

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



Commissioner for Taking Affidavits

BUYING AGENCY AGREEMENT

THIS BUYING AGENCY AGREEMENT (this "*Agreement*") is entered into effective as of January 29, 2012 (the "*Effective Date*"), by and among:

Target Canada Co., an unlimited company organized and existing under the laws of Nova Scotia, Canada with its registered address at 1959 Upper Water Street, Suite 900, P.O. Box 997, Halifax, Nova Scotia, Canada B3J 3N2 ("*Principal*"),

Target Sourcing Services Limited, a private limited company organized and existing under the laws of Hong Kong with its registered address at 4/F and 5/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong ("*Agent*"), in its capacity as trustee of Target Sourcing Services, a trust organized under and existing under the laws of the People's Republic of China ("*TSS*"),

and

Target Brands, Inc., a Minnesota corporation organized and existing under the laws of Minnesota with its registered address at 1000 Nicollet Mall, Minneapolis, MN 55403 ("*Target Brands*").

RECITALS

- A. Principal requires assistance in sourcing and purchasing merchandise for its retail stores scheduled to open in Canada in 2013; and
- B. Agent has experience in sourcing products and is willing to provide certain sourcing services to Principal upon the terms and subject to the conditions set forth herein; and
- C. Principal wishes to take advantage of Agent's skills and resources for purposes of sourcing products as further described below.

NOW THEREFORE, it is mutually agreed as follows:

1. DEFINITIONS

- 1.1 **Defined Terms.** Capitalized terms appearing in this Agreement shall have the meaning described below.
- 1.2 "*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.
- 1.3 "*Intangible Property*" shall mean any and all 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).

- 1.4 **"Licensed IP"** shall mean Intangible Property that: (i) is owned by or licensed to Principal by Target Brands either as of the Effective Date or any time thereafter, including all Intangible Property that is Work Product hereunder; and (ii) Principal permits Agent to use in its provision of the Services hereunder.
- 1.5 **"Party"** shall mean Target Canada Co., Target Sourcing Services Limited or Target Brands, Inc. or, if used in the plural, Target Sourcing Services Limited, Target Brands, Inc. and Target Canada Co.
- 1.6 **"Product" or "Products"** shall mean any products distributed by Principal or on behalf of Principal or sold or distributed by authorized third parties pursuant to a duly executed Sublicense.
- 1.7 **"Service" or "Services"** shall mean product sourcing and inspection services provided by Agent or provided by entities beneficially owned by Agent pursuant to a duly executed agreement.
- 1.8 **"Territory"** shall mean everywhere in the world, except the U.S. and Canada.
- 1.9 **"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. SERVICES

- 2.1 Agent hereby agrees to perform Services on behalf of, and at the request of, Principal in the Territory. For the avoidance of doubt, such Services shall include

the following: propose qualified potential vendors to fulfill orders; communicate pricing terms to vendors; arrange logistics and shipment of products; ensure compliance with Principal's vendor standards; inspect product manufactured in the Territory; provide Principal with records of any or all inspections and audits of vendors providing products pursuant to this Agreement and such other product sourcing services as Principal may request from time to time.

- 2.2 Agent acknowledges that it does not have the right, power or authority to make any contract or incur any obligation or liability binding on Principal unless it has been specifically authorized to do so in advance by Principal.
- 2.3 Agent may delegate performance of certain aspects of the Services to third parties so long as such third parties are bound by the confidentiality provisions in Section 5.

3. CONDUCT OF BUSINESS

Agent agrees that it is in the business of sourcing products and as such has experience, specific expertise and knowledge in vendor selection, inspection, and quality control. Accordingly, Agent represents and warrants in accordance with its standard business practices it shall:

