

## MANUFACTURING FRAMEWORK AGREEMENT

This Agreement is entered into as of November 11, 2024 ("Effective Date"), by and among NEW ERA CAP, LLC, a Delaware limited liability company ("New Era"), NEW ERA HONG KONG, LLC ("New Era HK"), a New York corporation, MAINLAND HEADWEAR HOLDINGS LIMITED, a company incorporated under the laws of Bermuda ("MH") and WINTAX TRADING LIMITED ("Wintax"), which is a wholly owned subsidiary of MH and incorporated under the laws of Macau (collectively, MH and Wintax are "Manufacturer").

WHEREAS, Manufacturer is engaged in the manufacture, distribution and sale of various apparel items, including but not limited various types of headwear and accessories on a worldwide basis;

WHEREAS, New Era is interested in purchasing from Manufacturer products manufactured by Manufacturer pursuant to New Era's purchase orders and specifications;

WHEREAS, New Era is willing to purchase products from Manufacturer subject to compliance by Manufacturer with the terms and conditions of this Agreement. This Agreement, together with all amendments, supplemental agreement, addendums, and all attachments and documents hereto or otherwise delivered to Manufacturer, are collectively referred to as the "Agreement;" the Parties mutually agree to update the exhibits hereto annually.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, New Era and Manufacturer hereby agree as follows:

**1. General Definitions.** All capitalized terms shall have the meanings as defined within this Agreement. Capitalized terms not otherwise defined elsewhere in this Agreement shall have the following meanings:

(A) "Affiliate" means, with respect to a named individual or entity, any individual, association, partnership, corporation or other entity controlling, controlled by, or under common control or under similar or common ownership with the named individual or entity. The term "control" means the power to direct or cause the direction of the management and policies of an individual or entity, whether through the ownership of voting securities, by contract or otherwise.

(B) "Business Day" means a day (other than a Saturday, Sunday, and any day in Hong Kong on which a tropical cyclone warning number eight or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which licensed banks in Hong Kong or in New York City are open for business throughout their normal business hours.

(C) "Counterfeit Product" means any Product, including any overrun of Product, that is sold, shipped, transferred or diverted to any entity that is not a Designated Purchaser or to any entity that is not designated as a ship to on a New Era Purchase Order ("Unauthorized Parties"). "Counterfeit Product" also includes any headwear or apparel or products which uses, copies, mimics or imitates New Era Intellectual Property, including but not limited to, copying any New Era headwear silhouettes, styles, artwork, or designs.

(D) "Dedicated Production Space" means such space in the Manufacturer's manufacturing sites located in Shenzhen and Bangladesh which is dedicated solely to producing Product for New Era.

(E) "Designated Component Supplier(s)" and "Designated Fabric Supplier(s)" means such supplier approved by New Era from time to time.

(F) "Designated Purchaser" means any purchaser of the Products which may be designated by New Era for the purpose of this Agreement.

(G) "Initial Start Date" means January 1, 2025 or the date when the condition precedent set out in Section 15(B) has been fulfilled, whichever is later.

(H) "Intellectual Property Rights" means all intellectual property rights recognized under applicable law, including without limitation patent rights, copyrights, trademark rights, trade name rights, service mark rights, trade dress rights, trade secret rights, proprietary rights, moral rights, privacy rights, publicity rights, word names, symbols,

devices, logos, brands, artwork, designs, patterns, creative works, images, characters, headwear designs, headwear styles, headwear patterns, and/or headwear silhouettes.

(I) "New Era Affiliate(s)" means the Affiliate(s) of New Era and any entity that hereinafter becomes an Affiliate of New Era.

(J) "New Era Intellectual Property" means (i) all Intellectual Property Rights New Era or New Era Affiliates may own or license and (ii) all Intellectual Property Rights associated with any inventions, works of authorship (including without limitation graphic designs and derivative works thereof), trademarks (including without limitation the New Era Trademarks and Trade Dress as defined below), trade names, service marks, trade dress, and trade secrets that New Era or New Era Affiliates may create, develop or acquire during the term of this Agreement or thereafter.

(K) "New Era Trademarks and Trade Dress" means and shall include but not be limited to such marks or symbols owned or used by New Era as of the date of this Agreement or created, developed or acquired by New Era during the Term of this Agreement or thereafter and to be specified by New Era.

(L) "Product(s)" means any headwear, accessories and/or apparel as set out in relevant Purchase Orders which may use, display or incorporate New Era Intellectual Property.

**2. Approved Manufacturer.** Subject to compliance by Manufacturer throughout the Term of this Agreement with the provisions of this Agreement, New Era hereby designates and appoints Manufacturer an Approved Manufacturer of New Era Product for the Initial Term and the Extended Term specified in Section 15 ("Term"). Manufacturer accepts the appointment as an Approved Manufacturer. As an Approved Manufacturer, Manufacturer may manufacture Product only at the Manufacturer's plant(s) and/or manufacturing facilities approved by New Era in writing from time to time ("Approved Facilities").

**3. New Era Supplier Compliance Guide.**

(A) Manufacturer shall comply with all terms set forth in the New Era Supplier Compliance Guide and in any addendum which shall be updated and amended from time to time and signed by Manufacturer. Such Supplier Compliance Guide and the addendum shall be made a part hereof. New Era's Supplier Compliance Guide provides specific details regarding all New Era manufacturing requirements, including but limited to, sampling requirements, lab dips, fabric approvals, accessory approvals, laboratory testing, purchase orders, order fulfillment, UPC stickers, standard operating procedures for spread sheets, product development tracking logs, quotation sheets, technical alerts, fabric booking, purchase order confirmations, preproduction sample control logs, time and action calendars, work in progress reports, allocation reports, delivery extension requests, carton packaging requirements, logistics, shipping arrangements, delivery dates, scheduling, manifest requirements, commercial documents, shipping summaries, shipping documents, quality assurance, social compliance, product compliance, as well as other manufacturing requirements.

