

SEAQUAL INITIATIVE

License number: 21052521PT

TRADEMARK & COPYRIGHT LICENSE AGREEMENT

(for textile goods containing SEAQUAL YARN)

Between:

LICENSOR:

SEAQUAL 4U S.L. (hereinafter "SEAQUAL"), a company organized and existing under the laws of Spain and legally registered at address C/ Josep Hereu i Aulet 8, 2nd Floor, 17160 Anglès, Girona, Spain and with tax number B87669990

And

LICENSEE:

Company's legal name: Confeções Frazão Lda

Trading as: Confeções Frazão Lda

A company organized and existing under the laws of: Portugal

Tax number: 501446060

Legally registered address: Zona Industrial das Arroteias Rua das Fontainhas n.o 181 Paços de Ferreira 4595-125 Frazão

PREAMBLE

SEAQUAL operates SEAQUAL INITIATIVE. SEAQUAL INITIATIVE promotes and supports ocean clean-ups. The main goal of SEAQUAL INITIATIVE is to fight and raise awareness of the problem of marine litter. SEAQUAL INITIATIVE is based on 4 pillars:

- 1- Enabling ocean cleaning: retrieving, collecting and sorting marine litter by engaging NGOs, fisheries, local communities, authorities and waste management companies.
- 2- Engaging industries: engaging recyclers, manufacturers and brands to transform plastic marine litter into UPCYLED MARINE PLASTIC and then into everyday products.
- 3- Communicating: raising awareness of the plastic pollution issue by informing industries, lobbying authorities and educating and sensitizing society.

4- Inspiring consumers and communities: it is essential that consumers are aware that the product they are purchasing/receiving contains UPCYCLED MARINE PLASTIC and that they are supporting SEAQUAL INITIATIVE in its fight against marine litter.

SEAQUAL is not a FINAL PRODUCT brand. FINAL PRODUCTS using UPCYCLED MARINE PLASTIC as an ingredient shall be put on the market under the manufacturer's brand. All parties involved in the supply chain, such as manufacturers, brands, distributors and retailers shall mention SEAQUAL INITIATIVE in their marketing materials, such as web pages, social media, media press and merchandising. The purpose of this Agreement is to ensure material traceability and to regulate the collaboration between SEAQUAL and LICENSEE, in particular, under which conditions they can use the SEAQUAL TRADEMARKS and SEAQUAL COPYRIGHT, in order to maximize the impact of SEAQUAL INITIATIVE.

In consideration of the mutual rights and obligations of the parties herein, LICENSOR and LICENSEE agree to the following trademark licensing terms and conditions:

1. DEFINITIONS

- a) **SEAQUAL TRADEMARK:** a trademark consisting of the term SEAQUAL in word or together with figurative elements, either filed or registered under any jurisdiction at the date of the Agreement, or to be subsequently filed or registered. The SEAQUAL registered TRADEMARKS at the date of this Agreement are listed at www.seaqual.org/faqs/ under 'SEAQUAL LICENSE'.
- b) **SEAQUAL COPYRIGHT:** marketing and communication materials made available by SEAQUAL for download to all LICENSEES via their user account at www.seaqual.org. These marketing and communications materials are owned exclusively by SEAQUAL or SEAQUAL has been authorized by third-party right holders to use them. These materials comprise visual, audio and written elements such as logos, tag lines, videos, photos and digital files. For the sake of clarity, SEAQUAL COPYRIGHT under this Agreement does not include any materials created by SEAQUAL, or that SEAQUAL otherwise owns, for the exclusive use of a specific LICENSEE.
- c) **UPCYCLED MARINE PLASTIC:** polymer recycled from plastic marine litter and processed at recycling plants approved by LICENSOR.
- d) **SEAQUAL YARN:** yarn containing UPCYCLED MARINE PLASTIC.
- e) **TEXTILES:** any textile produced directly, in whole or in part, from SEAQUAL YARN. For the purpose of clarity, this includes textiles produced directly from yarn, for example fabrics, seamless garments, cords, straps, hand-knitting yarns and 'fancy' yarns. It does not include textile goods made from fabrics, such as clothing.
- f) **FINAL PRODUCT:** any finished product ready for retail that contains SEAQUAL YARN.
- g) **AFFILIATE:** any company, corporation or business in which LICENSEE owns or controls at least fifty percent (50%) of the voting stock or other ownership. In this Agreement, the term LICENSEE includes AFFILIATES.

