



License Agreement for the FSC Certification Scheme

Between

- (1) FSC Global Development GmbH, Adenauerallee 134, 53113 Bonn, Germany, represented by the Managing Director, Mr. Kim Bering Becker Carstensen,

-hereinafter 'FSC GD'-

and

- (2)

COLORING BOOK SOLUTIONS. LLC
426 E. 8TH STREET, ASHLAND, OHIO 44805
REPRESENTED BY THE GENERAL MANAGER, SCOTT D. WARD

(PLEASE FILL IN NAME & CORPORATE FORM, ADDRESS & DULY AUTHORIZED REPRESENTATIVE IN CAPITAL LETTERS)

-hereinafter 'Licensee'-

Preamble

Whereas, the Forest Stewardship Council A.C. (hereinafter 'FSC AC'), with its registered office in Calle Margarita Maza de Juárez # 422, Col. Centro, 68000 Oaxaca, Oaxaca, México, is an international not-for-profit membership organization established to promote responsible management of the world's forests.

Whereas, FSC GD is a German company with limited liabilities wholly owned by FSC AC and constituted according to German Law: Bonn HRB 15990. FSC GD is operating the FSC Licensing Program which includes the licensing of the FSC Trademarks.

Whereas, the FSC International Center GmbH, with registered office in Adenauerallee 134, 53113 Bonn, Germany, is a German not-for-profit company with limited liability wholly owned by FSC AC and constituted according to German Law: Bonn HRB 12589.

Whereas, the ASI - Accreditation Services International GmbH, with registered office in Friedrich-Ebert-Allee 69, 53113 Bonn, Germany, is a German company with limited liability wholly owned by FSC AC and constituted according to German Law: Bonn HRB 13790.

Whereas, the Licensee is a legal entity eligible for FSC certification. The Licensee commits to promote the environmentally appropriate, socially beneficial and economically viable management of the world's forests and to dissociate and abstain from unacceptable forest practices and the violation of the principles and criteria of the FSC Certification Scheme.

Whereas, this Agreement refers to the service/certification agreement (hereinafter 'Certification Agreement') entered into by the Licensee and an FSC accredited Certification Body (hereinafter 'CAB'). FSC GD is willing to grant a non-exclusive license to the Licensee, subject to limitations set forth later herein, to use the Licensed Materials in conjunction with its activities as an applicant for FSC certification and/or as a holder of FSC certification.

Now hereby is agreed:

- 1.1 **'Agreement'** means this Agreement including all its Appendices, and the Certification Requirements as may be varied from time to time in accordance with the provisions of this Agreement in its most recent version;
- 1.2 **'Certification Requirements'** contain the following requirements:
- 1.2.1 **'FSC Certification Requirements'** means documents (e.g. certification policies, standards, guidance documents, advice notes and any other documentation) in relation to the FSC Certification System as developed by the FSC Policies and Standard Program required for operating the FSC Certification System in its most recent version;
- 1.2.2 **'FSC Institutional Documents'** means governance documents (e.g. statutes, by-laws, FSC dispute resolution system and any other documentation) in relation to the FSC Certification Scheme, required for operating the FSC Certification System in its most recent version;
- 1.2.3 **'ISO Requirements'** means documents developed by the International Organization for Standardization (e.g. ISO standards, guidelines and any other documentation) referred to in the FSC Certification Requirements in its most recent version.
- 1.3 **'Effective Date'** means the date when a decision or an agreement comes into force;
- 1.4 **'FSC accredited Certification Body'** means a neutral, Third Party conformance assurance body (CAB) which is appointed by FSC AC to undertake FSC certification audits of applicants for the FSC Certification Scheme and the surveillance of certified Forest Management Enterprises and Forest Product Enterprises against the Certification Requirements;
- 1.5 **'FSC Certification Scheme'** is developed by FSC AC to enable independent third-party certification of environmentally responsible, socially beneficial and economically viable forest management as a market mechanism allowing producers and consumers to identify and purchase timber and non-timber forest products from well-managed forests. The FSC Certification Scheme contains the following programs:
- 1.5.1 **'FSC Certification System'** includes activities with regards to the evaluation and certification of Forest Management Enterprises and Forest Product Enterprises against the Certification Requirements;
- 1.5.2 **'FSC Policy and Standards Program'** includes activities with regards to the development of normative and non-normative documents (e.g. Policies, Standards, Advice Notes) required to operate the FSC Certification Scheme;
- 1.6 **'FSC Database'** is a computer based system containing data about the FSC Certification Scheme (e.g. Certificate Holders, FSC Licensees, etc.), accessible at www.info.fsc.org;
- 1.7 **'FSC Network'** stands for FSC AC and its subsidiaries including global partners who are promoting responsible management of the world's forest on a local basis and are engaged by and acting under a contractual relationship and confidentiality agreement with FSC AC or one of its further subsidiaries.
- 1.8 **'Licensed Materials'** stands for the FSC Trademarks which are licensed under the Agreement and as set out in Appendix 1.
- 1.9 **'Third Parties'** refers to parties (i.e. persons, organizations, corporations or groups of persons) which are not party to this Agreement;
- 1.10 In the event and to the extent only of any conflict between the sections in this Agreement and its Appendices and the Certification Requirements, the Certification Requirements shall prevail.