- a. Vendor Selection. Agent shall locate new sources of supply and vendors for products, report on special overseas merchandise offerings, obtain merchandise samples from vendors and review and assist vendors to provide price quotations for submission to Principal for final approval of vendor selection and price by Principal.
- b. Vendor Review. Agent shall visit manufacturers and subcontractors, as appropriate under the circumstances in order to inspect the quality, progress of production and origin of the merchandise to ensure compliance with Principal's vendor standards. Agent shall maintain records of such visits and supply such records to Principal upon request.
- c. Vendor Management. Agent shall be responsible for managing all aspects of vendors' activities relating to merchandise for Principal, including (without limitation) reviewing vendors' ordering processes, monitoring production so as to ensure quality, demand and timelines are satisfied, reviewing product objectives with vendors, reviewing, advising and assisting vendors in the preparation and improvement of samples and prototypes and the preparation of financial information, costings and projections. Agent shall keep appropriate records of its activities and shall supply such records at Principal's request.
- d. Price Negotiation. Agent shall assist in the negotiation of the most favorable prices for Principal and communicate pricing terms to vendors.
- e. Quality Control. Agent shall meet with vendors to ensure that vendors understand production and order requirements, inspect products manufactured by vendors to ensure compliance with all product specifications as set forth by Principal. In

addition, Agent shall be responsible for ensuring that vendors comply at all times with Principal's global compliance standards, quality assurance and safety standards, and standards of vendor engagement. Agent shall arrange regular inspections, audits and product testing by third parties pre-approved by Principal. Agent shall promptly notify Principal of the results of such tests and audits (where appropriate making recommendations) and of any matters which, in Agent's reasonable opinion should be brought to Principal's attention. In the event that deficiencies are found in the products, Agent will work with vendors to negotiate a resolution satisfactory to Principal.

- f. Logistics. Agent shall be responsible for providing logistics support and analysis to maximize shipping efficiencies and reduce costs. Agent may, at Principal's request, assist with obtaining all necessary documentation related to the shipment necessary for importation into Canada, including, but not limited to, commercial invoices, textile visas, textile declarations, transshipment certification, child labor certifications, GSP declarations, and any additional documentation required by Principal. All shipping methods used by Agent shall be approved by Principal.
- g. Local laws. Agent shall monitor local laws and regulations and market conditions in any country where Agent sources product on behalf of Principal and report any relevant developments as soon as reasonably possible after Agent becomes aware of them.
- h. Market Research. Agent will provide to Principal the following market research assistance: Agent will conduct a comprehensive evaluation of the market for potential vendors and suppliers for Principal and the overall competitive landscape in which Principal operates in order to identify potential vendors and suppliers. In particular, Agent shall review and research developments in all local market conditions, laws, customs and practices on an ongoing basis, regularly report in writing to Principal on such developments and make appropriate recommendations to Principal based on such research.

4. LIMITED LICENSE TO USE INTANGIBLE PROPERTY

- 4.1 Grant of License by Principal. 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), Principal hereby grants to Agent within the Territory a revocable, exclusive, sublicensable, royalty-free license to commercially exploit all Intangible Property for all legal purposes in connection with performance of the Services for the term set forth in Section 7, subject to and upon the terms and conditions of this Agreement as follows:

- (a) Under specified terms and conditions set out below, Principal grants to Agent the right to grant and enter into subagency agreements (hereinafter "Subagent(s)") with Affiliates beneficially owned by Agent (hereinafter "Subagent(s)") to sublicense the Intangible Property rights in connection

with the Services to be provided. Principal does not grant the right to sublicense the Intangible Property rights for any other purpose.

- (b) Notwithstanding anything to the contrary herein contained, Principal and Agent 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, Agent 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 Principal, an Affiliate or any registered user or other licensee of Principal.
- (d) It is a condition of the right to Sublicense granted under this Agreement that Agent 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 Subagent in respect of the rights sublicensed thereunder all covenants and obligations, including confidentiality obligations, which are assumed by or imposed on Agent 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, Principal will honor the Subagency Agreement(s) entered into by Agent;
 - (v) be maintained on file and available upon request to Principal within seven (7) days of execution;
 - (vi) require Agent at first request of Principal to register the Sublicense(s) in the appropriate registers as indicated by Principal;
 - (vii) provide for Principal's inspection of Products, including samples, and provide timely notice regarding misuse of Principal's Intangible Property;
 - (viii) require Sublicensees' further Sublicenses, if any, to comply with the provisions of Section 4 herein;

