

TO: The Board of Regents Addendum IX-B-5
Business Affairs Committee

MEETING DATE: August 11, 2017

SUBJECT: Corporation Sponsorship: Department of Intercollegiate Athletics,
University of Nebraska-Lincoln

RECOMMENDED ACTION: Approve an eleven-year agreement with adidas America, Inc. (adidas) for an exclusive sponsorship of the intercollegiate athletic programs of the University of Nebraska-Lincoln (UNL)

PREVIOUS ACTION: March 15, 2013 - Approve a five-year extension of the agreement with adidas America, Inc. for an exclusive sponsorship of the intercollegiate athletic programs of the University of Nebraska-Lincoln (UNL).

June 10, 2005 - Approve an eight-year agreement with adidas America, Inc. for an exclusive sponsorship of the intercollegiate athletic programs of the University of Nebraska-Lincoln (UNL).

EXPLANATION: Over a term of eleven years, adidas will pay to UNL, for the benefit of the Department of Intercollegiate Athletics at UNL, the aggregate sum of \$128,659,000; \$64,000,000 in cash and \$64,659,000 in athletic apparel and equipment products. While the proposed 11-year deal is a notably long commitment, it is more than reasonable, given the significant contract value (approximately triple the present arrangement), accompanied by two “look-in” periods in the fourth and seventh contract years. (A “look-in” allows the parties to adjust the contract to reflect market value in such a manner that UNL retains its status as an elite adidas university program. If the “look-in” reveals that Nebraska is not an elite adidas program, the University may terminate the agreement.)

While the term for the present agreement with adidas goes through June 30, 2018, the agreement proposed for approval in this item is effective July 1, 2017. If approved, the proposed agreement will replace the last year of the present contract. Comparing the old and new agreements, the increase in cash and product for the 2017/2018 year goes from \$1,000,000 to \$3,500,000 in cash and from \$3,400,000 to \$5,050,000 in product.

The agreement shall consist of a qualified Sponsorship Agreement for which adidas will receive major signage and other permitted forms of sponsorship recognition.

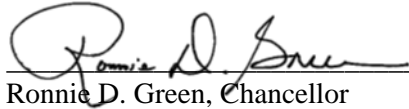
The proposed agreement was reviewed and recommended for approval by the Business Affairs Committee.

SPONSORS:

Shawn Eichorst
Director of Athletics

Christine A. Jackson
Vice Chancellor for Business and Finance

RECOMMENDED:

A handwritten signature in black ink, appearing to read "Ronnie D. Green", is written over a horizontal line. The signature is contained within a white rectangular box that is partially overlaid by the line.

Ronnie D. Green, Chancellor
University of Nebraska-Lincoln

DATE:

June 21, 2017

**SPONSORSHIP AGREEMENT
BETWEEN
UNIVERSITY OF NEBRASKA-LINCOLN AND ADIDAS**

This Agreement ("Agreement") is made and entered into as of July 1, 2017 (the "Effective Date"), by and between **adidas America, Inc.**, an Oregon corporation ("adidas"), and **The Board of Regents of the University of Nebraska ("University") on behalf of the University of Nebraska-Lincoln's Department of Intercollegiate Athletics ("Athletics")**.

RECITALS

WHEREAS, Athletics fields and maintains nationally recognized athletic teams in numerous sports and desires to secure sponsors to support Athletics programs; and

WHEREAS, University owns all right, title and interest in and to the names, nicknames, mascots, trademarks, service marks, logographics, and/or symbols, and any other recognized reference to Athletics; and

WHEREAS, adidas is a sports and fitness company engaged in the manufacture, distribution and sale of athletic and athleisure footwear, apparel, accessories and equipment, and desires to continue its support of Athletics and its programs.

NOW, THEREFORE, in consideration of the recitals, and the promises and representations made herein, the parties agree as follows:

1. Definitions.

The terms below are defined as follows:

- a. **"adidas"** means adidas America Inc., its Affiliates (defined below), and any successor company.
- b. **"adidas Products"** means Products (defined herein) which bear the adidas Trademarks (defined herein).
- c. **"adidas Trademarks"** shall mean any name, logo, symbol, trademark or service mark, or brand licensed, owned or controlled (at any time) by adidas, including but not limited to the adidas name, Trefoil, 3-Stripes mark, Sport Heritage logo, Sport Performance logo, Sport Style Logo, and Sport Point.

- d. **“Affiliate”** means any corporation, partnership, company or any other entity or person which controls, is controlled by, or is under common control with a party to this Agreement.
- e. **“Athletics Marks”** shall refer to the names, “The University of Nebraska,” “Nebraska,” “Cornhuskers” and “Huskers” when used in conjunction with or in reference to the Athletic Programs, and such other names, logos, trademarks, depictions, and/or symbols associated with Athletics as set forth on Exhibit D attached hereto, which exhibit may be from time-to-time amended as mutually agreed upon by the parties.
- f. **“Athletic Program(s)”** shall mean any or all intercollegiate NCAA recognized sports programs (plus any cheerleading, dance or similar spirit squads) participating under the authority of Athletics and such other replacement or additional intercollegiate NCAA athletic programs, as may be established from time-to-time during the Contract Term.
- g. **“Athletic Program Staff”** shall refer to any and all individuals employed to serve the Athletic Programs, including but not limited to, coaches, trainers, strength and conditioning personnel, equipment managers, courtside and sideline assistants, and sports facility personnel. With respect to any obligation to wear Product (defined herein) described in Section 6, Athletic Program Staff shall not refer to those administrative and clerical support employees who do not customarily wear athletic or athleisure attire in the normal course of their employment duties.
- h. **“Authentic Competition Apparel”** shall mean all on-field, on-court, sideline, courtside, competition or practice apparel that is worn or used by Athletic Program Staff, Coaches or Teams and all replicas thereof, including but not limited to uniforms, courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, headwear (including wool and fitted caps), windsuits, rainsuits, and sideline or courtside pants, shorts or shirts.
- i. **“Coach(es)”** means the individual(s) employed by the University during the Contract Term to act as head coach or assistant coach of each Athletic Program.
- j. **“Competitor”** means Nike, Reebok, Puma, Under Armour, New Balance, Li-Ning, Asics, Anta and Hurley and their respective parents, subsidiaries and affiliates.
- k. **“Conference”** shall mean the intercollegiate athletic conference to which Athletics belongs.
- l. **“Contract Year”** means any twelve month period from July 1 to June 30 during the Contract Term (defined herein).

- m. **“Net Sales”** “Net Sales” shall mean the total of “Net Sales Own Retail and Online” plus “Net Sales Wholesale”. “Net Sales Own Retail and Online” shall mean 50% of the gross revenues received from all sales of licensed products by any adidas Group company directly to consumers which are sold via adidas Group own retail operated stores (whether physical store or online via web shop) and reduced only by excise or indirect taxes (e.g. VAT and turnover taxes) and returns as credited to consumers. “Net Sales Wholesale” shall mean the gross revenues from all sales of licensed products as invoiced by any adidas Group company and received from third party wholesale customers, excluding: (1) Net Sales Own Retail and Online; and (2) any business-to-business sales made to University, Athletics or any of their affiliates, and reduced only by excise or indirect taxes (e.g. VAT and turnover taxes), returns as credited to third party wholesale customers, usual cash, trade and sales discounts and allowances, insurance cover and freight out if invoiced separately. The definition of Net Sales is no less favorable to University than the definition used in any adidas Group transaction with any other US university.
- n. **“NCAA”** shall mean the National Collegiate Athletic Association.
- o. **“Performance Apparel”** means all apparel with unique fabrications (e.g., compression, tight or padded apparel) and/or fabrications (e.g., moisture wicking) that assists the wearer during wear and/or use.
- p. **“Products”** means all apparel, footwear and accessories of an athletic, athleisure and casual nature, including but not limited to Authentic Competition Apparel, Performance Apparel, all sports equipment adidas currently produces or licenses including, but not limited to, protective eyewear, sunglasses, eyewear with performance attributes, watches and inflatables/balls, and, subject to Section 6.b, all other sports equipment that adidas does not currently produce or license but that may be added to its Product lines at any time during the Contract Term (“Additional Equipment”).