(B) Manufacturer agrees that Manufacturer's failure to comply with any of the terms set forth in the New Era Supplier Compliance Guide shall be grounds for New Era to terminate this Agreement if New Era notifies Manufacturer of the breach with provision of evidence of such breach and the breach has not been remedied by Manufacturer within thirty (30) days after receipt of the notification. Manufacturer recognizes that its failure to comply with the terms set forth in the Supplier Compliance Guide shall cause immediate and irreparable damage to New Era and therefore New Era may assess financial penalties against the Manufacturer as set forth in the Supplier Compliance Guide and in this Agreement.

**4. Specifications.**

(A) Designated Purchasers will provide Manufacturer with artwork and specifications for use by Manufacturer when placing sample orders and Purchase Orders for Product ("Specifications"). examples of the specifications that will be received by the Manufacturer from Designated Purchasers are set forth in the Supplier Compliance Guide. New Era will provide revised specification forms from time to time, which will be incorporated in the Supplier Compliance Guide. Manufacturer shall not be permitted to amend any Specifications without prior consultation with New Era and/or the Designated Purchaser. Manufacturer also agrees it will not substitute, vary or diverge from any Specification except with New Era's express prior written consent.

(B) As a condition to remaining an Approved Manufacturer, Manufacturer warrants and represents that at all times during the Term of this Agreement Products will be made and delivered in accordance with New Era, New Era Affiliates and Designated Purchaser Specifications and Product will be free of defects.

**5. Quality and Sampling.** Manufacturer acknowledges that New Era is relying upon a high level of quality and service in the development, manufacturing and delivery of the Products. As an essential condition to New Era dedicating a substantial portion of its respective production of Products to Manufacturer, as contemplated by this Agreement, it is incumbent upon Manufacturer to maintain those quality standards. Manufacturer acknowledges that it will assume at least the quality standards and obligations set forth in the New Era Supplier Compliance Guide ("Quality Standards").

**6. Shipping, Product Delivery and Lead Times.** Manufacturer shall comply with all other Product related instructions in any addendum, the Supplier Compliance Guide and Purchase Orders including shipping instructions, fill rates, Product delivery timelines, and on-time delivery guidelines. Manufacturer acknowledges that compliance with shipping instructions, fill rates, Product delivery timelines and on-time delivery guidelines are critical to the success of the commercial activities associated with this Agreement and it will use its best reasonable commercial efforts to deliver all confirmed Purchase Orders on the dates set forth in the Purchase Orders. Manufacturer will make all necessary arrangements for the delivery of finished Products to New Era, New Era Affiliates, Designated Purchasers and/or parties designated in valid Purchase Orders by carrier in accordance with the terms of the Purchase Order terms and as outlined in any addendum or in the Supplier Compliance Guide. Manufacturer will provide, at no cost, safe and secure warehouse storage for Products at the Dedicated Production Space for Products until shipped pursuant to Purchase Orders.

**7. Pricing.**

(A) The transactions under the Purchase Order are to be entered into in the ordinary and usual course of business of MH and on normal commercial terms and on arm's length basis. The FOB price for Products will be established according to a pricing guide set forth and mutually agreed upon by both Parties.

(B) From time to time, any of the Designated Purchasers may provide technical specifications, artworks, and/or reference samples to Manufacturer and Manufacturer shall develop a reasonable number of samples that will meet the specifications and details of the artworks and/or reference samples provided and Manufacturer shall submit such samples for review and approval by such Designated Purchaser together with the proposed price quoted in accordance with this Section (referred to herein from time to time as the "Price").

**8. Purchase Orders.** Throughout the Term of this Agreement, after agreeing on Price, Manufacturer shall receive and enter into specific contracts and purchase orders (each a "Purchase Order") directly from and with New Era, a New Era Affiliate and/or New Era Designated Purchasers. Manufacturer shall at all times be ready to accept orders from the Designated Purchasers. Manufacturer shall, within three (3) Business Days of receipt of a Purchase Order, sign and return by e-mail or fax the Purchase Order confirmation to such Designated Purchaser. If Manufacturer does not sign and return the Purchase Order to the Designated Purchaser within the time frame set forth in any addendum or in the Supplier Compliance Guide the Purchase Order shall be deemed cancelled.

**9. Payment Terms.** All invoices shall be submitted in accordance with the Supplier Compliance Guide or any addendum. Upon receipt of Manufacturer's invoice, New Era or Designated Purchasers (as the case may be) shall make payment to Manufacturer within sixty (60) days from the date of the relevant invoice.

**10. Annual Caps.**

(A) To assist MH in compliance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HK Listing Rules"), the Parties agree that the total invoiced amounts for the sale of Products by the Manufacturer to New Era (together with New Era Affiliates and Designated Purchasers) during the following annual periods shall not exceed the caps set out in the following table:

| <u>Annual Period</u>                   | <u>Annual Caps (U.S.D.)</u> |
|--|-----------------------------|
| Initial Start Date - December 31, 2025 | \$140,530,000               |
| January 1, 2026 - December 31, 2026    | \$154,583,000               |
| January 1, 2027 - December 31, 2027    | \$170,041,000               |

The amounts of the above Annual Caps shall be subject to the approval of the independent shareholders of MH at the special general meeting in accordance with HK Listing Rules. In case of any change in the cap amounts, MH shall notify New Era in writing of such change as soon as possible.

