



DISTRIBUTION AGREEMENT for and on behalf of Xero Technology Ltd.

THIS AGREEMENT is made on the day of, 20.....

BETWEEN;

Xero Technology Ltd., ("the Principal")

AND;

....., ("the Distributor")

WHEREBY IT IS AGREED as follows:

1. Definitions

1.1 "Products" shall mean those products listed in Schedule 1.

1.2 "Territory" shall mean those areas listed in Schedule 2.

1.3 "Trade Mark" shall mean those trade marks and trade names listed in Schedule 3.

2. Terms of Distribution

2.1 The Principal hereby grants the Distributor Non-exclusive licence to distribute and sell in the Territory the Products under the Principal's Trade Mark during the continuance of this Agreement.

2.2 The Distributor shall purchase all its requirements for the Products ready packaged from the Principal (or any other authorised distributor or retailer) at the Principals trade price as set out in Appendix A.

2.3 The price for the sale of the Products by the Distributor in the Territory shall be set by the Distributor who may revise such prices from time to time

2.4 Nothing in the Agreement shall create a partnership or joint venture between the parties.

2.5 This Agreement or any rights duties and obligations hereunder shall not be assigned or transferred by either party without the prior consent in writing of the other party.

3. Contract Period

This Agreement shall remain in force for the period of twelve (12) Months from the date of signature by the parties and thereafter unless or until terminated by either party giving the other not less than one (1) Month prior notice in writing, such notice to expire at the end of said period of the Agreement or any time thereafter.

4. Responsibilities

4.1 The Distributor shall during the continuance of this Agreement diligently and faithfully serve the Principal as its Distributor in the Territory and use its best endeavours to improve the goodwill of the Principal in the Territory.

4.2 The Principal warrants that he has good title to the Products supplied to the Distributor and that where such Products supplied are defective the Principal will replace these at no cost to the Distributor.

4.3 The Principal reserves the right to improve or modify the Products without prior notice but shall notify the Distributor of any modifications which affect the form or function of the Products or any permissions consents or licences obtained by the Distributor. The Distributor shall in such circumstances have the right to vary or cancel any orders placed for the Products prior to the receipt of such notification. The Distributor must notify the Principal of such cancellation within ninety (90) days.

4.4 The Distributor shall not be entitled to cancel any orders, which can be met by the supply of Products not incorporating the improvements or modifications aforementioned. No compensation or damages for breach of contract shall be payable to the Distributor by reason of such improvement or modification.

4.5 The Distributor undertakes not to alter, modify, treat or deal with the Products contrary to their supply by the Principal except with the Principal's prior written consent.

4.6 The Distributor shall at all times during the continuance of this Agreement carry at least one (1) Months stock of the Products to enable the Distributor to meet any orders received without undue delay. The Distributor shall supply reports every quarter to the Principal as to stock levels and movements of the Products.

4.7 The Distributor shall at all times during the continuance of this Agreement maintain sufficient staff to sell, distribute, market and promote the sale of the Products throughout the Territory.

4.8 The Distributor shall during the continuance of this Agreement supply the Principal with monthly reports on the tenth (10th) day of each month as to the sales made of the Products in the Territory during the previous calendar month together with such other related marketing or other information as the Principal may reasonably require.

4.9 The Distributor undertakes to achieve the targets in relation to the Products as specified to the Distributor by the Principal in writing every quarter.

4.10 During the continuance of this Agreement the Distributor shall not manufacture, sell or import into the Territory any goods in competition with the Products and shall not be involved or interested directly or indirectly in any such manufacture sale or import.

4.11 The Distributor will ensure that it conforms to all legislation, rules, regulations and statutory requirements in relation to the Products existing in the Territory from time to time.

4.13 During the continuance of this Agreement the Distributor shall not sell the Products outside the Territory or export or assist in the export of the Products from the Territory without the Principals prior written consent.

4.14 Unless otherwise agreed by the parties in writing the cost of all advertising and sales promotion shall be borne by the Distributor.