2. GRANTS

LICENSOR hereby grants LICENSEE a non-exclusive, non-transferable, revocable license to the SEAQUAL TRADEMARK and to the SEAQUAL COPYRIGHT according to the SEAQUAL Brand Guidelines.

All rights not specifically granted to LICENSEE are reserved to LICENSOR.

3. FIELD OF USE

- a) This Agreement grants LICENSEE permission to purchase SEAQUAL YARN and to produce, use, buy and sell goods containing SEAQUAL YARN in all product and segment categories with the following EXCEPTIONS:
- i) The production of mattress ticking, mattress covers (also referred to as ‘toppers’ and ‘protectors’), and any fabric involved in the manufacture of mattresses.
 - ii) The production of synthetic leather comprising a textile base with a polyurethane coating.
 - iii) The production, sale or purchase of any textile used in vehicle interiors (automotive interior textiles), including but not limited to cars, trucks, buses, trains, boats and aircraft.
- b) This agreement is NOT valid for:
- i) MERCHANDISING COMPANIES, defined as commercial companies that design and manufacture (directly or by commission to third parties) promotional items (i.e., any final goods that are purchased by an ENTITY: i) for its own use or ii) to be sold or given free of charge to the public; in either case, for the purpose of promoting the ENTITY’s own brand or business, or a public interest cause in which the ENTITY is involved.
 - ii) ENTITIES, defined as any company, individual or non-profit organization that purchases promotional items.

4. ROYALTY FREE

This LICENSE is granted free of charge and without royalties.

5. LICENSEE OBLIGATIONS

Traceability & Certification - LICENSEE undertakes to:

- a) Only buy SEAQUAL YARN, textiles or products containing SEAQUAL YARN from SEAQUAL licensees.
- b) Only sell textiles or products containing SEAQUAL YARN to SEAQUAL Licensees. The following exemptions apply:
 - i. Sales to end-users – defined as individuals or companies purchasing textiles or products containing SEAQUAL YARN for their own use (not for resale).
 - ii. Sales of FINAL PRODUCTS to distributors and retailers where the FINAL PRODUCTS are clearly and permanently branded with a trademark owned by a SEAQUAL Licensee. In the case of co-branded products, the owners of both brands must be SEAQUAL Licensees.

IMPORTANT - Although sales of textiles or products containing SEAQUAL YARN are permitted to the companies listed above, no company is permitted to publicly communicate details about SEAQUAL® YARN, SEAQUAL YARN’s marine origin, SEAQUAL INITIATIVE, SEAQUAL INITIATIVE’s partners or activities or to use the SEAQUAL TRADEMARKS and SEAQUAL COPYRIGHT unless they sign a ‘SEAQUAL Trademark & Copyright License Agreement’. It is the responsibility of LICENSEE to communicate this requirement to these exempted customers.

- c) -- **only applicable to TEXTILE manufacturers** -- Submit all newly developed TEXTILES containing SEAQUAL YARNS to a LICENSOR-approved laboratory for the purposes of obtaining a 'SEAQUAL Certification Number'. In the case of any modification to the construction, composition or processing of an already certified TEXTILE, LICENSEE will resubmit the modified TEXTILE for a new certification.

Note: Only TEXTILES need to be submitted for certification, goods made from SEAQUAL-certified TEXTILES (for example, garments) do not need to be submitted for certification. A product made from SEAQUAL-certified TEXTILES may use the SEAQUAL Certification Number given to the TEXTILE(S) that are used to make it.

