not exercised, then such waiver or failure to exercise shall also be considered a waiver or failure to exercise the rights under this Section 12.2.

13. REMEDIES.

The University, IMGCL and Licensee each acknowledge that a Material Breach of this Agreement may result in immediate and irremediable damage to the University or Licensee, as applicable, and that money damages alone may be inadequate to compensate the University or Licensee. Therefore, in the event of a Material Breach or threatened Material Breach of this Agreement by the University, IMGCL or Licensee, the University (either directly or through IMGCL as its agent) or Licensee, as applicable, may, in addition to all other remedies, immediately seek to obtain and enforce injunctive relief prohibiting such breach or compelling specific performance.

14. SEVERABILITY.

The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. ENTIRE AGREEMENT, MODIFICATION AND WAIVER.

(a) This Agreement and its appendices constitute the entire agreement and understanding between Licensee, IMGCL and the University and cancels, terminates, and supersedes any prior agreement or understanding, written or oral, relating to the subject matter hereof between Licensee, IMGCL and the University including The Collegiate Licensing Company Standard Retail Product License Agreement between Licensee and CLC as predecessor agent on behalf of the University executed by Licensee on January 1, 2009, as amended. There are no representations, promises, agreements,

warranties, covenants or understandings other than those contained herein. None of the provisions of this Agreement including, without limitation, any Appendices to this Agreement, may be waived, amended or modified, except expressly in writing signed by the University or IMGCL, on the one hand, and Licensee on the other. Without limiting the foregoing, the parties acknowledge and agree that any inconsistent, additional or different terms in any notice, policy, schedule or other document issued by the University, IMGCL or Licensee will not have any force or effect unless and until it has been executed in the manner provided in the immediately preceding sentence.

(b) Notwithstanding the foregoing, the parties acknowledge and understand that: (i) Licensee and the University have entered into as of the date of this Agreement an All-Sport Agreement, as the same may be amended, modified, renewed or extended (the "All-Sport Agreement"); (ii) this Agreement shall not constitute (or be construed as constituting) an amendment or modification of the All-Sport Agreement; (iii) any rights granted to Licensee with respect to the University's Licensed Marks under such All-Sport Agreement shall be in addition to the rights granted under this Agreement; and (iv) in the event of any conflict between the rights granted to Licensee under this Agreement and the rights under the All-Sport Agreement, the rights under the All-Sport Agreement shall control.

(c) No written waiver shall excuse the performance of any act other than those specifically referred to herein. However, the failure of either party to require the performance of any term in this Agreement, or the waiver by any party of any breach, shall not prevent subsequent enforcement of such term nor be deemed a waiver of any subsequent breach.

16. ASSIGNABILITY.

This Agreement is personal to Licensee. Except as provided in Section 2.3 and this Section 16 and except for assignments by Licensee to any of its Affiliates, neither this Agreement nor any of Licensee's rights shall be sold, transferred or assigned by Licensee without IMGCL's or the University's prior written approval and no rights shall devolve by operation of law or otherwise upon any assignee, receiver, liquidator, trustee or other party. IMGCL may assign this Agreement without Licensee's consent in connection with a merger, consolidation, transfer or sale of substantially all of IMGCL's assets or business to which this Agreement relates. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the party's successors and assigns.

17. ENFORCEMENT BY OR AGAINST UNIVERSITY.

The University is entitled to enforce its rights in the Licensed Marks and the terms of this Agreement directly against the Licensee. Licensee is entitled to enforce the terms of this Agreement directly against the University.

18. SURVIVAL.

Each provision of this Agreement that expressly or by its nature provides for rights, obligations or remedies that extend beyond the expiration or earlier termination of this Agreement, will survive and continue in full force and effect after this Agreement expires or is earlier terminated.

19. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of Georgia.

20. NOTICES AND PAYMENTS.

Any notice shall be delivered personally or sent by certified mail (postage prepaid, return receipt requested), or by a recognized US overnight courier, and shall be sent to the addresses given below, or such other addresses as may be designated in writing during the term of this Agreement:

To IMGCL or University:

IMG College Licensing
Attn: _____
1075 Peachtree Street, Suite 3300
Atlanta, GA 30339

To Licensee:

NIKE USA, Inc.
Attn: Licensing Contract Manager
One Bowerman Drive
Beaverton, OR 97005-6453

And: NIKE USA, Inc.

