

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	License		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
MG Rover Group Limited		09/06/2004	CORPORATION: UNITED KINGDOM
RECEIVING PARTY DATA			
Name:	Clic Time Limited		
Street Address:	3rd Floor Lombard House, 4-8 Lombard Street		
City:	Newcastle upon Tyne		
State/Country:	UNITED KINGDOM		
Postal Code:	NE1 3AE		
Entity Type:	CORPORATION: UNITED KINGDOM		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2745436	MG & DESIGN	
CORRESPONDENCE DATA			
Fax Number:	(770)522-9763		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	7705229762		
Email:	technoprop@technoprop.com		
Correspondent Name:	TECHNOPROP COLTON LLC		
Address Line 1:	PO Box 567685		
Address Line 4:	Atlanta, GEORGIA 31156-7685		
DOMESTIC REPRESENTATIVE			
Name:	TECHNOPROP COLTON LLC		
Address Line 1:	PO Box 567685		
Address Line 4:	Atlanta, GEORGIA 31156-7685		
NAME OF SUBMITTER:	Laurence P. Colton		

OP \$40.00 2745436

Signature:	/lpcolton/
Date:	05/25/2005
<p>Total Attachments: 31</p> <p>source=wbm01#page1.tif source=wbm02#page1.tif source=wbm03#page1.tif source=wbm04#page1.tif source=wbm05#page1.tif source=wbm06#page1.tif source=wbm07#page1.tif source=wbm08#page1.tif source=wbm09#page1.tif source=wbm10#page1.tif source=wbm11#page1.tif source=wbm12#page1.tif source=wbm13#page1.tif source=wbm14#page1.tif source=wbm15#page1.tif source=wbm16#page1.tif source=wbm17#page1.tif source=wbm18#page1.tif source=wbm19#page1.tif source=wbm20#page1.tif source=wbm21#page1.tif source=wbm22#page1.tif source=wbm23#page1.tif source=wbm24#page1.tif source=wbm25#page1.tif source=wbm26#page1.tif source=wbm27#page1.tif source=wbm28#page1.tif source=wbm29#page1.tif source=wbm30#page1.tif source=wbm31#page1.tif</p>	

L I C E N S E A G R E E M E N T

This Agreement is made

BY AND BETWEEN

MG Rover Group Limited

International Headquarters

Longbridge

Birmingham

West Midlands

B31 2TB

England

(hereinafter referred to as "MG")

AND

CLIC TIME Limited

3rd Floor Lombard House

4 - 8 Lombard Street

Newcastle upon Tyne

NE1 3AE

ENGLAND

(hereinafter referred to as "LICENSEE")

(MG and LICENSEE are hereinafter collectively referred to as the "PARTIES")

WHEREAS MG has the right to license for commercial purposes the use on various articles of merchandise of the trade mark MG® and certain other intellectual property rights and concepts of MG;

WHEREAS LICENSEE has approached MG with the purpose of obtaining a license to develop, manufacture and distribute the PRODUCTS using MG's intellectual property rights for this;

WHEREAS the PARTIES have agreed that LICENSEE shall create and manufacture the PRODUCTS and shall sell such PRODUCTS under the TRADEMARKS and MG CONCEPTS according to the terms and conditions set forth below;

NOW THEREFORE the PARTIES have agreed as follows with effect from 1st April 2004:

Article 1

DEFINITIONS

For the purpose of this Agreement the following words shall have their defined meanings:

"ADVERTISING MATERIAL"

shall mean advertising and promotional material and all packaging and labelling material for the PRODUCTS (including but not limited to advertisements, flyers, sales sheets, labels, package inserts, hangtags and material disseminated via the Internet or any other electronic form of dissemination) which are produced by or for LICENSEE and which make use of any of the MG CONCEPTS or TRADEMARKS.

"CONTACT PERSONS"

shall mean those persons listed in Exhibit 5 as varied from time to time.

"DESIGNS"

shall mean any artwork created for the PRODUCTS e.g. patterns, sketches, layout, graphics, prints, labels, and embroidery.

"MG CONCEPTS"

shall mean the concepts, designs, ideas and artwork, such as but not limited to graphics, prints, labels and embroidery designed by Peter Boutwood (or other designer appointed by MG) for MG.

"LICENSEE SITE"

shall mean the main web site of LICENSEE, used to market products of LICENSEE, if such right is explicitly granted in this Agreement.

TRADEMARK

REEL: 003091 FRAME: 0619

- "NET SALES" shall mean LICENSEE's price invoiced to its customers or distributors less any documentable allowances, documentable quantity discounts or reasonable and customary activity discounts (except cash discounts), and less value-added tax and other duties. If LICENSEE sells the PRODUCTS to a subsidiary or other party controlled by LICENSEE, it shall be on the basis of the invoiced price charged by such subsidiary or controlled party on the ultimate resale to a third party. For the purposes of this Agreement, NET SALES for sales by LICENSEE directly to consumers (such as but not limited to Internet, mail order, clubs, warehouse sale), if such right is granted to LICENSEE, LICENSEE shall pay MG the applicable ROYALTY of the actual retail price charged by LICENSEE to LICENSEE SITE customer.
- "PRODUCTS" shall mean the articles of merchandise or products specified in Exhibit 1 hereto.
- "ROYALTY" As compliant to Article 9 and Exhibit 1.
- "TERM" shall mean the period stated in Exhibit 1 hereto unless terminated sooner in accordance with the provisions of this Agreement.
- "TERRITORY" shall mean the countries specified in Exhibit 1 hereto.
- "THE MG GROUP" shall mean MG together with any holding company and any subsidiary of any such holding company. Both "subsidiary" and "holding company" shall have the meanings ascribed to them in s.736 of the Companies Act 1985 (as amended).

