

Anton Clemens Automotive GmbH . Braunsberg 35 . D-51429 Bergisch Gladbach . Germany

**Bracketron**

**Attn; Andy Chow**

5624 Lincoln Drive

Edina, MN 55436

USA

**[www.anton-clemens.de](http://www.anton-clemens.de)**

**[jeroen.lens@anton-clemens.de](mailto:jeroen.lens@anton-clemens.de)**

Jeroen Lens

VP Sales and Marketing

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6/7/19

**License Agreement 2019CW10ACABR-001-PCRev03**

**10 Pages Total**

THIS AGREEMENT, effective this 7th day, of June (month), 2019 (year), is entered into by **Anton Clemens Automotive** (hereinafter "LICENSOR") and **Bracketron** (hereinafter "LICENSEE").

**BACKGROUND**

WHEREAS, LICENSOR has designed and developed a **Holder for motor vehicles for receiving mobile devices** (hereinafter "INVENTION").

WHEREAS, LICENSOR is the owner of all right, title and interest in a United States Letter of Patent filed under **publication No US2018/0345875 A1** and issued **December 6<sup>th</sup>, 2018** as United States Patent Number       **TBD**      .

WHEREAS, LICENSOR desires to transfer to LICENSEE and LICENSEE desires to acquire from LICENSOR a license to manufacture and market the INVENTION covered by the patent rights in all other countries, territories and jurisdictions on the terms and conditions set forth in this Agreement.

Page 1

Place of Fulfillment and Jurisdiction is Bergisch Gladbach, Germany. All goods remain our property until full payment has been received.

Anton Clemens Automotive GmbH    Managing Director: Dip. Ing.,    Kreissparkasse Cologne  
automotive@anton-clemens.de    Dipl. Wirt. Ing. Walter Clemens,    IBAN: DE19 3705 0299 0306 5536 33  
Place: Bergisch Gladbach    Johannes Kraus    BIC: COKSDE33XXX  
District Court: Cologne, HRB 87128    Tax Nr. 204/5710/2054    VAT-ID-Nr. DE306311029



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- (a) a nontransferable license to manufacture and market the INVENTION in the United States and Canada only;
- (b) a nontransferable license to only manufacture the INVENTION in any foreign country;
- (c) The nontransferable license from items (a) and (b) is exclusive for two years from the date that this agreement is in full force (Defined in Section 11). After two years, the exclusivity will be reviewed and renewed by the Licensor. Exempt from this exclusivity is the Licensor's own product offering.
- (d) all rights under the Patent Rights.

### **SECTION 3. UP-FRONT MONIES**

LICENSEE does not have to pay to LICENSOR on the date of Closing any up-front monies.

### **SECTION 4. ROYALTY**

Upon Closing, LICENSEE shall pay LICENSOR a royalty payment based upon Unit Sales of the LICENSEE per "Sales Plan Automatic Phone Mounts Rev00". This plan forms APPENDIX 01 as part of this agreement.

### **SECTION 5. TIMING OF ROYALTY PAYMENTS AND MINIMUM ROYALTY**

5.1. QUARTERLY PAYMENTS. LICENSEE shall pay LICENSOR a royalty for each quarter of each year during which this Agreement is in effect. LICENSEE shall pay LICENSOR quarterly, four times per year, on or

Page 3

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before the 15<sup>th</sup> day after January 1, April 1, July 1, and October 1 of each year during which this Agreement is in effect.

5.2. MINIMUM PAYMENT. It is not necessary for a minimum quarterly royalty payment to be paid each quarter.

5.3. RETROACTIVE PAYMENTS. LICENSEE shall pay LICENSOR a retroactive royalty for each unit sold before the U.S. Patent has been granted to the LICENSOR. These royalties, as mentioned under SECTION 4., are to be paid all at once one week after the U.S. Patent has been granted to the LICENSOR. For the Canadian Market a flat rate of \$1,30 per unit is applicable, independent of being with or without wireless charging and independent of the Canadian patent being granted. Canadian License Fees are to be paid with the start of unit sales in the Canadian Market.

