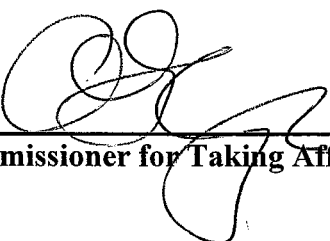


**THE FOLLOWING IS EXHIBIT "F" REFERRED
TO IN THE AFFIDAVIT OF MARK J. WONG
SWORN JANUARY 14, 2015**



Commissioner for Taking Affidavits

MASTER AGREEMENT

This MASTER AGREEMENT (the "*Agreement*") is entered into effective as of February 3, 2013 (the "*Effective Date*"), by and between Target Brands, Inc., a Minnesota corporation ("*TBI*"), and Target Canada Co., a Nova Scotia, Canada unlimited company ("*Target Canada*").

RECITALS

WHEREAS, Target Corporation and related entities (the "*Target Group*") have expanded their business to include a Canadian retail operations segment to be carried out by Target Canada;

WHEREAS, TBI possesses the knowledge, expertise, resources and ability to provide certain services to Target Canada such as: (i) retail support services; (ii) administrative and business services; and (iii) marketing, merchandising, merchandising sourcing and strategy and management services through the use of its own resources or through its contractual arrangements with other Target Group companies;

WHEREAS, Target Canada desires to engage TBI to perform such services, and TBI desires to provide such services to Target Canada, in the manner and on the terms set forth in this Agreement;

WHEREAS, TBI is the owner of or has rights to certain interests in existing Intangible Property (as defined below);

WHEREAS, TBI is willing to grant to Target Canada an exclusive, sublicensable, royalty-bearing license in the Territory to TBI's rights to the Intangible Property in connection with Target Canada's operation of retail stores in Canada;

NOW THEREFORE, in consideration of the promises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. TBI RETAIL SUPPORT AND RELATED SERVICES

1.1 TBI hereby agrees to perform through its own resources or through its contractual relationships with other Target Group companies or provided by authorized third parties pursuant to a duly executed sublicense agreement: (i) retail and pharmacy support services; (ii) administrative and business services; and (iii) marketing, merchandising, merchandising sourcing and strategy and management services for Target Canada, all solely in connection with its retail operations in Canada and its manufacture of merchandise and goods to be sold in such retail operations (the "*TBI Services*"), as further described below.

(a) Retail Support Services as described on Schedule 1.1(a) ("*Retail Support Services*");

- (b) Administrative and Business Services as described on Schedule 1.1(b) ("*Business Services*");
- (c) Marketing, merchandising, merchandise sourcing, strategy and management services as described on Schedule 1.1(c), (d), and (e) ("*Other Consulting Services*").

1.2 Target Canada hereby sublicenses TBI, subject to the conditions on sublicenses in Section 3.1(d), any and all Licensed IP needed by TBI to perform or have others perform the TBI Services hereunder.

2. DEFINITIONS

2.1 **Defined Terms.** Capitalized terms appearing in this Agreement shall have the meaning described below.

2.2 "*Affiliate*" or "*Affiliates*" shall mean a corporation, company or other legal entity which is a member of the Target Group for United States Generally Accepted Accounting Principles ("US GAAP") purposes.

2.3 "*Intangible Property*" shall mean any and all of TBI's intangible property rights and associated intellectual property rights, including all Work Product, whether existing as of the Effective Date or developed or acquired later in time, including, but not limited to: (i) works of authorship throughout the world, including but not limited to copyrights, neighboring rights, moral rights and all derivative works thereof; (ii) trademark and trade name rights and similar rights; (iii) trade secret rights; (iv) patents, designs, manufacturing processes, know-how and other industrial property rights; (v) all theatrical, video and DVD, television, live stage production, sound recording, software applications and all ancillary and derivative rights; (vi) all other intellectual and industrial property rights (of every kind and nature throughout the world and however designated) whether arising by operation of law, contract, license, or otherwise; and (vii) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues thereof now or hereafter in force (including any rights in any of the foregoing).

2.4 "*Licensed IP*" shall mean Intangible Property that: (i) is owned by or licensed to Target Canada either as of the Effective Date or any time thereafter, including all Intangible Property that is Work Product hereunder; and (ii) Target Canada permits TBI to use in its provision of the TBI Services hereunder.

