

EXHIBIT A

CROSS-LICENSING AGREEMENT

THIS CROSS-LICENSING AGREEMENT ("Cross-Licensing Agreement"), dated as of Sept. 29, 1992, is by and between Imperial Tobacco Limited, a Canadian corporation ("Imperial") and Philip Morris Incorporated, a Virginia corporation ("PM USA").

RECITALS

The parties are entering into a Primary Agreement of even date. The Recitals and Definitions set forth in the Primary Agreement and the Exhibits thereto are incorporated in this Cross-Licensing Agreement. The parties wish to cross-license each other in respect of the Trademarks and the Package Designs in connection with the manufacture and sale of Product in the Territory.

NOW, THEREFORE, in consideration of the above recital, the representations and grants and covenants contained herein and the execution simultaneously herewith of the Primary Agreement with respect to Imperial's sale of Product to PM USA, the parties hereto agree as follows:

1. Trademarks and Package Designs

(a) PM USA represents that it owns the Trademarks depicted in Exhibit B, has used and continues to use the Trademarks in commerce within the United States, and has full rights to license the use of the Trademarks in the Territory, and any new applications or registrations hereafter added to Exhibit B with the consent of both parties in accordance with paragraph 10 of this Cross-Licensing Agreement.

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(b) Imperial represents that it owns the Package Designs and has full rights to license the use of the Package Designs in the Territory, and any new applications or registrations hereafter added to Exhibit C with the consent of both parties in accordance with paragraph 10 of this Cross-Licensing Agreement.

(c) PM USA covenants, without acknowledgment of Imperial's claimed right to the Player's typestyle, that throughout the term and upon termination of the Primary and Cross-Licensing Agreements, PM USA will not duplicate in use or registration Imperial's Player's typestyle depicted in Exhibit G other than on Product. However, PM USA reserves the right to use and register any other typestyle for the Trademarks.

2. License Grant

(a) PM USA grants Imperial an exclusive right to use the Trademarks in connection with the manufacture of Product for sale to PM USA in the Territory in accordance with the terms of the Primary and Cross-Licensing Agreements. PM USA reserves the right to use the Trademarks in the manufacture, promotion and sale of U.S.-style tobacco products in the Territory.

(b) Imperial grants PM USA an exclusive right to use the Package Designs in connection with the sale of Product in the Territory in accordance with the terms of the Primary and Cross-Licensing Agreements. Imperial confirms that the Player's typestyle depicted in Exhibit G is not included within Imperial's license grant to PM USA to use the Package Designs.

3. Quality Control

(a) PM USA accepts as the quality control standard the formulation and consistency of the current Canadian-style tobacco product produced by Imperial in Canada and sold in Canada under the name Player's ("Quality Standard"). PM USA will provide Imperial with "Quality Standard Guidelines" against which Product will be measured for continuing compliance with the Quality Standard.

(b) PM USA will routinely select samples of Product sold to PM USA by Imperial for sale in the Territory for analysis and comparison to the Quality Standard Guidelines.

(c) Imperial agrees to use the Trademarks only in accordance with the Quality Standard and to maintain the quality and consistency of Product. Except for minor variations due to tobacco crop differences from year to year, Imperial will not change the formulation or recipe for Product, except in accordance with paragraph 6 of the Primary Agreement.

(d) If PM USA determines that Product does not conform with the Quality Standard Guidelines, PM USA will notify Imperial of the non-conformance. Imperial will cure the non-conformance within a period of time deemed reasonable by PM USA in light of the seriousness of the non-conformance. If the non-conformance is not cured within the time period deemed reasonable and inspection is deemed necessary by the parties, Imperial will permit PM USA a limited right to inspect the production of Product and the manufacturing facility at which Product is manufactured for the sole purpose of resolving the non-conformance. The scope of

the inspection will be subject to the mutual agreement of the parties and a suitable undertaking of confidentiality by PM USA to protect Imperial's trade secrets and proprietary information.

4. Package

(a) Product shall be packaged by Imperial in the packaging depicted on Exhibit F, which was previously approved by PM USA. Imperial agrees not make any changes to the packaging for Product or to the Package Designs without the advance approval of PM USA.

(b) Each package bearing the Trademarks shall contain the legend: "Made In Canada By Imperial Tobacco, Montreal, Canada for Philip Morris Inc", or an alternative legend with the consent of both parties.

5. Advertising and Promotion

(a) Imperial shall submit to PM USA for its advance approval all advertising, promotional, and other materials on which the Trademarks appear. Imperial will not modify the materials without the advance approval of PM USA.

(b) All advertising and promotional materials bearing the Trademarks shall carry appropriate indicia identifying Product as being Canadian-style tobacco products or produced in Canada by Imperial for PM USA or alternative indicia with the consent of both parties.

6. Exclusivity.

(a) During the term of this Cross-Licensing Agreement, PM USA and its Affiliates will not manufacture or sell any Canadian-style tobacco products

bearing the Trademarks in the Territory other than Product. PM USA reserves the right to use the Trademarks in the manufacture, promotion and sale of U.S.-style tobacco products in the Territory.

