

[a] SOW No. 1

This Statement of Work ("SOW") is entered into as of October 1, 2022 ("SOW Effective Date") and shall be governed by the terms and conditions set forth in the Master Services Agreement between Ayzenberg Group, Inc. ("Ayzenberg" or "Vendor") and Velan Studios, Inc. ("Company") dated as of March 28, 2022 ("MSA"). All capitalized terms used but not defined in this SOW shall have the meaning assigned to such terms in the MSA.

I. SERVICES & DELIVERABLES

Vendor will provide creative and media support services for game *Hot Wheels: Rift Rally* specifically as follows:

- A. **Account & Project Management.** Vendor will provide account and project management and support services including but not limited to leadership; general administrative support, day-to-day communications management, internal coordination, calendaring, and status updates during the Term.
- B. **eCommerce Website Development.** Vendor will develop an e-commerce website for Company for sales of products related to the *Hot Wheels: Rift Rally* game. Vendor will make all reasonable efforts to ensure that Company website goals are addressed; as outlined by Company, goals for the website include (1) driving sales of Rift Rally (2) providing a hub for customers and potential customers to access relevant information, support content, and news regarding the product. Specifically, Vendor will provide:
 1. **Website Design.** Vendor will create the website macro design via formulation of overall website layout website templates. In addition, Vendor will produce design treatments for the primary features and functionality of the website.
 - i. Vendor will ideate and produce two (2) overall website design concepts for Company.
 1. Company shall select one (1) website design concept for further refinement. Company shall be permitted two (2) rounds of feedback prior to finalization of the website design; upon receipt of feedback, Vendor will make commercially reasonable efforts to revise the website design concept in accordance with Company comments upon mutual agreement.
 2. Company shall provide brand style guide with visual identity guidelines such as logo usage, colors, typefaces, graphical treatments, etc.
 3. Company shall provide all content for the website including but not limited to copywriting, product photos, videos, pricing, store policies (i.e. returns, shipping, warranty, etc.), and legal policies (terms of service, privacy).
 4. Vendor will design the website for the North American Market (United States, Canada, Mexico). Furthermore, Vendor will provide localization services, not including translations, for French and Spanish for the website.
 2. **Website Development & Launch.** Vendor shall produce the designed website in accordance with the finalized website design concept (inclusive of the user interface ("UI") and user experience ("UX") design). Client shall be permitted one (1) round of revision of the designed website prior to website design finalization. Vendor will:
 - i. Develop the website utilizing HTML, CSS, and Javascript via front-end (ex. Gatsby or React) frameworks
 - ii. Produce the website templates
 - iii. Develop end-user foundational components and website features, including but not limited to:
 1. Homepage
 2. Navigation
 3. Footer
 4. Links to additional websites/third party content
 5. Editorial content blocks
 6. Email capture
 7. Pre-order information and checkout
 8. Customer support information (how to play, troubleshooting, etc)
 9. Ongoing news, media (images/videos) and selected user generated content
 10. Integration with live chat software (company to provide API access to chosen vendor)
 - iv. Integrate the website with Google Analytics to permit Company to access information to inform website effectiveness and incoming campaign effectiveness
 - v. Integrate the website with Shopify to provide ecommerce functionality for consumers to add to cart and check out directly via the website. Vendor will integrate ecommerce functionality in headless mode using Shopify Plus APIs
 1. Company will provision, configure, and provide Vendor with application programming interface ("API") access to the Shopify Plus installation.
 - vi. Provide quality assurance ("QA") testing and review of the website prior to public launch (tentatively scheduled to be February 27, 2023). QA shall be inclusive of functional, load, security, and compatibility testing.
 1. Compatibility testing shall be performed for the most recent versions of the following desktop browsers: Google Chrome, Apple Safari, Mozilla Firefox, and Microsoft Edge.
 2. Compatibility testing shall be performed for the most recent versions of the following mobile browsers: Apple Safari for iOS, Google Chrome for Android.