- d) Ensure that the 'SEAQUAL Certification Number' is always communicated to their customers either by clear labelling on the textile or product or by passing the number to the customer in writing (for example, by including the 'SEAQUAL Certification Number' in the invoice). This is with the exception of a LICENSEE selling FINAL PRODUCTS to end consumers in which case the decision to communicate the 'SEAQUAL Certification Number' is at the discretion of the LICENSEE.
- e) Only purchase textiles or products that contain SEAQUAL YARN if they are accompanied by a 'SEAQUAL Certification Number'.

Communication - LICENSEE undertakes to:

- f) Use the SEAQUAL TRADEMARK and SEAQUAL COPYRIGHT according to the SEAQUAL Brand Guidelines in force at any given time. A set of the current SEAQUAL Brand Guidelines is provided to LICENSEE prior to signature of this Agreement. Any possible amendments to the SEAQUAL Brand Guidelines shall immediately be made available to LICENSEE.
- g) Make reference to SEAQUAL INITIATIVE in their public communication, marketing and advertising. To this end, LICENSEE must ensure that the information communicated is correct, accurate and in agreement with the SEAQUAL Brand Guidelines and the data and information provided by LICENSOR. LICENSOR reserves the right to request that any communication, marketing and/or advertising that does not meet these requirements is corrected immediately. LICENSEE may use the SEAQUAL COPYRIGHT materials provided to all licensees for download at www.seaqual.org. Any marketing and communication materials created by LICENSEE referencing SEAQUAL INITIATIVE must be approved before use at digital@seaqual.com
- h) Clearly and evidently communicate their support for SEAQUAL INITIATIVE. These communications must always follow the SEAQUAL Brand Guidelines.
- i) Never communicate the use of plastic obtained from the marine environment by SEAQUAL INITIATIVE and its partners, or the ocean cleaning programs operated by SEAQUAL INITIATIVE and its partners, without making explicit reference to SEAQUAL INITIATIVE.
- j) Never change the name of SEAQUAL YARN. Always make explicit reference to SEAQUAL YARN or SEAQUAL INITIATIVE when describing goods containing SEAQUAL YARN.
- k) Never communicate SEAQUAL INITIATIVE jointly with any other ocean cleaning organization in the same marketing material.

- l) Never communicate SEAQUAL YARN jointly with any other polyester fiber that contains recycled marine waste in the same marketing material.
- m) Not request marketing content (interviews, pictures, stories, etc) directly from individuals or entities which are or have been involved with SEAQUAL INITIATIVE projects (for instance, SEAQUAL Heroes). Any materials related to these collaborations may be developed by SEAQUAL and made available for download to LICENSEES. SEAQUAL shall not approve any marketing materials submitted by LICENSEE pursuant to clause 5 h) which include contents obtained directly from the above-mentioned individuals or entities.
- n) Copyright and other materials relating to SEAQUAL FOUNDATION are not covered by this license agreement and should not be used. SEAQUAL FOUNDATION is a separate entity from Seaqual 4U S.L. Copyright and other materials relating to SEAQUAL FOUNDATION are for the exclusive use of the relevant SEAQUAL FOUNDATION sponsors.

Other - LICENSEE undertakes to:

- o) -- **Only applicable to manufacturers** – Never combine SEAQUAL YARN in any TEXTILE or FINAL PRODUCT with any other polyester fiber that contains recycled marine waste.
- p) Allow LICENSOR to publicly list LICENSEE as a SEAQUAL Licensee.

6. LICENSOR OBLIGATIONS

Licensor undertakes to:

- a) Give LICENSEE access to the use of the SEAQUAL TRADEMARK according to the SEAQUAL Brand Guidelines.
- b) Give LICENSEE access to and permit the usage of SEAQUAL COPYRIGHT according to the SEAQUAL Brand Guidelines.
- c) Maintain all TEXTILE samples submitted to any SEAQUAL-approved laboratory as confidential.