Attn: Contract Specialist, Sports Mktg
One Bowerman Drive
Beaverton, OR 97005-6453

21. NO PARTNERSHIP FRANCHISE.

Nothing in this Agreement shall be construed to place Licensee and the University or Licensee and IMGCL in the relationship of partners, joint venturers, franchisee/franchisor or agents and, except with respect to IMGCL as the authorized agent for the University, neither party shall have the power to obligate or bind the other or the University in any manner whatsoever. Nothing in this Agreement shall give, or is intended to give, any rights of any kind to any third parties. Neither IMGCL nor the University is in any way a guarantor of the quality of any product produced by Licensee. Licensee shall neither state nor imply, directly or indirectly, that Licensee or its activities, other than under this license, are supported, endorsed or sponsored by IMGCL or the University.

22. CONFIDENTIALITY.

IMGCL shall not disclose to any third party the terms of this Agreement. Neither IMGCL nor, to the extent permitted by North Carolina law, the University shall disclose to any third party Licensee's sales information, marketing strategies or plans, or any other information in whatever form disclosed to, or observed or learned by, IMGCL or its representatives under this Agreement including, without limitation, all information disclosed to, or observed or ascertained by, IMGCL or its representatives during any audits or inspections permitted by this Agreement. The parties acknowledge that the terms of this Section 22 shall not prohibit disclosures of information by IMGCL to University personnel who need to know such information. This Section 22 shall survive expiration or any termination of this Agreement.

23. MISCELLANEOUS.

(a) When necessary for appropriate meaning, a plural shall be deemed to be the singular and singular shall be deemed to be the plural. Section headings are for convenience only and shall not add to or detract from any of the terms or provisions of this Agreement.

(b) This Agreement may be executed in counterparts. Each counterpart will be considered an original, and all of them, taken together, will constitute a single Agreement. Facsimile signatures will be deemed original signatures for all purposes under this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the date first above written.

NIKE USA, Inc.

By: *Nico T. Harrison*

Name: Nico Harrison

Title: VP, Jordan SM

Date: 8/13/18

**IMG College Licensing LLC, Authorized agent on behalf of
the University of North Carolina at Chapel Hill**

By: *Joe Hutchinson*

Name: Joe Hutchinson

Title: SVP Licensing

Date: 8/9/18

APPENDIX A

LICENSED MARKS



University of North Carolina at Chapel Hill

Current Revision Date: 04/12/16

Established: 1789

Location: Chapel Hill, NC

Nickname: Tar Heels

Mascot Name: Rameses

Conference: Athletic Coast Conference (ACC)

University of North Carolina[®]
North Carolina[®]
Carolina[™]
UNC[®]
Tar Heels[®]

Tar Heel[™]
Heels[™]
Carolina Fever[®]
North Carolina Tar Heels[™]
Carolina Tar Heels[®]

Dean E. Smith Center[™]
Dean Dome[™]
Kenan Memorial Stadium[™]
Boshamer Stadium[™]
Carmichael Auditorium[™]

Old Well[™]
Carolina Blue[™]
Hark the Sound[™]

