

License Agreement

between

Mercedes-Benz Customer Solutions GmbH
Am Wallgraben 125
70565 Stuttgart
Germany

- in the following „MB CUSTOMER SOLUTIONS“ -

and

Pinghu City Xiao Ming Xing Children's Products Co., Ltd
NO.199 Xinya, Road Xincang Town
Pinghu City, Zhejiang Province
China

- in the following "Licensee" -

Preamble

WHEREAS, MB CUSTOMER SOLUTIONS, a subsidiary of Daimler AG (in the following "DAG"), is responsible for the development, production and distribution of merchandise relating to vehicles branded Mercedes-Benz, Maybach and smart;

WHEREAS, MB CUSTOMER SOLUTIONS has been granted an according license - including the right to grant sublicenses - by DAG, the producer and distributor of Mercedes-Benz vehicles and owner of its intellectual properties rights, inter alia of the "Licensed Rights" as defined below;

WHEREAS, those Licensed Rights have acquired a worldwide reputation through outstanding products, extensive use, and advertising, and thereby are associated by the public with the Daimler Group, its products and services;

WHEREAS, Licensee acknowledges this and, being a manufacturer/distributor of the "Licensed Products" (as defined below) with a high reputation of quality, desires the right to use the Licensed Rights within the "Territory" (as defined below) in connection with the manufacture, sale, advertising and distribution of the Licensed Products;

NOW THEREFORE, in consideration of the mutual promises herein, MB

CUSTOMER SOLUTIONS and Licensee agree as follows:

1. Definitions

In this License Agreement (in the following „Agreement“):

- 1.1 **“Licensed Rights”** shall mean any and all rights based on trademarks, designations, trade dress, designs, copyright and other intellectual properties as identified in Exhibit 1.
- 1.2 **“Licensed Products”** shall mean the products specified in Exhibit 2.
- 1.3 **“Territory”** shall mean the country or countries defined in Exhibit 3.
- 1.4 **“Net Sales”** shall mean the amount which Licensee invoices to his external distribution partners for the Licensed Products, excluding value-added tax (VAT) or any other tax, reduced by reductions due to fast payments customary in the trade (as evidenced in writing), costs of freight and dispatch, and taxes and duties. Any such reducing factors require separate identification. No deduction may be made on account of returns, discounts, bonuses and insolvency.
(For reasons of clarification: As “Net Sales” of the Licensed Products only qualifies such amount which is requested from a distribution partner being not an associated company of or within Licensee. I.e. for example in case of sales of the Licensed Products by Licensee to his subsidiary or sister company any according prices are not basis for the calculation of the royalty according to this Agreement since such price is not to be defined as Net Sales. Only once such Licensed Products are distributed to independent distributors, the according amount which is invoiced for the Licensed Products qualifies as Net Sales.)

2. Grant of License

- 2.1 Subject to all the terms and conditions set forth herein, MB CUSTOMER SOLUTIONS hereby grants to Licensee a non-exclusive license to use the Licensed Rights in the Territory and in connection with the Licensed Products, in particular to affix the Licensed Rights according to Exhibit 1, Subsection 1 on the Licensed Products and to market the Licensed Products in the Territory and to advertise for them within the Territory.
- 2.2 Licensee is not allowed to assign or transfer this license or to grant any sub-licenses. MB CUSTOMER SOLUTIONS, however, acknowledges – as defined in Section 13 -, that the Licensed Rights may be used by suppliers of Licensees if this is necessary for manufacturing parts of the Licensed Products.

3. Provision of Data

MB CUSTOMER SOLUTIONS shall provide Licensee with picture data of the Licensed Products.

This data is subject to copyright. All rights to such data remain with MB CUSTOMER SOLUTIONS unless explicitly agreed otherwise in a written

agreement. Licensee undertakes to keep confidential all data and any other information provided by MB CUSTOMER SOLUTIONS to Licensee hereunder and not to disclose them to third parties unless agreed otherwise in writing by the Parties.

4. General Requirements; Quality; Correct Use of the Licensed Rights

4.1 Licensee shall use the Licensed Rights only for products of high standard and quality. The Licensed Products shall in no way reflect adversely upon the good name of MB CUSTOMER SOLUTIONS or DAG or the valuable goodwill symbolised by the Licensed Rights.

4.2 The Licensed Rights shall be used according to Section 4 and 5 of this Agreement. The Licensed Products shall be manufactured to scale and in accordance with the provisions of the minimum standard as defined in Exhibit 4, and Licensee shall affix on the Licensed Products exclusively those signs and labels (e.g. of sponsors) which are affixed on the original vehicles.

Any modifications thereof are not allowed.

By way of exception, this stipulation does not apply to signs and labels of semitrailers of Licensed Products replicating commercial vehicles: Any semitrailers which Licensee manufactures by order of and for third parties, may suitably vary from the original. However, any such variation must respect the high standard, the outstanding image and the good reputation of MB CUSTOMER SOLUTIONS, of DAG and their products.

4.3 Licensee will clearly display his name at the bodywork's bottom of the Licensed Products and on the packaging and advertising material for the Licensed Products.

4.4 Licensee will affix a hologram on the packaging of the Licensed Products showing the authorization of Licensee to use the Licensed Rights. Such hologram will be provided by MB CUSTOMER SOLUTIONS at Licensee's expense. Licensee is obliged to use the holograms according to MB CUSTOMER SOLUTIONS's directions.

4.5 Licensed Products and their packaging must conform with all laws, regulations, standards, etc. such as consumer protection laws, toy safety acts, etc., applicable in the Territory in which the Licensed Products are distributed by Licensee.