- (ix) require all Subagents to assign and transfer all Work Product created during this Agreement's term to Principal at the moment of its creation, including works made for hire, which shall designate Principal as the author with the intent that Principal'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 Principal and Agent; and
 - (x) No Subagent may obtain or be granted any rights greater than the rights granted to Agent under this Agreement.
- 4.2 **Control By Principal.** Target Brands, Inc. and Principal shall have the right to inspection and prior approval of all uses of the Intangible Property in connection with the Services. Target Brands, Inc. shall have the first right to initiate and control enforcement of the Intangible Property, and Principal the second right. Target Brands, Inc.'s and Principal's rights shall apply as against Agent and all subagents and successors.
- 4.3 **Notice to Principal.** Except as provided in Section 4.1, Agent shall not sublicense, make available or otherwise transfer any of its rights hereunder without the prior written consent of Principal.
- 4.4 **Subject To Third Party Rights.** The rights granted under this Agreement to Agent are subject to any existing or future third party licensor rights in the Intangible Property and/or 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.

5. RIGHTS AND CONFIDENTIALITY

- 5.1 **Rights in Intangible Property.** As between Target Brands, Inc., Principal and Agent:
- (a) All right, title, and interest in the Intangible Property licensed hereunder are and shall remain with Target Brands, subject to the license granted to Agent herein. Agent 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 Target Brands' right, title, or interest in the Intangible Property licensed hereunder.
 - (b) Agent 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 Agent any right, title or interest in or to the Intangible Property save as expressly granted hereby.

- (c) The Agent 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 the Territory to keep the rights valid and effective, including the payments of taxes and fees.
- (d) Agent agrees to take whatever action is appropriate or necessary to protect Target Brands' rights in the Intangible Property including but not limited to: cooperating in any new domestic or foreign applications for intellectual property registration pursued by Target Brands; and registering as a licensee or user of the Target Brands' trademark in connection with the Service upon request by Target Brands or Principal.
- (e) The Agent 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, Agent agrees and warrants that it will not, either within or outside 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) Agent agrees to promptly notify Target Brands of conflicting activities by third parties of which Agent becomes aware. On written notice from Agent of such activities, Target Brands may, but is not required to, take appropriate legal action. Until Target Brands and Principal decline to take legal action, Agent shall take no legal action, however, without Target Brands and Principal's prior written consent. Agent agrees to cooperate fully in any action taken by Principal, at Target Brands or Principal's expense. Target Brands, in the first instance, and Principal, in the second instance, may, but are not required to, initiate and control any legal action undertaken pursuant to this provision.
- (h) The Agent agrees to ensure that all uses of the Intangible Property including use in connection with the Service comply with all relevant copyright, trademark, design right, registered design and other relevant intellectual property laws in the Territory.
- (i) Principal may terminate this Agreement immediately upon giving notice to Agent if Agent shall challenge the validity of or Target Brands' ownership of the Intangible Property or any rights licensed by Principal to Agent hereunder.
- (j) Agent 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 Target Brands 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 Agent 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 Target Brands 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 Agent may have in and to same is hereby assigned, transferred and conveyed from the moment of creation exclusively to Target Brands. Agent shall execute such documents, render such assistance, and take such other action as Target Brands and/or Principal may reasonably request, at Principal's expense, to apply for, register, perfect, confirm, and protect Principal's rights to the Work Product. Agent 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 Target Brands' rights, titles, or interests in the Work Product. Agent acknowledges that any right to Work Product assigned, transferred or conveyed to Target Brands may be assigned by Principal to any Affiliate or other third party. Pursuant to Section 4.1 above, the Work Product, along with all other Intangible Property, is licensed to Agent within the territory under the terms of this Agreement.