4.15 The Distributor shall conform to the sales and marketing policies of the Principal. The Distributor must obtain the Principal's prior approval of all advertisements, sales promotion, merchandising and publicity material for the Products.

4.16 The cost of all merchandising returns from customers relating to the Products shall be borne by the Distributor except in respect of Products which the Principal is obliged to replace in accordance with Clause 4.2.

4.17 Neither party shall enter into or have authority to enter into any contracts, agreements or engagements or make any representation or warranty or incur any liabilities on behalf of the other or pledge the credit of or otherwise bind or oblige the other party hereto.

5. Intellectual Property

5.1 The Principal grants to the Distributor a non-exclusive, irrevocable, royalty free licence to use its logo trademarks and trade names as set out in Schedule 3 of this Agreement subject to the restrictions in Clause 5.2.

5.2 The trade marks shall not be used in any manner liable to invalidate the registration of the trademarks and the Distributor shall not permit them to be used by third parties or register any of the Principal's patents, trademarks, trade or brand names, registered designs or other intellectual property rights without the prior consent of the Principal.

5.3 The Distributor shall notify the Principal of any unauthorised use in the Territory of its trademarks. At the request of the Principal the Distributor shall take part in or give assistance in respect of any legal proceedings and execute any documents and take any action reasonably necessary to protect the trademarks in the Territory.

5.4 On expiry of this Agreement all licences referred to in this Clause 5 shall expire and the Distributor agrees to immediately cease use of the Principal's intellectual property.

6. Confidentiality

6.1 Both parties shall keep confidential the specific terms of this Agreement and all information relating to the Products and not disclose them to third parties save to such employees or contractors as need to know the relevant information for the purposes of performing this Agreement. The parties agree that all information in relation to the Products shall not be disclosed for a period of two (2) years after the expiry of this Agreement, except where such disclosure is required by Law or by Order of a Court in the jurisdiction of England.

6.2 The parties further agree that all information marked as a "trade secret" and reasonably judged to constitute a trade secret shall not be disclosed at any time during or after the expiry of this Agreement, except where such disclosure is required by Law or by Order of a Court in the jurisdiction of England. Confidential information and trade secrets shall consist of, but not necessarily be limited to: technical, commercial, financial, operational, marketing or promotional information or data.

7. Force Majeure

Neither party shall be liable for delay or failure to perform any obligations under this Agreement if the delay or failure is caused by any circumstances beyond its reasonable control, including but not limited to Acts of God, war, civil disorder or industrial disputes. If such delay or failure continues for a period of at least ninety (90) days the party not subject to the force majeure shall be entitled to terminate this Agreement by written notice to the other.

8. Termination

8.1 This Agreement may be terminated without prejudice to Clause 3 or any right or remedy either party may have against the other for breach or non-performance of this Agreement if any of the following circumstances arise:

8.1.1 Either party commits a serious or grave breach of this Agreement or persistent breaches of this Agreement including, but not limited to, non-performance, default or neglect of that party's duties under this Agreement and such breach remains un-remedied for thirty (30) days after notice of such breach has been given by the non-defaulting party.

8.1.2 Where the conduct of the Distributor is likely to have a serious or detrimental effect upon the Principal's business, products and affairs.

8.1.3 Either party is unable or has no reasonable prospect of paying their debts, the amounts or aggregate amounts which equal or exceed the bankruptcy level within the meaning of the Insolvency Act 1986 or enters into a compromise for the benefit of their creditors, or being a company become subject to an Administration Order or goes into liquidation or has the Receiver of any of its property or assets appointed or ceases or threatens to cease to carry on business.

8.1.4 Where the Distributor commits any acts of dishonesty, fraud or theft.

8.2 Such termination will take place with immediate effect on written notice to the other party and without prejudice to any remedy either party may have against the other for any breach committed prior to the date of such termination or which gave rise to the termination.

8.3 Upon termination of this Agreement for whatever reasons, the Distributor shall at the request of the Principal promptly return to the Principal all documentation in his possession or control relating to the Products or the Principal's business activities and affairs.