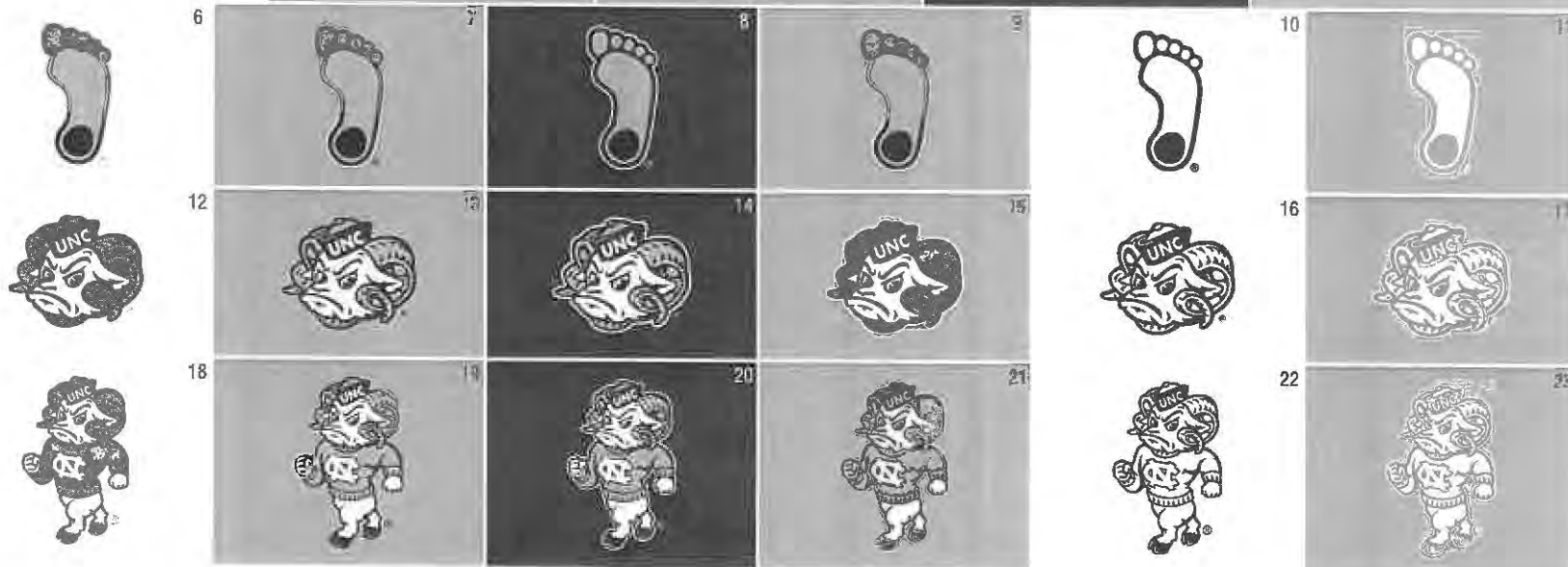
Carolina Blue	White	Navy Blue	Black	Silver	Flat Grey
PANTONE 542 C C:60 M:19 Y:1 K:4 R:123 G:175 B:212 MADEIRA Rayon: 1175 RA: No Match	WHITE MADEIRA:1002 RA: 2297	PANTONE 2767 C C:100 M:90 Y:10 K:77 R:19 G:41 B:75 MADEIRA Rayon: 1043 RA: 2303	PANTONE PROCESS BLACK C MADEIRA: 1000 RA: 2296	PANTONE 877 C C:23 M:16 Y:13 K:46 R:141 G:144 B:146 MADEIRA Metallic: 5011	PANTONE 429 C C:21 M:11 Y:9 K:23 R:162 G:170 B:173 MADEIRA Rayon: 1043 RA: 2585

* Approved University colors or the *PANTONE® colors listed on this page must be used. The colors on this page are not intended to match PANTONE color standards. For PANTONE color standards, refer to the current editions of the PANTONE color publications. *PANTONE® is a registered trademark of PANTONE, Inc.

Primary Athletic Marks



Secondary Athletic Marks





University of North Carolina at Chapel Hill

Current Revision Date: 04/12/18

Combination Marks

Word Marks

24	 CAROLINA	25	 CAROLINA	26	 CAROLINA	27	 CAROLINA	28	 CAROLINA	29	 CAROLINA
30	CAROLINA	31	CAROLINA	32	CAROLINA	33	CAROLINA	34	CAROLINA	35	CAROLINA
36	TAR HEELS	37	TAR HEELS	38	TAR HEELS	39	TAR HEELS	40	TAR HEELS	41	TAR HEELS
42	UNC	43	UNC	44	UNC	45	UNC	46	UNC	47	UNC
48	NORTH CAROLINA	49	NORTH CAROLINA	50	NORTH CAROLINA	51	NORTH CAROLINA	52	NORTH CAROLINA	53	NORTH CAROLINA
54	NORTH CAROLINA	55	NORTH CAROLINA	56	NORTH CAROLINA	57	NORTH CAROLINA	58	NORTH CAROLINA	59	NORTH CAROLINA



University of North Carolina at Chapel Hill

Current Revision Date: 3/1/2013

Script Marks

56 Carolina

57 Carolina

58 Carolina

59 Carolina

60 Carolina

61 Carolina

62 Tar Heels

63 Tar Heels

64 Tar Heels

65 Tar Heels

66 Tar Heels

67 Tar Heels

Institutional Marks



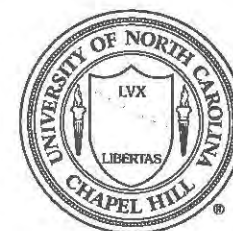
68 THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



69 THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



School Seals



ADDITIONAL PERTINENT INFORMATION

- University seal permitted on products for resale (limited use).
- No alterations or overlaying graphics to seal permitted.
- University licenses consumables (must have expiration date on packaging).
- University licenses health and beauty products.
- University permits numbers on products for resale. The use of 23 on jerseys is restricted to the University sideline partner.

- The argyle pattern on uniforms is an exclusive program and not available for use by additional licensees.
- Cross licensing with other marks may be permitted with an additional agreement.
- No use of current players' name, image, or likeness is permitted on commercial products in violation of NCAA rules and regulations.
- No references to alcohol, drugs, or tobacco related products may be used in conjunction with University marks.
- Tar Heels must be two words.