The baseball-related apparel and equipment stated in the chart below shall be included in the definition of “Products,” provided, however, and notwithstanding any provisions of the Agreement to the contrary, should Athletics and/or a member of the Baseball Team, in their good faith and reasonable discretion, determine that any of the adidas baseball bats, catcher’s gear, or gloves below is of a quality or functionality that fails to reasonably meet the needs of Athletics or its Baseball Team members, then Athletics shall notify adidas within a reasonable time of such determination, and the parties shall promptly engage in good faith discussions to resolve the concern. The parties will, again in good faith, aim to reach a mutual agreement, with respect to the on-going use of adidas bats, catchers gear and gloves within a prompt, but reasonable amount of time, recognizing Athletics’ critical need

for high quality “Products.” Should the parties find themselves unable to reach such a mutual agreement, then the subject item shall be eliminated from the definition of “Products” and Athletics may purchase from or enter into contracts with others, including Competitors, in order to secure its needs. Should Athletics so secure an alternate item, adidas may from time-to-reasonable time, propose a replacement item, which Athletics shall consider and test. If the adidas replacement item meets the reasonable expectations of Athletics and/or its Baseball Team members, then the item shall once more be included in the definition of “Products,” and subject to the parties’ rights and obligations under this Agreement. The items in the chart below shall be annually provided to Athletics in a timely manner for purposes of facilitating preparation and practice for the baseball season.

adidas Baseball Hardgoods Product Allotment	Units
BBCOR Bats	100
Fungo Bats	10
Wood Bats	72
Sets of Catcher's Gear	12
Batting Gloves	144
Fielder Gloves	65
Batting Helmets	30
Ball Buckets	12
Bat Bags	40
Wheel Bags	40
Medium Duffel Bags	40
Coaches Briefcase Bags	5
Arm Sleeves	72
Sliders/Compression Tights	48
BP Tops	45
Strategy Uniform	
Jerseys	45
Pants	45
Hats	72
Batting Gloves	72
Custom Cleats	45

- q. **“Team(s)”** shall mean that group of athletes attending the University of Nebraska-Lincoln during the Contract Term and comprising the roster of each Athletic Program.

r. **“Territory”** means the Universe.

2. **Term.** This Agreement shall remain in full force and effect from July 1, 2017 until June 30, 2028 unless sooner terminated in accordance with the terms and conditions of this Agreement (the “Contract Term”). For purposes of clarity, upon the Effective Date, any prior agreements between the parties, and most specifically the agreement commencing July 1, 2013, and ending June 30, 2018, are hereby terminated and shall cease to be enforceable, but for those agreement provisions that are explicitly designated as surviving termination. This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

3. **Acknowledgment.**

a. Athletics hereby grants to adidas the right to publicly represent and otherwise promote that adidas is (and adidas hereby accepts the designation as) “The Official Supplier of the Athletic Footwear and Apparel of Nebraska Athletics” or such other similar designations as shall be agreed upon by both parties.

b. Athletics hereby grants to adidas the right and license during the Contract Term to use Athletics Marks within the Territory in connection with the promotion, and sale of adidas Products. Except as otherwise provided herein, University shall retain all rights in and to Athletics Marks.

4. **Sponsorship Payments and Other Donated Consideration.**

a. adidas shall pay to Athletics Sponsorship Payments set opposite each such Contract Year. Each Contract Year’s Sponsorship Payment shall be payable in four (4) equal quarterly installments on July 1, October 1, January 1, and April 1 of each Contract Year.

<u>Contract Year</u>	<u>Sponsorship Payments</u>
2017/2018	\$3,000,000
2018/2019	\$4,000,000
2019/2020	\$4,250,000
2020/2021	\$4,400,000
2021/2022	\$4,550,000
2022/2023	\$4,750,000
2023/2024	\$4,850,000
2024/2025	\$4,900,000
2025/2026	\$5,050,000
2026/2027	\$5,250,000
2027/2028	\$5,500,000

- b. During each Contract Year, adidas shall provide to Athletics, upon reasonable request by Athletics, amounts up to those specified below for out-of-pocket costs (e.g., exclusive of overhead, but inclusive of all production costs and media buys for any marketing activities, related to Athletics' affiliation with adidas) on mutually agreed upon promotional activities (e.g. multi-media promotion, fan/student special event tee shirts) and mutually agreed upon Athletic facility enhancements (e.g. special event displays or improved adidas Product displays). In the alternative, if and when mutually agreed upon by the parties, adidas may directly spend for such promotional activities or facilities, and such direct spend shall be credited toward adidas' obligation under this subsection.

<u>Contract Year</u>	<u>Amount</u>
2017/2018	\$500,000
2018/2019	\$750,000
2019/2020	\$750,000
2020/2021	\$750,000
2021/2022	\$750,000
2022/2023	\$750,000
2023/2024	\$750,000
2024/2025	\$750,000
2025/2026	\$750,000
2026/2027	\$750,000
2027/2028	\$750,000

Additionally, based on the demand for adidas Products bearing Athletics Marks and adidas' customary retail policies and procedures regarding range assortment and product selection, adidas shall offer for sale adidas Products bearing Athletics Marks in adidas retail stores nationwide.

- c. Traditionally sports camps and clinics held in Athletics' facilities are not owned nor operated by Athletics, and are instead owned and operated as the independent business interests of coaches or others affiliated with and supporting Athletics' programs and mission. During the Contract Term, Athletics will encourage those operating sports camps within Athletics' facilities to use adidas Products, and further, Athletics will prohibit the use of a Competitor's Products at any camp owned or operated within its facilities by one of Athletics' employees; such use of a Competitor's Products will be considered a conflict of interest on the part of the Athletic employee and shall be treated as such. Should Athletics own and operate sports camps or clinics, then Athletics shall exclusively use adidas Products for such sports camps or clinics.
- d. The payments made pursuant to this section shall be made payable to the University of Nebraska-Lincoln Department of Intercollegiate Athletics and considered paid upon delivery to Athletics at the Office of the Athletic Director,

One Memorial Stadium, University of Nebraska-Lincoln, Lincoln, Nebraska 68588-0120.

- e. If, for any reason, University is no longer a member of a FBS/CFP BCS (or its successor) conference, then adidas shall have the right to equitably reduce the Sponsorship Payments paid to Athletics under this Agreement based on the loss of exposure as a result of such loss of membership. Notwithstanding the foregoing, adidas shall meet with University to discuss the circumstances and impact of such membership/exposure loss prior to reducing the Sponsorship Payments as set forth above.
- f. Athletics shall have the option for EXOS to provide consulting services to Athletics, relating to the development of enhanced sports performance capabilities. adidas shall pay EXOS for all such services mutually agreed on by adidas and Athletics.

5. adidas Product Supply Obligations; On-site Support.

- a. For each Contract Year, unless otherwise specified, adidas agrees to donate to Athletics, free of any charges or expenses, including shipping, adidas Products for use by Athletics' Athletic Programs as set forth below.

