



unspun, Inc
479 Jessie Street
San Francisco, CA 94103
United States of America

[REDACTED]

unspun provides an apparel customization service to clients through access to unspun proprietary panel customization API. To generate the trademarked styles owned by [REDACTED] unspun has developed one specific algorithm (or "file") for each style that plugs into unspun proprietary patterning software. These algorithms will be owned and exclusive to [REDACTED] but require unspun proprietary API to be used to generate pants patterns. [REDACTED] would have the exclusive right for the specific algorithm that is developed for [REDACTED]

If [REDACTED] would like to make use of these customization algorithms again in the future, [REDACTED] will not need to pay for the full initial algorithm setup fee, but must still license access to unspun panel customization API in order to generate new sets of customized patterns.

[REDACTED] x unspun collaboration

project duration: 1 April - 31 Oct,
2018

all figures in USD, unless otherwise specified

ONE-TIME SETUP INVESTMENTS

customized algorithms¹: [REDACTED] styles	\$55,000
four styles ² - [REDACTED]	
fabric options ³ - comfort stretch and non-stretch	
iconic style customization ⁴	
prototyping: sample pants	\$10,000



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pattern customization, twenty (20) total samples pre-launch

3d scanning system⁵: setup and integration \$7,000

technology integration and one fit3d body scanning station

production system⁶: custom panel delivery \$10,000

custom panel packs for assembly houses

technology and retail experience (scan) consultation⁷ \$7,500

workshops (Stockholm and Turkey) and ongoing support

Sub-total \$89,500

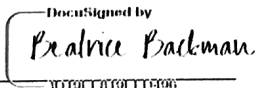
ONGOING COLLABORATION

scan processing \$10

algorithm execution \$5

pattern processing and quality control \$5

sub-total (per unit) \$20

Signed: 

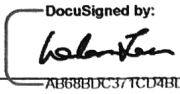


Printed name: Beatrice Backman Title: Head of Business Controlling

Date: 2018-08-16 06:14:51 PDT



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Signed: 
unspun, Inc. (CA4171017)

Printed name: Walden Lam Title: cofounder
Date: 8/16/2018 5:21:20 AM PDT

INVESTMENT BREAKDOWN

1. Algorithms developed in the process are intellectual properties of unspun, Inc. [REDACTED] [REDACTED] has exclusive right to use of such algorithms during the project duration, i.e. 1st April - 31st October 2018. After the project duration ends, [REDACTED] can opt 1. to continue to use such algorithms in collaboration with unspun, Inc. with additional negotiated investments OR 2. retire such algorithms. Retired algorithms will not be used by unspun, Inc. or any other third parties. The investment amount only covers the duration of the project, i.e. 1 April to 31 October 2018. If continued development is desired beyond project duration, contract can be renewed and renegotiated.
2. Each style requires a minimum of 200 person-hours, which include custom software development, scan integration, panel generation, physical prototyping and refinements, charged at a discounted cost-basis of USD 50 per hour of software development resources, for an estimated investment of USD 10,000 per style.
3. Each fabric option requires a minimum of 100 person-hours, which includes the integration of fabric properties (e.g. level of weft stretch), panel generation, physical prototyping and refinements, charged at a discounted cost-basis of USD 50 per hour of software development resources, for an estimated investment of USD 5,000 per fabric option.
4. Unique [REDACTED] style elements, including the addition of customized yoke and notches for production require a minimum of 100 person-hours, which include custom software development, panel generation, physical prototyping and refinements, charged at a discounted cost-basis of USD 50 per hour of software and management resources, for an estimated investment of USD 5,000 for desired [REDACTED] style elements.



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5. 3d scanning system refers to the hardware (i.e. Fit3D Proscanner) and its complementary software. For the project duration of 1st June to 31 October 2018, total investment includes the shipment cost of USD 2,000, fixed monthly subscription fee of USD 750 and scanning data fee of USD 5 per scan, resulting in an average expected number of scans of 50 per month, for a total investment of USD 10,000. Additional scans can be requested by [REDACTED] in writing and such associated fees (beyond 50 per month) will be invoiced by unspun, Inc. at the end of each month.
6. Production system requires custom software development to integrate with [REDACTED]'s selected production facilities through multiple trial runs. Total construction and maintenance of such systems are expected to exceed 200 man-hours of software development and integration, physical prototyping, frequent communications with production facilities, and on-going refinement and maintenance of such systems. Delivery of custom panels are expected to occur at a cadence of once at the end of every business day after launch.
7. For unspun team to participate in kick-off workshop held in Stockholm (held on 28 March 2018) and prototyping workshop in Turkey (expected to be held in August 2018), together with ongoing support and consultation for a minimum of 150 person-hours at a discounted cost basis of \$50 per hour. Travel (i.e. flights and accommodation) will be booked through [REDACTED] booking systems. Travel related expenses deriving from previous the Stockholm workshop held on 28 March 2018 will be invoiced based on actual expenses at a cost conscious manner.

PAYMENT

50% advance payment of the total amount under "**ONE-TIME SETUP INVESTMENTS**" are required to initiate the project. [REDACTED] shall make payment within 30 days of invoice.

The second tranche of investment (25% of ONE-TIME SETUP INVESTMENTS) shall be made to unspun, Inc. on or before expected project launch date or 31 August, whichever takes place earlier. The final remaining balance (25% of ONE-TIME SETUP INVESTMENTS) shall be made to unspun, at the conclusion of the project, or 31 October, whichever occurs earlier.

"**ON-GOING COLLABORATION INVESTMENTS**" will be invoiced to [REDACTED] by unspun, Inc. at the last calendar date of each month in the project collaboration period, based on the number of units produced in that month.

Wire transfers should be made to:



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479 Jessie Street
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Account name: unspun, Inc.

Address: 355 Hawthorne Avenue, Palo Alto, CA 94301, USA

Routing number: 121140399

Account ID: CVDK4666

Account number: 2201220408

Bank: Silicon Valley Bank, 3000 Tasman Drive, Santa Clara, CA 95051, USA

NOTES

All rights not expressly granted in the above terms shall be reserved by unspun, Inc. If [REDACTED] wishes to make additional uses of the algorithms and their complementary technologies, [REDACTED] is required to obtain written permission from unspun, Inc. and negotiate an additional fee for that use.

Any use of content and/or images in an editorial or social media context must be accompanied by a credit attribution in the caption/byline that unspun and [REDACTED] will agree upon by the first product sale transaction.

[REDACTED] hereby indemnifies and holds unspun harmless against any and all liabilities, claims, and expenses, including reasonable attorney fees, arising from [REDACTED]'s use of unspun's work. unspun similarly indemnifies and holds [REDACTED] harmless against any and all liabilities, claims, and expenses, including reasonable attorney fees, arising from [REDACTED]'s negligence.