

TRADEMARK LICENSE AGREEMENT

This Trademark License Agreement (the "Agreement") dated as of January 1st, 2019 by and between Piaggio & C. S.p.A., an Italian corporation with its registered offices at Viale Rinaldo Piaggio, 25, Pontedera, Italy ("Licensor") and Shanghai Happy Children Factory, a Chinese company, with its principal place of business at No. 1002, LangPing Rd., Langxia Town, Jinshan Country, Shanghai, China, ("Licensee").

WITNESSETH:

WHEREAS, Licensor holds the entire right and interest in and to the trademark(s) listed in *Exhibit A* hereto ("the Trademark"); and,

WHEREAS, Licensee wishes to acquire, and Licensor wishes to grant in conformity with this Agreement, a license pursuant to which Licensee shall have certain rights to use the Trademark under the terms and conditions set forth hereunder.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and conditions herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. As used herein, the term:

1.1 "License" shall mean the right, license and privilege granted to Licensee during the Term (as hereinafter defined) to use, subject to the terms and provisions hereof, the Trademark on a *non-exclusive* basis in connection with the production, distribution, importation, wholesale sale and promotion of Licensed Products in the Territory. "License" as defined herein shall not in any way be construed to mean the right (i) to grant any sublicense of any kind to any third parties, including but not limited to, any Contractors (as defined hereto), whether related or unrelated to the Licensee, or (ii) to assign the rights, license and privileges under this License, in full or in part, to any third parties, whether related or unrelated to the Licensee, without the prior written consent of the Licensor.

1.2 "Licensed Products" shall mean the products listed on *Exhibit B* attached hereto, bearing the Trademark.

1.3 **"Quarter"** shall mean a period of three (3) consecutive calendar months commencing on each January 1, April 1, July 1, and October 1 during the Term.

1.4 **"Term"** shall mean the term of this Agreement as defined in Section 9 hereof.

1.5 **"Territory"** shall mean the countries listed in *Exhibit C*.

1.6 **"Point of Sale Channels"** shall mean as specified in *Exhibit D*, in the Territory.

1.7 **"Hologram"** shall mean: the anti-counterfeiting system that will distinguish all the Licensed Products distributed in the Territory.

2. Grant of License.

2.1 Subject to the terms and conditions of this Agreement, Licensor hereby grants Licensee and Licensee hereby accepts the License. It is the intent of Licensor and Licensee that during the Term Licensee shall seek to commence and expand the distribution of Licensed Products throughout the Territory, subject to local laws (including, without limitation, trademark laws).

2.2 It is understood and agreed that the License applies solely to the use of the Trademark on the Licensed Products pursuant to the terms of this Agreement, and that (i) no use of any other trademarks of Licensor, and (ii) no use of the Trademark on any other product(s), is authorized or permitted.

2.3 Notwithstanding anything to the contrary contained herein, it is expressly understood that Licensee shall cause the Licensed Products to be manufactured only by qualified independent contractors which have been and with which contractors Licensee has entered into a written agreement pursuant to the provisions of this Agreement (the "Contractor(s)"). The Contractors may be located outside of the Territory, but the Licensed Products shall be manufactured solely for Licensee's interest and solely for the purpose of their importation into or distribution and sale within the Territory by Licensee pursuant to the terms of this Agreement. Licensee shall obtain Licensor's written approval of all Contractors prior to Licensee engaging or committing to the use of such Contractors for the manufacture of the Licensed Products. Licensee shall provide Licensor with reasonably detailed written information regarding the Proposed Contractors' identity, address of the place of manufacture specifically of the Licensed Products and manufacturing conditions.

2.4 Licensee shall enter into a written manufacture and supply agreement with each Proposed Contractor for the manufacture of the Licensed Products, that will be delivered in copy to the Licensor. This agreement will conform with all provisions and obligations set forth by the terms of this Agreement, including without limitation, the following:

2.4.1 The Contractors shall use the Trademark only for and limited to the manufacture of the Licensed Products on behalf and account of Licensee;

2.4.2 The Contractors shall neither sell nor otherwise transfer, directly or indirectly, to any third parties the Licensed Products manufactured for Licensee except to Licensee, Licensee's affiliates;

2.4.3 The Contractors shall make available for inspection by Licensee and/or Licensor or to Licensor's agents or representatives, Contractors' manufacturing facilities at any time during the term of the Contractors' manufacturing agreement upon Licensee's or Licensor's reasonable request.

2.5 Upon termination for any reasons of a manufacture and supply agreement between Licensee and any Contractors or upon termination for any reasons of this Agreement, whichever occurs first, Licensee shall use its best efforts to cause the Contractor(s) to discontinue any use of the Trademark, and shall certify to Licensor that, to the knowledge of the Licensee, the Contractor(s) has/have actually discontinued any use and that the Contractor(s) has/have destroyed or delivered to Licensee for destruction any models and/or any other items suitable to reproduce the Trademark.