TRADEMARK**REEL: 003091 FRAME: 0620**

"TRADEMARKS" shall mean all the trademarks listed in Exhibit 2 hereto.

Article 2

SCOPE OF AGREEMENT

- 2.1 MG hereby grants to LICENSEE the sole right subject to the terms and conditions of this Agreement to use the MG CONCEPTS and TRADEMARKS to design, produce, distribute, market, promote and sell the PRODUCTS in the TERRITORY.
- 2.2 It is acknowledged by the parties that from time to time MG may in error license third parties to manufacture Products in breach of the Licensee's sole rights. In such case the Licensee's sole remedy shall be to inform MG of such products and request that they cease to be produced. MG shall then use its reasonable endeavours to terminate the licence of such products as soon as reasonably practicable, provided always that MG shall not be required to do any act or make any omission which will cause MG to be in breach of contract with any such third party.
- 2.3 LICENSEE is granted no rights in respect of the PRODUCTS, the TRADEMARKS or the MG CONCEPTS other than as expressly stated in this Agreement.

Article 3

PRODUCT DEVELOPMENT

- 3.1 LICENSEE is responsible for the development of any and all DESIGNS for the PRODUCTS.

Before commencement of development of PRODUCTS, ADVERTISING MATERIALS and DESIGNS LICENSEE must submit to MG a product development process including development stages and time lines. MG shall approve the plan in writing before the

development process for each new PRODUCT commences.

- 3.2 LICENSEE shall be responsible for all fees charged by Peter Boutwood, or such other designer as MG may nominate from time to time in respect of the MG CONCEPTS.
- 3.3 MG will during the TERM without any charge to LICENSEE nominate a CONTACT PERSON who will, to a reasonable extent to be determined by MG, co-ordinate with LICENSEE the development of the DESIGN and advise on the production, distribution, marketing and all kind of sales activities that are to be carried out by or on behalf of LICENSEE in relation to the PRODUCTS. The PARTIES agree that this does not in any way exempt LICENSEE from any of its obligations towards MG according to this Agreement.
- 3.4 LICENSEE shall appoint a group of individuals who shall be dedicated to the development, marketing and sale of the PRODUCTS (in the following referred to as "Brand Team"). The Brand Team shall include a "Brand Captain" who shall be the primary contact for day-to-day communications with MG regarding the PRODUCTS. Within sixty (60) days after the execution of this Agreement LICENSEE shall submit to MG organisational charts showing the positions and reporting structure of the key employees in LICENSEE's business prior to the appointment of the Brand Team and after the appointment of the proposed Brand Team. The Brand Team shall be fully operational no later than ninety (90) days after execution of this Agreement.
- 3.5 All DESIGNS incorporating the MG CONCEPTS or TRADEMARKS for the PRODUCTS developed by LICENSEE or on behalf of LICENSEE shall be MG's property, see also Article 6.
- 3.6 LICENSEE shall continuously during the TERM develop the PRODUCTS and/or new editions of the PRODUCTS according to the agreed yearly business plan. Non-fulfilment of the business plan in this respect is a breach which entitles MG to terminate this Agreement in whole or partly according to Article 14.2.a.

- 3.7 If LICENSEE requests MG to furnish it with any special services (such as but not limited to especially developed artwork, design resources), LICENSEE agrees to reimburse MG for its costs of supplying such materials to LICENSEE, including, without limitation, travel expenses incurred at LICENSEE's request by MG.

Article 4

APPROVAL

- 4.1 MG shall approve the DESIGNS and quality of all PRODUCTS and the related ADVERTISING MATERIAL before the launch and marketing of the PRODUCTS. MG has the right to take measures or demand measures to be taken which in MG's opinion secure that the PRODUCTS are compatible with the degree of familiarity, prestige, quality and recognition of the TRADEMARKS.
- 4.2. a. LICENSEE shall submit to MG at its own cost accurate and coloured DESIGNS of the PRODUCTS and the related ADVERTISING MATERIAL in a format requested by MG for MG's written approval or disapproval, which shall be given within 10 working days after MG has received such material. Each item forwarded for MG's approval shall be accompanied by an issued approval form as enclosed in Exhibit 6 and the bill of material describing all materials contained in the PRODUCTS.
- b. Following MG's approval according to Article 4.2.a LICENSEE will, at its own costs, produce five (5) samples and/or prototypes of the PRODUCTS and the related ADVERTISING MATERIAL to be forwarded to MG for MG's written approval or disapproval, which shall be given within 10 working days after MG has received such samples and/or prototypes. For the avoidance of doubt MG shall be entitled to retain all such samples and/or prototypes.
- c. Following MG's approval according to Article 4.2.b

LICENSEE will start commercial production. LICENSEE shall submit to MG, at its own costs, ten (10) samples of the PRODUCTS and the related ADVERTISING MATERIAL, where appropriate, of each style and of each colour of the PRODUCT immediately after the first production thereof.