APPENDIX B

LICENSED ARTICLES

Part I - Exclusive Licensed Articles

- A. Jerseys (excluding youth and infant/toddler)*
 - 1. Authentic and Replica Football Jerseys
 - 2. Authentic and Replica Men's and Women's Basketball Jerseys
 - 3. Authentic and Replica Baseball Jerseys
 - 4. Authentic and Replica Jerseys for Lacrosse and Soccer
 - 5. Vintage/Throwback Jerseys for Football, Men's and Women's Basketball, Baseball, Lacrosse and Soccer
 - 6. Fashion Jerseys for Football, Men's and Women's Basketball, Baseball, Lacrosse and Soccer

*The exclusive rights to jerseys shall exclude youth jerseys in all silhouettes other than "authentic" jerseys.

- B. Authentic Competition Apparel

Part II - Non-Exclusive Licensed Articles

- A. All athletic and athletically inspired or derived footwear.
- B. All apparel, headwear and accessory articles other than Jerseys and Authentic Competition Apparel including, but not limited to, shirts, sweatsuits, sweatshirts, sweatpants, jackets, separates, shorts, pants, performance apparel, hats, headbands, wristbands, bags, socks, hand-towels, gloves, and other body coverings and accessories.
- C. Sports equipment including, but not limited to, basketballs and other inflatable balls, eyewear, sunglasses, wristwatches and sports timing devices (including devices used in combination with timing devices such as heart-rate monitors or calorimeters), and such other equipment as NIKE may add to its product lines at any time during the term of this Agreement.

Part III-Exempted Exclusive Licensed Articles

- A. Replica Football Jerseys
- B. Replica Men's and Women's Basketball Jerseys
- C. Replica Baseball Jerseys
- D. Fashion Jerseys (Football, Men's and Women's Basketball, and Baseball)

APPENDIX C

DISTRIBUTION CHANNELS

Licensee is authorized to distribute or sell Exclusive Licensed Articles only in the Distribution Channels specifically marked below.

Restricted (REST). Sales of Exclusive Licensed Articles to internal departments of the Collegiate Institution for internal use only by the Collegiate Institution and not for resale. Examples include departmental suppliers, uniform manufacturers, and similar forms of non-retail internal use. Restricted Channel does not include bookstores, other institutional retail outlets, student clubs and student organizations.

X Campus/Local (CAMP). Sales of Exclusive Licensed Articles to retail stores whose primary function is serving the university community, including 1) independently owned fan/gift shops located in the same town/city as the university; 2) store members of NACS (National Association of College Stores) that carry 80% of their store inventory for one university; 3) stores that carry textbooks and 80% of their non-textbook inventory for one university; 4) stores that carry 80% of their total company inventory for one university; or 5) university-owned outlets, including student owned/operated stores. Examples include campus and off-campus bookstores, athletic department team stores, campus/athletic concessionaires, local fan/gift shops in the same town/city as the university, and university-owned hotels/golf course shops/visitor centers or similar entities.

Super Center/Wholesale Clubs (SCWC). A retail or warehouse style store, typically larger than 50,000 square ft, that (1) offers one-stop shopping for customers by providing a wide range of consumer products at discounted prices or 2) requires customers to pay a membership fee in order to shop for discounted merchandise.

Grocery/Drug/Convenience Stores (GDC). A retail store that 1) primarily provides a wide variety of food and consumables, but also carries health and beauty care items, pharmaceuticals, and related products and services or 2) primarily offers pharmacy services but can also sell a wide variety of consumer products or 3) is usually located near busy roads or interstates and provides a convenient location to purchase a wide variety of consumable goods and gasoline services (i.e., gas stations and truck stops).

Specialty Mass (SMC). A retail store that 1) offers one or a few categories of merchandise and carries a wide selection of merchandise in those categories at discounted prices or 2) is typically smaller than 50,000 square feet and offers a wide variety of consumer products at discounted prices. This channel encompasses mass retailers that don't qualify for another distribution channel and therefore contains a wide range of retail formats including stand-alone vending machines.

X Off-Price (OPC). A retail store that offers or deals in consumer goods, typically close-out or liquidated brand-name products, at discounted prices.

Amusement Park (AMP). Sales offered by a theme park which may have rides, games and other entertainment attractions. This channel also encompasses family entertainment centers (e.g., Dave & Busters, Chuck E. Cheese, etc.) and arcades.

X Department Stores (DPT). A retail store, typically part of a chain of stores, which sells a wide range of products without a predominant merchandise line. Department stores typically sell products including apparel, furniture, appliances, electronics, and other select lines or products such as cosmetics, jewelry, toys, and sporting goods.

X Sporting Goods/Sports Specialty/Fan Shops (SGSS). A retail store that specializes in selling licensed sports apparel, team sports apparel and/or sports equipment.