2.5 "*Net Revenues*" shall mean net revenues determined in accordance with US GAAP as applied by Target Canada for financial reporting purposes and shall mean the revenues recognized by or for the account of Target Canada from the distribution of the Products and provision of Services within the Territory, provided that Net Revenues shall not include any of the following:

- i. Any government taxes or levies collected from customers with respect to the sale of the Products that are to be paid over to any applicable governmental authority; or

- ii. Any portion of the revenues from the sale of the Products that is refunded by Target Canada to a customer; or
 - iii. Any amounts associated with the shipment and delivery of the Products, including, without limitation, all freight charges, freight forwarding fees, customs fees and insurance premiums.
- 2.6 "Party" shall mean Target Brands, Inc. or Target Canada Co. or, if used in the plural, both Target Brands, Inc. and Target Canada Co.
- 2.7 "Product" or "Products" shall mean any products distributed by Target Canada or on behalf of Target Canada or sold or distributed by authorized third parties pursuant to a duly executed Sublicense (as defined in Section 3.1(a) of this Agreement).
- 2.8 "Royalty" shall mean as defined in section 5.3.
- 2.9 "Royalty Payment" shall mean as defined in section 5.4.
- 2.10 "Service" or "Services" shall mean any services provided by Target Canada or provided by authorized third parties pursuant to a duly executed sublicense agreement.
- 2.11 "Territory" shall mean everywhere in the world.
- 2.12 "Work Product" shall mean all intellectual property including specifications, data, designs, discoveries, inventions, products, modifications, technical information, market information, procedures, processes, manufacturing know-how developed in the Territory that becomes patented, improvements, developments, drawings, notes, documents, live motion picture or television films, live stage productions, sound recordings, software applications and all ancillary or derivative media reproductions, information and materials directly or indirectly made, conceived, reduced to practice or developed by Target Canada, on Target Canada's behalf or by Sublicensees (as defined in section 3.1(a)) which result from, relate to or arise out of Target Canada's performance under this Agreement and relate to the Products or Services or any Intangible Property therein.
- 2.13 "Year" shall mean the calendar year, or any other twelve (12) month period corresponding to TBI's fiscal year.

3. LIMITED LICENSE TO USE INTANGIBLE PROPERTY

- 3.1 Grant of License by TBI. To the extent of its legal right to do so, and subject to the rights of third party licensors under any development, research or licensing agreements (whether now in effect or entered into in the future or arising otherwise), TBI hereby grants to Target Canada within the Territory a revocable, exclusive, sublicensable, royalty-bearing license to commercially exploit all Intangible Property for all legal purposes in connection with Target Canada's

retail operations within Canada, its territories and possessions, and the right to manufacture merchandise and goods to be purchased by Target Canada and sold in its retail operations within Canada, for the term set forth in Section 6, subject to and upon the terms and conditions of this Agreement as follows:

- (a) Under specified terms and conditions set out below, TBI grants to Target Canada the right to grant and enter into sublicense agreements (hereinafter "Sublicense(s)") with third parties and Affiliates (hereinafter "Sublicensee(s)") to sublicense the Intangible Property rights in connection with Target Canada's retail operations within Canada, its territories and possessions, including the operation of retail pharmacies, and provision of Products to be distributed or Services to be provided within Canada, its territories and possessions, and the right to manufacture merchandise and goods to be purchased by Target Canada and sold in its retail operations within Canada. TBI does not grant the right to sublicense the Intangible Property rights for any other purpose.
- (b) Notwithstanding anything to the contrary herein contained, TBI and Target Canada agree that the rights granted herein and the restrictions herein contained shall be subject to the laws of the relevant Territory and all rules, regulations, directives, laws and legislation associated therewith as the same may be in force from time to time.
- (c) Unless otherwise agreed in writing, Target Canada shall not actively seek trade customers for the retail operations, or for the Product or Service, nor establish any branch or agency, nor maintain any distribution or provision depot for the Product or Service in any country outside of Canada where intellectual property rights exist in respect of the retail operations, or for the Product or Service, whether in the name of TBI, an Affiliate or any registered user or other licensee of TBI.
- (d) It is a condition of the right to Sublicense granted under this Agreement that Target Canada shall procure that any Sublicense(s) between itself and any Sublicensee shall:
 - (i) be in writing;
 - (ii) grant no rights inconsistent with this Agreement;
 - (iii) impose on the Sublicensee in respect of the rights sublicensed thereunder all covenants and obligations, including confidentiality obligations, which are assumed by or imposed on Target Canada under this Agreement, *mutatis mutandis*;
 - (iv) absent consent of the parties, terminate, *inter alia*, not later than when all licensed rights under the Agreement, subject of said Sublicense(s) have terminated or expired. In the event the Agreement is not renewed, TBI will honor the Sublicense(s) entered into by Target Canada;

- (v) be maintained on file and available upon request to TBI within seven (7) days of execution;
- (vi) require Target Canada at first request of TBI to register the Sublicense(s) in the appropriate registers as indicated by TBI;
- (vii) provide for TBI's inspection of Products, including samples, and provide timely notice regarding misuse of TBI's Intangible Property;
- (viii) require Sublicensees' further Sublicenses, if any, to comply with the provisions of Section 3 herein;
- (ix) require all Sublicensees to assign and transfer all Work Product created during this Agreement's term to TBI at the moment of its creation, including works made for hire, which shall designate TBI as the author with the intent that TBI's rights and protection under this Agreement shall not be in any way adversely affected by any such Sublicense(s) and/or upon termination of this Agreement between TBI and Target Canada; and
- (x) No Sublicensee may obtain or be granted any rights greater than the rights granted to Target Canada under this Agreement.