(B) If any of the Parties is aware that the above annual cap in respect of a specific annual period may be exceeded in the foreseeable future, the Parties shall endeavor to take immediate procedures to comply with the requirements of HK Listing Rules in respect of the revision of the annual caps to cater for the excess in annual caps.

(C) The Parties will negotiate and set the annual caps for the two years ended 31 December 2028 and 31 December 2029 based on the prevailing situation in the year 2028 and Manufacturer shall endeavor to ensure the fulfilment of the condition precedent set out in Section 15(C) as soon as possible.

(D) In respect of the provisions relating to Minimum Annual Consideration (set out in section 16 of the Manufacturing Agreement between the Parties dated 22 November 2019), the Parties agree that the Minimum Annual Consideration during the Term of this Agreement shall be set as US\$65 million. When the Parties consider that this amount of Minimum Annual Consideration should be changed due to change in circumstances, the Parties shall negotiate in good faith and come to consensus on the revision of the Minimum Annual Consideration.

**11. Penalties.** Manufacturer acknowledges and agrees it shall be subject to all penalties agreed between the Parties, including but not limited to the penalties set forth in the Supplier Compliance Guide or in the addendum.

**12. Request for Corrective Action.** New Era may from time to time issue a written request for corrective action to Manufacturer identifying any event which in the view of New Era may constitute non-performance of Manufacturer's duties or obligations hereunder, including any chronic, significant other material event of non-performance which New Era considers to be with Manufacturer's reasonable control.

**13. Indemnification.**

(A) Manufacturer agrees to defend, indemnify and hold harmless New Era, New Era's Affiliates, Designated Purchasers and their respective officers, directors, agents, employees, representatives and all New Era's parent companies, subsidiaries and affiliates with similar or common ownership or directors (collectively "New Era Indemnitees") from and against all claims, demands, liabilities, losses, damages, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees, other investigatory or professional fees, court costs, litigation expenses, and other costs and expenses, and reasonable expenses, including costs of legal representation, and costs of handling, shipping, or transporting returned or recalled Products, incurred by New Era Indemnitees as a result of any claim, demand, suit, litigation, or proceeding initiated against or sustained by New Era Indemnitees, except for those claims for which it is established by a body of competent authority and/or the Manufacturer can provide sufficient evidence to prove to New Era, in New Era's sole discretion and judgment, that New Era or a New Era Indemnitee was gross negligent or at fault, including any such claim or proceeding in a federal or state court, or other regulatory action initiated as a result of: (1) any Product recall or market withdrawal of any Products purchased from Manufacturer as required or requested by a federal, state or other regulatory agency due to any actual or alleged failure of those Products to comply with the applicable Product Quality, Safety and Compliance Laws and Regulations; (2) any breach or alleged breach of any warranty, guaranty, covenant, representation or agreement contained in this Agreement; (3) any personal injury, property damage, illness and/or death caused, in whole or in part, by contact with, use and/or consumption of the Product, unless (and then only to the extent) such injury, illness and/or death is directly caused by the willful misconduct or gross negligence of New Era Indemnitees; (4) any shipment, diversion or sale of Product to Unauthorized Parties and/or the unauthorized use of New Era Intellectual Property as defined herein; (5) any violations of the Product Quality, Safety and Compliance Laws and Regulations; (6) personal injury, property damage, illness and/or death cause by a failure of Products to comply with any express or implied warranties of Manufacturer; (7) use by Manufacturer of any and all fabrics, components or other materials related to the Products which is in breach of provisions of this Agreement, or (8) unauthorized use by Manufacturer of any patent, process, method, or device or out of the infringement by Manufacturer of any copyright, trademark, service mark, trade name, patent, or libel or invasion of the right of privacy, contract, publicity or other property rights of any other party.

(B) Claims, Demands, Suits, Litigation or Regulatory Action. If any claim, demand, suit or litigation brought by one or more private plaintiffs in a Federal or state court (collectively "Private Claim"), or any claim, demand, suit, litigation or other regulatory action brought by any governmental entity in a Federal, state, or other regulatory agency (collectively "Regulatory Action"), is initiated against a New Era Indemnitee in respect of which a New Era

Indemnitee is indemnified by Manufacturer hereunder, New Era Indemnitee shall promptly provide written notice of such event to Manufacturer. Notwithstanding the foregoing, the right of a New Era Indemnitee to be indemnified hereunder shall not be affected by any delay in giving such notice to Manufacturer unless, and then only to the extent that, the rights and remedies of Manufacturer shall have been prejudiced as a result of the delay in giving such notice.

(C) Defense of Private Claims. Manufacturer shall, at its option, have the full right to defend, pay or settle any Private Claim arising with respect to this indemnification, subject to the conditions stated herein and except to the extent the Private Claim involves the Manufacturer's shipment, sale or diversion of Product or Counterfeit Product or the Manufacturer's unauthorized use of New Era Intellectual Property and then New Era shall retain the full right to defend, pay or settle such Private Claim at Manufacturer's sole cost and expense. For other claims, Manufacturer shall, in the case of a Private Claim, cause written notice to be issued to New Era Indemnitees within ten (10) business days after receiving New Era Indemnitees's notice to Manufacturer stating whether Manufacturer will elect to assume the defense of such Private Claim, in which event Manufacturer shall, at its sole cost and expense, engage counsel reasonably acceptable to New Era Indemnitees to represent New Era Indemnitees in connection with such Private Claim. If Manufacturer fails to cause such written notice of its election within ten (10) business days, then New Era Indemnitees may, at its discretion, assume the defense, payment or settlement of such Private Claim without affecting the obligation of Manufacturer to indemnify New Era Indemnitees under the terms of this Agreement. In the event that Manufacturer elects to assume the defense of a Private Claim, Manufacturer shall have the right to pay or settle such Private Claim arising with respect to this indemnification, subject to the condition that Manufacturer shall not admit any liability on the part of New Era Indemnitees with respect to any such Private Claim, nor consent on behalf of New Era Indemnitees to injunctive or equitable relief, without prior written consent of New Era Indemnitees. If Manufacturer elects to assume control of the defense of any such Private Claim, New Era Indemnitees shall have the right to participate in the defense using its own counsel for any such Private Claim with all such fees and expenses to be borne by the Manufacturer.