4.6 In order to safeguard the fulfilment of all requirements of this Agreement, MB CUSTOMER SOLUTIONS and Licensee agree on the following approval proceedings for the planned Licensed Products and their advertising and also agree that costs of any necessary modifications thereof are to be borne by Licensee:

- a. In accordance with the defined steps of approval according to Exhibit 5, Licensee shall furnish MB CUSTOMER SOLUTIONS free of cost with three (3) samples of the Licensed Products each (for reasons of clarification: including their packaging) for review, comment and written consent. MB CUSTOMER SOLUTIONS's consent to the use of the Licensed Rights always

is limited to the present stage of the sample as provided by Licensee (For reasons of clarification: The approval of e.g. a first pre-mass production sample (mock up), therefore, is no general approval of the Licensed Product allowing mass production or distribution.). Licensee shall start mass production and distribution of the Licensed Products only after MB CUSTOMER SOLUTIONS's explicit and separately given written consent. In case of any infringement of this regulation, MB CUSTOMER SOLUTIONS may terminate this Agreement according to Section 16.2.

- b. Licensee will provide MB CUSTOMER SOLUTIONS, free of cost and on time before their intended use, with any and all drafts of advertising material for review, comment and written consent. This also applies in case of intended modifications of the advertising material. Licensee shall use the advertising material only after MB CUSTOMER SOLUTIONS's explicit given written consent. In case of any infringement of this regulation, MB CUSTOMER SOLUTIONS may terminate this Agreement according to Section 16.2.

- 4.7 It is understood that the mass produced Licensed Products and their advertising material shall equal the samples having been approved by MB CUSTOMER SOLUTIONS.

From time to time, Licensee on request shall submit to MB CUSTOMER SOLUTIONS, free of cost, a reasonable number of representative samples of each Licensed Product then being made or offered for sale. Said Licensed Products must conform to the samples previously approved.

- 4.8 To further ensure that the provisions of this Agreement are being observed, Licensee will permit MB CUSTOMER SOLUTIONS or its authorised representatives at all reasonable times to enter Licensee's premises where the Licensed Products are manufactured, processed, or stored for the purpose of inspecting the Licensed Products, and to take samples of the Contract Products and their advertising.

- 4.9 Any low quality, in particular damaged Licensed Products or parts thereof and or advertising material and any other products that indicate the Licensed Rights in an unapproved way, shall either be destroyed or marketed in a way agreed with MB CUSTOMER SOLUTIONS in writing beforehand, ensuring that the Licensed Rights are not longer recognizable.

5. In particular Use of the Licensed Rights according to Exhibit 1, Subsection 1.

- 5.1 On the Licensed Products (here: the replica without packaging), the trademarks according to Exhibit 1, Subsections 1.1, 1.2 and 1.3 (i.e. the designations „Mercedes-Benz “ “Three-pointed Star in A Ring” and „Three-pointed Star in A Laurel Wreath”) and any other potentially Licensed Rights as defined in Exhibit 1, Subsection 1) shall be used. They shall be affixed in exactly the same manner as on the original vehicles.

- 5.2 On the packaging or in advertising materials, the Licensed Rights according to Exhibit 1, Subsection 1.1 (i.e. the designation „Mercedes-Benz”) and any other

potentially Licensed Rights as defined in Exhibit 1, Subsection 1 may only be used to the extent necessary for the description of the Licensed Products on such packaging or in advertising materials. These Licensed Rights may, however, not be highlighted in any packaging or in advertising materials text. The Licensed Rights according to Exhibit 1, Subsections 1.2 and 1.3 (i.e. the designations "Three-pointed Star in A Ring" and „Three-pointed Star in A Laurel Wreath“) shall not be used in any manner whatsoever on the packaging or in advertising materials. Licensee may not use photos of original vehicles on packaging or in advertising materials. Only the Licensed Products (i.e. the replicas) may be shown.

- 5.3 In order to protect Licensor's rights, Licensee shall display on any packaging and advertising material of the Licensed Products the following notice:

“Mercedes-Benz”,  ,  and the design of the enclosed product are subject to intellectual property protection owned by Daimler AG. They are used by Pinghu City Xiao Ming Xing Children's Products Co., Ltd under license.”

Following a modification of DAG's company name, it is understood that Licensee will change such notice accordingly as soon as possible. MB CUSTOMER SOLUTIONS will in such case inform Licensee within four (4) weeks following effectiveness of the company name's modification.

- 5.4 To the extent that Licensee uses its own trade marks or names, Licensee shall clearly separate the said marks or names from MB CUSTOMER SOLUTIONS's and/or DAG's trade marks or names, in a manner to be agreed upon between the parties in each individual case.

6. Distribution of the Licensed Products

- 6.1 Licensee shall inform MB CUSTOMER SOLUTIONS of the Licensed Products' start of distribution.

- 6.2 Licensee shall distribute the Licensed Products via the usual distribution channels within the Territory. This also applies to special sales event (e.g. involving sales of big quantities).

It is prohibited without the prior written approval of MB CUSTOMER SOLUTIONS to sell-off the Licensed Products to an extremely low price.

In case of any infringement of this regulation, MB CUSTOMER SOLUTIONS may terminate this Agreement according to Section 16.2.

- 6.3 Licensee shall not distribute the Licensed Products within the distribution network of DAG (e.g. Mercedes-Benz dealers, general importers, Daimler subsidiaries in different countries, departments within DAG etc.) without prior written approval of MB CUSTOMER SOLUTIONS.

- 6.4 If MB CUSTOMER SOLUTIONS approves the sale of the Licensed Products within the distribution network of DAG as set out at clause 6.3 above, Royalties shall be payable by Licensee to MB CUSTOMER SOLUTIONS in respect of such sales according to 8.2.
- 6.5 With respect to sales of Licensed Products to MB CUSTOMER SOLUTIONS, no Royalties shall arise for Licensee to pay to MB CUSTOMER SOLUTIONS. In return MB CUSTOMER SOLUTIONS will purchase the Licensed Products from Licensee at special conditions: Licensee shall charge from MB CUSTOMER SOLUTIONS the lowest price which Licensee bills its distribution partners excluding VAT, minus ROYALTY RATE ten percent (10%).
- 6.6 All and any such sales of Licensed Products to MB CUSTOMER SOLUTIONS and the distribution network of DAG shall be identified separately in the Reportings.