- d. Use of the PRODUCTS or the ADVERTISING MATERIAL shall not take place before LICENSEE has received MG's written approval. Upon submission of request of approval from LICENSEE, MG shall in writing inform LICENSEE of its approval or disapproval within 10 working days. If LICENSEE has not received the approval or disapproval of MG as set forth above, such use or documents, information or other materials shall be deemed "not approved".
- e. If MG deems that there is a substantial difference as regards quality between the approved samples and the PRODUCTS to be marketed or the related ADVERTISING MATERIAL, MG may choose to withdraw the approval of such PRODUCTS or ADVERTISING MATERIAL and demand that the commercial production, marketing and/or selling of the PRODUCTS is stopped. Furthermore, MG may require LICENSEE to recall the PRODUCTS already distributed, at LICENSEES own cost.
- f. In case of MG's disapproval according to Article 4.2.a or 4.2.b or in case of MG demanding the commercial production, marketing and/or selling of the PRODUCTS to be ceased or the PRODUCTS to be recalled according to Article 4.2.e MG shall inform LICENSEE of the reason and LICENSEE shall rectify the error within a further period of 10 working days after having received MG's reasons. After LICENSEE has rectified the error LICENSEE will forward new samples to MG for MG's written approval or disapproval, which will be given compliant to Article 4.2.d. This procedure will be repeated until MG's approval has been obtained. However, MG is entitled to terminate the Agreement if MG has given its disapproval 3 (three) times in total

for the same article.

- 4.3 During the process described in Article 4.2.a - 4.2.f LICENSEE will at its own cost forward a bill of material and samples to MG of all material chosen to be used for the commercial production of the PRODUCTS for MG's approval or disapproval of quality, which will be given compliant to Article 4.2.d after MG's receipt of the samples.
- 4.4 Each of the PRODUCTS and the ADVERTISING MATERIAL has to bear a label or a text as stated in Exhibit 3 hereto.
- 4.5 LICENSEE shall use its best efforts to notify its customers of the requirement that MG has the right to approve all promotional, display and advertising material pursuant to this Agreement.
- 4.6 MG cannot be held liable for investments made by LICENSEE or lost revenues if an article cannot be approved.

Article 5

QUALITY

- 5.1 LICENSEE undertakes to manufacture the PRODUCTS to a quality and to specifications which correspond to the approved selling samples mentioned in sub-clause 4.2.b. MG shall be entitled to control the quality of the PRODUCTS at any time. For this purpose LICENSEE shall by 31 March and 31 October, or anytime upon MG's request forward to MG a reasonable number (minimum three) of random samples from stock of each style of the PRODUCTS free of charge.
- 5.2 LICENSEE is not allowed to use PVC materials in any form.
- 5.3 The PRODUCTS shall, where appropriate, be labelled with instructions showing how to clean and maintain the PRODUCTS.

- 5.4 LICENSEE covenants and agrees, on its own behalf and on behalf of any third-party manufacturer it may use, wherever located, that no child labour will be used in the performance of this Agreement whatsoever. For this purpose, a "child" is a person younger than sixteen years of age, or younger than the minimum age designated in the jurisdiction of manufacture for employees who manufacture, package and distribute products, if such age is older than sixteen. Additionally, all employees will be provided with a safe and healthy workplace environment in compliance with local laws, and all employees will work on a voluntary basis, and not be subject to physical or mental punishment of any kind. Further, LICENSEE and its manufacturers shall comply with applicable wage laws and fair employment practices including the practice of non-discrimination on the basis of race, religion, national origin, political affiliation, sexual preference, or gender. LICENSEE and its manufacturers shall submit to reasonable on-site inspections conducted by MG or its designated representative, to ensure compliance with these provisions.
- 5.5 LICENSEE agrees to the fact that the PRODUCTS have to be of a high quality. LICENSEE shall ensure that the production, distribution, marketing and all other kinds of sales activities of the PRODUCTS are carried out in accordance with the relevant laws, regulations, codes of practice, recommendations and guidelines valid for the PRODUCTS in the TERRITORY, especially as regards health and product safety, as well as in accordance with the Quality Specifications, attached hereto as part of Exhibit 4. The Quality Specifications may be amended from time to time by LICENSEE due to newly developed types of PRODUCTS. MG shall have the right to approve each new version of the Quality Specifications in writing in advance.
- 5.6 LICENSEE shall secure that an internal or external representative of MG has access to the factory(ies) where the PRODUCTS are manufactured to be able to ascertain that the required quality level, safety control, the relevant laws, regulations, codes of practice, recommendations and

guidelines are complied with.

Article 6

COPYRIGHT AND OTHER INTELLECTUAL PROPERTY RIGHTS

- 6.1 All present and future copyright and other intellectual property rights in all parts of the world in any works relating to or embodied in the PRODUCTS whether developed by or on behalf of LICENSEE and including any names, logos or slogans for the PRODUCTS shall be the sole property of MG, and LICENSEE as beneficial owner hereby assigns and agrees to assign to MG or as MG may direct all such rights. LICENSEE will ensure that all its agreements with its designers, technicians, artists and the like, if any, shall ensure that none of the same shall have any claim to any copyright, design or other such rights. LICENSEE shall both during the term of this Agreement and thereafter do all such things and render all such assistance as MG may reasonably require for vesting all such rights in MG or as MG may direct.
- 6.2 If the PRODUCTS are based on an invention which LICENSEE has made during the TERM and which can be or is filed as a patent registration, MG shall have the option to buy such patent (or patent application or invention) at an amount (hereinafter "PATENT PRICE") to be agreed upon between the PARTIES. In case the PARTIES do not agree on the PATENT PRICE this will be settled by arbitration. Each PARTY will appoint one arbitrator, who shall agree upon the third arbitrator. All costs in this connection shall be split equally between the PARTIES, however, each PARTY shall bear solely the costs to the arbitrator appointed by itself.