- vii. Update website content as required prior to and including website final launch.
 - viii. Provide website post-launch support and updates in the form of 20 hours per month for a period of one year, inclusive of Client consultation as may be reasonably required.
 - ix. Company will be responsible for provisioning and providing access to web hosting services and the Shopify ecommerce platform.
3. Vendor will make all reasonable efforts to ensure that scope of content will be similar to the following reference websites:
- i. <https://mkllive.nintendo.com/>
 - ii. <https://www.playosmo.com/en/>
 - iii. <https://us.yotoplay.com/>

C. **Trailer Video Production.** Vendor will provide pre-production, production, and post-production services to provide one (1) trailer video of no longer than sixty seconds (:60s) duration (the "Trailer Video"). Specifically, Vendor will:

- 1. Develop a script for a live-action shoot for audio-visual asset production. Company shall be permitted two (2) rounds of review and feedback prior to script finalization.
- 2. Source and manage third-party production entities as may be discussed by Company and Vendor as required for the live-action Trailer Video shoot and completion of the deliverables, including but not limited to:
 - i. Director;
 - ii. Shoot location located at Vendor's headquarters on date(s) to be mutually determined by Company and Vendor following SOW execution.
- 3. Conduct a non-union shoot at a location within Los Angeles County, California (tentatively Vendor's offices located at 49 E. Walnut Street, Pasadena, CA 91103 but subject to change).
- 4. Hire the director, cast, crew, and on camera talent for the Trailer Video shoot.
- 5. Vendor shall ensure that the director, on-camera talent and any other cast and crew (cast and crew collectively, "Talent") which the Vendor may hire in connection with the Project are non-union. Without limiting the generality of the foregoing, Vendor's Services shall consist of (i) negotiating the terms and conditions of engagement of the Director and the Talent with their respective representatives (ii) serving as primary liaison with Director and Talent and their respective managements for the purpose of scheduling the production of the Project, including but not limited to, working with such to obtain approvals and scheduling for completion of the Project as set forth below; and (iii) executing all documents, including by means of illustration but not limitation, deal memos and/or talent agreements, reasonably required to memorialize such Talent and Director's participation in the project.
- 6. Vendor shall ensure that services of on-camera talent secured under contract are inclusive of minimum licensing rights for use via online paid media worldwide through December 31, 2023.
 - i. Utilizing raw footage captured during the live-action shoot, Vendor will produce one (1) Trailer Video with an approximate runtime duration no longer than sixty (60) seconds of 16x9 aspect ratio and in accordance with further technical specifications as reasonably required by Company.
 - 1. Company shall be responsible for providing partner content, including but not limited to video assets, logos, and key art for inclusion in each final Video deliverable no later than February 13, 2023. Company shall be responsible for clearance of all third party intellectual property and proprietary rights as encompassed in the materials and as may be required for inclusion in the Deliverables for the use contemplated under this SOW.
 - ii. Source one (1) library music track for use with the Trailer Video; licensing terms shall permit at minimum use in online paid media worldwide through December 31, 2023.
 - iii. Provide editorial and final finishing services for the Trailer Video as follows. Company shall be permitted two (2) rounds of revision of the Trailer Video prior to video finalization.
 - 1. Final sound design and stereo mix;
 - 2. Final color correction; and
 - 3. Final finishing,
 - 4. Quality control ("QC") check.
 - iv. Vendor will provide the following cutdowns of the Trailer Video.
 - 1. Two (2) cutdowns of fifteen seconds (:15s) duration in 16x9 aspect ratio
 - 2. Four (4) cutdowns of fifteen seconds (:15s) duration in 1x1 aspect ratio
 - 3. Four (4) cutdowns of fifteen seconds (:15s) duration in 9x16 aspect ratio
 - 4. Two (2) cutdowns of six seconds (:06s) duration in 16x9 aspect ratio
 - v. Vendor will deliver the final Trailer Video and all cutdowns no later than February 13, 2023.

D. **Social Media Asset Production.** Utilizing raw footage and photo stills captured during the live action shoot under Section I.C., Vendor will produce and provide final finishing for static image assets for distribution by Company on social media accounts. Final social media assets will be delivered no later than February 13, 2023.