- 5.2 **Waiver of Moral Rights.** Agent hereby waives any and all moral rights, including without limitation any right to identification of authorship or limitation on subsequent modification that Agent (or its employees, agents or consultants) has or may have in any Work Product and any derivatives, improvements or modifications thereof.
- 5.3 **Goodwill.** Agent shall uphold Target Brands good name, preserve its goodwill, and protect Target Brands' and Principal's Intangible Property rights and associated rights or interest during the term of this Agreement. Target Brands and/or Principal shall have the right to immediately terminate this Agreement in the event that Agent engages in any illegal, indecent, immoral, harmful or scandalous behavior or activities that may directly or indirectly damage Target Brands' or Principal's reputation or good will.
- 5.4 **Confidentiality.** During and subsequent to the term of this Agreement, Agent, 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 (including Work Product), or other private or confidential matters of Target Brands or Principal, and shall refrain from any acts or omissions that would reduce the value of such confidential matters to Target Brands or Principal or that would deprive or tend to deprive Target Brands or Principal of trade secret or other intellectual property protection with respect to such confidential matters. Agent 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 Agent. The foregoing obligations shall not apply to knowledge or information which prior to receipt thereof from Target Brands or Principal was in the possession of Agent and at its free disposal; or is subsequently disclosed to Agent without any obligations of confidence by a third party who has not derived it directly or indirectly from Target Brands or Principal, or is or becomes generally available to the public through no act or default of Agent or its agents or employees.

- 5.5 **Permitted Disclosure.** Notwithstanding the foregoing, Agent 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 Agent of commercially available materials and parts for use in the manufacture and/or installation of the Products or provision of Services; and (b) to communicate to customers acquiring the Products or receiving the Services such portions of the Intangible Property licensed hereunder as are reasonably needed by such customers for operating and maintaining the Products or using the Services; provided however, that any recipients of the Intangible Property licensed hereunder shall be advised by Agent, 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 Section 5.

6. COMPENSATION

- 6.1 **Fee.** Principal will pay Agent a fee ("Fee") as set forth on Schedule A, which may be amended by the parties from time to time. The Fee will only be payable if and to the extent that Agent has identified acceptable vendors and performed the other Services. The Fee will only be payable with respect to products sourced hereunder which Principal has purchased and upon shipment of the products by the vendor.
- 6.2 **Exclusive of Taxes.** The Fee is exclusive of any Value Added Tax or similar tax which shall be added as required by law.
- 6.3 **Currency.** All payments under this Agreement shall be made in U.S. dollars unless otherwise agreed by the parties.
- 6.4 **No Financial Interest.** Agent certifies that it has no financial or ownership interest in, or control of, the factories making the merchandise, or in the merchandise offered for sale by the factories, and neither sells raw materials to the factories making the merchandise nor guarantees raw material costs over a period of time.

7. TERM AND TERMINATION

7.1 Initial Term. This Agreement is effective as of the Effective Date and will continue through February 3, 2018 ("Term").

7.2 Termination.

- (a) Either party may terminate this Agreement upon three months' written notice.
- (b) Either party may terminate the Agreement, effective immediately, in the event of:
 - (i) the other party's bankruptcy, insolvency or other legal suspension of business, either voluntary or involuntary, or by law, or by agreement with creditors or upon the appointment of any assignee, trustee, receiver, committee or other person or persons who are charged with the administration or possession of the assets and property of either party;
 - (ii) the other party's inability to pay its debts as they become due;
 - (iii) the other party's continuing or material breach of the provisions of this Agreement and, in the case of such a breach which is capable of remedy, the failure to remedy the breach to the satisfaction of the non-defaulting party within 30 days after receipt of a written notice by the non-defaulting party giving full particulars of the breach and requiring it to be remedied or, if the breach is not capable of remedy in the reasonable opinion of the non-defaulting party, by serving on the defaulting party a notice of termination.

7.3 Consequences upon Termination. Upon termination or expiration of this Agreement, the parties shall continue to be bound by the provisions of Section 3 (Conduct of Business) and Section 5 (Rights and Confidentiality) above, Section 8 (Claims Handling), Section 9 (Limitation on Liability), Section 10 (Compliance with Laws), Section 11 (Relationship Between the Parties), and Section 12 (General Provisions).