Article 7**TRADEMARKS and MG CONCEPTS**

- 7.1 The PRODUCTS shall be sold under such of the TRADEMARKS and MG CONCEPTS as MG shall from time to time require. If MG informs LICENSEE that the use of all or some of the TRADEMARKS or MG CONCEPTS shall cease, LICENSEE shall stop the production of PRODUCTS bearing such ceased insignia before the agreed deadline, but shall be able to sell off the agreed existing stock of such PRODUCTS in compliance with the terms of this Agreement. No other marks, logos or designs shall be applied to or used in respect of the PRODUCTS except that LICENSEE may use its own trademarks thereon provided that the manner of use of such LICENSEE trademark shall be subject to the prior approval of MG and such that each representation of the TRADEMARKS and MG CONCEPTS shall be separate and distinct from any representation of any LICENSEE mark so that each appears as a distinct and separate mark in its own right.
- 7.2 LICENSEE is aware that it may be that not all of the TRADEMARKS are registered or that they may not be registered in all countries of the TERRITORY. MG is not responsible for the use by LICENSEE of TRADEMARKS or of MG CONCEPTS not registered. The status of registration will be provided by MG at LICENSEE's request.
- 7.3 LICENSEE is authorised as long as this Agreement is in force to use the TRADEMARKS and MG CONCEPTS on or in connection with the PRODUCTS and for no other purpose, such use shall be under the control and supervision of MG.
- 7.4 Nothing herein shall give LICENSEE any right or interest in the TRADEMARKS or MG CONCEPTS nor in any other existing or future intellectual property rights of THE MG GROUP (except the right to use the TRADEMARKS and MG CONCEPTS in accordance with the terms of this Agreement). The goodwill deriving from the use of the TRADEMARKS and MG CONCEPTS by LICENSEE shall accrue to the benefit of

and belong to MG.

7.5 To the extent that MG deems it advisable in order to preserve the distinctiveness and protect the registration of the TRADEMARKS or MG CONCEPTS, LICENSEE undertakes to co-operate with the proprietor of the TRADEMARKS or MG CONCEPTS and to enter into any documents in order to become registered as user of such TRADEMARKS or MG CONCEPTS at any relevant trademarks registry. After expiry of this Agreement LICENSEE undertakes to co-operate in the cancellation of the above mentioned registered user registration.

7.6 LICENSEE shall forthwith inform MG of any infringement within or outside of the TERRITORY of any of the TRADEMARKS or MG CONCEPTS or other intellectual property rights of THE MG GROUP which may come to its attention and shall co-operate with MG in bringing such infringement to an end. LICENSEE shall likewise inform MG of any claim from any third party that the use of any of the TRADEMARKS or MG CONCEPTS or of other intellectual property rights in accordance with this Agreement infringes any rights of any third party. In both cases LICENSEE shall permit MG to have the conduct of any such claims, and shall co-operate with MG both during the TERM and thereafter in respect of such claims. Any costs in connection with infringements shall be paid by MG whether inside or outside the TERRITORY. However, in case of infringements caused directly or indirectly by LICENSEE or LICENSEE's sub-contractors, whether inside or outside the TERRITORY, and in case of LICENSEE's use of a non-registered TRADEMARK, see Article 7.2, LICENSEE shall take action to stop such infringement to the extent satisfactory to MG. LICENSEE shall bear its own costs as well as MG's costs in this connection. Neither LICENSEE nor MG shall be entitled to indemnity from the other PARTY in respect of infringements of TRADEMARKS.

7.7 It is emphasised that each of the PARTIES shall use its best endeavours to protect each other's image as well as the TRADEMARKS and MG CONCEPTS. However, in case of any

claimed or actual third party's infringement of the design of the PRODUCTS, which is made by or on behalf of LICENSEE, or in case such design is claimed to infringe or in fact infringes a third party's rights, LICENSEE shall be the sole responsible and shall bear all costs, including costs of THE MG GROUP in that connection. In the latter case, i.e. in case it is claimed that LICENSEE's design infringes a third party's rights, LICENSEE shall take action to cease such infringement in a way and to an extent satisfactory to MG. However, if an external patent/trade mark attorney of LICENSEE evaluates and declares to MG that a third party's rights are not infringed by LICENSEE, MG is not only entitled to give its comments and evaluation, but is entitled to take over the matter or instruct LICENSEE of actions to be taken against MG paying all costs for external assistance thereafter. The PARTIES shall inform each other of any infringements of LICENSEE's designs or infringements caused by LICENSEE's designs.

- 7.8 LICENSEE shall not use any mark or name confusingly similar to the TRADEMARKS and MG CONCEPTS.
- 7.9 Nothing contained in this Agreement shall entitle LICENSEE to use the TRADEMARKS or MG CONCEPTS as part of any corporate, business or trading name or style of LICENSEE, and LICENSEE shall not use the co-operation with MG on business cards, writing paper or otherwise unless prior agreed to in writing by MG.
- 7.10 LICENSEE shall not do or permit to be done any act which would or might jeopardise or invalidate any registration of the TRADEMARKS or MG CONCEPTS.

Article 8

INDEMNIFICATION AND PRODUCT LIABILITY

- 8.1 Notwithstanding any approval which may have been given by MG under this Agreement, LICENSEE shall be fully

responsible for the specifications and quality of the PRODUCTS and ADVERTISING MATERIAL and MG assumes no liability in respect of any defect in any PRODUCTS or ADVERTISING MATERIAL or claims, damages and costs arising as a consequence of the performance of LICENSEE's rights and obligations hereunder.