X Better Department Stores/Boutiques (BDPT). A high end or elite department store that sells a wide range

of products without a predominant merchandise line, or a small shopping outlet that specializes in elite and fashionable items, such as clothes and jewelry.

X Specialty Mid-Tier (SMT). A retail store that typically specializes in a specific range of merchandise and related items other than licensed sports apparel. Most stores have an extensive selection of items they specialize in; and staff provides high levels of service and expertise. This channel encompasses mid-tier retailers that don't qualify for another distribution channel and therefore contains a wide range of retail formats.

X Golf Specialty (GLFS). A retail store or golf pro shop that sells predominantly golf related products including bags, balls, clubs, shoes, clothing, etc. These stores or shops do not have an affiliation with a Collegiate Institution.

X Internet/TV/Catalog (ITC). Retailers in the ITC channel focus primarily on commerce through the Internet (e.g., GSI, FansEdge, etc.), via shopping networks (e.g., QVC, HSN or Shop NBC, etc.), and published catalogs that are mailed directly to the consumer.

X Team Dealer (TDLR). Institutional or league sales of sporting goods products through established distribution territories outlined by sporting goods companies. Team Dealers may or may not have a "retail" showroom, generally have office and warehouse space to conduct business, and often have traveling sales people to call on schools, leagues, organizations, and teams for distribution of products ranging from team uniforms to sports equipment.

X Related Retail/Direct* (RRET). Sales of Exclusive Licensed Articles directly to the consumer through a retail storefront owned and/or operated by the Licensee, any affiliate or subsidiary of Licensee, or any other person, firm or corporation related in any manner to Licensee or its officers, directors or major stockholders, or through direct consumer solicitations (e.g., catalog, direct mail, direct response advertising, local craft shows, etc.) by Licensee, any affiliate or subsidiary of Licensee, or any other person, firm or corporation related in any manner to Licensee or its officers, directors or major stockholders. Please note that IMGCL and the Collegiate Institutions approve sales into this distribution channel on a case-by-case basis and only under unique circumstances.

*Royalties for sales made in the Related Retail/Direct Distribution Channel shall be paid on the final invoice price charged the customer/consumer.

NOTES: All sales outlets (e.g., online or catalog) for a retailer are considered to be in the same distribution channel as the retailer's primary classification by IMGCL and the Collegiate Institutions.

A retailer with more than one location is defined in its entirety, not as individual retail stores. IMGCL and the Collegiate Institutions shall have the right to determine whether a particular retail account falls within a particular Distribution Channel.

ROYALTY STATEMENT FORM

UNIVERSITY OF NORTH CAROLINA-TAR HEELS

[illegible]

APPENDIX E

AGREEMENT TO BE BOUND

THIS AGREEMENT TO BE BOUND (this "Agreement") is made as of the date of last signature below by _____, a _____ organized under the laws of the state of _____, ("_____")
_____, a _____ organized under the laws of the state of _____, ("Affiliate Sublicensee"),
NIKE USA, Inc., a corporation organized under the laws of the state of Oregon ("NIKE"), and IMG College Licensing
LLC, a Georgia limited liability company ("IMGCL") in its capacity as authorized licensing agent for the University of
North Carolina at Chapel Hill ("University").

Recitals

A. NIKE has entered into a Retail Product License Agreement, having an effective date of July 1, 2018, with the University through its authorized agent IMGCL, pursuant to which the University has granted to NIKE, among other things, the right to use Licensed Marks of the University in connection with the manufacture, marketing, importation, distribution and sale of certain products in the Territory (the "License Agreement"). A copy of the License Agreement is attached hereto and incorporated herein.

B. NIKE has sublicensed or assigned to Affiliate Sublicensee the right to use the Licensed Marks in connection with the manufacture, marketing, importation, distribution and sale of certain Exclusive Licensed Articles under the NIKE and Jordan brands in the "_____" Distribution Channel in the Territory.

C. _____ desires to receive a further sublicense or assignment from Affiliate Sublicensee of the Licensed Marks for use in connection with the manufacture, marketing, importation, distribution and sale of certain Exclusive Licensed Articles under the _____ brands in the "_____" Distribution Channel in the Territory.

D. Pursuant to the terms of the License Agreement, in order to receive such a sublicense or assignment, _____ must agree to be bound by the terms and conditions of the License Agreement.

NOW, THEREFORE, _____ acknowledges consents and agrees as follows:

1. Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the License Agreement.