7. Fair and Human Conditions

Licensee shall comply with the provisions of the International Council of Toy Industries (ICTI) Code of Business Practices in its currently effective version. In case of any infringement of this regulation, MB CUSTOMER SOLUTIONS may terminate this Agreement according to Section 16.2.

8. Consideration and Terms of Payment; Controlling

8.1 Licensee shall pay to MB CUSTOMER SOLUTIONS, in consideration of MB CUSTOMER SOLUTIONS's special efforts in the context of concluding this Agreement and reviewing Licensee's designs, a sum of EUR 0,00 (in the following "Handling Charge"), plus VAT. The Handling Charge is not refundable, even if the Agreement is prematurely terminated. Licensee shall pay the Handling Charge within thirty (30) days after having been billed by MB CUSTOMER SOLUTIONS.

8.2 Licensee shall pay to MB CUSTOMER SOLUTIONS in consideration of the grant made in this Agreement a royalty. The royalty amounts to ten (10) % of the Net Sales of the Licensed Products plus VAT to be paid in addition, but at least EUR 15.000,00 in 2020 and EUR 10.000,00 in 2021 (in the following "Minimum Guarantee") for all in Exhibit 2 listed Licensed Product.

If the Licensed Products replicate commercial vehicles, the royalty is calculated on a pro-rate-basis for the tractor (= towing vehicle) only (for reasons of clarification: Thereby excluding the semitrailer as part of the Licensed Product).

8.3 The above named royalty also applies to Bundle Packages (For reasons of clarification: a combination of different products - often of different brands - in one (1) package or as one (1) special offer.). For Bundle Packages the

royalty is calculated as follows: The net sales price of the Bundle Package is divided by the number of products being included in the Bundle Package. Such calculated net sales price per product is to be multiplied by the number of products bearing the Licensed Rights. Such calculated net sales price of all products bearing the Licensed Rights qualifies as Net Sales and is basis for the calculation of the royalty¹.

- 8.4 The Minimum Guarantee shall be calculated against the royalty to be paid to MB CUSTOMER SOLUTIONS. It is not refundable, even if the Agreement is prematurely terminated. The Minimum Guarantee is – always after having been billed by MB CUSTOMER SOLUTIONS – for the first time due after conclusion of this Agreement and afterwards always on 31.01. on every calendar year. For reasons of clarification: The Minimum Guarantee is requested in every calendar year for the according ongoing calendar year and cannot be calculated against the royalty of the previous or the following calendar year.
- 8.5 Licensee shall provide information regarding sales of Licensed Products (in the following "Reporting") on the following dates comprising the following Reporting periods.

Reports	reporting periods	due-date
1. Report	01. January - 30. September	15. October
2. Report	01. October - 30. November	10. December
3. Report	01. December - 31. December	15. January (next year)

The Reporting shall indicate the quantity and nature of all Licensed Products sold, the selling of the Licensed Products sold, the selling price of the Licensed Products, the returns and price reductions, the net turnover and the royalty for the preceding royalty report.

In case of a license regarding more than one (1) Licensed Product, the Reporting has to list the details for every Licensed Product separately (For reasons of clarification: A replica of an original vehicle in two (2) different scales is one (1) Licensed Product.). The Reportings shall be furnished whether or not any Licensed Products have been sold during the preceding calendar year.

If the Territory covers more than one (1) country, the Reporting shall show the figures concerned both summarized and also separately per country.

- 8.6 The royalty shall always be payable following Reportings by Licensee addressed to MB CUSTOMER SOLUTIONS and invoices by MB CUSTOMER SOLUTIONS addressed to Licensee. For reasons of clarification: Licensee shall pay royalties and other fees only after having been billed by MB CUSTOMER

¹ Example: The Bundle Package „Antonia's Luxury Fleet" consists of 25 replica, 1 car-park, 2 chauffeur dolls, 1 Antonia doll and a car-wash. Its net sales price amounts to EUR 60. Among the 25 replica there are 5 Mercedes-Benz vehicles. The royalty of 7 % of the Net Sales + VAT is calculated as follows: EUR 60 are divided by 25 = EUR 2,40 net sales price per product. These EUR 2,40 are multiplied by 5 = EUR 12 net sales price for all Mercedes-Benz products in the Bundle Package. I.e. the Net Sales is EUR 12. 7 % of these EUR 12 = EUR 0.84. Result: For each Bundle Package sold a royalty of EUR 0.84 + VAT is to be paid.

SOLUTIONS. All fees are due after their invoices are issued.

- 8.7 MB CUSTOMER SOLUTIONS's receipt of any such payment or report shall not preclude MB CUSTOMER SOLUTIONS from questioning their correctness. Any difference leading to Licensee's obligation to pay is due immediately. Licensee shall immediately rectify any inconsistencies or mistakes discovered in such payments or reports and make the appropriate payments. In case of an inconsistency to the disadvantage of Licensee, the difference will be balanced with the next royalty. Any costs with respect to such payments are to be borne by Licensee.
- 8.8 All payments made hereunder shall be in EURO and shall be based on the exchange rate in effect on the date such payments were originally due.
All Payments shall be made to:
Commerzbank AG
Account Number : 90 46 43 400
Bank Code: 600 800 00
IBAN: DE18 6008 0000 0904 6434 00
BIC: DRES DE FF 600
- 8.9 In case of Licensee's delay in payment of royalties or other payments, Licensee shall pay the sums due with interest as from maturity at nine (9) percentage points above the base rate as defined by the German Central Bank according to § 247 and § 288 of the German Civil Code (Buergerliches Gesetzbuch, BGB). Further claims in damages arising from delay remain unaffected.
- 8.10 Licensee shall maintain, at its principal place of business, accurate and separate records about the procurement of materials and parts from suppliers, any supplies from and to subsidiaries, sister companies and other associated entities of Licensee as well as quantity and nature of all Licensed Products sold, the selling price of the Licensed Products, the returns and price reductions, the Net Turnover and the royalty. If the Territory covers more than one (1) country, the records will show the figures concerned both summarized and also separately per country.
- 8.11 MB CUSTOMER SOLUTIONS and its authorised representative shall, during reasonable business hours, have the right - during the term of this Agreement and for seven (7) years afterwards - to inspect, audit and copy such records and any other data, material and information which may give indications about correct Reportings and the compliance of other provisions of this Agreement. In case of such audits, Licensee shall assist MB CUSTOMER SOLUTIONS to its best efforts, in particular by providing any and all possibly relevant data, material and information and by giving access to them. In case there is no possibility to copy any such data, material and information at Licensee's place of business, MB CUSTOMER SOLUTIONS is allowed to remove those data, material and information for the purpose of duplication.
Costs of such audits are to be borne by MB CUSTOMER SOLUTIONS, except if