8.2 LICENSEE shall indemnify MG and other companies within THE MG GROUP in respect of any costs, claims, losses or expenses arising out of, or in connection with the PRODUCTS or ADVERTISING MATERIAL on the sale or use thereof including without limitation, any claims for defamation, for copyright, trade mark, design or other intellectual property infringement, for unfair competition, breach of contractual obligation or obligation of confidentiality or injury to health or breach of any legal requirement

8.3 Throughout the TERM and thereafter for the expected PRODUCT lifetime (at least 5 years) LICENSEE shall obtain and maintain a product liability insurance with an insurance amount of at least £1,000,000 (one million pounds Sterling) per claim granting protection for MG against any claim, demands or causes of action or damages, including reasonable attorney's fees, arising out of any alleged defects in the PRODUCTS or any use hereof. The insurance policy must be non-terminable unless a notice of at least 30 working days is given to MG and MG consents to this. LICENSEE shall forward a copy of the insurance policy to MG on request. MG shall be named additional insured on the insurance policy and LICENSEE shall secure that MG receives written notification from the insurance company in case of cancellation of such additional insurance.

If LICENSEE engages a sub-contractor, LICENSEE shall ensure that the insurance requirements as specified above are extended as necessary to cover the liabilities and responsibilities of the sub-contractor or that the sub-contractor maintain its own insurance in accordance with this Article 8.3.

- 8.4 **Claim and Recall procedures:** In case of a personal injury claim or an immediate danger to anyone's health or life related to the PRODUCTS, LICENSEE shall inform the MG CONTACT PERSON within 24 hours from LICENSEE'S first knowledge of a possible situation as described above. Within 48 hours from LICENSEE'S first knowledge of the aforementioned situations LICENSEE undertakes to provide MG with an action plan on how LICENSEE will handle the situation occurred.

MG has the right to demand that LICENSEE recalls all dangerous and/or illegal products from the market. LICENSEE shall if such demand is given by MG take immediate steps to recall all products specified by MG at LICENSEE'S own expense. For this purpose, LICENSEE shall have an internal recall policy acknowledged in writing by LICENSEE'S management. The recall policy shall be forwarded to MG no later than 8 days after this Agreement has been signed.

MG may comment on the recall policy and such comments shall become part of the recall policy if MG so insists. However, MG undertakes no liability for LICENSEE'S recall policy should it prove to be insufficient, as compliant to Article 8.1.

Any instructions given by MG to secure the value, recognition or high quality-profile of the MG brand must without any delays be fulfilled by LICENSEE.

Article 9

ROYALTY PAYMENT

- 9.1 LICENSEE shall pay to MG during the TERM a ROYALTY of the NET SALES of all PRODUCTS sold by LICENSEE under this Agreement as compliant to Exhibit 1.
- 9.2 Royalty payments shall be due on 31 March, 30 June, 30

September and 31 December in each year on the said sales of PRODUCTS made in each period of three calendar months preceding each date and each such payment shall be remitted in full, free of charges, deductions and withholding taxes, to MG within thirty (30) days of the due date. The ROYALTY shall be paid in pounds Sterling. If LICENSEE invoices in other currencies such amounts must be converted by using the mid market exchange rate quoted in the Financial Times for the due date.

- 9.3 LICENSEE shall, irrespective of turnover, guarantee a MINIMUM ROYALTY PAYMENT per calendar year to be paid on 31 December for each year, as compliant to Exhibit 1.
- 9.4 LICENSEE shall pay interest on all payments overdue which interest shall accrue from day to day (whether before or after judgement) following the due date until full payment takes place. The interest will be calculated at a rate of 2% (two per cent) per month, unless otherwise regulated by law.
- 9.5 Royalties accrue on all sales of the PRODUCTS regardless of when or whether LICENSEE collects payment. In this Agreement a PRODUCT is regarded "sold" on the date of issue of invoice or payment of such PRODUCT depending on which event takes place first.
- 9.6 Together with the payment of ROYALTY to MG, LICENSEE shall provide MG with a full statement of all sales made in the preceding three calendar months showing how ROYALTY due has been calculated and LICENSEE shall provide MG with any explanations MG may request about such statement. The statement shall show NET SALES per country and by style. Furthermore LICENSEE's external auditor, who performs the general external audit of LICENSEE, shall furnish MG directly with an annual statement confirming whether LICENSEE correctly has calculated and paid ROYALTY to MG according to this Agreement. The statement shall be furnished to MG no later than 1 March each year for the preceding calendar year.

LICENSEE shall furthermore include the following information in every periodical statement that is forwarded to MG:

- Total royalty accrued in the period (in national currency as well as currency of payment)
- Total wholesale turnover for the period
- Wholesale per SKU per country in units and value
- Method of payment (cheque or wire transfer)
- CONTACT PERSON (incl. phone no. and e-mail address)

9.7 The quarterly statements shall be furnished to MG whether or not any sales have been made by LICENSEE during the preceding calendar quarter. Receipt or acceptance by MG of any of the statements furnished pursuant to the terms hereof or of any sums paid hereunder shall not preclude MG from questioning the correctness thereof at any time during the TERM and for 2 (two) years thereafter. In the event that any inconsistencies or mistakes in payments are discovered in such statements, they shall immediately be rectified and the appropriate payments shall be made by LICENSEE. Together with the quarterly statement LICENSEE shall include a rolling forecast for expected year-end sales and royalty payment, broken down per calendar quarter.