(D) Defense of Regulatory Action. In the case of a Regulatory Action initiated against any New Era Indemnitees, Manufacturer may participate in, but not assume control of, the defense of such Regulatory Action, but such participation will not in any manner affect the obligation of Manufacturer to indemnify New Era Indemnitees under these indemnification terms. In the case of a Regulatory Action initiated against both New Era Indemnitees and Manufacturer, each Party will have the option to assume control of its own defense without any effect upon the obligation of Manufacturer to indemnify New Era Indemnitees under these indemnification terms. In such a case, to the extent that the federal, state or other agency taking such Regulatory Action ultimately elects to proceed only against New Era Indemnitees and not against Manufacturer, Manufacturer may participate in, but not assume control of, the defense of such Regulatory Action, but such participation will not in any manner affect the obligation of Manufacturer to indemnify New Era Indemnitees under these indemnification terms. However, if such agency elects to proceed only against Manufacturer, Manufacturer shall defend such action.

(E) Payment. Manufacturer shall indemnify and pay New Era Indemnitees in the form of immediately available funds within a reasonable period of time following Manufacturer's receipt of written notice from New Era Indemnitees as to the assessment or imposition of, or New Era Indemnitees's payment of, any liability, damage, loss, cost or expense covered hereunder.

**14. Insurance.** Manufacturer shall maintain during the entire term of this Agreement a comprehensive general liability insurance policy, including adequate product liability coverage and contractual liability coverage insuring against the liabilities assumed under this Agreement in accordance with the guidelines as New Era prescribes from time to time.

**15. Term and Condition Precedent.**

(A) Subject to subparts (B) and (C) below, the term of this Agreement shall commence on Initial Start Date and shall terminate on December 31, 2027 ("Initial End Date") ("Initial Term"); this Agreement may be extended for an additional term ("Extended Term") from January 1, 2028 ("Extended Start Date") through December 31, 2029 ("Extended End Date"). The Effective Date of this contract shall be the date first set forth above in the recitals.

(B) The Initial Term of this Agreement shall be effective and conditional on the fulfillment of the following condition:

"the passing of an ordinary resolution by the independent shareholders of MH (who are permitted to vote under the HK Listing Rules) at a special general meeting of MH approving, among other matters, this Agreement and transactions contemplated hereunder (including without limitation the continuing connected transactions

together with the annual caps in relation to supply of Products under this Agreement) for the period of the Initial Term”.

If the above condition is not fulfilled on or before March 31, 2025, this Agreement and everything herein contained shall be null and void and of no effect and every party hereto shall be released from any liability and obligations contained hereof, except for any accrued rights and antecedent breach.

(C) The Extended Term of this Agreement shall be effective and conditional on the fulfillment of the following condition:

“on or before the Extended Start Date (as defined in Section 15(A)) the passing of an ordinary resolution by the independent shareholders of Manufacturer (who are permitted to vote under the HK Listing Rules) at a special general meeting of MH approving, among other matters, this Agreement and transactions contemplated hereunder (including without limitation the continuing connected transactions together with the annual caps in relation to supply of Products under this Agreement) for the period of the Extended Term”.

If the above condition is not fulfilled on or before the Extended Start Date, this Agreement and everything herein contained shall be terminated on the Initial End Date and every party hereto shall be released from any liability and obligations contained hereof, except for any accrued rights and antecedent breach.

## 16. Confidentiality.

(A) Each Party hereto (a “Receiving Party”) acknowledges that the terms of this Agreement and any other information obtained by it concerning the other Party (the “Disclosing Party”) in written, oral electronic or other form, directly or indirectly, may include valuable, proprietary, and confidential matter or information, including but not limited to the present or potential business, operations, assets, or condition (financial or otherwise) or prospects of the Parties hereto and the Products, including, but not limited to, product data, pricing terms, materials, labor and manufacturing costs, financial data, marketing plans and techniques, customer and supplier lists and other trade secrets, invoices, price lists and information, samples, process, descriptions, manufacturing processes, business methods, business policies, procedures, techniques, research and development projects and results, writing, models, designs, artwork, advertising and sales materials, data, processing reports, customer sales and analyses, computer programs, technical data, research information, documents, specifications, diagrams, charts, projections, proposed business, future marketing or product development or brand extension plans, financial information, and other information relating to customers, suppliers, distributors, projects under consideration or bids, profits, costs, pricing or tooling, names, addresses and contacts of customers, clients, suppliers and distributors, and any and all data on or relating to past, present and/or prospective customers or clients or other information of a valuable, proprietary, and confidential nature which are owned by such Disclosing Party, or one or more of the Disclosing Parties’ parents, subsidiaries or affiliates or franchisees (“Confidential Information”), provided however, that Confidential Information will not include any such information which at the relevant time: (1) is or becomes generally known to the public (through no act or omission of the Receiving Party in violation of this Agreement or previous agreements); (2) was lawfully acquired by a Party hereto from an independent source having no obligation to maintain the confidentiality of such information and under no fiduciary or other similar obligation to the Disclosing Party provided that such Party immediately notifies the Disclosing Party of any such acquisition; (3) was known to the Receiving Party prior to its disclosure as evidenced by clear and convincing evidence; or (4) is required to be disclosed to the public by MH for compliance with the requirements of the HK Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Specifically included in the definition of Confidential Information are the terms of this Agreement between New Era and Manufacturer, any addendum, all pricing, all payment terms, all Purchase Order quantities, the identity of New Era customers, fabric manufacturers, component manufacturers, New Era Supplier Compliance Guide, as well as New Era’s manufacturing process and the specific details and specifications given to Manufacturer by New Era as to how to manufacture New Era’s headwear silhouettes.