2.6 In addition to any and all remedies available to Licensor against Licensee in case of an unauthorized use of the Trademarks by a Contractor, Licensee shall assist Licensor in any action, including legal actions (at Licensor's expense), required to stop such unauthorized use by the Contractor(s). Licensee further agrees that, in the event a Contractor sells or otherwise transfers the Licensed Products to any unauthorized third party, Licensee shall immediately terminate the manufacturing and supplying agreement with such Contractor.

2.7 Licensee shall, at the request and expense of Licensor, execute and/or file any legal documents, provide assistance, and/or specimens, required by the relevant agency or agencies in the Territory which may be vested with jurisdiction with respect to the Trademark, for the prosecution of any new applications, declarations of use, renewals, registered user declarations for the Trademark.

- (iv) Is required to be disclosed by the receiving party pursuant to a requirement, order or directive of a government agency or by operation of law and only then with reasonable advance notice of such disclosure to the other party and subject to prior consultation with the disclosing party's legal counsel.

15.5 All press releases and/or public announcements by Licensee with respect to the subject matter of this Agreement shall be subject to prior written approval by Licensor, as to content, timing and distribution of any such release. Licensee shall not have any rights against Licensor for damages or other remedy by reason of Licensor's failure or refusal to grant approval of any press release.

16. Jurisdiction and applicable law

16.1 Any controversy or claim arising out of or relating to this Agreement, or the breach, interpretation, or enforcement thereof, shall be submitted to the exclusive jurisdiction of the Court of Milan (Italy). Notwithstanding the foregoing, Licensor shall have the right to sue Licensee in any Court having jurisdiction over Licensee or its assets. In any such action Licensee hereby waives any right to allege lack of personal jurisdiction, improper venue or inconvenient forum.

16.2 This Agreement shall be construed in accordance with and governed by the laws of Italy, without regard to its conflicts of law rules.

17. Miscellaneous.

17.1 All notices and statements to be given hereunder, shall be given or made to the Representative (as herein below defined) at the respective address of the parties as set forth below unless notification of a change of address is given in writing. Any notice shall be sent by registered or certified mail, and shall be deemed to have been given at the time it is mailed.

If to LICENSOR:

Piaggio & C. S.p.A.
Viale Rinaldo Piaggio, 25
56025 Pontedera (PI), Italy
Attention of "Licensor's Representative"

With a copy to: Corporate and Legal Affairs

If to LICENSEE:

Shanghai Happy Children Factory
No. 1002, LangPing Rd., Langxia Town,
Jinshan Country, Shanghai, China,
Attention of "Licensee Representative"
www.shhaizile@126.com

Mr. Davide Zanolini is designated as Licensor's Representative on all contractual and technical aspects of this Agreement. Only he/she or his/her duly authorized representative or successor will be authorized to deal with all matters affecting the implementation of this Agreement. Successor of duly designated representative may be designated by Licensor by written notice to the Licensee.

Mr. Lu Zhi Kang is designated as Licensee's Representative on all contractual and technical aspects of this Agreement. Only he/she or his/her duly authorized representative or successor will be authorized to deal with all matters affecting the implementation of this Agreement. Successor of duly designated representative may be designated by Licensee by written notice to the Licensor.

17.2 Licensee shall immediately notify Licensor in writing upon receipt of any notice received by Licensee ordering the withdrawal, discontinuance, removal or recall of any Licensed Products a government or governmental agency, a regulatory body, court or the like.

17.3 Nothing herein contained shall be construed to place the parties in the relationship of partners or joint ventures, and no party hereto shall have any power to obligate or bind any other party hereto in any manner whatsoever, except as otherwise provided for herein.

17.4 None of the terms hereof can be waived or modified except by an express agreement in writing signed by the party to be charged. The failure of any party hereto to enforce, or the delay by any party in enforcing, any of its rights hereunder shall not be deemed a continuing waiver or a modification thereof and any party may, within the time provided by applicable law, commence appropriate proceedings to enforce any and all of such rights. All rights and remedies provided for herein shall be cumulative and in addition to any other rights or remedies such parties may have at law or in equity. Any party hereto may employ any of the remedies available to it with respect to any of its rights hereunder without prejudice to the use by it in the future of any other remedy with respect to any of such rights. No person, firm or corporation, other than Licensor,

Licensors' Affiliates, and Licensee, shall be deemed to have acquired any rights by reason of anything contained in this Agreement.