<u>Contract Year</u>	<u>Product Allotment (retail value)</u>
2017/2018	\$5,047,000+
2018/2019	\$5,200,000+
2019/2020	\$5,356,000+
2020/2021	\$5,517,000+
2021/2022	\$5,682,000+
2022/2023	\$5,853,000+
2023/2024	\$6,028,000+
2024/2025	\$6,209,000+
2025/2026	\$6,395,000+
2026/2027	\$6,587,000+
2027/2028	\$6,785,000+

+ If there is any material increase in the cost of adidas Products that materially adversely affects the amount of adidas Products that adidas agrees to donate as provided above, then Athletics and adidas shall meet and in good faith make equitable adjustments to the annual product allotment impacted by such material increase.

For the sake of clarity, the above amounts include inflatables for footballs, volleyballs and basketballs, and hardgoods for baseball, specifically including the allotments provided in Section 1(p). Should Athletics request any additional

Products beyond its allotment as above, adidas agrees to permit Athletics the right to purchase additional products at wholesale cost.

The exact styles, sizes, quantities and delivery dates of such adidas Products shall be mutually determined by adidas and Athletics for each Contract Year. Athletics understands and agrees that it shall not resell any Products supplied by adidas. All adidas Products worn in competition shall comply with NCAA performance specifications and labeling requirements, as such specifications exist at the time of this Agreement's execution, or as such may be adopted from time-to-time during the Contract Term.

- b. For purposes of determining whether Athletics has received the annual amounts of donated adidas Products set forth in this section, adidas will provide Athletics with a price schedule of adidas Products. Unused adidas annual Product allotments under this Section 5 may be carried forward to remaining Contract Years in an amount not to exceed three hundred thousand dollars (\$300,000) each Contract Year. Additionally, for each new Athletic Program added to Athletics' Department, the Product allotments under this section shall increase by one hundred thousand dollars (\$100,000) for each Contract Year.
- c. adidas agrees to comply with the CLC Special Agreement Regarding Labor Codes of Conduct attached as Exhibit A, or such other labor code addressing substantially the same matters as appear in the CLC Special Agreement, associated with any other Athletics' licensing agent that is approved in advance by adidas, which approval shall not be unreasonably withheld.
- d. adidas agrees to provide one (1) full-time adidas employee, at no cost to Athletics in a manner to be mutually agreed upon by the parties and located on the University campus each Contract Year. The job duties of this employee will include without limitation, provision of administrative support for implementation of adidas' responsibilities under this Agreement.

6. Athletics' Obligations; Use of adidas Products.

- a. During the Contract Term, unless otherwise explicitly agreed to herein, Athletics agrees to (1) require its Athletic Program Staff, whenever and wherever they are acting in their official Athletic Program Staff capacity and wearing Products to wear adidas Products, including but not limited to during competition and practices, when being filmed on video tape or other means of recording or transmitting motion pictures, posing for photographs, team posters and/or schedules, or other activities related to participation in their sport when athletic or athleisure attire is appropriate; (2) require all Team members to exclusively wear adidas Products whenever participating in Athletic Program activities in which Products are being worn, including but not limited to competing in or practicing for their respective

sports; and (3) require all members of the cheerleading, dance and other spirit squad members to exclusively wear adidas Products whenever participating in their respective activities, including, but not limited to, practices, photo shoots, and games. adidas agrees to work with any Team member experiencing problems in connection with the fit or performance of adidas Products. In the event any Team member shall at any time suffer any physical injury, pain, or discomfort attributed to the use of adidas Products which is serious enough to affect the athlete's performance, then Athletics shall so advise adidas and afford adidas the opportunity to remedy the problem. In the event that adidas is unable to provide any Team member or spirit squad member with an adidas Product such Team member or cheerleader can reasonably (and in good faith) wear (e.g. as a result of unusual size needs, disability accommodation or medical injuries), then the foregoing clauses at (2) and (3) shall be waived and any such Team member or spirit squad member may wear a non-adidas Product provided that such Team member or spirit squad member shall ensure that such non-adidas Product is non-branded and shall completely cover all non-adidas logos, trademarks and brand indicia; the parties hereby agree they shall cooperate to minimize any necessity for such waivers. Athletics agrees that the Athletic Program Staff shall not, during the course of its employment responsibilities, wear, use or in any way promote Products of any adidas Competitor. Athletics will further direct its Athletics Program Staff that the adidas Products are specifically selected and designed to accommodate coaching and other services provided to Athletics, and therefore, the Products are not to be used as general apparel for personal use. It is agreed and recognized that in certain circumstances, Team members and Athletic Program Staff are expected to wear business or casual attire when appearing in public for presentations, dinners or speeches. Certain coaches (e.g. basketball, volleyball, gymnastics, among others) normally do not wear athletic or athleisure attire in the course of coaching at competition. In these settings described and others where it is not customary for the Athletic Program Staff to wear athletic and athleisure attire, the Athletic Program Staff shall be under no obligation to wear adidas Products. Notwithstanding the foregoing, during the Contract Term, the Athletic Program Staff shall not, in the course of its employment responsibilities, wear, use or in any way promote any Competitor Products.

- b. Athletics and adidas agree that certain items of equipment are required for the Athletic Programs, which adidas does not manufacture or license as of the Effective Date of this Agreement ("Unavailable Items"). Unavailable Items are not included in the definition of "Products". Pending the manufacture or license of such Unavailable Items by adidas, Athletics may enter into contracts with others, including Competitors, in order to secure Unavailable Items for its Athletic Programs. In the course of the Contract Term, should adidas add an Unavailable Item to its line and Athletics in its good faith and reasonable discretion, determines the adidas item is of a quality equal or superior to the Unavailable Item otherwise used by Athletics, then the adidas produced Unavailable Item shall be deemed to be

Additional Equipment from the date of Athletics' determination; provided however, the Unavailable Item shall not become Additional Equipment, should Athletics be party to a contract which requires the contribution, purchase, and/or wearing of an Unavailable Item manufactured or licensed by a Competitor. In such instance, Athletics shall continue to meet its obligations under the Competitor's contract pending expiration or termination. Upon the termination or expiration of the Competitor's contract with Athletics, adidas and Athletics shall enter into good faith negotiations regarding Athletics' potential use of the adidas' produced Unavailable Item, whether as Additional Equipment or otherwise. In the case of swimsuits, while adidas manufactures swimsuits which the parties agree are of high quality and suitable for Athletics' purposes, adidas does not distribute such swimsuits in the United States as of the time of the execution of this Agreement. During the Contract Term, should adidas begin distribution of its swimsuits in the United States and Athletics has no contract requiring it to wear a Competitor's swimsuits, then swimsuits shall automatically be added to the definition of Product without any requirement of additional cash payment by adidas.

- c. Athletics acknowledges that "spatting," refers to taping, or otherwise covering up any portions of any adidas logo or trademark on athletic footwear supplied by adidas. Athletics agrees that it will not permit such "spatting" or taping unless it has been medically prescribed and adidas has been so advised.