3.2 Control By TBI. TBI shall have the right to inspection and prior approval of all uses of the Intangible Property on or in connection with the Products and Services, including but not limited to review of advertising, and also have the right of inspection and prior approval of the quality of the Product, premises, or of any Services associated with the Intangible Property as set forth in Schedule 2. TBI's rights shall apply as against Target Canada and all sublicensees, agents, and successors.

3.3 Notice to TBI. Except as provided in Section 3.1, Target Canada shall not sublicense, make available or otherwise transfer any of its rights hereunder without the prior written consent of TBI.

3.4 Subject To Third Party Rights. The rights granted under this Agreement to Target Canada are subject to any existing or future third party licensor rights in the Intangible Property and/or the Products and Services and nothing in this Agreement shall relieve either Party of its obligations in respect of royalty payments to third parties with respect to Products or Intangible Property if and to the extent applicable.

4. **RIGHTS AND CONFIDENTIALITY**

4.1 Rights in Intangible Property. As between TBI and Target Canada:

- (a) All right, title, and interest in the Intangible Property licensed hereunder are and shall remain with TBI, subject to the license granted to Target

Canada herein. Target Canada shall not at any time do or cause to be done, or fail to do or cause to be done, any act or thing, directly or indirectly, contesting or in any way impairing TBI's right, title, or interest in the Intangible Property licensed hereunder.

- (b) Target Canada will not make any representation or do any act which may be taken to indicate that it has any right, title or interest in or to the ownership or use of any of the Intangible Property except as defined under the terms of this Agreement, and acknowledges that nothing contained in this Agreement shall give Target Canada any right, title or interest in or to the Intangible Property save as expressly granted hereby.
- (c) TBI shall use its best endeavors to secure and preserve its rights with regard to the Intangible Property by such means as are required by the laws of Canada to keep the rights valid and effective, including the payments of taxes and fees.
- (d) Target Canada agrees to take whatever action is appropriate or necessary to protect TBI's rights in the Intangible Property including but not limited to: cooperating in and compensating TBI for any new domestic or foreign applications for intellectual property registration pursued by TBI within the Territory to support retail operations in Canada, its territories and possessions; and registering as a licensee or user of TBI's trademarks, trade names or similar rights upon request by TBI.
- (e) Target Canada shall not do or omit to do any act or thing the doing or omission of which might prejudice the continued existence of the rights with regard to the Intangible Property.
- (f) During and after the term of this Agreement, Target Canada agrees and warrants that it will not, within the Territory, infringe upon or cause or facilitate the infringement of any trademarks or other related rights derived from or confusingly similar to the Intangible Property.
- (g) Target Canada agrees to promptly notify TBI of conflicting activities by third parties of which Target Canada becomes aware. On written notice from Target Canada of such activities, in the first instance TBI may, but is not required to, take appropriate legal action. During this period, Target Canada shall take no legal action, however, without TBI's prior written consent. Target Canada agrees to cooperate fully in and pay for any action taken by TBI to protect Target Canada's exclusivity hereunder. TBI may, but is not required to, initiate and control any legal action undertaken pursuant to this provision.
- (h) Target Canada agrees to ensure that all exploitation of the Intangible Property, including use on the Product or in connection with any Services authorized hereunder, comply with and are distributed in compliance with all relevant copyright, trademark, design right, registered design and other

relevant intellectual property laws in all parts of the Territory where it is exploited.