- 1. Four (4) static image assets total (two themes total, with two asset variations per each theme) in 1x1 aspect ratio inclusive of two hundred characters of copy

2. Four (4) static image assets total (two themes total, with two asset variations per each theme) in 4x5 aspect ratio inclusive of two hundred characters of copy
3. Four (4) static image assets total (two themes total, with two asset variations per each theme) in 300x250 aspect ratio
4. Four (4) static image assets total (two themes total, with two asset variations per each theme) in 728x90 aspect ratio

E. Influencer Engagement & Management.

1. Vendor will provide account management and support services including but not limited to leadership; general administrative support; talent management; strategy and creative functions; influencer discovery/engagement/outreach/recruitment; content production oversight; content deployment; content audits; day-to-day influencer administrative management; and insights & reporting.
2. Vendor will collaborate with Company to define program goals and strategy for rollout of the *Hot Wheels: Rift Rally* Influencer Program; such goals may include but are not limited to the use of incentives or bonus programs to drive sales through influencers or including the use of influencers in video creative.
3. Vendor will work with Company contact to finalize strategy and influencer creative asset execution as required. Where possible, Vendor will work to provide Company flexibility on influencer selection.
4. Vendor will engage, negotiate, and contract with influencer(s) in accordance with parameters determined in formulation of influencer strategy with Company. Vendor will secure influencer services under separate agreement; Vendor shall have opportunity to review the initial contract template as well as any material changes as may be requested by influencers prior to contract finalization and execution.
5. Simultaneously with contract negotiation and furthermore once influencer(s) have been contracted, Vendor will work with Company and the influencer(s) to convey the required marketing and content objectives of the *Hot Wheels: Rift Rally* Influencer Program and to provide brand and product education to the influencer(s).
6. Vendor will personalize influencer briefs as required.
7. Vendor will confer with influencers to determine content mix and distribution channels, subject to Company approval.
8. Vendor will collaborate with Company and the influencers to formulate scheduling and deadlines, determine segmentation and classification, and outline a review/approval process prior to live content release.
9. Vendor will oversee influencers to regulate compliance of all influencer-produced content with applicable laws, distribution platform rules and regulations for sponsored material, and other social media-sponsored materials rules and regulations as required.
10. Vendor will oversee production of the influencer-produced content for all required regions.
11. Vendor will act as day-to-day contact for influencers.
12. Vendor will ensure influencer social posts and videos adhere to brand safety parameters (as defined by Company) and include FTC disclosures (in the US) or other disclosures (for foreign jurisdictions) as required under law
13. Vendor will oversee adherence to Company guidelines, which may include but are not limited to, required calls to action ("CTAs"), tracking code implementation, content keywords/descriptors/tags, Intel branding/asset usage, and overall content theme requirements.
14. Vendor will oversee and manage distribution of the influencer-produced content across the designated media channels.
15. Vendor will track and optimize content as needed. Vendor will determine tracking methods collaboratively with influencer(s).

F. Media Services. Vendor will utilize its integrated strategic media resources and personnel to plan, implement, and manage the digital launch campaign for Hot Wheels: Rift Rally (the "Launch Campaign") subject to the total Company Media Buy Fees of \$1,825,500.00 USD as follows. Media Services will be provided in the English language, with support for territories as defined by Vendor and Company during media plan formulation.