a discrepancy between actually paid fee and correctly owed fee is in excess of three (3) %: Then Licensee shall pay the entire costs of auditing Licensee's books.

Apart from that, in case of any incorrect recording, any incorrect Reporting or any infringement of this regulation, MB CUSTOMER SOLUTIONS may terminate this Agreement and all other contracts according to Section 16.2.

- 8.12 Licensee is obliged to disclose on 30.11. of each calendar year information about his company and his business activities as outlined in Exhibit 7 and to use the according form. Such information include for example data of his legal structure, information about group subsidiaries, sister companies and other associated entities and partners, distribution structure, certifications, correct and complete contact details.

9. Taxation

- 9.1 The Parties shall take all measures in accordance with their respective domestic law and any double taxation agreement between the Federal Republic of Germany and the Country of Licensee ("the Tax Treaty"), if any, to ensure a reduction of or exemption from, as the case may be, taxes which might become payable in connection with this Agreement.

- 9.2 All taxes or duties of any kind whatsoever in connection with payments made by Licensee and imposed on MB CUSTOMER SOLUTIONS by the German tax authorities shall be borne by MB CUSTOMER SOLUTIONS. All taxes or duties of any kind whatsoever in connection with payments made by Licensee and imposed or to be paid in China shall be borne by Licensee. The preceding sentence does not apply to income taxes imposed or withheld in accordance with the domestic law and the Tax Treaty.

- 9.3 In case Licensee is required by the domestic law and the Tax Treaty, if any, to withhold taxes from payments under this Agreement, Licensee shall exercise its best efforts to attain that the payment to MB CUSTOMER SOLUTIONS will be taxed at any reduced rate under the Tax Treaty, if applicable.
In case Licensee is required to withhold taxes from payments under this Agreement, Licensee shall provide MB CUSTOMER SOLUTIONS without undue delay with the original tax receipt and any other documents that evidence calculation and payment of the tax without undue delay. These documents shall specify MB CUSTOMER SOLUTIONS as tax payer, the amount of tax paid, the tax law and the legal regulation on which such tax payment is based, the tax rate or the amount on which such rate is based, and the date of payment of the tax. If the documents of the tax authority are issued in a language other than German or English, Licensee shall have the documents translated into German or English at its own expense at the request of MB CUSTOMER SOLUTIONS and to have the correctness of such translation certified either officially or by a notary public.

10. Rights of the Licensed Rights and Goodwill

- 10.1 Licensee recognises the great value of the goodwill associated with the Licensed Rights and acknowledges that all rights in said rights are exclusively with DAG and MB CUSTOMER SOLUTIONS and that Licensee shall not acquire any rights therein except for the license granted subject to all the terms and conditions of this Agreement. All use of the Licensed Rights shall inure to the benefit of DAG and MB CUSTOMER SOLUTIONS. Licensee shall not, during the term of this Agreement and thereafter, contest DAG's ownership of and MB CUSTOMER SOLUTIONS's rights to use the Licensed Rights or their validity.
- 10.2 Licensee will refrain from any conduct which may jeopardize the reputation of the Licensed Rights and/or DAG and/or MB CUSTOMER SOLUTIONS. In case he will learn of such a jeopardy, Licensee will immediately take all necessary steps. Any infringement of this provision may lead to MB CUSTOMER SOLUTIONS's termination of the Agreement according to Section 16.2.

11. Recordal of License

MB CUSTOMER SOLUTIONS may arrange for the application to the according Trademark Office(s) within the Territory for the purpose of procuring the registration of this license under the relevant law (where the law requires). Licensee agrees to cooperate in the procedure and to execute any necessary documents.

12. Infringement of Licensor's Rights by Third Parties

- 12.1 Licensee shall not claim any right other than this license in the Licensed Rights. In particular Licensee shall not attempt to register or to use or to aid any third party in attempting to register or to use any of the Licensed Rights, or any mark, name or designation similar thereto, or any other mark or name or designation of MB CUSTOMER SOLUTIONS and/or DAG in any jurisdiction.
- 12.2 Licensee will at the request of MB CUSTOMER SOLUTIONS give full co-operation to MB CUSTOMER SOLUTIONS in preventing or prosecuting any infringement of any of the Licensed Rights. Licensee shall as soon as it becomes aware thereof notify MB CUSTOMER SOLUTIONS in writing of any actual or potential infringement of the Licensed Rights and shall make no comments or admission to any third party in respect thereof. MB CUSTOMER SOLUTIONS shall have the conduct of all proceedings relating to the Licensed Rights and shall in its sole discretion in cooperation with DAG decide what action, if any, to take in respect of any infringement or alleged infringement of the Licensed Rights or passing off or any other claim or counterclaim brought or threatened in respect of the use or registration of the Licensed Marks. Licensee shall not be entitled to bring any action for infringement and MB CUSTOMER SOLUTIONS shall not be obliged to bring or defend any proceedings in relation to the Licensed Rights if it decides not to do so.