7. TEXTILE CERTIFICATION (Only applicable to TEXTILE manufacturers)

All newly developed TEXTILES must be submitted by the manufacturer to a SEAQUAL-approved laboratory for textile certification. To submit a TEXTILE please enter your user account at www.seaqual.org, select 'SEAQUAL LAB' and follow the instructions. All certified textiles are given a unique SEAQUAL Certification Number.

In order to obtain a SEAQUAL Certification Number:

- a) All TEXTILES must meet the SEAQUAL YARN minimum content requirement: the minimum content requirement of SEAQUAL YARN is 20% by weight, except in denim where the minimum requirement is 15%. In the case of blended yarns, only the polyester containing Upcycled Marine Plastic will be taken into account. Coatings are not included when calculating the percentage by weight.
- b) Textile components such as laces, woven labels, cords, straps, footwear insoles, zip fabrics etc. must be submitted for certification as a TEXTILE.
- c) All TEXTILES made with SEAQUAL YARN must be certified as OEKOTEX or Bluesign or a similar internationally recognized certification.

d) SEAQUAL YARN or TEXTILES should not be coated in PVC.

If SEAQUAL YARN is to be combined with other yarns, it is strongly recommended to use recycled or organic yarns.

Certifications do not expire. SEAQUAL reserves the right to retest a TEXTILE at any time.

8. FINAL PRODUCT – SEAQUAL YARN MINIMUM CONTENT REQUIREMENT

- a) The minimum SEAQUAL YARN content in any FINAL PRODUCT is 20% by weight of the textile portion, except for denim, where the minimum requirement is 15%. In the case of blended yarns, only the polyester containing Upcycled Marine Plastic will be taken into account. Non-textile parts including coatings are not included when calculating the percentage by weight.
- b) Textile components such as laces, woven labels, cords, straps, footwear insoles, zip fabrics etc. can be sold to licensed manufacturers to be used as a component of a finished retail product, even if that finished retail product does not contain any other SEAQUAL® YARN providing that any labelling clearly specifies that SEAQUAL® YARN is only used in the textile component.

9. REPORTING AND INSPECTION

- a) LICENSEE is obliged to report all sales and purchases of textiles and products containing SEAQUAL YARN by providing the following information via the online 'Material Traceability Report' found by entering your user account at www.seaqual.org.
 - i. The date of the transaction.
 - ii. The SEAQUAL Licensee number of the supplier or customer.
 - iii. The quantity of textile (number of meters or yards) or products (number of items) containing SEAQUAL YARN that have been bought or sold. Sales to end consumers do not need to be reported.
 - iv. The 'SEAQUAL Certification Number' for the textiles or products containing SEAQUAL YARN that have been bought or sold.

LICENSEE can report sales and purchases individually at the time of the transaction or make a quarterly report no later than thirty (30) days after January 1st, April 1st, July 1st and October 1st of each calendar year. In the quarterly report, LICENSEE shall provide LICENSOR with a report detailing all orders that LICENSEE has placed or fulfilled for all textiles or products containing SEAQUAL YARN in the most recent (3) month period.

All information reported will be treated as confidential.

- b) LICENSEE shall keep accurate records (together with supporting documentation) of the products made, used or sold under this Agreement. They shall be available during normal business hours for examination by an accountant selected by LICENSOR, for the sole purpose of verifying reports. Such examination by LICENSOR's accountant shall be at LICENSOR's expense.

10. INFRINGEMENT

- a) LICENSEE shall promptly notify LICENSOR in writing of any manufacture, distribution, sale or advertisement of any product or service of which it becomes aware that may constitute an infringement of the SEAQUAL TRADEMARK or the SEAQUAL COPYRIGHT.