17.5 This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto. Licensors may assign all of its rights, duties and obligations hereunder to any entity which owns the Trademark or to which the right to use the Trademark has been transferred, or to an affiliate of any such entity. The rights granted to Licensee hereunder are unique and personal in nature, and neither this Agreement nor the License may be assigned by Licensee, whether by operation of law or otherwise, without Licensors' prior written consent which consent shall not be unreasonably withheld if the assignee is an affiliate of which Licensee controls no less than 51% and voting control of the assignee's shares or membership interest.

17.6 Licensee shall comply with all laws, rules, regulations and requirements of any governmental body which may be applicable to the operations of Licensee contemplated hereby, including, without limitation, as they relate to the manufacture, distribution, sale or promotion of Licensed Products, notwithstanding the fact that Licensors may have approved such item or conduct, except where the failure to comply will not have a material adverse effect.

17.7 The Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

17.8 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

17.9 At the request of the parties hereto, this Agreement and all documents relating thereto have been drafted in English.

17.10 Neither Party shall be liable to the other Party for nonperformance or delay in performance of any of its obligation under this Agreement due to causes beyond its reasonable control including, but not limited to, fires, floods, pertinent labor strikes, governmental acts or regulations, riots, insurrections, war, and act of the public enemy ("Force Majeure"). Upon the occurrence of any such event, the affected Party shall immediately notify the other Party as much in detail as possible and shall keep the other Party informed of any further developments of such event. Immediately after such event ceases or is removed, the affected Party shall perform all its obligations pending with reasonable promptness, unless this Agreement has been previously been terminated.


17.11 This Agreement constitutes the entire agreement between Licensor and Licensee relating to the subject matter hereof, and supersedes all prior oral and written agreements between Licensor and Licensee concerning the subject matter hereof, superseding all prior contracts between Licensor or Licensor's Affiliates and Licensee or Licensee's affiliates or related companies in respect of the Licensed Products. Any oral statements or representations or prior written matter with respect to the subject matter hereof not contained herein shall have no force and effect. This Agreement may not be changed, modified or waived without the written *consent* of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by a duly authorized officer.

PIAGGIO & C. S.p.A

Title: *Chairman and CEO*

Name: *Dott. Roberto Colaninno*

Signature: 

SHANGHAI HAPPY CHILDREN FACTORY

Title: *Director*

Name: *Mr. Lu Zhi Kang*

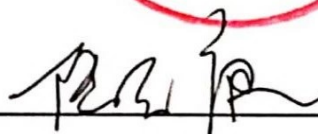
Signature: 



EXHIBIT A

TRADEMARKS AND TRADEMARK REGISTRATIONS

“Trademark” shall mean the trademark APRILIA word and/or logo, the graphic representation of which is reproduced below, registered or applied for by Licensor in International **Class 28** in the Territory, as are listed in the present Exhibit A (amended from time to time), and such other identical or similar trademark registrations and/ or applications as may be filed and/or registered by Licensor during the Term of this Agreement:



EXHIBIT B

LICENSED PRODUCTS

The term "Licensed Products" shall mean on following models of Aprilia Dorsoduro in scale 1:4 electrical ride-on (6 Volt and 12 Volt):

- **Aprilia Dorsoduro 900**

Distribution start date: November 1st, 2019

EXHIBIT D

POINT OF SALES CHANNELS

- 1) Toys stores, hobby stores, department stores;
- 2) Trading Companies, Importers, Distributors who will distribute in the sales channels mentioned under point 1);
- 3) Internet retailers subject to Piaggio's approval;
- 4) Licensee's e-commerce subject to Piaggio's approval.

EXHIBIT E

ROYALTY and MINIMUM ROYALTIES

ROYALTY

The Royalty payable as consideration for the license granted under this License Agreement shall be:

- [redacted] of Net Sales (for the definition of Net Sales see the Agreement on Art. 6.1.2) related to the sales to the Point of Channels specified in Exhibit D point 1, 2, 3.

MINIMUM GUARANTEE

During the Term of the license granted under this License Agreement Licensee shall pay the following amounts, which shall be set off against Royalties as specified in the Agreement:

Guarantee Period	Installments Due	Amount (EURO)
Year 1 (January 1 st 2019 – December 31 st , 2019)	upon signature on 31 st October 2019	[redacted]
Year 2 (January 1 st , 2020 – December 31 st , 2020)	on 31 st March 2020 on 30 th June 2020 on 30 th September 2020 on 15 th December 2020	[redacted]
Year 3 (January 1 st , 2021 – December 31 st , 2021)	on 31 st March 2021 on 30 th June 2021 on 30 th September 2021 on 15 th December 2021	[redacted]
TOTAL		[redacted]

Except adjustments.