- (i) Notwithstanding paragraph 6.2 herein, TBI may terminate this Agreement immediately upon giving notice to Target Canada if Target Canada shall challenge the validity of or TBI's ownership of the Intangible Property or any rights licensed by TBI to Target Canada hereunder.
- (ii) Target Canada hereby unconditionally and irrevocably grants, agrees to grant, assigns, agrees to assign, transfers, agrees to transfer, conveys, agrees to convey and delivers and agrees to deliver to TBI all rights, titles and interests in and to all Work Product created or developed during the term of this Agreement, all as of the date of creation or development of such Work Product, with no further act or action required in order to effect such assignment and transfer, and subject to the license granted to Target Canada herein. To the extent Work Product is a "work made for hire" under applicable copyright law, it shall be considered a "work made for hire" from the moment of creation, the copyright of which shall be owned exclusively by TBI worldwide. To the extent such Work Product does not qualify as a "work made for hire" under applicable copyright law, all rights, titles and interests that Target Canada may have in and to same is hereby assigned, transferred and conveyed from the moment of creation exclusively to TBI. Target Canada shall execute such documents, render such assistance, and take such other action as TBI may reasonably request, at TBI's expense, to apply for, register, perfect, confirm, and protect TBI's rights to the Work Product. Target Canada shall not at any time do or cause to be done, or fail to do or cause to be done, any act or thing, directly or indirectly, contesting or in any way impairing TBI's rights, titles, or interests in the Work Product. Target Canada acknowledges that any right to Work Product assigned, transferred or conveyed to TBI may be assigned by TBI to any Affiliate or other third party. Pursuant to Section 3.1 above, the Work Product, along with all other Intangible Property, is licensed to Target Canada within the territory under the terms of this Agreement.

- 4.2 **Waiver of Moral Rights.** Target Canada hereby waives any and all moral rights, including without limitation any right to identification of authorship or limitation on subsequent modification that Target Canada (or its employees, agents or consultants) has or may have in any Work Product and any derivatives, improvements or modifications thereof.
- 4.3 **Goodwill.** Target Canada shall uphold TBI's good name, preserve its goodwill, and protect TBI's Intangible Property rights and associated rights or interest during the term of this Agreement. Notwithstanding paragraph 6.2 herein, TBI shall have the right to immediately terminate this Agreement upon giving notice to Target Canada, in the event that Target Canada engages in any illegal, indecent, immoral, harmful or scandalous behavior or activities that may directly or indirectly damage TBI's reputation or good will.

4.4 Confidentiality. During and subsequent to the term of this Agreement, Target Canada, its agents and employees shall not make any unauthorized use or disclosure of any knowledge or information of a confidential or proprietary nature concerning the Intangible Property, or other private or confidential matters of TBI, and shall refrain from any acts or omissions that would reduce the value of such confidential matters to TBI or that would deprive or tend to deprive TBI of trade secret or other intellectual property protection with respect to such confidential matters. Target Canada shall develop and implement such procedures as may be reasonable and prudent to prevent the intentional or negligent disclosure to third parties of the Intangible Property licensed hereunder and related confidential information, including (but not limited to) requiring each of its employees having access to such information to enter into an appropriate written confidentiality agreement with Target Canada. The foregoing obligations shall not apply to knowledge or information which prior to receipt thereof from TBI was in the possession of Target Canada and at its free disposal, or is subsequently disclosed to Target Canada without any obligations of confidence by a third party who has not derived it directly or indirectly from TBI, or is or becomes generally available to the public through no act or default of Target Canada or its agents or employees.

4.5 Permitted Disclosure. Notwithstanding the foregoing, Target Canada shall have the right: (a) to communicate to suppliers relevant portions of the Intangible Property licensed hereunder reasonably necessary for, and solely for the purposes of, the procurement by Target Canada of commercially available materials and parts for use in the manufacture and/or installation of the Products; and (b) to communicate to customers acquiring the Products such portions of the Intangible Property licensed hereunder as are reasonably needed by such customers for operating and maintaining the Products, provided however, that any recipients of the Intangible Property which constitutes a trade secret or information of a confidential nature and licensed hereunder shall be advised by Target Canada, in writing, at the time of or before such communication, that proprietary information is being communicated and that such information is to be kept confidential and must not be used or disclosed except as permitted hereunder, and provided further, that such recipient undertakes, in writing, prior to disclosure, to respect such confidentiality and to be bound by terms and conditions given in this Article 4.

5. COMPENSATION

5.1 Fees. In consideration for TBI Services and any related materials and property provided by TBI, Target Canada agrees to pay TBI arm's length fees ("Fee") as agreed upon between the parties from time to time. The Fee shall be analyzed at the end of the Term of this Agreement and, in the event this Agreement is extended or amended, the Fee shall be agreed as between the parties. If any payment under this Agreement is required to be adjusted by the US or Canadian tax authorities or is adjusted at TBI's initiative, then TBI shall provide a refund or Target Canada shall make an additional payment as necessary to ensure that actual payments tie to the adjusted amount.