## **SECTION 6. REPORTS AND RECORDS**

6.1. FINANCIAL STATEMENT. LICENSEE shall provide a quarterly financial statement to LICENSOR showing the number of units manufactured during each quarter when each quarterly royalty payment is made.

6.2. RECORDS. LICENSEE shall keep records of the Unit Sales and number of units manufactured and sold worldwide pursuant to this Agreement in sufficient detail to enable the royalty payment to LICENSOR to be determined.

6.3. ANNUAL INSPECTION. LICENSEE shall allow LICENSOR's representative, one annual inspection, during regular business hours or at such other times as may be mutually agreeable, to inspect LICENSEE's books and records to the extent reasonably necessary to determine LICENSEE's compliance with the terms of this Agreement.

6.4. PENALTY. If the LICENSOR determines through an annual inspection that the LICENSOR was undercompensated as required by this Agreement, then the LICENSEE shall pay to the LICENSOR a

Page 4

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Penalty Fee. The Penalty Fee shall comprise five times the difference between the actual compensation and the required compensation. The LICENSEE shall still be obligated to pay full compensation as required under the Agreement.

## **SECTION 7. OBLIGATIONS OF LICENSOR**

7.1 The LICENSOR agrees with the LICENSEE to execute such documents and give such assistance as the LICENSEE may reasonably require:

- (a) to defeat challenges to the validity of, and resolve any questions concerning the Patent Rights;
- (b) to take necessary steps to vest protection for the LICENSEE;
- (c) In the event of a patent violation claim against LICENSEE, LICENSEE will invest in an IP Insurance plan to either undertake the defense or allow LICENSEE to defend. All cost of litigation, any judgment violations that may result, as well as IP insurance will be paid from a License Fee Legal Fund (LFLF).
- (d) A License Fee Legal Fund (LFLF) will be established by LICENSEE through a 10% discount on all agreed License Fees with LICENSOR. With this fund, LICENSEE will pay for all legal fees of any legal matters concerning LICENSOR or LICENSEE patent infringement cost. LICENSEE will use a (Patent) Lawyer of LICENSEE's choosing and will pay this lawyer out of the legal fund established. This legal fund should be designed to be able to support the needs of ongoing IP insurance as well as the legal expenses necessary to stop sellers of infringing product in the U.S. from selling their products. LICENSEE is free to choose which products will and will not be covered by the IP insurance. Damages from infringement claims are based on sales and product with little sales should not be covered whereas items with high volume sales should be. This model will naturally move investment for legal defense to the products that deliver the highest sales.

Page 5

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- (e) All payments for IP Insurance or all legal fees of any legal matters concerning, will be paid from the License Fee Legal Fund. This fund is based on the 10% of all yearly License Fees as described in point 7.1(d). Should the yearly cost for the IP Insurance and/or all legal fees be lower than the 10% of the yearly License Fee volume, LICENSEE is allowed to hold on to this balance.

## **SECTION 8. REPRESENTATIONS AND WARRANTIES OF LICENSOR**

8.1. LICENSOR represents and warrants to LICENSEE as follows:

- (a) LICENSOR is the sole and exclusive owner of the INVENTION and the Patent Rights. No other parties have any right or interest in or to the INVENTION nor to the Patent Rights;
- (b) All rights to the INVENTION and the Patent Rights are free and clear of all liens, claims, security interests and other encumbrances of any kind or nature;
- (c) The LICENSOR has the right to license to other parties in North America or to any party worldwide;

8.2. Each of the warranties and representations set forth above shall be true on and as of the date of Closing, as though such warranty and representation was made as of such time. All warranties and representations shall survive closing.

## **SECTION 9. LICENSEE'S OBLIGATIONS**

9.1. INDEMNIFICATION. The LICENSEE agrees to indemnify the LICENSOR and his heirs successors, assigns and legal representatives for liability incurred to persons who are injured as a consequence of the use of any INVENTION manufactured by the LICENSEE or as a consequence of any defects in the INVENTION.