9.8 LICENSEE agrees to keep accurate books of account and records covering all transactions relating to the PRODUCTS and MG and/or its internal or external accountants shall have, at MG's own costs subject to prior arrangement with the minimum of 48 hours notice, the right at all reasonable hours of the day to carry out an examination of said books of account and records and of all other documents and material in LICENSEE's possession with respect to the subject matter, and shall have free and full access thereto for said purposes and for the purpose of making extracts therefrom. All books of account and records shall be kept available for at least 5 (five) years.

9.9 In case it is ascertained through the auditing of

LICENSEE's books of records that LICENSEE has not correctly calculated and paid royalties to MG, LICENSEE shall immediately pay any unpaid, due ROYALTY to MG according to the correct calculation. In addition LICENSEE shall compensate MG its direct expenses, including travel expenses, in connection with the auditing if the correctly calculated ROYALTY exceeds the ROYALTY actually paid by more than 5% (five per cent). Such expenses shall be paid by LICENSEE no later than 14 (fourteen) calendar days following date of invoice from MG.

Article 10

BUSINESS PLAN AND MARKETING

- 10.1 No later than 1 December each year LICENSEE shall forward to MG a business plan, except as otherwise agreed between the Parties in writing, relating to the PRODUCTS for the following calendar year for MG's review, comments and written approval.
- 10.2 LICENSEE shall promote the PRODUCTS to all potential distributors and use its best endeavours to create a demand for the PRODUCTS throughout the TERRITORY and to satisfy demand according to the business plan. Where a business plan has been agreed in respect of any year compliance by LICENSEE with the obligations in that business plan shall be regarded as compliance with the obligations of this Article 10.3. If any external or internal factor requires LICENSEE to make changes to the agreed business plan, such changes shall be mutually agreed between the PARTIES. In this connection appropriate consideration shall be given to substantial factors which will influence LICENSEE's sales possibilities.
- 10.3 To avoid any damage to the image of the PRODUCTS or the TRADEMARKS, LICENSEE shall choose only retailers and/or distributors and other outlets having well trained staff and business premises meeting MG's requirements and high

standards. The choice of the retailers and/or distributors shall be based on objective criteria of qualitative nature, applied in a non-discriminatory way for the sale of the PRODUCTS. To the extent that LICENSEE receives any recommendations from MG as regards the choice of retailers and/or distributors this shall not relieve LICENSEE of any of its responsibilities under this Agreement.

- 10.4 If requested by MG, LICENSEE will participate in MG sponsored marketing and/or retail business development programs during the TERM.
- 10.5 The LICENSEE undertakes to secure on beforehand that any distribution via mail-order intended for use by LICENSEE or his distributors lives up to the high quality level and high standards of MG and that no such distribution intended for use generally or specifically contains advertising material or other material that could be deemed offensive to the general public, hereunder but not limited to, contains any form of discrimination, including that based upon race, national origin, religion, sex or age, nor should they in any way undermine human dignity, condone or excite violence, nor encourage unlawful or reprehensible behaviour.
- 10.6 From time to time the MG sales companies/MG distributors in each country of the TERRITORY receive inquiries from potential buyers of other MG products. To promote LICENSEE's sale of the PRODUCTS LICENSEE therefore agrees that they or their distributor and/or agent will inform the MG sales company/MG distributor of that country, as well as MG, of launch dates, assortment and overall marketing plans for the PRODUCTS and forward a list of the customers within the given country for information as well as contact details for the person responsible for the PRODUCTS in that given country. The information must be given by 1 October at the latest for each year at the initiative of LICENSEE or its distributors/agents or upon MG request.

10.7 LICENSEE shall provide to MG the following:

- upon request information, to the extent extractable from LICENSEE'S computer systems on an automated basis, and in such form as MG shall reasonably request, regarding inventory movement, inventory on-hand, and sales results for each PRODUCT on a country-by-country and key retailer-by-key retailer basis; and
- LICENSEE understands and agrees that MG shall have access to LICENSEE'S sell-through information, with respect to the PRODUCTS, pertaining to various retail customers, in such format as MG shall reasonably request, subject to any confidentiality obligations imposed on LICENSEE by such retailers. MG agrees that all information obtained by MG through the sell through systems shall be considered proprietary information, provided, however, that MG, with the consent of LICENSEE, may disclose such information when discussing the sale of PRODUCTS with the applicable retail customer in an effort to improve business results.

10.8 MG or each MG sales company/MG distributor is entitled to contact LICENSEE'S distributors directly to receive information about the market.

10.9 LICENSEE undertakes to include the provisions included in Exhibit 7 as a minimum in all its distribution and/or agency agreements.

10.10 LICENSEE is free to determine his prices of the PRODUCTS to third parties.

Article 11

ASSIGNABILITY OF RIGHTS AND OBLIGATIONS

11.1 LICENSEE shall not assign or attempt to assign any of its

rights and obligations under this Agreement without MG's prior written approval.

- 11.2 If MG gives such consent to LICENSEE it shall not in any way release LICENSEE from any of its obligations according to this Agreement. Furthermore LICENSEE shall be obliged to require any such assignee to observe and perform the obligations of LICENSEE under this Agreement.
- 11.3 MG is entitled to assign any or all rights and obligations under this Agreement to any company within the MG GROUP.