The parties acknowledge that the CAB administers this license relationship on behalf of FSC GD and shall be the first contact person. The CAB provides the following services:

- 2.1 label and logo approvals according to the Certification Requirements;
- 2.2 support with regard to the use of the Licensed Materials and access to the Licensed Materials through the Label Generator (www.info.fsc.org).

3 Statuses of the Licensee

3.1 The Licensee can hold different statuses within the FSC Certification System during the term of this Agreement as follows:

3.1.1 status as an applicant for FSC certification or holder of a suspended and/or expired FSC certificate;

3.1.2 status as holder of a valid FSC certificate which is neither expired nor suspended.

3.2 The status of the Licensee according to Section 3.1 depends on independent certification decisions by the CAB which are published in the FSC Database.

4 License to use the Licensed Materials

4.1 FSC GD grants to the Licensee a royalty free, revocable, non-exclusive and non-transferable license to use the Licensed Materials for on-product labeling on certified products and for promotional use worldwide in accordance with the Certification Requirements.

4.2 The license shall be suspended ipso facto if the Licensee holds a status according to Section 3.1.1 and the license shall come ipso facto into effect at the moment the Licensee holds a status according to Section 3.1.2.

4.3 FSC AC and FSC GD retain the right to use and/or sublicense the granted rights in any form whatsoever.

4.4 In order to avoid any market confusion, while being suspended according to Section 4.2, the Licensee shall neither be authorized to use the Licensed Materials in any form whatsoever including the labeling of products or promotional activities, nor be authorized to make reference to the FSC Certification Scheme on websites, catalogues, leaflets, products, etc. as it would be a breach of this Agreement.

4.5 FSC GD warrants to the Licensee that FSC AC is the owner of the trademarks as set out in Appendix 1 and that it is entitled by FSC AC to grant to the Licensee the rights and licenses granted hereby or agreed to be granted.

5 Incorporation of Certification Requirements

5.1 The Certification Requirements are deemed to be an integral part of the Agreement in its most recent version and FSC GD will provide the Certification Requirements always in its most recent version by publishing them on www.ic.fsc.org where the Licensee shall be responsible to obtain them.

5.2 The parties agree that the FSC Policy and Standards Program reserves the right to modify the Certification Requirements in accordance with its established procedures for such modification at its own discretion.

6 Principal Obligations of the Licensee

- 6.1 The Licensee shall use the granted rights in good faith and in accordance with the terms and provisions of this Agreement and shall act in accordance with all reasonable instructions from FSC AC, FSC GD and the CAB.
- 6.2 The Licensee shall obtain the prior approval for any and all trademark use from the CAB in accordance with the Certification Requirements.

7 Quality & Maintenance of the Licensed Materials

- 7.1 The parties agree that FSC GD and the CAB shall have the right to request specimens or details of products, promotional material or services to be sold or provided under the Licensed Materials to evaluate compliance with this Agreement and to demonstrate the use of the Licensed Materials (e.g. through specimens, samples of promotional material) in order to maintain the registration thereof.
- 7.2 FSC GD warrants and represent that FSC AC uses all reasonable endeavors to maintain the intellectual property rights of the Licensed Materials. The registration of the Licensed Materials as trademarks remains at the absolute discretion of FSC AC.
- 7.3 During the term of this Agreement and thereafter, the Licensee agrees not to adopt, use, permit the use of, register or attempt to register as a trademark, trade name, domain name or corporate name or as part thereof any of the Licensed Materials, or any term or translation having the same meaning as any of the foregoing or any words, symbol or picture or combination thereof which is confusingly similar to any of the foregoing.