Page 6

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- 9.2. QUARTERLY ROYALTY. The LICENSEE agrees to pay the above stated quarterly royalty without demand.
- 9.3. REASONABLE EFFORTS. The LICENSEE agrees to utilize all reasonable efforts to manufacture and market the INVENTION.
- 9.4. FINANCIAL STATEMENT. The LICENSEE agrees to provide the financial statements at the end of each quarter without demand.
- 9.5. PROFESSIONALISM. The LICENSEE agrees to the extent reasonably possible, have all manufacturing, shipping, and sales performed in a professional and equitable manner.
- 9.6. TRADE SECRETS. The LICENSEE agrees to take all reasonable steps to maintain the confidentiality of all trade secrets provided by the LICENSOR to the LICENSEE during and after this Agreement.

#### **SECTION 10. MARKING OF INVENTION**

LICENSEE agrees to affix patent pending and patent notices to all INVENTIONS prior to their sale in accordance with 35 U.S.C. §282. Each device shall have either the words "PATENT PENDING" or "Patent No." followed by the patent number conspicuously marked on each of the goods sold under the Patent Rights subject to the reasonable approval of the LICENSOR.

#### **SECTION 11. DURATION AND TERMINATION**

- 11.1. This Agreement will be in full force at publication of the US Patent and shall remain in full force and effect for 2 years and will automatically renew annually unless and until termination or cancellation as hereinafter provided.

Page 7

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- 11.2. If LICENSEE shall at any time default in rendering any of the statements required hereunder, and payment of any monies due hereunder, or in fulfilling any of the other material obligations hereof, and such default is not cured within fifteen days after written notice is given by the LICENSOR to LICENSEE, LICENSOR shall have the right to terminate this Agreement by giving written notice of termination to LICENSEE. LICENSEE shall have the right to cure any such default up to, but not after the written notice of termination.
- 11.3. LICENSOR shall have the right to terminate this Agreement by giving written notice of termination to LICENSEE in the event of any of the following:
- (a) liquidation of LICENSEE;
  - (b) insolvency or bankruptcy of LICENSEE, whether voluntary or involuntary; or
  - (c) appointment of a Trustee or Receiver for LICENSEE.

## **SECTION 12. MAINTENANCE FEES AND INFRINGEMENT COSTS**

- 12.1. MAINTENANCE FEES. LICENSOR will be responsible for paying all maintenance fees for the Patent Rights until they expire.

## **SECTION 13. GOVERNING LAW**

This Agreement shall be governed in accordance with the substantive laws of the Federal Republic of Germany.

Page 8

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**SECTION 14. SEVERABILITY**

- 14.1. The parties agree that if any part, term, or provision of this Agreement shall be found illegal or in conflict with any valid controlling law, the validity of the remaining provisions shall not be affected thereby.
- 14.2. In the event the legality of any provision of this Agreement is brought into question because of a decision by a court of competent jurisdiction, LICENSOR, by written notice to LICENSEE, may revise the provision in question or delete it entirely so as to comply with the decision of said court.

**SECTION 15. NOTICES UNDER THE AGREEMENT**

For the purposes of all written communications and notices between the parties, their addresses shall be:

LICENSOR:     Attn: Anton Clemens Automotive GmbH  
                  Braunsberg 35  
                  D-51429 Bergisch Gladbach  
                  Germany

LICENSEE:     Attn: Bracketron  
                  5624 Lincoln Drive  
                  Edina, MN 55436  
                  USA

**SECTION 16. NONASSIGNABILITY**

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The parties agree this Agreement imposes personal obligations on LICENSEE. LICENSEE shall not assign any rights under this Agreement without the written consent of LICENSOR. LICENSOR may assign all rights hereunder.

**SECTION 17. ENTIRE AGREEMENT**

This Agreement sets forth all of the covenants, promises, agreements, conditions and understandings between the parties and there are no covenants, promises, agreements or conditions, either oral or written, between them other than herein set forth. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon either party unless reduced in writing and signed by them.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the respective dates hereinafter set forth.