13. Suppliers and Distribution Partners

13.1 MB CUSTOMER SOLUTIONS acknowledges that Licensee may obtain parts of the Licensed Products from suppliers and that in this case those suppliers may use the Licensed Rights for the purpose of manufacturing the Licensed Products. Licensee shall see that his suppliers will comply with the provisions of this Agreement. In particular the suppliers may not advertise with the Licensed Rights. Licensee accepts that he is liable for the suppliers' activities like for his own activities. Licensee shall be liable for all damages occurring in the course of cooperating with suppliers.

13.2 In order to prevent any misunderstandings about non-authorized uses of the Licensed Rights, Licensee shall provide MB CUSTOMER SOLUTIONS in writing with the names and addresses of all its suppliers and other third parties using the Licensed Rights. Only those reported third parties are covered by this Agreement and may refer to it.

Any infringement of this provision may lead to MB CUSTOMER SOLUTIONS's termination of the Agreement according to Section 16.2.

MB CUSTOMER SOLUTIONS shall regard this information as confidential.

13.3 If Licensee intends to change his reported partners, he shall inform MB CUSTOMER SOLUTIONS beforehand in written form. The annual disclosure of information according to Section 8.12, Exhibit 7 is explicitly not sufficient.

Any infringement of this provision may lead to MB CUSTOMER SOLUTIONS's termination of the Agreement according to Section 16.2.

13.4 Licensee intends to produce Licensed Products under the businessname Pinghu City Xiao Ming Xing Children's Products Co., Ltd.

Licensee intends to sell the Licensed Products under the business name Pinghu City Xiao Ming Xing Children's Products Co., Ltd.

14. Product Liability; Indemnity

14.1 Licensee is responsible for the Licensed Products under all aspects, in particular concerning product liability. The Licensed Products are reviewed by MB CUSTOMER SOLUTIONS with respect to design and stylistic elements only, but not concerning product safety or other legal requirements. MB CUSTOMER SOLUTIONS offers no guarantee (responsibility) that production and distribution of the Licensed Products within the Territory are permitted and will not breach any third party rights.

Licensee shall indemnify Indemnitees from all Indemnifiable Costs relating to any failure by Licensee or its sub-contractors or suppliers to observe and perform their respective duties and obligations under this Agreement, including any expenses incurred by DAIMLER in collecting any amounts due from Licensee. Licensee shall also indemnify indemnitees from all Indemnifiable Costs arising from any claims of third parties, including

Licensee's legal representatives, directors, officers, employees and agents as well as its sub-contractors or suppliers, relating to Licensee's performance of, or failure to perform, any duty or obligation under this Agreement and any agreement entered by Licensee in connection with this Agreement.

"Indemnitee" means DAG and each Daimler Group Company and their respective legal representatives, directors, officers, employees and agents.

"Indemnifiable Costs" means in relation to any particular matter:

- (i) all claims, penalties, fines, judgments or administrative actions made, imposed, rendered or taken against an Indemnitee with respect to that matter, and all settlements to resolve an Indemnitee's alleged liability for that matter;
- (ii) all reasonable costs and expenses (including the fees and disbursements of counsel or other advisors) incurred by an Indemnitee in assessing and defending against any alleged liability which would, if successfully asserted, be indemnifiable under Sub-clause (i); and
- (iii) all losses and direct damages incurred by an Indemnitee by reason of that matter.

- 14.2 Throughout the entire period of this contract and for seven (7) years afterwards, Licensee shall maintain a standard product liability insurance of a recognized insurer. The limit of indemnity shall amount to not less than EUR 5,000,000 (five millions) and shall also apply in favour of MB CUSTOMER SOLUTIONS. The insurance policy shall state that the policy may only be terminated by Licensee after the expiry of a thirty (30) day period starting from the date MB CUSTOMER SOLUTIONS has received a respective written information about such intended termination. A respective insurance policy shall be submitted to MB CUSTOMER SOLUTIONS upon request. Any infringement of this provision may lead to MB CUSTOMER SOLUTIONS's termination of the Agreement according to Section 16.2.

15. Compliance with Laws

1. Licensee, for itself and on behalf of its Affiliated Persons as defined below, represents, warrants and covenants that:
 - a. Licensee and its Affiliated Persons are solely responsible for complying, have to their best knowledge complied, and will comply, with Applicable Laws, as defined below, and have to their best knowledge not taken and will not take or fail to take any action, which act or omission would subject DAG or any DAG Group Company (for the avoidance of doubt: MB CUSTOMER SOLUTIONS being a DAG Group Company) to liability under Applicable Laws;
 - b. neither Licensee nor any of its Affiliated Persons has, to its or their best knowledge, offered, paid, given or loaned or promised to pay, give or loan, or will offer, pay, give or loan or promise to pay, give or loan, directly or indirectly, money or any other thing of value to or for the benefit of any Government Official as defined below, for the purposes of