8 Infringements

In the event that the Licensee learns of a potential infringement of the Licensed Materials or that they are otherwise threatened or opposed by a Third Party, the Licensee shall notify the CAB or FSC GD.

9 Processing of personal data – direct marketing

- 9.1 FSC GD processes personal data of the Licensee collected when applying for the FSC certificate and further data occurring during the contractual relationship with FSC GD as far as it is necessary to fulfill contractual obligations.
- 9.2 The Licensee agrees that FSC GD may publish all relevant details concerning the Licensee's FSC certificate on FSC's websites and in a publicly available database (FSC Database). This covers general data (i.e. company name, main addresses, contact data, certificate and trademark related data) as well as Licensee's product data and reports. This data is published for transparency reasons and in order to demonstrate a valid certification.
- 9.3 The Licensee agrees that FSC GD may transfer the name, address and further contact details (telephone number, e-mail address) as well as further details with regard to Licensee's certificate to the FSC Network for improving the FSC Certification Scheme and to assist FSC AC's mission to promote responsible management of the world's forest. The Licensee agrees that this transfer may take place to companies/subsidiaries located outside the European Union.
- 9.4 The Licensee agrees that FSC GD as well as the FSC Network mentioned in Section 9.3 may process and use the name and address as well as e-mail address and telephone number for direct marketing purposes, i.e. to promote the FSC Certification Scheme and FSC AC's mission to promote responsible management of the world's forests. The Licensee may object to this use of the contact data at any time by sending an e-mail to privacy@fsc.org.

10 Policy of Association

The Licensee declares that he/she/it has read, understood and accepted the Policy for the Association of Organizations with FSC – FSC-POL-01-004 as published under www.fsc.org in its

recent version. The self-declaration is attached as Appendix 2 and forms a binding part of this Agreement.

11 Limitation of Liabilities & Indemnification

- 11.1 FSC GD, FSC AC and its further subsidiaries shall only be liable for damages and/or disadvantages, property damages and financial losses arising out of acts or omissions of its directors, officers, employees or subcontracting parties which are caused by intent or gross negligence. This shall neither apply in tort for death and/or personal injuries nor for any infringement of cardinal obligations.
- 11.2 The Licensee agrees to indemnify and hold harmless FSC GD, FSC AC and its further subsidiaries and its employees for all Third Party claims arising out of the use of the Licensed Materials by the Licensee or its subsidiaries, distributors, agents, employees or subcontractors and with respect to all Third Party claims arising out of or based on product liability.

12 Suspension of the License

- 12.1 FSC GD may suspend the granted rights as set out in Section 4 above, if the Licensee fails to demonstrate compliance with this Agreement.
- 12.2 In the event of suspension, the Licensee shall immediately cease to make any use of the Licensed Materials and sell products as FSC certified. Licensee acknowledges that the CAB is obligated to verify the Licensee's compliance with this provision. Licensee shall be responsible for covering all expenses resulting from any physical inspection, subject to such inspection being necessary to fulfil the aforementioned obligation.

13 Term & Termination of the Agreement

- 13.1 Starting with the Effective Date this Agreement has an unlimited duration.
- 13.2 This Agreement may be terminated by either party by giving due notice three (3) months in advance of the date of termination.
- 13.3 This Agreement shall be terminated ipso facto (two) 2 years after the expiry of a valid FSC certificate provided that the Licensee has not applied for its renewal.
- 13.4 FSC GD may terminate this Agreement for important reasons with immediate effect by providing written notice. An important reason may especially be assumed, if the Licensee:
- 13.4.1 fails to demonstrate compliance with the requirements by the date(s) specified or within a maximum period of twelve (12) months from the date on which a suspension decision in accordance with Section 12 came into force;
 - 13.4.2 intentionally or through negligence discredit or damage the reputation of FSC AC or one of its subsidiaries or of associated organizations;
 - 13.4.3 violates one or more elements of the Policy for the Association of Organizations with FSC (FSC-POL-01-004 as published under www.ic.fsc.org in its recent version).
- 13.5 The Licensee may terminate this Agreement with immediate effect for important reason by providing written notice. An important reason may especially be assumed, if FSC GD suspends the granted rights according to Section 12.