8. CLAIMS HANDLING

- 8.1** Upon written request, Agent shall use all reasonable efforts to assist Principal in the return of any merchandise obtained pursuant to this Agreement and deemed to be defective or in seeking compensation from the vendor for all claims for non-conforming merchandise.
- 8.2** The procedure for handling such claims shall be governed by Principal's vendor policies as amended from time to time.

- 8.3 In no case may Agent prevent Principal from taking any and all available recourse directly against a vendor or seller for any claim of non-conforming merchandise.

9. LIMITATION OF LIABILITY

- 9.1 **Principal's Liability.** Principal will indemnify, defend and hold Agent 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 Principal's failure to comply with any law, ordinance or regulation applicable to its business or Principal's breach of this Agreement, except to the extent Agent has primary liability pursuant to Section 9.2.
- 9.2 **Agent's Liability.** Agent will indemnify, defend and hold Principal 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 Agent's failure to comply with any law, ordinance, or regulation applicable to its business or Agent's breach of this Agreement, except to the extent Principal has accepted primary liability pursuant to Section 9.1.
- 9.3 **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.

10. REPRESENTATIONS AND WARRANTIES

Agent 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 Agent's Memorandum and Articles of Association.

11. COMPLIANCE WITH LAWS

- 11.1 **Compliance with the Law.** Agent must strictly comply with all applicable laws, rules, regulations and governmental orders, now or hereafter in effect, relating to its performance of this Agreement. Agent 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 Agent to perform its obligations under this Agreement. Principal will provide Agent with such assistance as Agent may reasonably request in making or obtaining any such Authorizations.
- 11.2 **Compliance by Vendors and Subcontractors.** Agent will comply with Principal's vendor standards and use its reasonable best efforts to monitor and

enforce such standards with vendors and subcontractors. Agent shall immediately notify Principal of any suspected violations of local laws, customs laws, quality standards, and infringement of intellectual property rights.

11.3. Changes in the Law. Agent will inform Principal 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.

11.4. Anti-bribery. Agent agrees to comply with all United States export control and economic sanction laws, the United States Foreign Corrupt Practices Act ("FCPA"), the Corruption of Foreign Public Officials Act ("CFPOA"), and all other applicable anti-bribery laws. Agent represents, warrants, conditions and agrees that neither Agent nor anyone acting on Agent's behalf has committed or will commit any act in connection with activities undertaken for Principal or its affiliates that would result in a violation of the FCPA, the CFPOA, or any other anti-bribery law. Furthermore, in connection with activities undertaken for Principal or its affiliates, Agent and anyone acting on Agent's behalf shall not, directly or indirectly, give, offer to give, or authorize the giving of any money or anything else of value to any person for the purpose of obtaining, retaining, or directing business by (a) improperly influencing any act or decision, (b) improperly inducing the recipient to act or refrain from acting in violation of a legal duty, (c) securing any other improper advantage, or (d) expediting or securing the performance of any routine governmental action. Agent shall immediately notify Principal of any actual or suspected breach of this section.

12. GENERAL PROVISIONS

12.1 Notices. Any notice required or permitted to be given under this Agreement will be deemed given: (i) when delivered personally to the party to receive such notice, if a natural person, or to an officer of any party which is a corporation; (ii) 5 days after mailing by express courier service, fully prepaid, addressed as herein provided, or upon actual receipt of such mailing, whichever will first occur; or (iii) upon receipt of confirmation from the addressee acknowledging receipt of such notice if by e-mail, facsimile or other electronic transmission service, provided that in the case of notice delivered in accordance with this clause (iii), a copy of the notice is also simultaneously sent in accordance with clause (ii) above. All notices will be addressed to the parties at the following addresses or to such other address as any party may notify the other parties of in a writing delivered in accordance with this section:

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

With a copy to:

Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403
Attention: Corporate Secretary

(b) If to Agent:

Target Sourcing Services Limited
4/F and 5/F, Tsim Sha Tsui Centre
66 Mody Road, Tsim Sha Tsui East
Kowloon, Hong Kong
Attention: Cynthia Ho

With a copy to:

Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403
Attention: Corporate Secretary