1. Definition of Marketing Goals. Vendor will collaborate with Company to define marketing goals and objectives for the Campaign. Following definition of marketing goals, Vendor will at regular intervals during the term of this SOW refine and readjust strategy and align media services with changing Company goals.
2. Marketing Landscape Review. Vendor will document and examine Company's current marketing landscape (inclusive of creative, sales, public relations, events, and other marketing efforts) to determine how best to support such initiatives via media services integration.
3. Media Creative Ideation. Vendor will provide strategic recommendations and creative ideation for each month of the media campaign.
4. Media Plan Formulation; Budgeting. Vendor will determine milestones, phasing of campaign and media, funnel strategy and special campaign requirements in collaboration with Company during the period September 2022 through December 2023. Vendor will prioritize budgets for specific media vehicles, phases, and geographic regions as indicated below to address Company goals; initial media vehicles, definitions, and/or duties may change based on revised goals. Company will approve any prepared media plan in the first instance; any changes will be mutually agreed upon by the parties in writing at the time of change.
 - i. In the event that Company Media Buy Fees are decreased or media services are terminated by Company following SOW execution, Vendor Media Services Fees paid or payable are non-refundable in whole or in part.
 - ii. In the event that Company Media Buy Fees are decreased or Services are terminated by Company following SOW execution and Company has already issued payment to Vendor, Vendor shall promptly refund any advanced and

- unused Company Media Buy Fees and provide an accounting to Company showing the actual amounts paid for media buys to date and the total amount to be refunded.
- iii. Company shall provide Vendor with a list of URLs that Company considers safe and protective of Company's brand so that Vendor may create its own Company whitelist to be used as a guide for media placements. Additionally, Vendor may also provide Company recommendations of URLs for whitelist inclusion.
 - iv. Vendor will use best efforts, via use of DoubleClick for Publishers software, to not place media on websites and mobile applications that may contain obscene/pornographic content, hate speech, content liable to incite racial hatred and other forms of unlawful discrimination, content liable to incite acts of terrorism, profane content, content containing viruses or other computer programming routines intended to damage, surreptitiously intercept, interfere with or expropriate any system or data, illegal content, fraudulent URLs, and URLs used for sourcing non-human traffic. In the event that media is placed on such websites or mobile applications, Vendor shall immediately work with Company and media placement company in good faith for expedited removal of such media.
 - v. Company will be entitled to choose any auditor(s) (including an external third party auditor or industry specialist and/or an internal Company team) to: (i) audit during PST business hours upon five (5) business days notice the performance of the Services and Vendor's compliance with this Agreement upon ten (10) days notice to company; and (ii) audit and benchmark during PST business hours upon five (5) business days notice media placements pursuant to criteria determined by Company, including quality and cost, in Company's discretion. Company will be entitled Vendor will maintain clear, accurate, complete and up-to-date records in respect of the performance of its obligations under this SOW, and such records will be kept in accordance with GAAP consistently applied and in such manner as may be readily audited.
5. Media Negotiation & Implementation. Vendor will manage all media negotiation and implementation functions on behalf of Company for the approved Campaign. In support of media negotiation and implementation, Vendor will develop modular Request for Proposal (RFP) templates to streamline processes and allow for efficient compilation of all RFP and analysis criteria. All media vendor contract terms negotiated by Vendor will utilize best efforts to conform contract terms to the Internet Advertising Bureau Standard Terms and Conditions for Interactive Advertising for Media Buys One Year or Less Version 3.0. Media placements by Vendor shall occur approximately March 2023 through December 2023.
- i. Vendor will ensure that media purchases made under this SOW will be made under the principle of sequential liability, where Vendor will be held liable for payments to media owners, groups, or vendors only to the extent that Vendor has been paid by Company for such purchases. For amounts owed but not paid to Contractor, Company will be held solely liable, provided that Company has approved the media plan in writing. Whenever a media owner group, or vendor refuses to agree to sequential liability, Vendor will inform Company in writing (email sufficient). For avoidance of doubt, Company shall not be liable for payment or otherwise with respect to any purchases made by Vendor not approved by Company under the approved media plan without Company's prior written approval.
 - ii. Company shall provide Vendor with media assets where requested in a timely fashion. Company shall be responsible for clearance of all proprietary third-party rights for all assets provided to Vendor where such assets are produced by Company or third parties and shall indemnify, defend, and hold harmless Vendor from and against any third party claims of intellectual property or proprietary rights infringement.
6. Insertion Order. Contingent upon Company written approval of the media plan prepared under E.3., Vendor will manage the entire insertion order process, including but not limited to preparation, consolidation, and maintenance of all documentation and billing; alternate procedures shall be implemented upon reasonable request from Company. Copies of all such documents shall be provided by Vendor to Company upon request.
7. Rollover. Company Media Buy Fees billed per the invoicing schedule in Section III below may be rolled over to any month of the term (in accordance with Company-approved media plans). In the event that unspent Company Media Buy Fees are held by Vendor upon contract end, Company shall be permitted to engage additional media services through February 2024 subject to the terms of this Agreement and the Company Media Buy Fees remaining.
8. Reporting. Vendor will develop an audit and reporting process to allow Company to evaluate campaign performance and adherence to mutually determined guidelines and timeframes. Any perceived deficiencies noted by Company shall be resolved by Vendor through makegoods, credits, or refunds, as determined by mutual agreement of both parties in good faith. Vendor will provide Campaign monitoring periodically during the campaign flight (at intervals as mutually determined) and following campaign end. Following SOW execution, Vendor and Company will collaborate to produce a reporting template examining key performance indicators ("KPIs"; which may include but are not limited to reach, cost-per-click, engagement, cost-per-acquisition, cost-per-lead, cost-per-thousand impressions, cost-per-completed view, average view time, and views) along with cadence for report delivery. Content of the reports and format for final delivery shall also be determined upon mutual agreement of the parties; final report shall be delivered following paid media placement approximately January 22, 2024.