(B) The Receiving Party covenants and agrees to use the Confidential Information only pursuant to the terms and for the purposes of this Agreement. The Receiving Party shall take all reasonably prudent procedures to maintain and safeguard the Confidential Information as confidential and to prevent the intentional, unintentional, unauthorized or inadvertent disclosure to others. The Receiving Party shall not use any Confidential Information in any manner except as permitted by this Agreement unless agreed to by the Disclosing Party in writing prior to the disclosure.

(C) The Receiving Party represents and warrants, for itself and on behalf of its employees and agents, and all Approved Facilities and Approved Third Party Manufacturers that it and they will not disclose the New Era

Product specifications, designs, and/or New Era Intellectual Property and/or or any other Confidential Information to any person or entity not specifically authorized in writing by the Disclosing Party to receive them.

(D) Unless the product specification for any Product produced hereunder is owned by Manufacturer, Manufacturer agrees not to use any Specifications or any other Confidential Information of New Era to produce product either for Manufacturer's own use, for competitors of New Era, for other headwear manufacturers or for sale or distribution to customers of Manufacturer other than the Designated Purchasers.

(E) All product developed from information furnished to a Receiving Party by the Disclosing Party shall constitute Confidential Information of the Disclosing Party and will remain the sole property of the Disclosing Party. Moreover, any manufacturing procedures and/or specifications developed by Manufacturer from information supplied by New Era will be disclosed by Manufacturer to New Era and shall be deemed Confidential Information, and shall be hereby assigned by Manufacturer to New Era, shall be and remain the sole Intellectual Property of New Era and shall not be used by Manufacturer for any other entity, customer or purchaser without the prior written consent of New Era which may be granted or withheld by New Era in its sole and absolute discretion.

(F) To the extent a Receiving Party is compelled by applicable law, regulation or subpoena issued by a court or other governmental body to produce Confidential Information, such Receiving Party will, to the extent practicable, provide prompt written notice to the Disclosing Party of such intended disclosure so as to enable the Disclosing Party to seek a protective order or otherwise prevent such disclosure.

## **17. Termination.**

(A) Immediate Termination. New Era shall have the right to terminate this Agreement immediately upon the occurrence of any one or more of the following events:

- (1) If any governmental agency, court of competent jurisdiction, or other body or official vested with appropriate authority finds that the Products are harmful or defective in material respect and the damage to be suffered by New Era, New Era Affiliates and/or Designated Purchasers from the aforesaid finding is more than \$1,000,000 (U.S.D.) which is not directly caused by or results from the gross negligence of New Era, New Era Affiliates, Designated Purchasers, Designated Fabric Supplier and/or Designated Component Supplier; or
- (2) If any governmental agency, court of competent jurisdiction, or other body or official vested with appropriate authority finds that the Products are harmful or defective in any way, manner or form in contravention of Product Quality, Safety and Compliance Laws and Regulations which is not directly caused by or results from the gross negligence of New Era, New Era Affiliates, Designated Purchasers, Designated Fabric Supplier and/or Designated Component Supplier; or
- (3) If Manufacturer manufactures, diverts, sells, ships or transfers any Counterfeit Product or fails to report any stolen goods; or
- (4) If Manufacturer manufactures any Product without the prior written approval of New Era via a valid Purchase Order from New Era, New Era Affiliates or a Designated Purchaser; or
- (5) If MH, ML or Ngan Hei Keung, Ngan Po Ling, Pauline (Ngan Hei Keung and Ngan Po Ling, Pauline together are hereinafter referred to as "Ngan") or any third party or affiliate owned by, related to, or associated with MH, ML or Ngan, engages in any activity, including but not limited to any activity alleged to be a violation of any code of conduct or labor law, which results in any communication, including but not limited to any written, electronic or verbal communication transmitted by any means to media, the general public, the Fair Labor Association, the Workers Right Consortium, the United Students Against Sweatshops, any organized labor association including but not limited to the Teamster's or Communication Workers of America), any governmental agency, any legal body or any New Era, New Era Affiliate or Designated Purchaser licensor or affiliate of said licensor, alleging any violation or wrongdoing either by New Era, New Era Affiliates or Designated Purchasers as a result of New Era, New Era Affiliates or Designated Purchasers associated with MH, ML or Ngan, or
- (6) Except as provided in the last sentence hereof, if MH shall undergo a change in majority or controlling ownership without first obtaining the consent of New Era. For the purpose of the



foregoing sentence, "a change in majority or controlling ownership" means Mr. Ngan Hei Keung and Madam Ngan Po Ling Pauline (including the interest through controlled corporation) and their family members holds less than thirty percent (30%) shareholding in MH. It is acknowledged and agreed that MH shall not be required to seek the consent of New Era or prior written approval of an intra-family change in the ownership status of MH, provided that (i) such change applies to thirty (30%) percent or less of the existing shares and (ii) the management personnel and existing business operations shall not change; or

- (7) If any of the License Agreements between NEC and its customers is terminated or if any such customer no longer approves of MH as a designated manufacturer of licensed products; or
- (8) If a petition under any bankruptcy or insolvency law is filed by or against a Party, or if either Party suspends business or commits any act amounting to a business failure, the other Party may, at its option, terminate this Agreement by giving written notice thereof to the defaulting Party, which shall specify the effective date of termination.

