Title　:　Amendment of License Agreement between Sony Pictures and Marvel regarding Spider-Man

This is to seek CEO approval for Sony Pictures Entertainment, Inc. (“SPE”) to enter into several agreements with Marvel Characters, Inc. (“Marvel”) to amend the License Agreement with respect to “Spider-Man.”

1. Purpose

SPE and Marvel’s relationship began in 1999, when SPE first obtained rights to the Spider-Man franchise. Following The Walt Disney Company’s acquisition of Marvel at the end of 2009, Marvel has proven willing to buy back interests in key Marvel properties. SPE would like to take this opportunity to monetize SPE’s participation in merchandise sale at an attractive value and also favorably restructure the Spider-Man operating relationship for the future.

1. Summary of Major Terms of Agreement

* SPE’s right to receive 25% financial participation on Marvel’s gross receipts from Spider-Man merchandising will be extinguished in exchange for a payment of $280M from Marvel to SPE on the effective date. In addition, Marvel will pay SPE 3.5% of the Worldwide Box Office of each future Spider-Man film. Marvel’s payment is capped at $35M per new film and an aggregate of $130M every 10 years from the effective date.
* SPE’s obligation to make any future payment in connection with any future motion picture releases will be eliminated by paying $100M to Marvel on the effective date.
* SPE will be permitted to release new Spider-Man films as long as each is released within 5 years and 9 month from the prior film’s initial theatrical release (commencement of principal photography needs to start within 3 years and 9 months). SPE shall have the option to extend this production term by 1 year and 3 months if SPE releases three Spider-Man films within a period of 8 consecutive years.
* SPE will gain greater leeway to produce, release and promote films while Marvel’s approval over film creative aspects would be eliminated as long as SPE conform to the unambiguous guidelines that has been set regarding Spider-Man’s character and other characteristics
* SPE shall have the right to conduct co-promotions relating to the “Spider-Man” property 12 months prior to the then-targeted initial theatrical release date and continuing 12 months following the actual release date of each motion picture (extended from the current period which is 12 months prior and 7 months after). For certain major promotional categories, SPE’s co-promotion rights are exclusive and Marvel has no rights to license merchandising rights
* Marvel will carry out all functions and shall have the right to execute all rights related to all merchandising with respect to “Spider-Man” including merchandising rights relating to motion pictures and television series and SPE shall have no approvals over Marvel’s exercise of such right. Marvel merchandising rights will be subject to limited restrictions (e.g., Marvel will not be allowed to license in certain product categories such as Quick Service Restaurants, which are important promotional categories for films)
* Marvel shall have the limited right to license to relatively small companies the right to sell low-end consumer electronics products designed for young children, subject to a number of protections for Sony including a right of first and last refusal and a requirement that the products not be branded, except to the extent required by law.
* All of Sony and Marvel current arbitration and audits will be settled and dropped
* [**NOTE TO NAGATA-SAN** we don’t think the approval paper needs to include the claims you mentioned. These claims are not a dispute between SPE and Marvel. Rather these are in the agreement so that Marvel will continue to be fully responsible if there are any problems or claims with respect to the underlying rights to the “Spider-Man” property]

1. Agreements to be entered

(1) Classic Merchandising Participation Extinguishment Agreement (“Spider-Man”)

(2) Production Rights Buy-out Agreement (“Spider-Man”)

(3) Second Amended and Restated License Agreement (“Spider-Man”)

(4) Redemption Agreement (“Spider-Man”)

(5) Settlement Agreement and Mutual Release

(6) Guarantee

1. Signing Date

September \_\_\_, 2011. [**Nagata-san**, must we specific a day in the approval paper? I believe that as soon as we sort the last terms with Marvel, we’ll ask you to finalize and circulate the e-kassai. We’ll target a closing based on how long you think we need to get those signatures. We’re hoping that’s a 2-3 day process.]

1. Effective Date

September \_\_, 2011. **[Nagata-san, see note above re: dates.]**

1. Conditions of agreements

The Agreement will be effective on satisfaction of the following conditions :

- Receipt of copies of all of these agreements fully executed by all of the entities engaged in the agreements.

- Receipt by SPE of timely payment under the Merchandising Participation Extinguishment Agreement.

- Receipt by Marvel of timely payment under the Production Rights Buy-out Agreement

1. Other

Payment structure of this transaction has slightly changed from that explained at the Group Executive Committee (“GEC”) on July 26, 2011. At the GEC, SPE explained that Marvel will pay $175M as a net payment for the elimination of SPE’s merchandising participation and Marvel’s film participation. After further negotiation, SPE and Marvel agreed to execute this deal by each making its own payment to the other. While the gross payment will differ from the initial explanation, the GEC Secretariat confirmed that that we are allowed to circulate this approval paper because the net payment is essentially the same and the gross payment amount is within the approval limit granted to the Sony Corp. CEO. In addition, the $280M payment includes $5M of merchandising payment that Marvel owes for the sales up to June 2011.