- 5.2 **Payment of Fees.** The Fee owed by Target Canada for the TBI Services and any related materials and property shall accrue and be charged either throughout or at the end of TBI's fiscal year and shall be paid as follows: no later than 60 days after the end of TBI's fiscal year, Target Canada shall pay to TBI the total amount of charges due for all TBI Services performed and any related materials and property provided during such fiscal year, with a credit against such payment for any amounts previously paid in excess of the amounts actually due for the fiscal year. The Fee owed by Target Canada may be offset by any amounts owed to Target Canada by TBI.
- 5.3 **Royalty.** In consideration for the license granted under this Agreement, Target Canada agrees to pay a Royalty Payment to TBI that is based on Net Revenues and produces an arm's length result as set forth in Schedule 3. If any Royalty Payment under this Agreement is required to be adjusted by the US or Canadian tax authorities or is adjusted at TBI's initiative, then TBI shall provide a refund or Target Canada shall make an additional payment as necessary to ensure that actual payments tie to the adjusted amount. It is acknowledged by the Parties that the payment of the portion of the Fee set forth in Schedule 3 by Target Canada is not a condition of purchase of goods or merchandise from third parties by Target Canada.
- 5.4 **Royalty Payments.** A Royalty Payment shall accrue and be charged either throughout or at the end of TBI's fiscal year and shall be paid as follows: no later than 60 days after the end of TBI's fiscal year, Target Canada shall pay to TBI the total amount of Royalties, with a credit against such payment for any amounts previously paid in excess of the amounts actually due for the fiscal year. The parties may also agree to prepay Royalties at any time based on an estimate of the Net Revenues for the following year, or a portion thereof, with an adjustment to be made at the end of the following year for the calculation of actual Net Revenues. However, the prepayment of Royalties shall not be trued up with regard to foreign currency fluctuations. Royalties owed by Target Canada may be offset by any amounts owed to Target Canada by TBI.
- 5.5 **Exclusive of Sales Taxes.** All amounts payable by Target Canada to TBI pursuant to this Agreement do not include any value-added, sales, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, or similar taxes, duties, or charges, (collectively "***Sales Taxes***") and all Sales Taxes are the responsibility and for the account of Target Canada. If TBI is required by law or by administration thereof to collect any applicable Sales Taxes, Target Canada shall pay such Sales Taxes to TBI concurrent with the payment of any consideration payable pursuant to this Agreement, unless Target Canada qualifies for an exemption from any such applicable Sales Taxes, in which case Target Canada shall, in lieu of payment of such applicable Sales Taxes, deliver to TBI such certificates, elections, or other documentation required by law or the administration thereof to substantiate and effect the exemption claimed.

5.6. Currency. All payments must be made in United States dollars ("*US Dollar*") unless otherwise agreed by the parties. Any reported amount in currencies other than the US dollar shall be translated into US dollars at the prevailing bookkeeping rate used by Target Canada during the period in which the amount is recognized under GAAP as applied by Target Canada for financial reporting purposes.

5.7 Non-Residency. As TBI is a non-resident of Canada, as that term is defined in the Income Tax Act (Canada), as amended from time to time and all regulations promulgated thereunder from time to time, if Target Canada is required to withhold tax in accordance with Section 5.8 and Section 5.9 then payments under this Agreement by Target Canada shall be reduced by the amount of such withholding taxes and Target Canada shall remit such withholding taxes to the applicable taxing authorities. Target Canada shall provide TBI with a copy of any information reporting forms required to be filed by Target Canada with the applicable taxing authorities on or before the filing due date for such forms. If, after Target Canada has paid such amounts, Target Canada receives a refund, rebate or credit on account of such taxes, then Target Canada shall promptly remit such refund, rebate or credit amount to TBI.

5.8 Regulation 105.

- (a) Subject to the terms of Section 5.8(b), 5.8(c), 5.8(d), and 5.8(e) hereof, where Target Canada makes a payment to TBI for services rendered in Canada, Target Canada shall reduce the payment amount by 15% pursuant to Regulation 105 of the Income Tax Act (Canada) and shall remit such withheld amount to the applicable taxing authorities. A further 9% will be withheld and remitted to the applicable taxing authorities if the services are provided in the province of Quebec.
- (b) Where Target Canada is required to make a payment to TBI for TBI Services rendered by TBI inside Canada, Target Canada shall withhold all applicable amounts as outlined in Section 5.8(a) on the entire payment unless TBI provides Target Canada, within ten (10) days of the request for payment from Target Canada, with records evidencing the portion of the required payment that is in respect of the TBI Services rendered inside of Canada. If such records are timely provided, Target Canada shall withhold all applicable amounts as outlined in section 5.8(a) on the payment that is in respect of services rendered inside of Canada.
- (c) Where Target Canada is required to make a payment to TBI for Services rendered both inside and outside of Canada, Target Canada shall withhold all applicable amounts as outlined in Section 5.8(a) on the entire payment unless TBI provides Target Canada, within ten (10) days of the request for payment from Target Canada, with records evidencing the portion of the required payment that is in respect of Services rendered inside of Canada and the portion of the required payment that is in respect of Services rendered outside of Canada. If such records are timely provided, Target

Canada shall withhold all applicable amounts as outlined in section 5.8(a) on the payment that is in respect of Services rendered inside of Canada.