New Era shall provide Manufacturer with evidence of the occurrence of the above events before it exercises its right of termination of this Agreement.

(B) Termination with Thirty Day Cure Period. Any Party shall have the right to terminate this Agreement upon a material breach by the other Party that is either not completely cured within thirty (30) Business Days of the receipt of written notice by the breaching Party from the non-breaching Party or the breaching Party fails to commence action to cure such breach within thirty (30) Business Days of the receipt of written notice from the non-defaulting Party or to diligently pursue such cure to completion thereafter, if such default or breach is not susceptible to being cured within thirty (30) days.

#### **18. Warranties and Compliance with Laws.**

(A) Manufacturer shall be fully responsible for and warrants and represents it will comply with all applicable foreign, domestic, federal, state and local laws, regulations, standards and executive orders applicable to Manufacturer's operations at the Approved Facility, the Dedicated Production Space and any other facility involved in the manufacture, labeling, packaging, possession, distribution, importation, exportation, storage, sale and delivery of the Products, including but not limited to:

- (1) laws in the country of origin and country of destination regarding the manufacture, possession, distribution, importation, exportation, storage, sale and delivery of Products;
- (2) laws in the country of origin and country of destination regarding worker' rights, occupational health, minimum wages, employment discrimination, child or forced labor, and civil rights; and
- (3) laws precluding the shipment of goods in U.S. Interstate commerce in violation of the U.S. Fair Labor Standards Act, including, but not limited to, the provisions therein commonly called the "Interstate Hot Goods Provisions."

(B) Manufacturer warrants to New Era that all Products delivered by Manufacturer under Purchase Orders from New Era, New Era Affiliates, and Designated Purchasers, shall have been tested or otherwise certified to be in compliance with all foreign, domestic, federal, state, and local laws, regulations and/or standards, as amended, relating to product quality, safety and compliance, as well as industry quality and safety standards and additional New Era standards set forth in any addendum or in the Supplier Compliance Guide (collectively "Product Quality, Safety and Compliance Laws and Regulations"), whenever they shall be applicable. Manufacturer warrants that if any standard set forth is stricter than the requirements of any applicable law or regulation, it shall comply with the stricter standard. "Product Quality, Safety and Compliance Laws and Regulations" include, but are not limited to, the following:

- (1) U.S. Customs and Border Protection (CBP) laws and regulations, including the Tariff Act of 1930, as amended, and all country of origin marking requirements;
- (2) U.S. Consumer Product Safety Commission (CPSC) laws and regulations, including, but not limited to:
  - (i) the Consumer Product Safety Improvement Act of 2008 (CPSIA), including restrictions on the use of lead in substrate materials (Section 101, CPSIA) and phthalates (Section 108, CPSIA), in certain children's products;



- (ii) the CPSIA's General Conformity Certification requirements applicable to importers and U.S. manufacturers, including third-party testing and certification requirements;
  - (iii) the Federal Hazardous Substances Act (FHSA), including restrictions on the use of lead in paints or surface coatings (16 CFR 1303), small parts (16 CFR 1501), and sharp points and edges (16 CFR 1500.48-49), in certain children's products;
  - (iv) the Flammable Fabrics Act (FFA), including flammability standards for clothing textiles and vinyl plastic film (16 CFR 1610 and 1611)
  - (v) the Consumer Product Safety Act (CPSA);
  - (vi) CPSC guidelines concerning restrictions on the use of drawstrings in children's apparel; and,
  - (vii) any other statute or regulation enforced by the Consumer Product Safety Commission as applicable to the Products;
- (3) U.S. Federal Trade Commission (FTC) laws and regulations, including the Textile Fiber Products Identification Act, The Wool Products Labeling Act, the Care Labeling Rule, and the Federal Trade Commission Act;
  - (4) U.S. Fish and Wildlife Service laws and regulations, including the Endangered Species Act and the Convention on International Trade in Endangered Species (CITES);
  - (5) California's "Proposition 65" requirements (also known as the Safe Drinking Water and Toxic Enforcement Act of 1986) applicable to products sold in California and which requires warning statements for any listed chemicals or substances contained in a product unless they are present below established safe harbor limits;
  - (6) REACH legislation in the European Union (known as Regulation EC 1907/2006 concerning the "Registration, Evaluation, Authorisation, and restriction of Chemicals") pertaining to restrictions on the use of Substances of Very High Concern (SVHC) to no more than 0.1% of the weight of a particular product, and restrictions on other chemicals and substances listed in Annex XVII of REACH, including Azocolourants or Azo Dyes that may break down to generate certain prohibited Aromatic Amines;
  - (7) China's National Standard GB 18401-2003 (as amended), entitled "National General Safety Technical Code for Textile Products", enforced by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China with respect to general safety requirements for textile products manufactured, distributed or imported in China.
  - (8) Korea's nationally integrated certification mark requirements, i.e., "KC" (Korean Certification), as enforced by the Korean Agency for Technology and Standards (KATS) and the Ministry of Knowledge Economy (MKE).
  - (9) Canada's nationally recognized Consumer Product Safety Act;
  - (10) State laws, regulations, standards and guidelines, applicable to products sold in specific states;
  - (11) Voluntary industry standards, such as those published by ASTM, ANSI, or other independent standards organizations, where directly applicable to the Products; and,
  - (12) New Era standards, procedures, testing manuals, guidelines, policies, specifications, instructions, and other documents which may, from time to time, be furnished or issued to Manufacturer by or on behalf of New Era, New Era Affiliates and/or New Era Designated Purchasers and which may impose different or more stringent standards than those set forth in this list of Product Quality, Safety and Compliance Laws and Regulations.