- corruptly (a) influencing any act or decision of such Government Official in his official capacity, (b) inducing such Government Official to do or omit to do any act in violation of his lawful duty, (c) securing any improper advantage or (d) inducing such Government Official to use his influence with a Government Entity as defined below to affect or influence any act or decision of that Government Entity, in each instance to direct business to Licensee, DAG or any DAG Group Company; and
- c. neither Licensee nor any of its Affiliated Persons is or will become a Government Entity or a Government Official whose official duties include decisions to direct business to Licensee, DAG or any DAG Group Company or to supervise, or otherwise control or direct the actions of, Government Officials who are in a position to direct business to Licensee, DAG or any DAG Group Company.
2. Licensee shall assist and cooperate fully with the efforts of DAG and any DAG Group Company to comply with Applicable Laws.
 3. In no event will DAG or any DAG Group Company be obligated to Licensee under or in connection with this Agreement to act or refrain from acting if DAG or any DAG Group Company believe that such act or omission would cause DAG or any DAG Group Company to be in violation of Applicable Laws. In no event will DAG or any DAG Group Company be liable to Licensee for any act or omission which DAG or any DAG Group Company believe is necessary to comply with Applicable Laws.
 4. If Licensee or any of its Affiliated Persons breaches any of the representations, warranties or covenants in this Article 15.2, each of which is deemed to be material and continuously made throughout the term of this Agreement, then, in addition to any other rights MB CUSTOMER SOLUTIONS may have under this Agreement, MB CUSTOMER SOLUTIONS may, at its option, take any one or more of the following measures:
 - a. withdraw or suspend any of the rights granted to Licensee under this Agreement;
 - b. withhold delivery of any technical product documentation and any updates thereof to Licensee;
 - c. withhold delivery of DAG or any DAG Group Company components to Licensee; and
 - d. withhold, and advise DAG or any other DAG Group Company to withhold, any assistance to Licensee,without liability to Licensee for any claims, losses or damages related to such measure.
 5. For purposes of this Article 15.2, the following terms have the meanings set forth below:
 - a. "Applicable Laws" means the U.S. Foreign Corrupt Practices Act and German anti-corruption laws, without regard to their jurisdictional limitations, and all other laws, regulations, rules, orders, decrees or other directives carrying the force of law applicable to any activities engaged in

- by Licensee or any of its Affiliated Persons in connection with this Agreement or any other business matters involving Licensee and DAG or another DAG Group Company, in each case as the same may be amended from time to time;
- b. "Affiliated Persons" means Licensee's officers, directors, employees, or agents, or any of its stockholders, principals or owners acting on its behalf or in its interests;
 - c. "Government Entity" means a government or any department, agency or instrumentality thereof (including any company or other entity controlled by a government), a political party or a public international organization; and
 - d. "Government Official" means any officeholder, employee or other official (including any immediate family member thereof) of a Government Entity, any person acting in an official capacity for a Government Entity or any candidate for political office.

16 Duration and Termination

- 16.1 This Agreement shall commence and be effective from 01.01.2020 until 31.12.2021. The Agreement will not automatically be renewed. Such renewal for another term of one (1) year takes place only if one of the Parties gives notice about being interested in a renewal to the other Party. Such notice must be given in written form and until three (3) months prior to the end of the Agreement's term. If the other Party within a period of fourteen (14) days agrees in writing to the suggestion of renewal, the Agreement is renewed. The Agreement can be renewed several times. (For reasons of clarification: Without explicit written consent to the proposed renewal, the Agreement is terminated after its initial term; the license then is no longer being granted. If the Agreement is renewed, all rights and obligations of the Agreement remain in force, i.e. in particular Licensee's obligation to pay royalties and other fees.)
- 16.2 Either Party shall have the right to immediately terminate this Agreement for good cause. Good cause in particular is a breach of a mayor provision of this Agreement which remains unremedied for thirty (30) days after written notice thereof is sent to the breaching Party.
- 16.3 A good cause which enables MB CUSTOMER SOLUTIONS to immediately terminate this Agreement is - apart from the reasons according to Sections 4.6, 6.2, 6.3, 7, 8.11, 10.2, 13.2, 13.3 and 14.2 - is also defined as follows:
- a. Licensee fails to make any payment of royalties or other fees, or to submit any Reporting, when due, and Licensee does not cure such default within thirty (30) days after written notice thereof is sent by MB CUSTOMER SOLUTIONS to Licensee; or
 - b. Licensee uses the Licensed Rights contrary to Section 4 and 5 of this Agreement and Licensee does not cure such default within thirty (30) days after written notice thereof is sent by MB CUSTOMER SOLUTIONS to Licensee; or
 - c. the quality of the Licensed Products mass-produced continuously is

worse than the approved samples and Licensee does not cure such default within thirty (30) days after written notice thereof is sent by MB CUSTOMER SOLUTIONS to Licensee; or

- d. Licensee becomes insolvent or ceases whether voluntarily or not to carry on business in the Licensed Products. If this Agreement is so terminated, neither Licensee nor its receivers, representatives, trustees, agents, administrators or successors, if any, shall have any right to sell, distribute, exploit, or deal in any way with any Licensed Products or any cartons or packaging materials pertaining thereto, except with and pursuant to MB CUSTOMER SOLUTIONS's prior written consent and instructions.

16.4 If Licensee commits multiple material breaches or repeats a material breach within twelve (12) months, then MB CUSTOMER SOLUTIONS in its sole discretion shall have the right to immediately terminate this Agreement without any opportunity of Licensee to cure.

16.5 In case of a breach of the obligations according to Section 15, MB CUSTOMER SOLUTIONS may terminate this Agreement and all other contractual relationships with Licensee with immediate effect without giving an opportunity to cure such breach.

16.6 Termination of this Agreement shall be made in written form.

17. Effect of Termination

Upon termination of this Agreement for any cause:

- a. all rights granted to Licensee hereunder shall revert to MB CUSTOMER SOLUTIONS; and
- b. except as specifically provided in Section 18 hereof, Licensee shall cease using the Licensed Rights in connection with the manufacture, sale, distribution or advertising of the Licensed Products, and Licensee shall not subsequently use any such designation, design or any designation or design similar thereto in connection with any Licensed Product or any other product; and
- c. all royalty payable to MB CUSTOMER SOLUTIONS hereunder shall be immediately due and shall be paid to MB CUSTOMER SOLUTIONS within ten (10) days of the effective date of expiration or termination; and
- d. Licensee shall free of cost return all obtained materials, data and written information to Licensor; and
- e. Licensee shall destroy all and any tools used specifically for the Licensed Products and shall provide MB CUSTOMER SOLUTIONS with according evidence within ten (10) days after termination of this Agreement.

The according costs are to be borne by Licensee.