- (d) Where Target Canada is required to make a payment to TBI for any amounts invoiced (or otherwise charged) by TBI's consultants or other service providers to TBI, Target shall withhold all applicable amounts on the payment as outlined in Section 5.8(a) unless TBI provides Target Canada, within ten (10) days of the request for payment from Target Canada, with records evidencing that the required payment is a reimbursement of amounts invoiced (or otherwise charged) by TBI's consultants or other service providers to TBI.
- (e) Where prior to any applicable payment by Target Canada to TBI, TBI has furnished Target Canada with a valid waiver issued by the tax authorities either reducing or eliminating the requirement to withhold tax for the services in question, Target Canada will take into account any relief provided by the applicable waiver, and reduce its withholding obligation accordingly, however only in the circumstances where Target Canada determines such reduction is appropriate and in accordance with the provisions of the applicable waiver.

5.9 Withholding Taxes. In the event that any withholding taxes or other duties are levied on any payments due to TBI from Target Canada (other than those covered in Section 5.8), Target Canada intends to fully comply with its requirements and remit such withholding taxes to the applicable taxing authorities. Target Canada will take into account any relief provided by an applicable income tax convention, and reduce its withholding obligation accordingly, however only in the circumstances where Target Canada determines such reduction is appropriate and in accordance with the provisions of the applicable income tax convention. Target Canada shall not be required to pay TBI any additional amount in respect to taxes withheld by Target Canada on payments made to TBI and, as outlined in Section 5.7, shall pay to TBI each amount due on which such withholding taxes or other duties are levied as a net amount. Where TBI is eligible to receive a reduced rate of tax or exemption provided by an applicable income tax convention in respect of a payment made by Target Canada to TBI, TBI will complete and retain the Canadian tax Form NR301 (*DECLARATION OF ELIGIBILITY FOR BENEFITS UNDER A TAX TREATY FOR A NON-RESIDENT TAXPAYER*) as support for residency requirements under the applicable income tax convention. For purposes of Canadian withholding tax allocation only, fifty percent (50%) of each Royalty Payment due on Schedule 3 shall be determined to relate to the intellectual property rights licensed under the agreement excluding know-how, patents, and software. The remaining fifty percent (50%) of each Royalty Payment shall be determined to relate to the license of know-how, patents and software.

6. TERM AND TERMINATION

6.1 **Term.** This Agreement is effective as of the Effective Date and will continue for a term of five (5) years ("Term").

6.2 **Termination.** Except where provided herein, either party may terminate this Agreement upon three (3) months prior written notice.

6.3 **Consequences upon Termination.**

- (a) Upon termination or expiration of this Agreement, the parties shall continue to be bound by the provisions of Section 4 (Intangible Property Rights) above, Section 7 (Limitation of Liability), Section 9 (Compliance with Laws), Section 10 (Relationship Between the Parties), and Section 11 (General Provisions).
- (b) Further, in the event of termination of this Agreement under any of its provisions, Target Canada is not relieved of its liabilities accruing up to the time of termination.
- (c) Target Canada shall immediately assign any Sublicense(s) in effect at the time of expiration or termination of this Agreement to TBI or its designee.
- (d) Target Canada agrees that upon expiration or termination of this Agreement based on default of Target Canada and provided TBI has given the termination notice in accordance with Section 6.2 hereof, Target Canada shall forthwith cease and desist in the manufacture and sale of Products and marketing, and shall deliver to TBI without cost all plates, molds, preprints, matrices and other devices and materials using the Intangible Property for TBI's free and unencumbered disposal or shall certify to TBI that such have been destroyed.
- (e) TBI agrees that upon expiration or at the termination of this Agreement for any reason other than the default of Target Canada, Target Canada shall have a period of not more than ninety (90) days thereafter to dispose of all of the unsold Product that has been completed by it prior to such termination, provided such Product was in the process of manufacture more than sixty (60) days before said termination. It is further provided under this Section 6.3(e) that Target Canada shall, prior to disposing of said unsold Product, give TBI a true itemized statement of all such unsold Product in inventory and sufficient detailed manufacturing information to substantiate the applicability of this Section 6.3(e) to said Product. TBI or its authorized representative shall have the option to conduct a physical inventory in order to verify such inventory statement.
- (f) Nothing in Section 6.3(e) shall be construed as authorizing Target Canada to: (i) sell Product not approved by TBI, or (ii) to sell Product otherwise than as set forth or contemplated in this Agreement or, (iii) to discontinue regular sales of and to sell the remainder of the Product in job lots at