New Era agrees to provide reasonable guidance to the Manufacturer regarding the above laws, regulations, standards, procedures etc., provided however, that Manufacturer shall be solely responsible to ensure compliance with the above laws, regulations, standards, procedures, etc.

The warranty made in this Section 21(B) shall be deemed to be satisfied fully to the extent that the Manufacturer has complied with the specification or instructions made by New Era and/or Designated Purchaser(s) or the Manufacturer has used the fabric or components supplied from Designated Fabric Supplier(s) and/or Designated Component Supplier(s) respectively in the manufacture of Products.

(C) Manufacturer warrants to New Era that it will conduct all necessary testing and certification where applicable under Product Quality, Safety and Compliance Laws and Regulations of the jurisdiction where the Products will be manufactured or sold.

(D) Manufacturer warrants it will not manufacture Product, or permit the manufacturing of Product, in countries where the manufacturing of New Era products is prohibited. A current list of prohibited countries may be obtained by written request to New Era. In addition, Manufacturer warrants it will not apply, or permit the application of, any New Era Intellectual Property or New Era Confidential Matter to items produced in prohibited countries (e.g.,

a New Era logo embroidered on a plain cap made in a country under trade embargo by the United States). If any of the Product is produced, in whole or in part, in a prohibited country, in addition to any and all rights and remedies available to New Era, Manufacturer shall be held liable and shall immediately pay for all costs associated with the collection, return and destruction of the Product. Manufacturer further agrees to pay any and all penalties and fines imposed upon New Era and all attorneys' fees and legal costs New Era pays in association with any action resulting from Manufacturer's breach of this warranty. If New Era directs Manufacturer to destroy the Product, Manufacturer shall immediately do so in an environmentally acceptable manner, and shall provide New Era with a sworn Certificate of Destruction.

(E) Manufacturer expressly warrants that all of the Product furnished pursuant to this Agreement (1) will be fit and sufficient for the use of such product; (2) will be merchantable, of good quality and free from defects, whether patent or latent; and (3) will be free from defects in design or production.

(F) Without limiting the foregoing, Manufacturer warrants and represents on its own behalf and on behalf of the Approved Facilities and the Dedicated Production Space that all facilities will comply with New Era's Code of Ethics & Business Conduct, which is incorporated herein by this reference, and to be updated from time to time upon reasonable notice to Manufacturer. Manufacturer warrants and represents it will take appropriate steps, in consultation with New Era to develop, implement and maintain procedures to evaluate and monitor all facilities including the Approved Facilities and the Dedicated Production Space and to ensure compliance with the Code of Conduct for Manufacturers including, but not limited to, unannounced on-site inspections of manufacturing, packaging and distribution facilities and employer-provided housing, reviews of books and records relating to employment matters and private interviews with employees.

(G) Manufacturer warrants and represents it will keep true, complete and accurate records of the manufacture, storage, shipment, sale, related to the Products in such format reasonably required by New Era and, upon written request from New Era shall periodically furnish New Era with such information.

(H) Manufacturer warrants and represents it will not take any action that may detract from the goodwill, prestige, and reputation of New Era or the Products, including but not limited to engaging in any activity that could or does lead to the distribution of Counterfeit Product.

(I) All warranties, whether express or implied, relating to the Product shall run to New Era, its successors, and assigns. These warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive. All representations, warranties, conditions and indemnities shall survive delivery, acceptance and sale of the Product and shall survive termination or expiration of this Agreement.

**19. Notices.** Any and all management of this contract and the terms and provisions herein shall be between New Era and Manufacturer. All notices required hereunder shall be in writing and shall be deemed given, whether actually received or not, (A) on the date delivered when delivered in person, (B) on the date delivered by email or facsimile transmission if the Party sending the transmission has received confirmation that the transmission was successful or (C) four (4) business days after such item is deposited with Federal Express or other generally recognized overnight courier, shipping charges prepaid, addressed to the appropriate Party as set out below or at such other address specified by written notice and delivered in accordance with this provision:

Manufacturer

Mainland Headwear Holdings Limited / Wintax Trading Limited  
Room 2301-2305, 23rd Floor, CTF Life Tower  
18 Sheung Yuet Road  
Kowloon Bay, Kowloon  
Hong Kong  
Attention: Ms. Pauline Ngan  
Fax No. (852) 2796-1517

*With a copy to*

Donald B. Kempster, Esq.  
Kempster, Keller & Lenz-Calvo  
332 S. Michigan Avenue, Suite 1428  
Chicago, IL 60604  
Fax No. (312) 341-0399

New Era

New Era Cap, LLC  
160 Delaware Avenue  
Buffalo NY 14202  
Attention: James Patterson, President  
Fax No. (716) 604-9073  
Via email: [Jim.Patterson@neweracap.com](mailto:Jim.Patterson@neweracap.com)

*With a copy to*

New Era Cap, LLC  
160 Delaware Avenue  
Buffalo NY 14202  
Attention: Lorrie Turner, Chief Legal Officer  
Fax: 716-604-9068  
Via email: [Lorrie.Turner@neweracap.com](mailto:Lorrie.Turner@neweracap.com)

**20. Independent Contractor.** Manufacturer acknowledges that it is an independent contractor and it is not an agent, partner, joint venture partner nor employee of New Era, New Era Affiliates or any of New Era's parents, subsidiaries, affiliates or related entities or any of the Designated Purchasers. Manufacturer shall have no authority to bind or otherwise obligate New Era or any of the Designated Purchasers in any manner nor shall Manufacturer represent to anyone that it has a right to do so.