2. _____ agrees, for the benefit of the University and its authorized agent, IMGCL, to perform, comply with and to be bound by all of the terms, covenants, agreements, provisions and conditions of the License Agreement, including but not limited to for emphasis Sections 4 (Quality, Notices, Approvals and Samples), 5 (Royalty), 6 (Records and Right to Audit), 7 (Ownership and Use of Licensed Marks), 8 (Indemnification), 9 (Insurance), 11 (Duties upon Termination), 13 (Remedies), 17 (Enforcement By or Against University) and 18 (Survival), in connection with the performance by _____ of all of its duties, obligations and responsibilities as a sublicense or assignee of the Licensed Marks.

3. Term: This Agreement shall be effective the last date of signature below and shall be terminated by IMGCL (1) if NIKE's License Agreement with IMGCL expires or is terminated for any reason; or (2) if NIKE discontinues its relationship with Affiliate Sublicensee with respect to the use of the Licensed Marks; or (3) upon notice to _____ for breach by _____ of the provisions of the License Agreement that are not cured in the manner set forth in the License Agreement.

IN WITNESS WHEREOF, _____ has executed this Agreement on the date of last signature below.

By: _____

Name: _____

Title: _____

Date: _____

_____ ("Affiliate Sublicensee")

By: _____

Name: _____

Title: _____

Date: _____

NIKE USA, Inc.

By: _____

Name: _____

Title: _____

Date: _____

IMG College Licensing LLC

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX F

AGREEMENT REGARDING LABOR STANDARDS AND CORPORATE SOCIAL RESPONSIBILITY

This is an Agreement between NIKE USA, Inc., a corporation organized under the laws of the state of Oregon, having its principal place of business at One Bowerman Drive, Beaverton, Oregon 97005-6453 ("Licensee"), and IMG College Licensing LLC, a Georgia limited liability company, having its principal place of business at 1075 Peachtree Street Suite 3300, Atlanta, Georgia 30309 ("IMGCL"), as agent on behalf of University of North Carolina at Chapel Hill ("Collegiate Institution").

WHEREAS Licensee and IMGCL, contemporaneously with their entry into this Agreement, are entering into a Retail Product License Agreement involving the use of Collegiate Institution indicia (together with all appendices, thereto, the "License Agreement");

WHEREAS Collegiate Institution is committed to sourcing products which bear the Licensed Indicia only from licensees and manufacturers that use fair labor practices and conduct business in a socially responsible manner;

WHEREAS defined terms not defined herein will have the same meanings as ascribed to such terms in the License Agreement.

NOW, THEREFORE, in consideration of the parties' mutual covenants and undertakings, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. LICENSEE OBLIGATIONS

Licensee agrees to the following:

- A. **Labor Code Standards.** Licensee shall ensure that all domestic or foreign parties producing Licensed Articles or applying Licensed Indicia of the Collegiate Institution ("Manufacturers") comply with the IMGCL Labor Code Standards attached as Schedule I for the manufacturing of Licensed Articles under the License Agreement. Notwithstanding anything to the contrary in this Agreement, the IMGCL Labor Code Standards attached to this Agreement as Schedule I, or the Licensing Agreement, the IMGCL Labor Code Standards apply, and any and all references to Licensee in the IMGCL Labor Code Standards shall be deemed to apply, exclusively to Manufacturers.
- B. **Factory Monitoring.** Collegiate Institution is an affiliate of Worker Rights Consortium ("WRC", an independent labor rights monitor), and the Fair Labor Association, ("FLA") a multi-stakeholder initiative that conducts independent monitoring of its Licensee affiliates, and has designated both the WRC and the FLA as its independent labor rights monitors. Licensee is an affiliate of the FLA (and shall participate in one of the applicable categories). Licensee will continue to comply with its obligations to participate in and remain in good standing with the FLA under the applicable category. Licensee and the WRC have agreed to a Protocol for Monitor Investigations of Nike Supplier Factories ("Protocol"), which is incorporated herein as Exhibit A. Licensee agrees to comply with its obligations under the terms of the Protocol for all Manufacturers. Collegiate Institution may participate in discussions facilitated by a designated college or university between Licensee and the WRC on a regular basis, and at other times if concerns arise in the carrying out of any portion of this protocol. Collegiate Institution may invite other universities to participate in these discussions.
- C. **Factory Disclosures.** On not less than a quarterly basis, Licensee shall identify and provide information regarding each Manufacturer to IMGCL or the Collegiate Institution designee. For each Manufacturer, Licensee will provide the factory name, contact name, address, phone number, email address, products produced, and nature of business association with the Licensee. Such information will be provided on forms provided by IMGCL. The Collegiate Institution reserves the right to disclose this information to third parties, without restriction as to its further distribution.
- D. **Wages.** Licensee recognizes that wages are essential to meeting employees' basic needs. Licensee shall require Manufacturers to pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and to provide legally mandated benefits.
- E. **Remediation.** Licensee will use its best efforts, including all available economic leverage including exit, to cause Manufacturers to remediate any violations identified by the WRC and/or FLA. To the extent that a disagreement exists between Licensee and a Collegiate Institution as to whether an identified violation has been fully remediated, Licensee