- d. adidas agrees to work with any Team member experiencing problems in connection with the fit or performance of adidas shoes. In the event any Team member shall at any time suffer any physical injury, pain, or discomfort attributed to the use of adidas shoes which is serious enough to affect the athlete's performance or poses a medically verified (by an independent doctor) safety risk, or if any Team member has not received adidas shoes which fit properly, then Athletics shall so advise adidas and afford adidas the opportunity to remedy the problem. If adidas is unable to provide such Team member with adidas shoes that can be worn satisfactorily, then adidas shall waive the exclusivity requirement of this Section 6 in such a specific case until adidas can remedy the problem, provided however, that such Team member shall completely cover all non-adidas logos, trademarks and brand indicia of any non-adidas shoes while wearing such non-adidas shoes. adidas further acknowledges that regardless of its efforts to provide Team members with suitable adidas shoes, it may be medically necessary in certain circumstances for a player to "spat" or tape his feet and/or ankles to allow such player to remain in competition, without opportunity for such notice to adidas. Such medically necessary procedure, should it occur, shall not constitute a breach of this Section 6. Athletics agrees that Athletics and its Coaches shall work with adidas to eliminate the need for any unauthorized spatting or taping in the event it occurs during the term of this Agreement. If in accordance with the foregoing Athletics is unable or unwilling to discontinue any pattern or practice of spatting, then adidas shall have the option to reduce the Sponsorship Payments due hereunder as follows:

	Reduction Amount
First occurrence of Spatting*	Written warning
Second occurrence of Spatting*	Forty Five Thousand Dollars (\$45,000) Sponsorship Payments
Third occurrence of Spatting*	Seventy Five Thousand Dollars (\$75,000) Sponsorship Payments
Fourth occurrence of Spatting*	One Hundred Fifty Thousand Dollars (\$150,000) Sponsorship Payments
* cumulatively applied over the Contract Term based on number of occurrences	

e. University acknowledges that the obligation of the Athletic Program Staff, Team members, and cheerleading, dance, and other spirit squad members to exclusively wear adidas Products, as identified by adidas, shall be a material term of this Agreement.

f. University agrees that Exhibit C provides adidas with a listing of all agreements between University (or any of its Coaches) and third parties with respect to Additional Equipment that exist as of July 1, 2017 (each an “Existing Agreement”). University further agrees that, with respect to Additional Equipment for which there is an Existing Agreement, without first providing written notice to adidas and providing adidas with the opportunity to match any third party offer for such Additional Equipment and include such Additional Equipment in the definition of Products, neither University (nor any of its Coaches) shall: (i) extend or renew any Existing Agreement or renewal of an existing agreement; or (ii) enter into a new agreement for Additional Products with any third party after July 1, 2017. If University (or any of its Coaches) is not party to an Existing Agreement for Additional Equipment and adidas provides University with notice of its good faith intent to produce or license such Additional Equipment, then provided the University makes a good faith determination (for a product it currently uses) that the equipment is of a quality equal to or better than the current sports equipment used by University, and for a new product, that the quality meets the highest industry standards, then such Additional Equipment shall be included in this Agreement.

7. **Warranties.** University represents, warrants, and ensures that Athletics shall fulfill all obligations agreed to by Athletics in this Agreement and that Athletics can grant all rights that Athletics purports to grant herein. If Athletics cannot fulfill all such obligations or grant all such rights, then University shall fulfill all such obligations and grant all such rights on Athletics behalf. adidas shall not be liable to Athletics nor any member of the

Athletic Program Staff, for any injury or damage suffered from wearing or using adidas Products, except injury or damage resulting from adidas' negligence. **ATHLETICS SPECIFICALLY WAIVES, ONLY AS AGAINST ADIDAS, ALL WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY ADIDAS PRODUCTS.**

8. Exclusivity.

a. Athletics will not grant, nor allow anyone on Athletics' behalf to grant, any of the following rights or benefits to any Competitor:

(i) the right to be recognized as, or to use in any manner the phrase, "The Official Supplier of the Athletic Footwear and Apparel of Nebraska Athletics" or any comparable phrase, or in any manner recognize a Competitor together with Athletics or any of its teams;

(ii) the right to display any Competitor's trademarks, slogans, logos, or similar indicia or marks of identification, or any Competitor's Products or services, on any Athletics facilities while such facility is being used as a competition venue by Athletics. Regarding Haymarket Park, which encompasses Hawks Field and Bowlin Stadium, the home venues of Athletics' baseball and softball programs respectively, and Pinnacle Bank Arena, the home venue for Athletics' basketball contests, and from time-to-time other of Athletics' sponsored events and contests, the parties agree and recognize that Haymarket Park and Pinnacle Bank Arena are not owned by the University and serve other non-University tenants and programs.

As such, it is emphasized and understood that any grant of rights to adidas relating to Haymarket Park and Pinnacle Bank Arena apply only to those periods of times when Athletics' events are actually conducted at that venue, and in the case of Pinnacle Bank arena, only to that portion of the facility referred to as the "arena bowl." Should the University enter into agreements similar to the one it has at Haymarket Park and Pinnacle Bank Arena, such that a non-University owned or controlled facility serves as the home venue for any Athletic Program, then similar provisions shall apply to the other non-University owned and controlled home venues. Except as specifically stated herein to the contrary, neither the University nor Athletics shall allow any Competitor to display any sign or electronic message, broadcast any audio message, or install or operate any point of presence including any kiosk or information booth at any Athletics owned facility when such facility is serving as a venue for events sponsored by Athletics.

b. Subject to the terms and conditions of this Agreement, the parties acknowledge and agree that the University shall have the right to accept cash donations from Competitors provided that such donor receives no benefit from the University other than *de minimis* donor name recognition.

- c. Nothing in this Agreement shall prevent the NCAA, the Conference, the University, Athletics or any licensee of any of them from licensing the broadcast of any of Athletics' games or Athletics related programming on television, over the Internet, or any other technology which distributes the combination of moving pictures with sound, which broadcast may or may not include the promotion, advertising or sponsorship of Competitors. Notwithstanding the foregoing, the University represents that to the extent it has effective control over the license of any such broadcast of Athletics' games and Athletics related programming, it shall contractually prohibit the licensee from including the promotion of a Competitor within the broadcast.
 - d. adidas hereby grants to the University a non-exclusive license to use, authorizes the University to sublicense others to use, and authorizes the University to subcontract with others to manufacture products incorporating or bearing adidas Marks solely for the display or broadcast of those sponsorship recognition elements described in this Agreement or as may be approved from time to time by adidas. The University shall not be obligated to pay or to cause any sublicensee to pay any royalty or other fee to adidas.
 - e. Except as specifically set forth in Section 12, nothing in this section nor in this Agreement shall be interpreted to grant exclusive rights to adidas, and to the exclusion of Competitors, to affix Athletics Marks to non-authentic athletic footwear, apparel or equipment, distributed or sold to the general public, but not worn by a Team or Athletic Program Staff in the course of participating in an Athletic Program, e.g. an item manufactured pursuant to a license with Collegiate Licensing Company.
- 9. Conflict of Interest.** Except as otherwise specifically permitted herein, Athletics shall consider and treat any sponsorship contract entered into between a member of the Athletics Program Staff and a Competitor, effective during the Contract Term, as a conflict of interest under the University's conflict of interest policies.
- 10. Sponsorship Recognition Materials.** In recognition of adidas generous donation to Athletics, Athletics shall provide sponsorship recognition to adidas listed in Exhibit B.
- 11. Unrelated Business Income Tax.**
- a. All sponsorship recognition opportunities provided by Athletics to adidas as set forth on Exhibit B as may be amended from time-to-time are designed and intended to be permissible "sponsorship recognition" materials, and not "advertising", as those terms are defined and interpreted by the courts of the United States and/or the Internal Revenue Service. As such, the sponsorship recognition set forth on Exhibit B shall not include any display, promotion or other recognition such that it prevents the sponsorship payments or donations set forth in Sections 4. and 5. from

classification as “qualified sponsorship payments” (exempt from federal income tax), as described in Section 513(i) of the Internal Revenue Code (“Code”) and the proposed or final regulations interpreting that Code section (“Regulations”), or as such Code and Regulation sections may be amended from time to time. The parties acknowledge and agree that this requirement will not prohibit adidas from displaying or announcing adidas Trademarks in the locations identified in Exhibit B, but restricts the information that is announced or displayed in connection with the adidas Trademarks. The parties acknowledge and agree that, subject to the requirements of the above referenced sections of the Code and Regulations, with respect to the sponsorship recognition opportunities set forth in Exhibit B, this section 11. a. generally prohibits the display or announcement of adidas or the adidas Trademarks together with other information in a manner that presents a qualitative or comparative description of adidas’ Products and services, price information for such goods and services, and endorsements, or inducements to purchase adidas’ Products and services. Instead, any information displayed together with the adidas Trademarks or in recognition of adidas shall be value-neutral; provided however, that the University’s or Athletics’ acknowledgment of adidas may include the adidas Trademarks or slogans that are an established part of adidas’ identity. State and local taxes, including sales/use or property tax if any, on the sponsor recognition panels/material or their installation will be paid by adidas.