II. FEES

Company shall pay to Ayzenberg a total fee of \$3,160,000.00 USD in full consideration broken out as follows for performance of the Services hereunder, inclusive of all taxes, fees, and expenses, and subject to the invoicing schedule set forth below.

Service	Fee (USD)
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Website Development	\$210,000.00
Trailer Video Production	\$300,000.00
Account & Project Management; Media Creative Ideation	\$203,500.00
Social Media Asset Production	\$35,000.00
Influencer Engagement & Management	\$336,000.00
Media Services	\$2,075,500.00 (\$1,825,500.00 Company Media Buy Fees; \$250,000.00 Vendor Media Services Fee)
TOTAL:	\$ 3,160,000.00

III. INVOICING

An invoice will be submitted to Company by Vendor according to the following schedule; invoices are to be paid by Company thirty (30) days following invoice submission. This schedule may change by mutual agreement with the goal of being reflective of the actual spend schedule for the overall engagement.

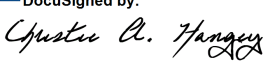
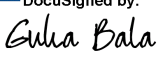
INVOICE DATE	INVOICE AMOUNT (USD)
October 1, 2022	\$158,840.00
November 1, 2022	\$110,700.00
December 1, 2022	\$79,420.00
January 1, 2023	\$439,420.00
February 1, 2023	\$79,420.00
March 1, 2023	\$79,420.00
April 1, 2023	\$584,920.00
May 1, 2023	\$79,420.00
June 1, 2023	\$79,420.00
July 1, 2023	\$79,420.00
August 1, 2023	\$79,420.00
September 1, 2023	\$79,420.00
October 1, 2023	\$1,039,420.00
November 1, 2023	\$63,780.00
December 1, 2023	\$63,780.00
January 1, 2024	\$63,780.00
TOTAL:	\$ 3,160,000.00

IV. TERM

The terms of this SOW shall commence as of the SOW Effective Date and shall continue until the earlier of services completion or January 31, 2024 unless otherwise terminated as provided in the Agreement.

V. SIGNATURE

This SOW is made and entered into as of the SOW Effective Date set forth above.

<p style="text-align: center;"><u>Ayzenberg Group, Inc.</u></p> <p>DocuSigned by:</p> <p>By: </p> <p>6870FC9835074C7...</p> <p>Print Name: <u>Christie A. Hangey</u></p> <p>Title: <u>Business Affairs Director</u></p>	<p style="text-align: center;"><u>Velan Studios, Inc.</u></p> <p>DocuSigned by:</p> <p>By: </p> <p>4F75886E2872416...</p> <p>Print Name: <u>Guha Bala</u></p> <p>Title: <u>President</u></p>
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