18. Selling-off Period after Termination

Upon termination of this Agreement, Licensee may - subject to his compliance with the provisions of this Agreement - supply their partners with those Licensed Products which have already been manufactured at the time of the Agreement's termination for a period of not more than six (6) months after termination of this Agreement. There is no selling-off period, however, in case of termination based on the reasons as defined in Sections 15, 16.3.c or 16.3 d.

After this selling-off period of six (6) months Licensee shall see that the remaining stocks on store will be destroyed at Licensee's expense and MB CUSTOMER SOLUTIONS shall be provided with according evidence within ten (10) days after the end of the selling-off period.

18a Confidentiality

18a.1 The Parties shall treat as confidential all information, particularly technical and business information, whether written or oral, of the Parties they received in the course of the license corporation ("Corporation") to which they gained access or which they otherwise obtained in the course of said Corporation, shall use such information only for the purpose of said Corporation, shall give access only to its employees who need to have access and who entered into similar confidentiality obligations, and shall not pass it on to third parties.

18a.2 No obligation shall apply to information and documents

- (i) which are already known to, or in the possession of the receiving Party prior to receipt of such information;
- (ii) which are legally received by a Party from a third party without any confidentiality obligation;
- (iii) which are in the public domain or enter the public domain through no wrongful act of the receiving Party;
- (iv) which can be proven by the receiving Party to have been developed independently of confidential information received from the other Party.

18a.3 The Parties shall not be liable for disclosure of information which occurs despite the exercise of the same degree of care and protection such Party takes to preserve their own confidential information.

18a.4 The Parties providing confidential information shall remain vested holder of such information.

18a.5 The obligations of confidentiality set forth herein shall survive the term of this Agreement for a period of five (5) years thereafter.

19. Notices

19.1 All notices and Reportings to be given hereunder shall be in writing and shall be addressed to the Party to be so notified as follows, unless notification of a

change of address is given in writing:

If to MB CUSTOMER SOLUTIONS:

Mercedes-Benz Customer Solutions GmbH
Bereich Lizenz- und Produktmanagement Collection MB CUSTOMER
SOLUTIONS/CLM
Philipp Jänz
Am Wallgraben 125
70565 Stuttgart
Deutschland
Tel: 0049-711-17-70531
Fax: 0049-711-17-9080659
e-Mail: philipp.jaenz@daimler.com

If to Licensee:

Pinghu City Xiao Ming Xing Children's Products co., Ltd
NO.199 Xinya, Road Xincang Town
Pinghu City, Zhejiang Province
China
Tel: +86 573 85745388
Fax: +86 573 85700833
e-Mail: summerbabycar@foxmail.com

19.2 The Parties agree that notices and Reportings require a sending via post or courier. Otherwise they do not have any legal effect. A sending via e-mail or fax is for additional informational purpose only.

20. Severability

If any provision of this Agreement shall be held invalid or unenforceable, it shall be deemed severed from the Agreement and such invalidity or unenforceability shall not affect the validity or enforceability of any other provision of this Agreement.

21. Waiver

No waiver by either Party of a breach hereunder shall be deemed a waiver by such party of any other breach whether of the same or different nature.

22. Entire Agreement

This Agreement constitutes the entire license agreement between the Parties. Any change in this Agreement must be in writing with specific reference to this Agreement and signed by an authorised representative of each party. This Agreement supersedes all prior agreements or understandings, oral or written, between the Parties relating to the subject matter hereof.

23. Governing Law; Jurisdiction

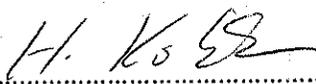
This Agreement shall be governed by the law of the Federal Republic of Germany in all respects, including all matters of validity, construction and performance of this Agreement, except to the extent that such law would require the application of the law of another jurisdiction. Licensee consents to personal jurisdiction over Licensee in any competent court in Stuttgart, Germany, in any action relating to this Agreement.

IN WITNESS WHEREOF the duly authorised representatives of the Parties have executed this Agreement on the date(s) specified below.

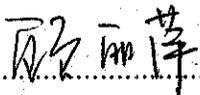
Accepted and agreed to: Mercedes-Benz Customer Solutions GmbH

Stuttgart, 17.01.2020


i.V. Nicole Baldisweiler


i.A. Hannelore Köhler

Pinghu City Xiao Ming Xing Children's Products co., Ltd


Signature

.....
Signature

Li Ping Gu
Name (block letter)

.....
Name (block letter)

Manager
Title

.....
Title

china 14.12.2019
Place, Date

.....
Place, Date

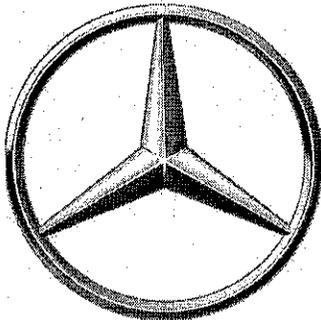
Exhibits to License Agreement

**Exhibit 1
The Licensed Rights**

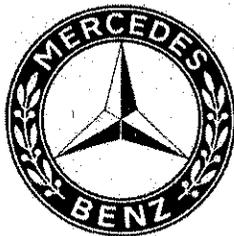
1. Trademarks and other designations:

1.1 Mercedes-Benz

1.2 Three-pointed Star in A Ring (device)



1.3 Three-pointed Star in A Laurel Wreath (device)



1.4 Mercedes

**2. Designs, copyright and other intellectual properties of the following
Mercedes-Benz vehicles:**

Mercedes-Benz Go Kart

Exhibit 2
The Licensed Products

Replicas of the following vehicles in the following scales:

- Mercedes-Benz Go Kart
- Scale 1/4

The Parties agree that the Licensed Product always consist of the replica and its packaging.

The Parties also agree that with respect to replicas of a commercial vehicle, the Licensed Product is defined as tractor (= towing vehicle) and semitrailer together being one (1) Licensed Product.