agrees to discuss in good faith the differences with that Collegiate Institution. IMGCL may terminate the License Agreement without cause on behalf of any Collegiate Institution at the request of that Collegiate Institution, including whether the Collegiate Institution determines that Licensee has failed to effectively remediate a violation within a time period that is reasonable with respect to the nature and extent of the violation.

- F Bangladesh Accord. Licensees that source Licensed Articles from Manufacturers in Bangladesh must sign the Accord on Fire and Building Safety in Bangladesh ("Accord"). Licensee agrees to be identified among Accord signatories at <http://bangladeshaccord.org/signatories/> and provide written documentation to IMGCL and Collegiate Institution to this effect prior to sourcing Licensed Articles from Manufacturers in Bangladesh.

Licensee's failure to comply with any of its obligations under this Section shall be considered a breach of the License Agreement.

2. TERM

This Agreement shall begin effect on the last date of signature below and shall terminate upon the termination, revocation, cancellation or expiration of the rights granted Licensee under the License Agreement with respect to affected Collegiate Institution(s). Any renewal(s) of said License Agreement shall constitute renewal of this Agreement.

3. SEVERABILITY

The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

4. NO WAIVER, MODIFICATION, ETC.

This Agreement, including attachments, constitutes the entire agreement and understanding between the parties and cancels, terminates, and supersedes any prior agreement or understanding relating to the subject matter hereof between Licensee, IMGCL and Collegiate Institution. There are no representations, promises, agreements, warranties, covenants or understandings other than those contained herein. None of the provisions of this Agreement may be waived or modified, except expressly in writing signed by both parties. However, failure of either party to require the performance of any term in this Agreement or the waiver by either party of any breach shall not prevent subsequent enforcement of such term nor be deemed a waiver of any subsequent breach.

5. MISCELLANEOUS

When necessary for appropriate meaning, a plural shall be deemed to be the singular and singular shall be deemed to be the plural. The attached Schedules and Riders are an integral part of this Agreement. Paragraph headings are for convenience only and shall not add to or detract from any of the terms or provisions of this Agreement. This Agreement shall be construed in accordance with the laws of the state of Georgia, which shall be the sole jurisdiction for any disputes.

AGREED AND ACCEPTED:

NIKE USA, INC.

By: Gary D. Way
Name: Gary D. Way
Title: General Counsel-Jordan Brand

IMG College Licensing LLC,
Authorized agent on behalf of the University
of North Carolina at Chapel Hill

By: [Signature]
Name: Cory Z. Moss
Title: 9-5-18

IMGCL Labor Code Standards
Schedule I

- I. Introduction: IMG College Licensing ("IMGCL") and the collegiate institutions represented by IMGCL ("Collegiate Institutions") are each committed to conducting their business affairs in a socially responsible and ethical manner consistent with their respective educational, research and/or service missions, and to protecting and preserving the global environment. While IMGCL and the Collegiate Institutions believe that Licensees share this commitment, IMGCL and certain Collegiate Institutions have adopted the following Labor Code Standards (the "Code") which requires that all Licensees, at a minimum, adhere to the principles set forth in the Code.

Throughout the Code the term "Licensee" shall include all persons or entities which have entered into a written "License Agreement" with IMGCL to manufacture "Licensed Articles" (as that term is defined in the License Agreement) bearing the names, trademarks and/or images of one or more Collegiate Institutions. The term "Licensee" shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensees' contractors, subcontractors or manufacturers which produce, assemble or package finished Licensed Articles for the consumer.

- II. Standards: Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. IMGCL and the Collegiate Institutions prefer that Licensees exceed these standards.

A. Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles. Where there are differences or conflicts with the Code and the laws of the country(ies) of manufacture, the higher standard shall prevail, subject to the following considerations. In countries where law or practice conflicts with these labor standards, Licensees agree to consult with governmental, human rights, labor and business organizations and to take effective actions as evaluated by IMGCL, the applicable Collegiate Institution(s) or their designee, and the applicable Licensee(s) to achieve the maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards.

B. Employment Standards: Licensees shall comply with the following standards:

1. Wages and Benefits: Licensees recognize that wages are essential to meeting employees' basic needs. Licensees shall pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.¹
2. Working Hours: Except in extraordinary business circumstances, hourly and/or quota-based wage employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.
3. Overtime Compensation: In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

¹IMGCL and the Collegiate Institutions will continue to monitor these issues and will promote studies that examine conditions and factors related to minimum and prevailing wages and employees' basic needs.