reduced prices without first offering to sell the same to TBI at such prices and giving TBI a reasonable opportunity to purchase the same or, (iv) manufacture, sell or dispose of any Product covered by this Agreement after its expiration or its termination based on the failure of Target Canada to affix notice of copyright, trademark or service mark registration or any other notice to the Product cartons, containers, packing or wrapping material or advertising, promotional or display material. Additionally, any termination or expiration based on the departure by Target Canada from the quality and style approved by TBI pursuant to Section 3.2, or the exercise by TBI of its rights under Sections 4.3, or this Section 6 hereof shall not be construed as authorizing any manufacture, sale or disposition of any Product under the preceding Section 6.3(e).

- (g) Upon expiration or termination for any reason, Target Canada shall immediately and permanently cease to use the Intangible Property in any manner, including use of any the trademark, trade name rights or similar rights licensed hereunder.

7. LIMITATION OF LIABILITY

- 7.1 **Target Canada's Liability.** Target Canada will indemnify, defend and hold TBI harmless from and against any and all claims, demands, suits, losses, damages and liabilities (including, without limitation, interest and reasonable attorneys' fees) arising out of or resulting from Target Canada's failure to comply with any law, ordinance or regulation applicable to its business or Target Canada's breach of this Agreement, except to the extent TBI has primary liability pursuant to Section 7.2.
- 7.2 **TBI's Liability.** TBI will indemnify, defend and hold Target Canada harmless from and against any and all claims, demands, suits, losses, damages and liabilities (including, without limitation, interest and reasonable attorneys' fees) arising out of or resulting from TBI's failure to comply with any law, ordinance, or regulation applicable to its business or TBI's breach of this Agreement, except to the extent Target Canada has accepted primary liability pursuant to Section 7.1.
- 7.3 **Notice.** A party's obligation to defend and indemnify the other hereunder is subject to the conditions that the party seeking indemnification promptly notifies the other party in writing of any such claim, the party seeking indemnification cooperates fully in defense of the claim and the indemnifying party has control of the defense, to the extent of the indemnity.

8. REPRESENTATIONS AND WARRANTIES

TBI represents and warrants that: (a) it has the full power and authority to enter into this Agreement and (b) the execution and performance of this Agreement has received all necessary corporate approvals and consents and will not constitute a default under any provision of TBI's organizational documents.

9. COMPLIANCE WITH LAWS

- 9.1 **Compliance with the Law.** TBI must strictly comply with all applicable laws, rules, regulations and governmental orders, now or hereafter in effect, relating to its performance of this Agreement. TBI further agrees to make, obtain, and maintain in force at all times during the term of this Agreement, all filings, registrations, reports, licenses, permits and authorizations (collectively "**Authorizations**") required under applicable law or order in order for TBI to perform its obligations under this Agreement. Target Canada will provide TBI with such assistance as TBI may reasonably request in making or obtaining any such Authorizations.
- 9.2 **Export Law Compliance.** Target Canada undertakes to obtain all licenses, permits or approvals required by any government in connection with its manufacture, distribution, sale, lease and license of Products, and shall comply with all applicable rules, policies and procedures of the US government. TBI and Target Canada each agree to provide the other such information and assistance as may reasonably be required by the other in connection with securing such licenses, permits and approvals, and to take timely action to obtain all required import and export documents.
- 9.3 **Changes in the Law.** TBI will inform Target Canada of all actual and anticipated changes in the law or regulatory environment that might have an impact on the provision of Services under this Agreement.

10. RELATIONSHIP BETWEEN THE PARTIES

TBI, in providing Services and any related materials and property to Target Canada hereunder, is acting only as an independent contractor. The parties agree that the relationship between them is not that of partners and, except as expressly authorized in writing or pursuant to the terms of this Agreement, neither party has the authority to act on behalf of or bind the other party.

11. GENERAL PROVISIONS

- 11.1 **Governing Law.** This Agreement is governed by, and construed in accordance with, the laws of Minnesota conflict-of-law principles excluded.
- 11.2 **Amendments.** No provision of this Agreement shall be amended or waived except by a written agreement executed by both parties.
- 11.3 **Severability.** If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 11.4 **Headings.** The descriptive headings contained herein are for convenience only and shall not control or affect the meaning, interpretation or construction of any provision of this Agreement.