- b. The University shall not provide any substantial services nor carry on any unrelated business income activity as defined in Code §513(a) in relation to any element of this Agreement that may be classified as an “exclusive provider arrangement”, i.e. the University shall not: (1) carry on a business or trade; (2) which is regularly carried on; and (3) which is substantially unrelated to the conduct of its exempt purpose of teaching, research and service. Should the Internal Revenue Service determine any payment hereunder is not a qualified sponsorship, then the University shall classify and report such payment as: (1) a royalty under Code §512(b) (5) for the license given to adidas to associate itself with Athletics Marks; (2) a covenant not to compete; or (3) a purchase discount in relation to a process in which the University determined that adidas was the successful bidder for the provision of athletic apparel and equipment.
- c. All sponsorship recognition materials listed on Exhibit B and provided to adidas by Athletics shall be reviewed and approved by Athletics in order that Athletics might assure itself that the payments provided to it hereunder may be reported as “qualified sponsorship payments” and that the proposed recognition is in keeping with the professional image and reputation of collegiate sports for which Athletics strives. In no case shall Athletics’ approval be unreasonably withheld.
- d. The parties to this Agreement are responsible in full for their respective tax reporting and payment obligations of any and all kinds. Nothing contained in this

Agreement shall obligate one party to be responsible for the other’s tax obligations or indemnify the other with respect to any tax obligation, that may arise as a result of any payment or benefit received pursuant to this Agreement. No adverse tax determination nor any adverse resolution of a tax dispute shall be cause to declare the Agreement in breach; nor shall it relieve either party of their respective obligations under this Agreement.

- 12. Licensed Products.** University shall enter into or shall cause its licensing agent(s) to enter into and maintain in full force and effect during the Contract Term, a retail license(s) granting adidas: (x) the exclusive right throughout the Territory to manufacture and sell Authentic Competition Apparel that features Athletics Marks through any channel of retail distribution; and (y) the non-exclusive right to manufacture and sell throughout the Territory Products (other than Authentic Competition Apparel) that feature Athletics Marks through any channel of retail distribution. Notwithstanding the foregoing, adidas agree that it will not sell Products that feature the Athletics Marks through the mass channel without prior written approval from University. University further agrees that: (i) the royalty rate payable by adidas with respect to any such license(s) shall be fifteen percent (15%) of Net Sales; (ii) adidas Products shall be the exclusive Authentic Competition Apparel, and Performance Apparel sold through any retail location or distribution channel (including but not limited to the brick and mortar shops, catalogs or the Internet) owned or controlled by the University; (iii) that neither University nor its licensing agent(s) shall enter into any agreement or understanding with any Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature Athletics Marks; (iv) if University or its licensing agent(s) is (as of the Effective Date of this Agreement) party to any agreement with a Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature Athletics Marks, then neither University nor its licensing agent(s) will renew or extend such agreement(s); (v) no royalty shall be paid on Products provided by adidas under this Agreement; (vi) neither University nor its licensing agent(s) shall license any third party to manufacture or sell Products that infringe on adidas’ intellectual property rights in any adidas Products; and (vii) adidas will be recognized and classified as University’s provider for all sport-specific Products for University Athletic Programs special events (e.g., Midnight Madness).” University retains all license rights not otherwise granted herein.

Each Contract Year upon reasonable notice and within a reasonable time, adidas agrees to pay Athletics, directly or through its licensing representative (i.e. CLC), a guaranteed minimum royalty in the amount set opposite each such Contract Year:

<u>Year</u>	<u>Guaranteed Minimum Royalty</u>
2017/2018	\$ 500,000
2018/2019	\$ 500,000
2019/2020	\$ 500,000
2020/2021	\$ 500,000

2021/2022	\$ 500,000
2022/2023	\$ 500,000
2023/2024	\$ 500,000
2024/2025	\$ 500,000
2025/2026	\$ 500,000
2026/2027	\$ 500,000
2027/2028	\$ 500,000

The royalty owed by adidas to University pursuant to Section 12(i) shall be applied against the above guaranteed minimum royalty amounts.

13. Termination; Negotiation Following Certain NCAA Actions.

- a. The University will have the right to terminate this Agreement at any time, if:
 - (1) adidas fails to make any payment or donation-in-kind due under this Agreement, and such default continues for a period of thirty (30) days after the University provides written notice to adidas of such default; or
 - (2) adidas breaches any other material term or condition of this Agreement, and such breach continues uncured for a period of thirty (30) days after the University provides written notice to adidas of such breach.

- b. adidas will have the right to terminate this Agreement at any time, if:
 - (1) The University breaches any material term or condition of this Agreement, including the failure to use adidas Products as provided for in Section 6., and such breach continues uncured for a period of thirty (30) days after adidas provides written notice to the University of such breach;
 - (2) Members of any Team fail to wear or use adidas Products as required herein, provided however, that adidas shall have first issued written notice to Athletics of any such violation of the provisions of section 6. and the violation recurs during the same Contract Year; or
 - (3) The University prohibits any Team members from wearing adidas Products.

- c. If the University, Athletics or any governing body which has jurisdiction over the University and/or Athletics, including the NCAA or the Conference, prohibits Athletics from wearing any Product displaying an adidas Trademark, then (upon notice from adidas) University and adidas will in good faith negotiate for ninety (90) days regarding an amendment to this Agreement that reflects the impact of the foregoing on adidas. adidas shall have the right to suspend all unpaid amounts due hereunder as of the date of such notice. If the parties cannot agree to amend or

replace this Agreement by the end of such ninety (90) day period, then adidas shall have the right to immediately terminate this Agreement and any suspended payments shall be forfeited by University. In addition, if University, Athletics or any governing body that has jurisdiction over Athletics, including the NCAA or the Conference, enacts, replaces or amends any regulations, rules or restrictions applicable to the adidas Trademarks (including but not limited to NCAA Regulation 12.5.4) and the adidas Trademarks' display rights are adversely diminished, restricted or limited by such regulation, rule or restriction, then adidas and Athletics acknowledge that such diminishment, restriction or limitation reduces the value of this Agreement to adidas. Upon notice from adidas, University (on behalf of Athletics) and adidas will in good faith negotiate for ninety (90) days regarding an amendment to the Agreement that reflects the impact of the foregoing on adidas. adidas shall have the right to suspend all unpaid amounts due hereunder as of the date of such notice. If the parties cannot agree to amend or replace this Agreement by the end of such ninety (90) days period, then either party may seek (and the dispute will be subject to exclusive resolution through) expedited, binding arbitration pursuant to American Arbitration Association rules before one (1) mutually agreed upon independent arbitrator who is an expert in the sports industry in the city where such arbitrator resides. The parties agree that: (i) the sole question for the arbitrator's review shall be the extent of the reduction in value of this Agreement to adidas because of such diminishment, restriction or limitation; and (ii) the sole remedy the arbitrator may award is a reduction in the sponsorship payments in this Agreement.