(b) During the term of this Cross-Licensing Agreement, Imperial and its Affiliates will not manufacture or sell in the Territory tobacco products in the Package Designs to anyone other than PM USA.

7. Validity and Title

(a) Imperial acknowledges the validity of the Trademarks and agrees not to challenge the validity thereof directly or indirectly during or after the term of this Cross-Licensing Agreement.

(b) PM USA acknowledges the validity of the Package Designs and agrees not to challenge the validity thereof directly or indirectly during or after the term of this Cross-Licensing Agreement.

(c) The parties recognize PM USA's title in and to the Trademarks and Imperial's title in and to the Package Designs; and covenant that neither party shall commit any act or omission which may impair the rights of the other party with respect to title. Neither party will acquire or claim any right adverse to the other party by virtue of this Cross-Licensing Agreement or through use of the Trademarks or Package Designs in the Territory.

(d) All uses of the Trademarks by Imperial shall inure to the benefit of PM USA, and all uses of the Package Designs by PM USA shall inure to the benefit of Imperial. Imperial confirms that use by PM USA in the Territory of the Player's

typestyle depicted in Exhibit G shall not inure to the benefit of Imperial in the Territory.

(e) Imperial shall claim no right in the Territory, either by registration or use, in and to the Player's typestyle depicted in Exhibit G except rights premised upon PM USA's breach of the covenant set forth in Paragraph (1)(c) of this Cross-Licensing Agreement.

8. Confusion Avoidance

PM USA and Imperial agree to take all steps necessary to avoid consumer confusion in the Territory regarding the source of Product so as not to endanger the validity of the Trademarks or Package Designs.

9. Infringements

(a) Each party shall promptly inform the other of any infringements of the Trademarks or Package Designs in the Territory, and agree to initiate or defend any actions as are reasonably necessary to protect the Trademarks or Package Designs.

(b) The parties agree to cooperate in the prosecution and defense of any actions involving the Trademarks or Package Designs. The direction and cost of any action shall be borne by the party whose Trademarks or Package Designs are subject to the action. If both the Trademarks and Package Designs are involved materially in the action, then the costs shall be divided by the parties.

10. Additional Trademarks or Package Designs

(a) If the packaging changes for Canadian-style tobacco products sold by Imperial under the name Player's in Canada, the packaging for Product may change and additional Trademarks or Package Designs may be added to Exhibits B and C subject to the advance approval of both parties.

(b) Imperial has expressed a desire to use the trading style JOHN PLAYERS & SONS ("Trading Style") on Product in the Territory, so that packaging for Product conforms as closely as possible to the Canadian-style Tobacco Products package, and Imperial acknowledges that use of the Trading Style in the Territory will constitute an infringement of the Trademarks. In view of an injunctive decree precluding PM USA's use of the trading name or mark JOHN PLAYERS & SONS without having received the prior lawfully granted permission of Imperial Tobacco Company (of Great Britain and Ireland) Limited ("ITCGBI"), or its successors or assigns, PM USA has no right to use or authorize the use of the Trading Style in the Territory. PM USA undertakes that, in the event ITCGBI shall lawfully grant permission, at no cost to PM USA, by letter of consent, license, or covenant not to sue, PM USA will license Imperial to use the Trading Style pursuant to the Primary and Cross-Licensing Agreements by adding the Trading Style to Exhibit B.

11. Term

(a) This Cross-Licensing Agreement shall remain in effect for as long, and only as long, as the Primary Agreement remains in effect, except that PM USA shall have a license, in the event that the Primary and Cross-Licensing

Agreements are terminated, to sell Product in PM USA's inventory as of the termination date.

(b) Upon termination, both parties agree to discontinue using the Trademark and Package Designs subject to paragraph 11(a) of this Cross-Licensing Agreement.

12. Assignment; Governing Law; Notices

The provisions with respect to Assignment, Governing Law and Notices in the Primary Agreement, as may be amended from time to time, are incorporated in this Cross-Licensing Agreement.

IN WITNESS WHEREOF, this Cross-Licensing Agreement has been duly executed and delivered by the duly authorized officers of the parties hereto on the date first hereinabove written.

PHILIP MORRIS INCORPORATED

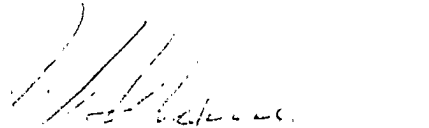
IMPERIAL TOBACCO LIMITED

By



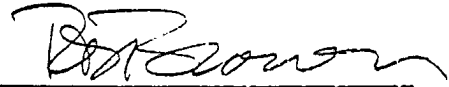
Name: William I. Campbell
Title: President

By



Name: Jean-Louis Mercier
Title: Chairman & Chief Executive Officer

By



Name: R. Donald Brown
Title: President & Chief Operating Officer