**21. Survival.** The provisions of Sections 13 (Indemnification), 14 (Insurance), 16 (Confidentiality), 17 (Termination), 18 (Warranties and Compliance with Laws), and 22 (Governing Law and Venue) set forth in this Agreement and any other provision in this Agreement which imposes upon Manufacturer an obligation after termination or expiration of this Agreement, shall survive termination or expiration hereof and be binding upon Manufacturer.

**22. Governing Law and Venue.** The Agreement shall be construed in accordance with and governed by the laws of the State of New York, United States of America, without regard to its conflict of laws principles. Each of the Parties hereto irrevocably consents that any legal action or proceeding against it under, arising out of or in any manner relating to this Agreement, will be brought in any court of the State of New York located in Erie County, New York or in the United States District Court for the Western District of New York.

**23. Headings.** The headings of the paragraphs of this Agreement are for convenience only and shall in no way limit or affect the terms or conditions in this Agreement.

**24. Modification or Amendment.** Except for the changes permitted above, which may be made by New Era from time to time, neither this Agreement nor any of its provisions (including the price of the Product) may be waived, modified or amended except by an instrument in writing signed by the Parties hereto.

**25. Entire Agreement.** This Agreement, along with all New Era Supplier Compliance Guides, exhibits, addendums and the undertaking to appoint director to be signed among New Era and MH in their current form and/or as supplemented or amended hereafter, constitute the entire agreement between New Era and Manufacturer and supersedes any and all prior negotiations, understandings, and/or agreements, oral or written, between the Parties hereto with respect to the subject matter hereof.

**26. Benefit of Agreement.** The Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their successors and assigns. Notwithstanding the foregoing, this Agreement may not be assigned by Manufacturer nor is any subcontracting by Manufacturer to third parties permissible hereunder, without the express prior written approval of New Era, which consent may be granted or withheld in the sole and absolute discretion of New Era.

**27. Compliance; No Waiver.** The failure of either Party to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms nor shall it affect the right of the Party to insist upon strict compliance herewith at any time thereafter. The failure of New Era to terminate this Agreement and/or the appointment of Manufacturer upon the occurrence of an event of default by Manufacturer shall not constitute a waiver or otherwise affecting the right of New Era to terminate the Agreement and/or the Manufacturer's appointment as a

result of a continuing or subsequent failure or refusal by Manufacturer to comply with its obligations. The rights or remedies set forth herein are in addition to any other rights or remedies which may be granted by law.

28. **Severability.** If any provision of this Agreement shall be contrary to the laws or jurisdiction in which the same shall be sought to be enforced, the invalidity, illegality or unenforceability of any such provision shall not affect the other terms, covenants, terms or conditions hereof, and the remainder of this Agreement, or the application of such invalid, illegal or unenforceable term or provision to persons or circumstances other than those as to which this Agreement is held to be illegal or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforced to fullest extent permitted by law. Moreover to the extent a provision sought to be enforced is deemed to be invalid, illegal or unenforceable, the provision shall be reformed to the extent (and only to the extent) necessary to make it valid, legal and enforceable.

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

30. **Representations of Authority.** By executing this Agreement, Manufacturer and New Era each represents to the other that they are an entity validly existing, duly constituted and in good standing under the law of the jurisdiction in which the entity was formed and in which they presently conduct business and that the person signing this Agreement on the entity's behalf has due authorization to do so.

IN WITNESS WHEREOF, the Parties have executed the Agreement on the date or dates set forth below, to be effective as of the date first above written.

**MAINLAND HEADWEAR HOLDINGS LIMITED**

**WINTAX TRADING LIMITED**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NEW ERA CAP, LLC**

**NEW ERA CAP HONG KONG, LLC**

By: Lorrie K. Turner  
Name: Lorrie K. Turner

By: Lorrie K. Turner  
Name: Lorrie K. Turner

Title: Chief Legal Officer & Corporate Secretary

Title: Chief Legal Officer & Corporate Secretary

result of a continuing or subsequent failure or refusal by Manufacturer to comply with its obligations. The rights or remedies set forth herein are in addition to any other rights or remedies which may be granted by law.

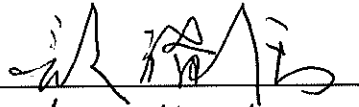
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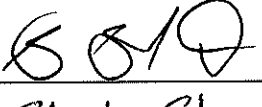
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IN WITNESS WHEREOF, the Parties have executed the Agreement on the date or dates set forth below, to be effective as of the date first above written.

MAINLAND HEADWEAR HOLDINGS LIMITED

By:   
Name: Ngan Hee Keung  
Title: Director  
11 November 2024  
at Bangladesh

WINTAX TRADING LIMITED

By:   
Name: Shah Shamsul Anam  
Title: Director  
11 November 2024  
at Bangladesh

NEW ERA CAP, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

NEW ERA CAP HONG KONG, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_