Article 12

CONFIDENTIALITY

- 12.1 LICENSEE represents and warrants that it did not disclose to any third party the prospect of a license from MG, and that LICENSEE did not trade on the prospect of a license from MG prior to execution of this Agreement. Each of the PARTIES hereto agrees to keep the financial terms and provisions of this Agreement confidential, and LICENSEE shall not disclose any of the terms or conditions of this Agreement to any third party without obtaining the prior written consent of MG; provided, however, that LICENSEE may disclose the terms of this Agreement on a need-to-know basis to its attorneys and accountants who agree to be bound by this confidentiality provision. In addition, neither LICENSEE nor MG shall use or disclose to any third party without the other's consent any proprietary information, confidential information or trade secrets of the other party, except to the extent necessary to comply with law or the applicable rules of any governmental agency or national securities exchange, or to the extent necessary in order to perform this Agreement or to enforce its rights hereunder. No public announcement or press release relating to this Agreement or any of the terms hereof shall be made by LICENSEE without the written approval of MG. This clause shall survive

termination of this Agreement.

- 12.2 LICENSEE agrees to treat all information, documents, drawings and all other material relating to this co-operation with MG as confidential and to keep or destroy it in a way which preserves its confidentiality.

Article 13

DURATION

- 13.1 Subject to the express provisions of this Agreement permitting early termination, this Agreement shall be in force throughout the TERM. Upon expiry of the TERM the Agreement shall expire automatically.
- 13.2 One year before this Agreement expires according to Article 13.1 the PARTIES will negotiate a possible renewal of the Agreement. However, neither of the PARTIES is obliged to renew the Agreement.

Article 14

TERMINATION

- 14.1 Notwithstanding Article 13.1 MG shall have the right to terminate this Agreement with a notice of two (2) weeks in the period between 1 January and 31 March in each calendar year in case LICENSEE did not respect the business performance, the marketing plan, the development plan, the sales budget or the royalty projection of the approved business plans during the two previous years.
- 14.2 Notwithstanding Article 13.1 and without prejudice to any right or remedy a PARTY may have under this Agreement or by law such PARTY shall have the right to terminate this Agreement immediately:

(a) if the other PARTY commits any material breach of any

of the provisions of this Agreement and, if such breach is capable of remedy, has failed to remedy such breach within 30 (thirty) calendar days after notice has been given by the non-breaching PARTY in writing requiring such remedy; however, MG may terminate this Agreement immediately if LICENSEE shall fail to make any payments when due, or in case of MG's disapproval of a revised business plan according to Article 11.2 or non-fulfilment of product development according to Article 3 provided that a notice of 15 (fifteen) calendar days has been given.

- (b) if the other PARTY shall have any distress or execution levied on its goods or effects;
- (c) if a winding up or bankruptcy of the other PARTY is commenced or if a receiver or administrator of the other PARTY or its assets is appointed or if the other PARTY ceases to do business at any time for 30 (thirty) consecutive calendar days (other than for annual holidays);
- (d) if the other PARTY for any reason of whatsoever nature is being substantially prevented from performing or becomes unable to perform its obligations hereunder;
- (e) if LICENSEE shall challenge the validity of any of the TRADEMARKS and MG CONCEPTS or any other rights of MG or THE MG GROUP therein in Court, before a trademark authority or before any other legal venue.

Article 15

EFFECT OF TERMINATION

15.1 All rights and obligations of the PARTIES shall cease to have effect immediately upon termination of this Agreement for any reason whatsoever, except that

termination shall not affect:

- a. the accrued rights and obligations of the PARTIES at the date of termination; and
- b. the continued existence and validity of the rights and obligations of the PARTIES under those clauses which are expressed to survive termination and any provisions of this Agreement necessary for the interpretation or enforcement of this Agreement.

15.2 Upon termination of this Agreement for any reason whatsoever, LICENSEE agrees to cease all manufacture of the PRODUCTS and further agrees, immediately upon termination or expiration of this Agreement, to prepare a final accounting statement which will include all the PRODUCTS in process. For this purpose LICENSEE agrees that its stock of PRODUCTS may not exceed an amount corresponding to the PRODUCTS sold during three months calculated as an average of the sales during the preceding 12 months. MG has the option to buy all or any of such PRODUCTS included in the final accounting at the best price offered to third parties. All sales of the PRODUCTS shall cease until MG has given its written reply to whether it will exercise the option. If MG does not exercise the option (or only exercises it partially) LICENSEE has the right to sell such remaining PRODUCTS for a further period of 6 (six) months, however, under the condition that the products can only be sold to LICENSEE's regular distributors and never for liquidation purposes. All applicable provisions of this Agreement, including the obligation to pay ROYALTY, shall continue to be in force for such period.

Unless LICENSEE and MG before the expiry date of this Agreement mutually agree in writing to make an extended License Agreement, any PRODUCTS remaining on stock at LICENSEE or its agents, retailers and/or distributors after the selling-off period shall be destroyed within 1 (one) calendar month after the expiry of the selling-off

period at the sole cost of LICENSEE unless the Parties have made other agreement concerning disposal of a possible surplus stock of PRODUCTS. LICENSEE undertakes to document the destruction of all such stocks by a statement hereof at the latest 45 calendar days after the expiry date of the selling-off period. Alternatively, LICENSEE can choose to hand over any such stocks to MG free of charge.

- 15.3 Upon termination of this Agreement for any reason whatsoever, LICENSEE shall promptly return to MG or otherwise dispose of as MG may instruct, all samples, moulds, instruction books, technical pamphlets, catalogues, DESIGNS, ADVERTISING MATERIAL, specifications and other materials, documents or papers whatsoever relating to MG's business, intellectual property rights or the PRODUCTS (other than correspondence which has passed between the PARTIES) which LICENSEE may have in its possession or under its control.
- 15.4 The termination of this Agreement shall not give rise to any liability on the part of MG to pay any compensation to LICENSEE.