- d. The parties agree that Athletics will be an elite adidas university program measured by cash, product allocation and the support specified in Section 4. b., as of the Effective Date of this Agreement, (i.e. Athletics is considered by adidas to be in a "position of prominence" within adidas' programs supporting intercollegiate athletics). Therefore, the parties agree to conduct a good faith review of the relationship in April of 2021 and again in April of 2024 to ensure Athletics' ongoing designation as an elite adidas university program, as measured by cash, product allocation and the other support described in Section 4.b. If Athletics determines (in good faith and based on objective evidence) that it is not being compensated as an elite adidas university program, then Athletics shall enter into good faith negotiations with adidas to remedy such issue. The parties shall not be obligated to remedy such issue if they cannot settle on mutually satisfactory terms. If the parties cannot mutually agree on terms to remedy such issue within thirty (30) days of entering into such good faith negotiations, then (within ten (10) days of the conclusion of such good faith negotiations) Athletics may terminate the Agreement. Such termination shall be effective as of the conclusion of the following Contract Year (i.e., June 30, 2022 or June 30, 2025) and, upon such notification to terminate, may enter into negotiations with a Competitor for an agreement that would be effective no sooner than July 1, 2022, or July 1, 2025, as applicable. For the sake

of clarity, if University is not an elite adidas university program, then termination of this Agreement shall be University's sole remedy.

- e. If the NCAA or other governing body with jurisdiction over Athletics determines that Athletics has committed an institutional violation in relation to its football and men's basketball Athletics Programs, which results in an elimination of television appearances for the offending Athletics Program, then adidas may reduce the annual payments set forth in Section 4. by 50% should the violation arise from the football program, or by 25% should the violation arise from the men's basketball program. adidas' payments shall be reinstated at their full rate once any restrictions on television appearances ceases. Should television appearances be prohibited for less than an entire sports season, then the reduction in payments shall be prorated to reflect the portion of season the relevant Team was not allowed to appear on television.
- f. The exercise of any right pursuant to this Section 13. by either party shall not prevent, and does not waive that party's right, to exercise any other remedy at law or equity to which, under the laws of the State of Nebraska, that party would be entitled.

14. Indemnification. The obligations under this section shall survive the termination of this Agreement.

- a. Indemnification of the University. adidas shall defend, hold harmless, and indemnify the University and each of its regents, officers, employees, and agents (each of which shall be referred to as a "University Indemnitee") from and against any and all claims, actions, judgments, damages, liabilities, and expenses (including, but not limited to, reasonable attorneys' fees) imposed upon, incurred by or asserted against a University Indemnitee arising from or relating to, directly or indirectly, adidas's performance or breach of the terms of this Agreement and any transaction contemplated hereby, including but not limited to, the respective acts or omissions of adidas' officers, employees or agents; provided however, that adidas shall not be liable under such indemnity for any portion of such claims, actions, judgments, damages, liabilities, or expenses resulting from the University Indemnitee's negligent or intentional acts or failure to act.
- b. More specifically, except for any claim arising from the use of Athletics Marks in accordance with the terms hereof, adidas shall indemnify and hold any University Indemnitee harmless from any claims or demands rising from any allegation of any negligent or wrongful act of adidas, that the use of any name, picture, adidas Trademarks or other material in any sponsorship recognition material provided by adidas for display by this Agreement is illegal, unauthorized or damaging in any way to any individual or other entity.

- c. Indemnification of adidas. To the extent permitted by law, the University shall defend, hold harmless, and indemnify adidas, its directors, officers, employees, and agents (each of which shall be referred to as an "adidas Indemnitee") from and against any and all claims, actions, judgments, damages, liabilities, and expenses (including but not limited to, reasonable attorneys' fees) imposed upon, incurred by or asserted against an adidas Indemnitee arising from or relating to, directly or indirectly, the University's performance or breach of the terms of this Agreement and any transaction contemplated hereby, including but not limited to, the acts or omissions of University's officers, employees or agents; provided however, that University shall not be liable under such indemnity for any portion of such claims, actions, judgments, damages, liabilities, or expenses resulting from adidas Indemnitee's negligent or intentional acts or failure to act. Further, the University shall indemnify and hold adidas' harmless from any and all claims or demands on account of bodily injury or physical property damage caused by or resulting from the operation of the sponsorship recognition panels/materials or their location(s) authorized by this Agreement, except injury or damage attributable to any negligent or wrongful act of adidas.
- d. To the extent permitted by law and except for any claim arising from the use of adidas' Trademarks in accordance with the terms hereof, the University shall indemnify and hold any adidas Indemnitee harmless from any claims or demands rising from any allegation of any negligent or wrongful act on the part of the University, that the use of any of Athletics Marks used or displayed in accordance with this Agreement is illegal, unauthorized or damaging in any way to any individual or other entity.
- 15. Assignment.** Neither party may assign its rights under this Agreement to another, whether by contract or by operation of law, without the express written consent of the other party to the Agreement. Any attempt to so assign this Agreement shall be cause to immediately terminate the Agreement, notwithstanding any other provisions to the contrary.
- 16. Permits.** University shall acquire all permits and licenses, if any, that are required by law to erect the scoreboards, signs and adidas recognition panels referred to in this Agreement.
- 17. Discrimination; Compliance with Law, NCAA, Conference and University Policies; Subject to Regents Approval.**
- a. The parties, in fulfilling the terms of this Agreement, agree that they will not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, ancestry, sex, sexual orientation, disability, or Vietnam Era Veteran's or other Veteran status. To the extent applicable, the parties agree to comply with any and all law, NCAA rules and regulations, Conference rules or University policies in the performance of this Agreement. More specifically, adidas recognizes that any person who has collegiate athletic

eligibility cannot have his/her name and/or likeness utilized on any commercial product or promotion. Therefore, in conducting any activity under this Agreement, adidas shall not encourage or participate in any activity that would cause an athlete, Athletics or the University to violate any rule of the NCAA or other governing body.

- b. Any and all provisions contained in this Agreement are subject to approval by the Board of Regents of the University of Nebraska. This Agreement is not effective, nor may it be enforced in any fashion, until such approval is secured.

18. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

19. Notice. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been given, delivered, or served when delivered by overnight mail (e.g., Fed Ex or UPS) to such party at the following addresses:

To University:

Office of the Athletic Director
One Memorial Stadium
University of Nebraska-Lincoln
Lincoln, Nebraska 68588-0120

To adidas:

adidas America, Inc.
5055 N. Greeley Avenue
Portland, OR 97217
Attn: Legal Department

or to such other addressee as may be hereafter designated by written notice. All such notices shall be effective only when received by the addressee.

20. Modification; Waiver of Rights. This Agreement may be modified, amended, or waived only by a written agreement signed by an authorized representative of adidas and the University of Nebraska-Lincoln Chancellor or his/her designee.

21. Entire Agreement; Severability; No Third Party Beneficiaries. This Agreement constitutes the entire Agreement between the parties with respect to all subject matter and supersedes all prior negotiations and understandings, whether verbal or written. Each provision of this Agreement is severable from all others. If any provision of this Agreement will be determined to be invalid or unenforceable by a court of competent jurisdiction, the provision will be deemed modified only to the extent necessary to render

it valid and enforceable, and all remaining provisions of this Agreement will remain in full force and effect. This Agreement is solely for the benefit of the parties hereto and is not intended to (and does not) confer upon any person or entity other than the parties hereto any rights or remedies hereunder or otherwise.