14 Assignment & Subcontracting

The parties agree that FSC GD shall be authorized at any time to assign the Agreement and its rights and obligations to FSC AC or to a wholly owned subsidiary of FSC AC.

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Jurisdiction, Law & Venue

- 15.1 All disputes arising in relation to this Agreement or its validity shall be finally settled according to the Arbitration Rules and the Supplementary Rules for Expedited Proceedings of the German Institution of Arbitration e.V. (www.dis-arb.de) without recourse to the ordinary courts of law.
- 15.2 The place of arbitration shall be Cologne, Germany. The arbitration tribunal shall consist of one arbitrator. The substantive law of Germany shall be applicable to the dispute. The language of the arbitration proceedings shall be English.

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Miscellaneous

- 16.1 This Agreement constitutes the entire understanding between the parties relating to the subject matter hereof, unless any representation or warranty made about this Agreement was made fraudulently, and save as may be expressly referred to or referenced herein, it supersedes all prior agreements, representations, writings, negotiations or understandings with respect hereto. Amendments, alterations and/or riders to this Agreement, also changes to this subsection, must be confirmed in writing in order to be legally valid. § 305b BGB (German Civil Code) remains unaffected. The burden of proof shall be borne by the party referring to an oral agreement superseding the Agreement.
- 16.2 The failure by either party, at any time, to enforce any of the provisions of this Agreement or any right or remedy available hereunder or at law or in equity, or to exercise any option provided herein, shall not constitute a waiver of such provision, right, remedy or option or in any way affect the validity of this Agreement.
- 16.3 Should any provision of this Agreement or any provision incorporated into or amended to this Agreement in the future be or become invalid or unenforceable or should this Agreement or any provision incorporated into or amended to this Agreement in the future contain an omission, then the legal effect of the other provisions shall not be affected thereby. The invalid or unenforceable provision shall be substituted by a suitable and equitable provision which, to the extent legally permissible, comes as close as possible to the economic intent and purpose of the invalid or unenforceable provision. In case of an omission, a suitable and equitable provision shall be deemed to have been agreed upon that reflects what the parties, in the light of the economic intent and purpose of this Agreement, would have agreed upon, if they had considered the matter.

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Signature Page

The Licensee herewith accepts the terms and conditions of this Agreement. This Agreement shall not be counter-signed by FSC GD but comes into effect at the moment the CAB publishes the license on behalf of FSC GD in the FSC Database on www.info.fsc.org. The publication date shall be the Effective Date. The Licensee abstains from receiving a confirmation of the validity of this Agreement by FSC GD.

ASHLAND, June 10, 2021
City, date



For the Licensee

SCOTT D. WARD

(Name of legal representative in CAPITALS)

Appendix 1: Licensed Materials

1 FSC AC's Trademarks

1.1 Checkmark-and-tree logo



1.2 'FSC'®

1.3 'Forest Stewardship Council'®

Appendix 2: Self-Declaration

S e l f - D e c l a r a t i o n
regarding FSC-POL-01-004
(Policy for the Association of Organizations with FSC)

The signing Organization (Licensee) is associated with the Forest Stewardship Council A.C., Oaxaca, Mexico, or one of its subsidiaries or affiliates (hereinafter: FSC) by being either a member of or having a contractual relationship with FSC. Hereby the signing Organization explicitly states that it has read and understood the “Policy for the Association of Organizations with FSC” as published under www.fsc.org. This policy stipulates FSC’s position with regards to unacceptable activities by organizations and individuals, which already are or would like to be associated with FSC, as well as the mechanism for disassociation.

In light of the above, the Organization explicitly agrees now and in the future, as long as the relationship with FSC exists, not to be directly or indirectly involved in the following unacceptable activities:

- a) Illegal logging or the trade in illegal wood or forest products;
- b) Violation of traditional and human rights in forestry operations;
- c) Destruction of high conservation values in forestry operations;
- d) Significant conversion of forests to plantations or non-forest use;
- e) Introduction of genetically modified organisms in forestry operations;
- f) Violation of any of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.