- b) LICENSOR shall have the sole right to determine the appropriate actions that may be taken in the situations mentioned in clause 10a). LICENSEE shall provide LICENSOR with such reasonable assistance at LICENSOR's sole expense including, but not limited to, any information required for litigation purposes. LICENSEE shall not have any rights or claims against LICENSOR for damages or other result arising from any determination by LICENSOR to take or not to take action in such situations.
- c) LICENSOR warrants that no legal action or threat of legal action concerning the SEAQUAL TRADEMARK or the SEAQUAL COPYRIGHT exists at the date of this Agreement. However, LICENSOR does not warrant that such actions will not exist in the future. In the event of a third-party claim directed against LICENSEE, LICENSEE shall immediately inform LICENSOR. LICENSOR shall **not** indemnify in respect of any third-party claim caused by LICENSEE's use of the SEAQUAL TRADEMARK or the SEAQUAL COPYRIGHT.
- d) LICENSEE shall protect, defend, indemnify and hold harmless LICENSOR, its shareholders, directors, officers, and employees from and against any and all claims, demands, losses, suits, liabilities or expenses for property damage, injury or death of persons resulting from or arising from the negligence or intentional or unintentional wrongful acts of LICENSEE, its subcontractors (and their employees and agents), or its invitees, during or in connection with the use of LICENSEE's products.

11. CONFIDENTIALITY

Each party ("Receiving Party") may obtain information about the other party's business and technology that the other party ("Disclosing Party") considers to be confidential. In order to promote the free exchange of information, each party agrees to maintain the information that it receives from the other party in confidence and not disclose it to any third party during the term of this Agreement and for three (3) years after the expiration, termination or cancellation of this Agreement. This obligation of confidentiality, however, shall not apply to information that: (i) as shown by reasonably documented proof, was in the Receiving Party's possession prior to the disclosure by the Disclosing Party; (ii) is known to the public at the time of its disclosure or becomes known to the public after the disclosure through no fault of the Receiving Party; (iii) the Receiving Party can show was in its possession after the time of the disclosure from a third party not under an obligation of secrecy to the Disclosing Party; (iv) is required to be disclosed by law.

12. TERM AND TERMINATION

- a) This Agreement is for a term of two years starting from the date of the Agreement. However, either party may terminate it at any time upon sixty (60) days' prior written notice. In the event of a breach of the Agreement by the other party, the Agreement may be terminated immediately and without prior written notice by the injured party. Once the two-year term has expired without the Agreement having been terminated by any party, the Agreement shall be automatically renewed for successive two-year periods.
- b) All use of the SEAQUAL TRADEMARK and SEAQUAL COPYRIGHT must cease immediately upon termination of the Agreement. However, LICENSEE can fulfil open orders and may continue distribution and sale of products bearing the SEAQUAL TRADEMARK or SEAQUAL COPYRIGHT which had been manufactured prior to the termination of this Agreement until full exhaustion of the stock of such products, but in any case, within 6 months after termination, except when termination is due to a breach by LICENSEE.

13. CHOICE OF LAW AND JURISDICTION

This Agreement is acknowledged to have been made in and shall be constructed in accordance with the laws of Spain. Any actions under this Agreement shall be brought only in the courts of Barcelona (Spain). LICENSEE hereby submits to the exclusive jurisdiction of such courts.

14. **NON – ASSIGNMENT.** Neither this Agreement nor the rights or obligations herein can be assigned or transferred by LICENSEE, in whole or in part, voluntarily or involuntarily or by operation of law without the prior written consent of LICENSOR.

Once the Agreement has been formally terminated, it will still bind the parties until all pending issues have been resolved (for instance, regarding sale of inventory.)

Nothing in this Agreement shall be construed to make LICENSEE an agent or partner with LICENSOR or to permit LICENSEE to bind LICENSOR in any manner.

The date of this Agreement shall be the date of signature by LICENSOR.

LICENSOR

Signature:

DocuSigned by:
Michel Chtepa
34A0BD4083DF4AB...

Printed Name: Michel Chtepa

Title: Managing Director

Date of Signature: 5/26/2021

LICENSEE

Signature:

DocuSigned by:
Pedro Ricardo Machado Valente G
FE839C661542446...

Printed Name: Pedro Gonçalves

Title: CEO

Date of signature: 5/26/2021