22. **Independent Contractors.** This Agreement does not constitute and will not be construed as constituting a partnership or joint venture, or an employee/employer relationship or one of principal and agent, it being understood that adidas and University are and will remain independent parties.
23. **Governing Law.** This Agreement shall be controlled pursuant to the laws of the State of Nebraska and any dispute arising from it shall be resolved in a court or administrative body of competent jurisdiction in the State of Nebraska. The parties consent to personal jurisdiction in such Nebraska forums.
24. **Right of First Dealing.** Beginning ninety (90) days before the beginning of the eleventh Contract Year (i.e., April 1, 2027), Athletics shall periodically meet with adidas to negotiate in good faith the renewal of this Agreement ("First Dealing Period"). Said First Dealing Period shall extend for a period of three (3) months. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms during the First Dealing Period. Athletics shall not (nor shall Athletics permit Athletics' or University's respective agents, attorneys, accountants, representatives or employees to) engage in discussions or negotiations with any third party regarding Athletics' or University wearing, sponsoring, promoting, advertising or endorsing, or providing consulting or similar services with respect to, any Products after the Contract Term at any time during the Contract Term until the conclusion of the First Dealing Period. Notwithstanding the foregoing, nothing in this section shall prohibit Athletics nor the University from engaging in market research and similar gathering of market information during the Contract Term, provided that such market research and information gathering does not involve nor arise from discussions or negotiations with a Competitor or Competitor representative. If adidas and Athletics are unable to reach agreement with respect to the renewal of this Agreement by the expiration of the First Dealing Period, Athletics may enter into negotiations and contract with a Competitor.
25. **Nebraska Public Records Laws.** Whereas, the University is an agency of the State of Nebraska, this Agreement is subject to disclosure to any party requesting it pursuant to the public records laws of the State of Nebraska.
26. **Dispute Resolution.** In the event a dispute arises between the parties regarding the interpretation or application of any provision of this Agreement, including, without limitation, whether a breach of either party's obligations has occurred, both parties agree that, prior to filing any claim in a judicial or administrative forum, they shall meet for a period of at least two (2) days to attempt to resolve their differences. If the parties are

unable to resolve their differences, the dispute shall be submitted to a mediator agreed upon by the parties for nonbinding confidential mediation at a mutually agreeable location. Unless otherwise required by law, neither party shall disclose any aspect of the dispute or the mediation without the other party's prior written consent. If the parties fail to resolve their dispute through mediation, then the parties agree that the dispute shall be submitted to final and binding confidential arbitration before the American Arbitration Association in Chicago, Illinois. Unless otherwise required by law, neither party shall disclose any aspect of the dispute or the arbitration without the other party's prior written consent.

In Witness Whereof, the parties have entered into this Agreement as of the Effective Date written above. All terms and conditions of the Agreement not amended herein will remain in full force and effect.

adidas America, Inc.:

**The Board of Regents of the University of
Nebraska:**

By: _____
Chris McGuire
Director of Sports Marketing

By: _____
Hank M. Bounds, President

By: _____
Paul Ehrlich
General Counsel

Attest: _____
Carmen K. Maurer
Corporation Secretary

Exhibit A: CLC Special Agreement Regarding Labor Codes

- I. Introduction: The Collegiate Licensing Company (“CLC”) and the collegiate institutions represented by CLC (“Member Institutions”) are each committed to conducting their business affairs in a socially responsible and ethical manner consistent with their respective educational, research and/or service missions, and to protecting and preserving the global environment. While CLC and the Member Institutions believe that Licensees share this commitment, CLC and certain Member Institutions have adopted the following Labor Code Standards (the “Code”) which requires that all Licensees, at a minimum, adhere to the principles set forth in the Code.

Throughout the Code the term “Licensee” shall include all persons or entities which have entered into a written “License Agreement” with CLC to manufacture “Licensed Articles” (as that term is defined in the License Agreement) bearing the names, trademarks and/or images of one or more Member Institutions. The term “Licensee” shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensees’ contractors, subcontractors or manufacturers which produce, assemble or package finished Licensed Articles for the consumer.

- II. Standards: Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. CLC and the Member Institutions prefer that Licensees exceed these standards.

A. Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles. Where there are differences or conflicts with the Code and the laws of the country(ies) of manufacture, the higher standard shall prevail, subject to the following considerations. In countries where law or practice conflicts with these labor standards, Licensees agree to consult with governmental, human rights, labor and business organizations and to take effective actions as evaluated by CLC, the applicable Member Institution(s) or their designee, and the applicable Licensee(s) to achieve the maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards.

- B. Employment Standards: Licensees shall comply with the following standards:

1. Wages and Benefits: Licensees recognize that wages are essential to meeting employees’ basic needs. Licensees shall pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.

2. Working Hours: Except in extraordinary business circumstances, hourly and/or quota-based wage employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.

3. Overtime Compensation: In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

4. Child Labor: Licensees shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. Licensees agree to consult with governmental, human rights and nongovernmental organizations, and to take reasonable steps as evaluated by CLC, the applicable Member Institution(s) or their designee, and the applicable Licensee(s) to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.

5. Forced Labor: There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.

6. Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.

7. Nondiscrimination: No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

8. Harassment or Abuse: Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological or verbal

harassment or abuse. Licensees will not use or tolerate any form of corporal punishment.

9. Freedom of Association and Collective Bargaining: Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining.

Full Public Disclosure:

Each Licensee shall disclose to the Member Institution or its designee the location (including factory name, contact name, address, phone number, e-mail address, products produced, and nature of business association) of each factory used in the production of all items which bear Licensed Indicia. Such information shall be updated upon change of any factory site location. The Member Institution reserves the right to disclose this information to third parties, without restriction as to its further distribution.

Women's Rights:

1. Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.
2. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
3. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits
4. Workers will not be forced or pressured to use contraception.
5. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.
6. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.

Exhibit B: Sponsorship Recognition

Tickets (each Contract Year)

Football Home

- Twenty two (22) Premium Football Seats (best seats available)
- Ten (10) Reserved Parking Passes for Football
- Two (2) Bench/Field Passes per Football game
- One (1) adidas employee to travel with team
- adidas will have waiting list priority to purchase suites and corresponding tickets, including four (4) Reserved Parking Passes
- For one (1) mutually agreed upon home game per year, adidas to receive one hundred (100) tickets for corporate hospitality purposes

Football Away

- Twenty two (22) Premium Football Seats (best seats available)
- Two (2) Bench/Field Passes per Football Game
- One (1) adidas employee to travel with team

Football Bowl Games

- Twenty two (22) Premium Football Seats (best seats available)
- Two (2) Bench/Field Passes per Football game
- One (1) adidas employee to travel with team

Basketball Home

- Twenty two (22) Premium Men's Basketball Seats (best seats available)
- Twenty two (22) Premium Women's Season Basketball Tickets (best seats available)
- Ten (10) Reserved Parking Passes for Men's Basketball
- Four (4) Reserved Parking Passes for Women's Basketball

Basketball Post-Season

- Twenty (20) Premium Seats – Men's and Women's Post-Season Conference or NIT Tournaments (best seats available)
- Twenty (20) NCAA Basketball Tournament (Men's and Women's) tickets to each game Nebraska plays (best seats available)

Baseball Home

- Ten (10) Premium Regular Season Baseball Tickets (best seats available)
- Twelve (12) conference championship tickets (best seats available) , if Nebraska participates.
- Twelve (12) NCAA Regional tickets (best seats available) , if Nebraska participates.
- Twelve (12) NCAA Super Regional tickets (best seats available) , if Nebraska participates.
- Twelve (12) NCAA CWS tickets (best seats available) , if Nebraska participates.

Volleyball

- Four (4) Regular Season Home tickets (best seats available)
- Twelve (12) Post-Season Tickets for each round and NCAA Final Four, if Nebraska participates.
- Four (4) Reserved Parking Passes

All Other Sports/Olympic Sports

- Pool of Sixty (60) tickets

adidas Game Day Sponsorships

- adidas will receive one adidas Game Day Sponsorship each Contract Year for each of the following sports: Football (50 tickets, 10 parking), Men's Basketball (20 tickets, 10 parking), Women's Basketball (20 tickets, 10 parking), Baseball weekend series sponsor (50 general admission tickets per game, 150 total), Soccer (PA only), and Volleyball (54 tickets). Game Day Sponsorships will include an opportunity for adidas to do a game day promotion and a game day hand out. adidas will also receive additional PA announcements at these events.