Article 16

WAIVER

- 16.1 The failure of a PARTY to insist in any one or more instances upon the performance of any provisions of this Agreement shall not be construed as a waiver or relinquishment of that PARTY's right to future performance of such provision and the other PARTY's obligation in respect of such future performance shall continue in full force and effect.

Article 17**INVALIDITY**

- 17.1 Should one or more provisions of this Agreement be or become invalid, totally or partly, for one reason or another, the validity of the remaining provisions of the Agreement shall not be affected thereby.
- 17.2 In such case, however, the invalid provision shall be replaced by mutual agreement by a new provision or by amendments of other provisions to the effect that the Agreement as closely as possible still expresses the original intentions of the PARTIES.

Article 18**WHOLE AGREEMENT**

- 18.1 This Agreement embodies the entire understanding of the PARTIES and overrides and supersedes any and all prior agreements, promises, representations, understandings, implications or other statements whether written or oral made by or on behalf of one PARTY to the other of any nature whatsoever in relation to the PRODUCTS.
- 18.2 This Agreement may not be supplemented, amended, varied or modified in any manner except by an instrument in writing signed by both PARTIES hereto.
- 18.3 Each Exhibit referred to in this Agreement may be supplemented or replaced by a new Exhibit which shall be signed by LICENSEE and MG. MG hereby designates the CONTACT PERSON of MG to sign such exhibits on MG's behalf.

Article 19**INDEPENDENT CONTRACTORS**

19.1 The PARTIES are independent contractors and nothing in this Agreement shall be construed to make the employees, servants or agents of one PARTY to be employees, servants, or agents of the other PARTY, or to create a joint venture, partnership, or agency relationship between the PARTIES. Neither PARTY is authorized to make any representation or warranty on behalf of the other PARTY, or to commit the other PARTY to any agreement, liability or obligation.

Article 20**HEADINGS**

20.1 The headings in this Agreement are inserted for reference and convenience only and do not form a part of the Agreement.

Article 21**NOTICES**

21.1 All notices, consents or statements to be given, and all payments to be made hereunder shall be given or made at the respective addresses of the PARTIES as set forth on the first page hereof unless notification of change of address is given in writing. Any notice shall be sent by registered or certified mail or confirmed telefax, and shall be copied to Phoenix Venture Holdings Limited, Att. Legal Affairs Department, International Headquarters, Longbridge, Birmingham, B31 2TB.

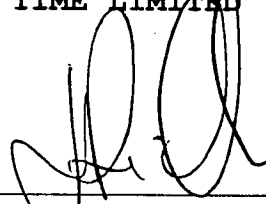
MG ROVER GROUP LIMITED



Authorised Signatory

Philip Knight
Commodity Manager

CLIC TIME LIMITED




Jim Richardson
Managing Director

Exhibit 1

"PRODUCTS" shall mean	wrist watches, wall clocks and alarm clocks
"TERRITORY" shall mean	Global
"TERM" shall mean	from 1 April 2004 to 31 December 2009.
"ROYALTY" shall mean	10 % (ten per cent)
"MINIMUM ROYALTY PAYMENT"	shall be £10,000 (TEN THOUSAND POUNDS) per annum to be renegotiated in good faith on 1 January 2005 and annually on 1 January thereafter

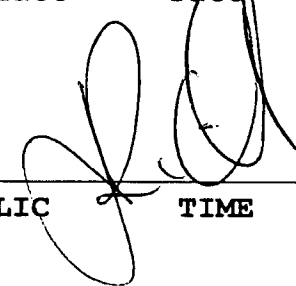
Enforcement date of this Exhibit: _____ 2004

LONGLEDGE
BIRMINGHAM, 6/9/ _____ 2004
Place Date



MG ROVER GROUP LIMITED

NEWCASTLE-UPON-TYNE
UK, 13/9/ _____ 2004
Place Date



CLIC TIME LIMITED

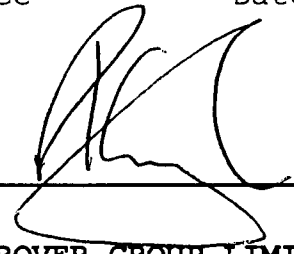
Exhibit 2

List of TRADEMARKS (with indication of status of registration within each country of the TERRITORY)

See attached lists (initialled for the purposes of identification).

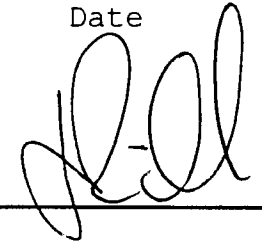
Enforcement date of this Exhibit: _____ 2004

LONGBRIDGE
BIRMINGHAM, 6/9/ 2004
Place Date



MG ROVER GROUP LIMITED

NEWCASTLE-U-TYPE
UK, 13/9, 2004
Place Date



CLIC TIME LIMITED

Handwritten signature

MG	Word	12	532709	15/02/2002				Pending	
MG	Word	16	532696	15/02/2002				Pending	
MG	Word	18	532708	15/02/2002	746824			Registered	15/02/2012
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MG	Word	21	532697	15/02/2002	746818			Registered	15/02/2012
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MG	Word	26	532698	15/02/2002	746819			Registered	15/02/2012
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MG in Octagon Logo Device	Word and Device	12	820527408	26/01/1998				Pending	