The Parties also agree that the replica of a modified vehicle or a replica of the next version of the vehicle are not covered by a license of the current basis model. Licensee acknowledges that such replicas are not subject to this license of the basis model, but require a separate license.

Exhibit 3
The Territory

Worldwide except Iran, North Korea and Syria

Exhibit 4
Minimum Standards according to Section 4

1. Quality of the Licensed Products equalling the premium reputation of the Mercedes-Benz brand and products
2. Correspondence of the significant design elements and designations
3. Manufacturing of the replica to scale
4. Compliance with the Corporate Design Guidelines of MB CUSTOMER SOLUTIONS
5. Compliance with safety regulations and standards being relevant for the supposed users of the Licensed Products
6. No use of materials and tools which might damage ecology or health (e.g. of Licensee's employees or of his suppliers' employees or of consumers)
7. Disposability of packaging and packaging materials
8. Designation (Brand) of Licensee on the bottom of Licensed Products' bodywork

Exhibit 5
Steps of Approval According to Section 4

1. Review of the Mock-up by MB CUSTOMER SOLUTIONS (For reasons of clarification: Only after written approval of the Mock-up by MB CUSTOMER SOLUTIONS, Licensee may start with manufacturing the pre-production sample.)
2. Review of the pre-production sample by MB CUSTOMER SOLUTIONS (For reasons of clarification: Only after written approval of the pre-production sample by MB CUSTOMER SOLUTIONS, Licensee may start mass production.)
3. Before mass production of the Licensed Product: Review of Licensee's packaging containing the Licensed Products, used initially as well as in the event of any planned modifications and new editions of such packaging
4. Before mass production of the Licensed Product: Review of Licensee's advertising materials containing the Licensed Products, used initially as well as in the event of any planned modifications and new editions of such advertising materials
5. Review of a mass production sample (For reasons of clarification: Only after written approval of the mass production sample by MB CUSTOMER SOLUTIONS, Licensee may start distribution.)
6. Regular reviews of the mass production

Licensee shall provide MB CUSTOMER SOLUTIONS - always free of cost and unsolicited - with such samples for the purpose of review and comment.

Exhibit 6 Form for Reporting according to Section 8.

To: Mercedes-Benz Customer Solutions GmbH
Am Platzgraben 128
70858 Stuttgart
Phone: +49 711 17-76631
Mail: MBCustomerSolutions_royalty_report@mercedes.com

Date: _____

Royalty Statement (XXXXXXXX-XXXX-XXXX)

Licensee: _____
Customer No.: XXXXXX
Contract No.: XXXX
Contract Start: XXX.XX.XXXXX
Contract End: XXX.XX.XXXXX
Currency: EUR
Contract/Serial: XXXXXX

Reporting period: XX.XX.XXXX-XX.XX.XXXX
Report due: 15.XX.XXXX

Brand	Series	Continent	Sales	Model Type	Average Net Sales Price	Quantity Sold	Net Sales	Royalty Rate	Royalties due on Net Sales	Deduction as allowed per contract	Remarks
		Süd & Mittelamerika, Karibik									
		Asien									
		Australien									
		Europa nicht spezifiziert									
		Nordamerika									
									Total		
									Minimum Guarantee		
									Balance 01.01.XXXXX - 31.03.XXXXX		
									Balance 01.04.XXXXX - 30.06.XXXXX		
									Balance 01.07.XXXXX - 30.09.XXXXX		
									Balance 01.10.XXXXX - 31.12.XXXXX		
									Report Invoice	EUR	

Further Information:
 Please fill in the reporting form completely, even if you didn't have any sales in the reporting period.
 Please send the reporting form as excel file via e-mail only.
 Please state your sales in EUR.
 For licensees from outside Germany, please state your Net Sales without the reduction of the withholding tax.

Exhibit 7

Form for Disclosure of Information about Licensee's Company and Activities according to Section 8.12

Mercedes-Benz Customer Solutions

Formblatt 02.1-6
Firmenankunft englisch -
company data

Mercedes-Benz Customer Solutions GmbH, Am Wallgraben 126 - D-70666 Stuttgart

In order to get a license for the use of Daimler AG trademarks, the following information is requested to evaluate your licensing proposal. The data will be used for internal evaluation only.

1. Company data

General information

Date:	
Company name:	
Form of company:	Core business:
Address:	
Contact person:	
Telephone:	Fax:
Email:	
URL of Company:	
Sales tax identification number:	
Names and location of subsidiaries:	
Name and location of manufacturing facilities:	

Bank details

Bank name:	
Bank code number:	Account number:
Swift-Code:	IBAN-Number:

Credit Information

Company state of incorporation:
D&B rating and/or S&P rating (if any):
Year in business:
Current product liability insurance coverage and name of carrier:

Contact person for Product Management

Contact person:	
Address:	
Telephone:	Fax:
Email:	

Contact person for accounting

Contact person:	
Address:	
Telephone:	Fax:
Email:	

Formblatt 02.1-6
Firmenankunft englisch -
company data

2. Product, sales and marketing data

Turnover of the product lines (for example model cars, videogames ...) for latest 3 business years

Year			
Product line 1			
Product line 2			
Product line 3			

Top seller last year

Product 1:	
Product 2:	
Product 3:	

Primary markets (please give us information about your primary markets & market share in %)

Europe:	
North America:	
South America:	
Africa:	
Asia:	

Channels of distribution

Specialised Stores:	
Direct Sales/Flagship Stores:	
Online:	
Others:	

Marketing

Annual Marketing Budget:	
Advertising agency:	
Location of showroom(s):	

3. References & misc. information

References

Products:	
Other licensors/Partners:	

Certifications

ISO certification:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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Please attach all other pertinent information you believe will help in evaluating this request. Please return the complete data sheet along with catalogues, price lists and other brochures to Mercedes-Benz Customer Solutions, Attn.: Licensing department, Am Wallgraben 125, D - 70565 Stuttgart.