4. **Child Labor:** Licensees shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. Licensees agree to consult with governmental, human rights and nongovernmental organizations, and to take reasonable steps as evaluated by IMGCL, the applicable Collegiate Institution(s) or their designee, and the applicable Licensee(s) to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.
5. **Forced Labor:** There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.
6. **Health and Safety:** Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.
7. **Nondiscrimination:** No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.
8. **Harassment or Abuse:** Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Licensees will not use or tolerate any form of corporal punishment.
9. **Freedom of Association and Collective Bargaining:** Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining.

**Labor Code Standards
Rider to Schedule I**

Women's Rights:

1. Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.
2. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
3. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits.
4. Workers will not be forced or pressured to use contraception.
5. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.
6. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.

EXHIBIT A

PROTOCOL FOR WRC INVESTIGATIONS OF NIKE SUPPLIER FACTORIES

I) Request for Access

- A) The Worker Rights Consortium ("WRC") will provide Nike, Inc., ("Nike") with a written request for access to a specific Nike supplier factory, for the purpose of conducting an investigation of working conditions at the factory or to confirm remediation as described in Section I(B). The WRC will provide the substantive reasons for the request when requesting access to the factory. If requested by the WRC, Nike will not disclose the reasons for requesting access to the factory.
- B) Nike will use its best efforts, using all available economic leverage including exit, to facilitate access to the factory, including its facilities and personnel, within fifteen (15) days from receiving the WRC's written request. In extraordinary circumstances, Nike will use its best efforts, using all available economic leverage including exit, to facilitate access no more than twenty-one (21) days from receiving the WRC's written request. In the event that an urgent problem is reported at the factory, Nike will facilitate access for the WRC as soon as possible. Consistent with Section I(A), the WRC will have the ability to return to the factory, after its initial visit, to confirm that remediation has occurred.
- C) To the extent possible, Nike will share records of audits that have been conducted at the factory by Nike's staff, its agents, or other organizations. Nike and the WRC will discuss any findings that have been made and corrective actions that have been recommended or implemented. The WRC will review and give due consideration to findings reached by other organizations that have previously conducted audits or assessments in the factory.

II) Investigation

- A) The WRC will be permitted to take photographs, copy documents, and interview factory workers and managers.
- B) Following an inspection, or in lieu of inspection when determined by the WRC, Nike will use its best efforts to ensure the WRC has access to physical or electronic records needed to complete the WRC's investigation.
- C) Nike's staff or its agents may be present in the factory during the WRC's investigation. The WRC will make best efforts to coordinate logistics with other entities. If coordinating schedules between Nike or its agents and the WRC would cause a significant delay, then Nike will facilitate separate access to the factory for the WRC. When necessary, the WRC will be permitted to review personnel records or interview factory workers or managers in private in order to protect confidentiality and anonymity.
- D) The WRC will protect the confidentiality of competitive or proprietary information related to Nike or the factory obtained during its investigation.

III) Remediation and Reporting

- A) The WRC will provide reasonable notice, including a detailed summary of findings, to Nike prior to publishing its factory report in order to include commitments from Nike or the factory regarding remediation, or for Nike or the factory to demonstrate that appropriate corrective actions have been taken or are in process. The WRC may communicate its findings, prior to the publication of its report, to the factory owners, the factory workers, their representatives, government officials, and/or other buyers, and will discourage these parties from prematurely circulating this information. The WRC will not communicate its findings to any parties other than these prior to publication of its report. In its factory report, the WRC will identify all brands and retailers that it knows to be sourcing from the factory and specify which of them are university licensees sourcing university apparel.
- B) Nike and the WRC will work with the factory – and, if possible, non-collegiate apparel brands and retailers sourcing from the factory – to develop a remediation plan within a reasonable time after Nike receives the WRC’s summary of findings. To the extent that the WRC learns that the factory manufactures university-licensed products for other university licensees, the WRC will engage all university licensees sourcing from the factory to discuss its findings and work together on a remediation plan. If Nike and the WRC agree on the needed outcome of remediation but disagree on the process of achieving remediation, the parties will discuss such differences, and the WRC will retain the absolute right to express its recommendations regarding remediation in its reports.
- C) In the event that a problem identified at the factory is of such an urgent nature (for example, where there is an imminent danger to workers’ health and safety, or where a mass dismissal of workers is imminent or has occurred) that immediate reporting is necessary, the WRC will notify Nike and publicly report the problem.