8.4 Upon such termination the Distributor shall sell and the Principal shall buy back all the Products falling within the Classes set out in Schedule 4. The Distributor shall (if so required) supply the Principal with a list of the Distributor's customers for the Products.

8.5 Upon termination the Products which are un-merchantable, obsolete, damaged or deteriorated or defective or otherwise unfit for sale (or where any Product has a shelf-life, more than half of their shelf-life has expired) shall be destroyed forthwith by the Distributor in the presence of the Principal or an authorised representative of the Principal at the expense of the Distributor.

8.6 Upon termination the Distributor shall have no further rights to use the Principal's trademarks in any way whatsoever. The Distributor shall (if legally possible) assign to the Principal free of charge all

permissions, consents and licences relating to the marketing and/or distribution and/or sale of the Products and execute all documents and do all things necessary to ensure the Principal shall enjoy the benefit of the said permissions, consents and licences.

9. Notices

9.1 Any notice given by either of the parties shall be served on the other party by personal delivery, pre-paid recorded delivery, first class post, telex or facsimile transmission to the receiving party's address set out in this Agreement or such subsequent addresses as may be notified by the parties to each other.

9.2 Any such notices shall be deemed to be effectively served as follows:

9.2.1 In the case of service by pre-paid recorded delivery or first class post forty-eight hours after posting.

9.2.2 In the case of service by telex or facsimile transmission on the next working day.

10. General

10.1 IT IS HEREBY DECLARED that the foregoing paragraphs, sub paragraphs and clauses of this Agreement shall be read and construed independently of each other. Should any part of this Agreement or its paragraphs, sub paragraphs or clauses be found invalid it shall not affect the remaining paragraphs, sub paragraphs and clauses.

10.2 The Schedules to this Agreement constitute an integral part thereof.

10.3 Failure by either party to enforce any accrued rights under this Agreement is not to be taken as or deemed to be a waiver of those rights unless the waiving party acknowledges the waiver in writing.

10.4 No addition to or modification of any clause in this Agreement shall be binding on the parties unless made in writing and signed by the signatories to this Agreement or their duly authorised representatives.

10.5 This Agreement sets out the entire agreement and understanding of the parties and is in substitution of any previous written or oral agreement between the parties.

10.6 Reference to any Statutory Provisions in this Agreement shall include any Statutory Provisions, which amends or replaces it.

11. Jurisdiction

This Agreement shall be construed in accordance with the Laws of England and shall be subject to the exclusive jurisdiction of the English Courts.

IN WITNESS of which the parties have signed this Agreement the day, month and year first above written.

Principal;

Company: Xero Technology Ltd.

Print name: Oliver Mitchell Position: Director

Signed: Date:

Agent;

Company:

Print name: Position:

Signed: Date:

List of schedules to form part of Distribution agreement

Schedule 1

Products

The Distributor will market, promote and canvass for sales for the following products:

1. Xero ePedal Traveller
2. Xero ePedal Primo
3. Xero eScooter Classic
4. Xero eScooter Urban
5. Xero eScooter Hybrid
6. Xero Helmet range
7. Xero accessories

Schedule 2

Territory

The geographical area of the customer base of the Distributor will be:

Schedule 3

Trademarks

Product trademarks licensed to the Distributor by the Principal:

1. Xero
2. Xero Technology Ltd.
3. www.xeroelectricvehicles.com
4. www.xerotechco.com
5. eScooter
6. eScooter Classic
7. eScooter Urban
8. eScooter Hybrid
9. ePedal
10. ePedal Traveller
11. ePedal Primo
12. eCo Car
13. Xero eCo
14. eCo.1
15. eCo.2

Schedule 4

Buy-Back of Products on Termination

The Principal will buy-back the following product(s) from the Distributor on the termination of this agreement:

1. Xero ePedal Traveller
2. Xero ePedal Primo
3. Xero eScooter Classic
4. Xero eScooter Urban
5. Xero eScooter Hybrid
6. Xero Helmet range
7. Xero accessories