11.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and legal representatives of the respective parties hereto. This Agreement may not be assigned by any party without the prior written consent of the other party, except to an entity directly or indirectly controlling, controlled by, or under common control with the assigning party.

11.6 Notices. All notices required by this Agreement shall be in writing to the addresses set forth below, or such other addresses as may be designated in writing by the respective party. Any notices shall be deemed effectively given when received by the other party.

If to Target Canada: Target Canada Co.
5570 Explorer Drive
Mississauga, ON L4W-0C3
CANADA
Attention: General Counsel

If to TBI: Target Brands, Inc.
1000 Nicollet Mall
Minneapolis, MN 55403
Attention: Stephen C. Lee

11.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

****[Signature Page to Follow]****

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date,

TARGET CANADA CO.

By: 

Name: Terri K. Simard

Title: Vice President

Date Signed: 5/22/14

TARGET BRANDS, INC.

By: 

Name: Stephen C. Lee

Title: Vice President

Date Signed: 5/21/14

[Signature Page to Master Agreement eff Feb 3 2013]

Schedule 1.1(a)
Retail Support Services

- i. Retail training services related to all retail store employees and operations;
- ii. Retail training services related to distribution center employees; and
- iii. Any other ad hoc retail store/distribution center consulting requests by Target Canada

Schedule 1.1(b)
Business Services

- i. Accounting, Accounts Payable, Financial Reporting, Finance services;
- ii. Assets Protection services;
- iii. Cash Management services;
- iv. Communication and Public Relations services;
- v. Human Resources and Payroll services;
- vi. Legal services;
- vii. Office Administration services;
- viii. Risk Management services;
- ix. Tax Compliance services; and
- x. TTS/SAP/Information services

Schedule 1.1(c)
Marketing Consulting Services

- i. Assist with the development of marketing and promotional strategies and advertising campaigns;
- ii. Advise on the implementation of marketing and promotional strategies and advertising campaigns;
- iii. Perform services and advise related to the collection of guest insights data;
- iv. Provide marketing analytical and reporting support;
- v. Advise on in-store marketing;
- vi. Analyze marketing performance and media management; and
- vii. Any other ad hoc marketing consulting requests by Target Canada

Schedule 1.1(d)
Merchandising Consulting Services

- i. Advise and assist with merchandise planning;
- ii. Perform merchandising analytics and reporting support;
- iii. Assistance with managing relationships with vendors;
- iv. Provide merchandise systems support;
- v. Consulting related to the use of materials, signage, planograms, equipment and other aspects associated with the operation of retail stores; and
- vi. Any other ad hoc merchandising consulting requests by Target Canada

Schedule 1.1(e)
Strategy and Management Consulting Services

- i. Assist with developing operating manuals and operating policies relating to best practices in retail operations;
- ii. Advise on store locations and analysis of demographics;
- iii. Assist with merchandise sourcing, logistical and distribution strategies;
- iv. Provide leadership development, human resources and team member management;
- v. Advise on financial performance, develop financial metrics, and financial strategies;
- vi. Provide retail information management system support, business intelligence and data analysis;
- vii. Assist with supply chain management;
- viii. As requested, place orders for supplies, fixtures, displays, signage, equipment and other items with vendors who demonstrate the ability to meet established quality standards and who possess the resources necessary to reliably deliver required quantities on schedules that will ensure the efficient operation of Target Canada retail stores; and
- ix. Any other ad hoc strategic consulting requests by Target Canada

Schedule 2**Right To Prior Approval Of Use Of Intangible Property On Or In Connection With The
Products And Services; Quality Control****1. CONTROL BY TARGET BRANDS, INC.**

- 1.1 As Licensor, TBI shall have the right to control all uses of the Intangible Property licensed to Target Canada hereunder including, but not limited to, compliance with operating manuals and policies, compliance with information provided through the TBI Services, presentations, advertising, display, labeling, trade dress, publicity, press releases, and merchandising. TBI shall also have the right to control the character and quality of the Products and Services. Target Brands, Inc., in its sole discretion, shall have the first right to initiate and control enforcement of the Intangible Property.
- 1.2 Pursuant to this right of control, TBI, through such agents or representatives as it may designate, shall have free access to Target Canada's and its sublicensee's facilities, at all times during business hours and with the right to full disclosure, upon reasonable notice, of all apparatus, methods, and materials used by Target Canada in the production and sale of the Products, and shall have the right to take reasonable and free samples of Products and all of the materials used in the manufacture, thereof, and requisition Services for the purpose of examination or testing.

Schedule 3
Royalty

For the term of this Agreement, Target Canada shall pay to TBI a Royalty as follows:

- 1.5% of Licensee's Net Revenues