Hospitality

- (2) One (1) table at the annual football banquet dinner.
- (3) One (1) table at M/W basketball banquets.
- (4) One (1) table at all Olympic sports banquets.

Signage

Football

North videoboard recognition with major corporate partners during each home regular season football game.

Volleyball

Rotating courtside signage during each home regular season volleyball match.

Media

- Print-- adidas will receive two (2) full-pages of color sponsorship recognition in the annual football media guide, with one on the left hand page next to inside back cover.
- Digital -- Using one of the adidas Trademarks designated by adidas, Athletics shall provide a prominent link from Athletics' Website to any adidas website designated by adidas (e.g., adidas.com or facebook.com/adidas). Subject to Athletics' prior approval of all content (such approval not to be unreasonably withheld, conditioned or delayed), on Athletics' Website, Athletics shall provide adidas with: (i) presenting sponsor designation on the home page; (ii) the right to instruct Athletics, during appropriate adidas campaign/Products launches to run adidas Products and adidas brand competitions/promotions, and to provide adidas with limited access to Athletics' home page in order to run such competitions/promotions; and (iii) a prominent section to promote adidas Products and the adidas Brands. adidas shall be fully responsible for all content provided by adidas to Athletics' Website. Using one of the Trade Marks designated by adidas, Athletics shall provide a prominent link (or if a link is not functionally available, then a similar connection such as "follows" on Twitter) from Athletics' Social Media to any adidas social media destination designated by adidas e.g., twitter.com/adidas facebook.com/adidas). With respect to any and all adidas website sponsorship recognition provided for herein, Athletics shall be deemed to have reasonably withheld approval of adidas requests and instructions should Athletics determine in its reasonable judgment that the instruction or request given by adidas is considered to be other than permissible sponsorship recognition according to the U.S. Internal Revenue Service.

Promotional Appearances.

- a. If requested to do so by adidas, University shall make the Coach(es) of each Athletic Program available for up to two (2) appearances per Contract Year in connection with adidas sponsored activities and promotions. Such appearances may include, but are not limited to, appearances at clinics, celebrity events, and other similar public appearances. Except as provided below, neither University nor the Coach(es) shall receive compensation for the appearances.

- b. For each appearance described in subsection a. above:
- (1) adidas agrees to pay all reasonable out-of-pocket expenses incurred by University and/or the Coach(es) in connection with such appearance;
 - (2) adidas shall give University reasonable notice of the time and place adidas desires the Coach(es) to appear;
 - (3) adidas shall not schedule any appearance at a time which would conflict with the Coach's performance of his or her obligations as a college coach; and
 - (4) No single appearance shall exceed twenty-four (24) hours in duration, exclusive of travel time, unless otherwise mutually agreed.

Exhibit C: Existing Agreements

Parties	Products	Dates
Mizuno	Softball hardgoods	9.1.15 – 8.31.18
Eye Care Specialties	Baseball on-field sunglasses	7.1.16 – 6.30.17*
Storm	Bowling hardgoods	8.22.16 – 5.31.17*

*These agreements are regularly extended by Athletics annually for an additional one year term. The parties agree that such one-year extensions shall not be deemed a breach of the Agreement, most specifically Section 6.f. Should adidas provide reasonable notice to Athletics that it wishes to provide the Product described in these agreements, then the parties shall engage in good faith discussions and negotiations to incorporate the relevant Products into the Agreement.

Exhibit D: Athletics Marks



University of Nebraska

Current Revision Date: 09/21/16

Established: 1869 **Location:** Lincoln, NE
Mascot Name: Herbie Husker, Lil' Red **Conference:** Big Ten
Nickname: Cornhuskers, Huskers

Red	Black	White	Brown	Orange	Yellow	Blue
PANTONE 186 C MADEIRA: 1147 RA: 2253	PANTONE Process Black C MADEIRA: Black RA: Black	White MADEIRA: White RA: White	PMS 469 C MADEIRA: 1250 RA: 2402	PMS 148 C MADEIRA: 1084 RA: 2593	PMS 102 C MADEIRA: 1180 RA: 2225	PMS Process Blue C MADEIRA: 1076 RA: 2220

Approved University colors or the "PANTONE" colors listed on this page must be used. The colors on this page are not intended to match PANTONE color standards. For PANTONE color standards, refer to the current editions of the PANTONE color publications. "PANTONE" is a registered trademark of PANTONE, Inc.

Verbiage

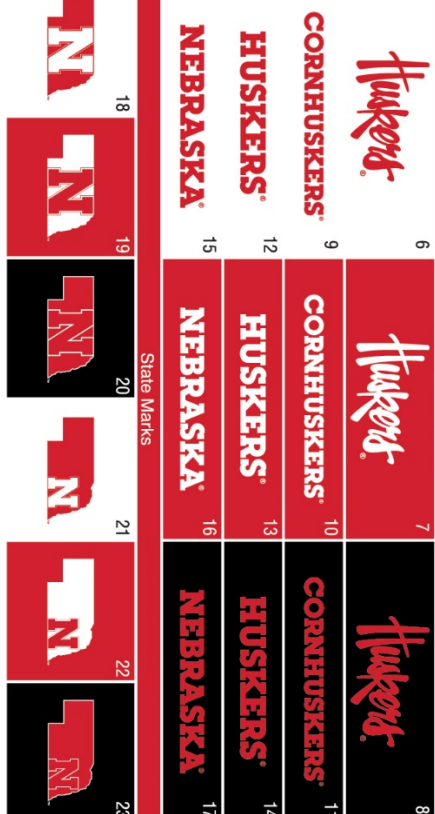
University of Nebraska ®
Nebraska ®
Huskers ®
Cornhuskers ®
NU ®
Blackbirds ®

Go Big Red™
Bob Devaney Sports Center™
Memorial Stadium™
Husker Power™
GBR™
Herbie Husker™

Primary Marks (Nebraska N - Not permitted at mass retailers)



Secondary Marks



Football Marks



Herbie Marks



Institutional Marks



ADDITIONAL PERTINENT INFORMATION

- University seal permitted on products for resale (school approval required)
- No alterations or overlaying graphics to seal permitted
- University licenses consumables (must have expiration date on packaging)
- University licenses health and beauty products
- Mascot caricatures permitted (school approval required)

- Cross licensing with other marks may be permitted with an additional agreement
- No use of current players' name, image, or likeness is permitted on commercial products in violation of NCAA rules and ones
- No references to alcohol, drugs, or tobacco related products may be used in conjunction with University marks
- No alterations or overlaying graphics to Nebraska N permitted

NOTE: The marks of University of Nebraska are controlled under a licensing program administered by Collegiate Licensing Company. Any use of these marks will require written approval from Collegiate Licensing Company.

APPENDIX B
 UNIVERSITY OF NEBRASKA is the owner of all rights, title and interest in and to the following indicia, which includes trademarks, service marks, trade names, designs, logos, seals and symbols.

College Vault

UNIVERSITY OF NEBRASKA

MARCH 8, 2016



LOGO MARKS		VERBIAGE		GENERAL INFORMATION	
1		2		3	
4		5		6	
7		8		9	
10		11		12	
13		14		15	
16		17		18	
19		20		21	
22		23		24	
25		26		27	
28		29		30	
31		32		33	

NOTE: The marks of University of Nebraska are controlled under a licensing program administered by The Collegiate Licensing Company. Any use of these marks will require written approval from The Collegiate Licensing Company.

In addition to the indicia shown above, any indicia adopted hereafter and used or approved for use by UNIVERSITY OF NEBRASKA shall be deemed to be additions to the indicia as though shown above and shall be subject to the terms and conditions of the Agreement.