**LICENSOR:**

By: \_\_\_\_\_ Date: \_\_\_\_\_

**LICENSEE:**

By: \_\_\_\_\_ Date: June 7<sup>th</sup>, 2019

Andrew Chow VP Product/Marketing- Bracketron

**APPENDIX:**

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Appendix 01: Sales Plan Automatic Phone Mounts Rev00

Page 11

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Item	Description	MSRP	Retailer	Dealer Price	Annual Unit Sales	Retail Sales	Dealer Sales	License Fees Paid
<b>License Fee Brick and Mortar Retail</b>								
\$ 2.30	Fully automatic wireless charging mount with power adapters	69.99	Best Buy	28.00	16000	\$ 1,119,840.00	\$ 447,936.00	\$ 36,800.00
\$ 0.75	Fully automatic phone mount	39.99	Best Buy	16.00	28000	\$ 1,119,720.00	\$ 447,888.00	\$ 21,000.00
		-	Best Buy	-	0	-	-	-
<b>Semiautomatic wireless charging</b>								
\$ 1.75	mount without power adapters	49.99	Walmart	25.00	44000	\$ 2,199,560.00	\$ 1,099,780.00	\$ 77,000.00
\$ 0.50	Semi-automatic phone mount	29.99	Walmart	15.00	80000	\$ 2,399,200.00	\$ 1,199,600.00	\$ 40,000.00
		-	Walmart	-	0	-	-	-
<b>Semiautomatic wireless charging</b>								
\$ 1.75	mount without power adapters	49.99	Target	25.00	20400	\$ 1,019,796.00	\$ 509,898.00	\$ 35,700.00
\$ 0.50	Semi-automatic phone mount	29.99	Target	15.00	42000	\$ 1,259,580.00	\$ 629,790.00	\$ 21,000.00
		-	Target	-	0	-	-	-
<b>Fully automatic wireless charging</b>								
\$ 2.30	mount with power adapters	69.99	Wireless carrier stores	28.00	116000	\$ 8,118,840.00	\$ 3,247,536.00	\$ 266,800.00
\$ 0.75	Fully automatic phone mount	39.99	Wireless carrier stores	16.00	188000	\$ 7,518,120.00	\$ 3,007,248.00	\$ 141,000.00
		-	Wireless carrier stores	-	0	-	-	-
<b>Semiautomatic wireless charging</b>								
\$ 1.75	mount without power adapters	49.99	Automotive aftermarket retail	25.00	64000	\$ 3,199,360.00	\$ 1,599,680.00	\$ 112,000.00
\$ 0.50	Semi-automatic phone mount	29.99	Automotive aftermarket retail	15.00	112000	\$ 3,258,880.00	\$ 1,679,440.00	\$ 56,000.00
		-	Automotive aftermarket retail	-	0	-	-	-
<b>Semiautomatic wireless charging</b>								
\$ 1.75	mount without power adapters	49.99	Travel Center (Truck Stop)	25.00	28000	\$ 1,399,720.00	\$ 699,860.00	\$ 49,000.00
\$ 0.50	Semi-automatic phone mount	29.99	Travel Center (Truck Stop)	15.00	52000	\$ 1,559,480.00	\$ 779,740.00	\$ 26,000.00
		-	Travel Center (Truck Stop)	-	0	-	-	-
<b>License fee Direct to consumer (Online)</b>								
<b>Fully automatic wireless charging</b>								
\$ 3.30	mount with power adapters	69.99	Online	48.99	9600	\$ 671,904.00	\$ 470,332.80	\$ 31,680.00
\$ 1.30	Fully automatic phone mount	39.99	Online	27.99	19200	\$ 767,808.00	\$ 537,465.60	\$ 24,960.00
		-	Online	-	0	-	-	-
<b>Semiautomatic wireless charging</b>								
\$ 3.30	mount without power adapters	49.99	Online	34.99	14400	\$ 719,856.00	\$ 503,899.20	\$ 47,520.00
\$ 1.30	Semi-automatic phone mount	29.99	Online	20.99	28800	\$ 863,712.00	\$ 604,598.40	\$ 37,440.00
		-	Online	-	0	-	-	-
<b>License Fee B2B Fleet</b>								
\$ 3.30	Wireless charging		TBD					
\$ 1.30	Non-charging							
<b>Total Market</b>								
					862400	\$ 37,295,376.00	\$ 17,464,692.00	\$ 1,023,900.00