- 12.2 Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other, except, in the case of Principal, to any entity directly or indirectly controlling, controlled by, or under common control with Principal.
- 12.3 Successors and Assigns.** Except as limited by the Assignment provisions hereof, this Agreement, its terms and conditions will be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.
- 12.4 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada, conflict-of-law principles excluded.
- 12.5 Force Majeure.** Neither party shall be liable for failure or delay in performing under this Agreement that is due to causes beyond its reasonable control, such as natural catastrophes, outbreak of disease, governmental acts or omissions, labor strikes, lockouts or other disturbances, war, riot or difficulties in procuring labor or materials. Upon the occurrence of any such event, the party failing or delaying performance shall promptly notify the other party in writing, setting forth the nature of the occurrence, its expected duration and how its performance is affected. The failing or delaying party shall use commercially reasonable efforts to eliminate, cure or overcome the occurrence and in any event shall resume performance of its obligations hereunder as soon as practicable after the

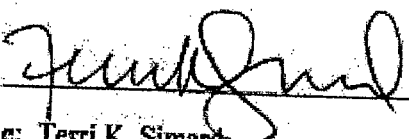
occurrence ceases. If any of these causes prevents or delays performance for more than 90 consecutive days, either party may terminate this Agreement effective immediately on written notice to the other party.

- 12.6 Entire Agreement.** This Agreement, including its attached exhibits and schedules specified herein supersedes all prior or contemporaneous written or oral agreements and understandings relating to the subject matter hereof. Neither party is entitled to rely on any representations of any officer, employee or agent of the other party which is not expressly set forth in this Agreement.
- 12.7 Amendments.** This Agreement may not be amended, altered or changed unless in writing signed by the parties.
- 12.8 Severability.** If any provision of this Agreement is, for any reason, held invalid or illegal in any respect, such invalidity or illegality will not affect the validity of this Agreement itself and there will be substituted for the affected provision, a valid and enforceable provisions which most closely approximates the intent and economic effect of the invalid provision. If such provision cannot be amended so as to be valid and enforceable, then such provision is severable from this Agreement, and the remaining provisions of this Agreement will remain valid and enforceable.
- 12.9 Waiver.** Either party's failure to enforce any provision of this Agreement or to require performance by the other party will not be construed as a waiver of such provision nor affect the validity of this Agreement or any part thereof, or either party's right to enforce any provisions thereafter.
- 12.10 Counterparts.** This Agreement may be executed in counterparts and delivered by means of facsimile or portable document format (PDF) copies, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.
- 12.11 Headings.** The headings contained in this Agreement are for convenience and reference only and do not define, limit, extend, or describe the scope of this Agreement or the intent of any provision thereof.
- 12.12 Language.** This Agreement may be translated into one or more foreign languages, provided, however, in the event of any conflict in the interpretation of this Agreement and any foreign language translation, the interpretation of this English language version shall govern.

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

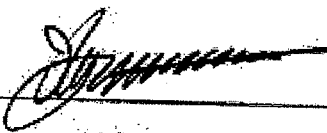
TARGET CANADA CO.

By: 
Name: Terri K. Simard

Title: Vice President

Date Signed: 5/22/14

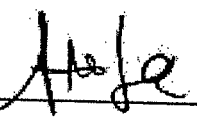
TARGET SOURCING SERVICES LIMITED

By: 
Name: Cynthia Ho

Title: Director

Date Signed: 5/27/14

TARGET BRANDS, INC.

By: 
Name: Stephen C. Lee

Title: Vice President

Date Signed: 5/21/14

SCHEDULE A
COMPENSATION

Target Canada Co. shall pay Target Sourcing Services Limited a monthly Fee in accordance with Section 3.1. Effective as of January 29, 2012, that fee shall be equivalent to the following:

- for Services rendered in connection with products sourced and manufactured in the Territory, the fee will equal 5.85% of the purchase price paid to vendors by Target Canada.
- for Services rendered in connection with inspection activities occurred in the Territory, the fee will equal the actual cost of inspection activities, plus 0.8% of such costs.