

DISTRIBUTION AGREEMENT

THIS AGREEMENT is made this day of 2018 (the "**Effective Date**")

BETWEEN:

- (1) **Bsyskkelen AS**, a limited liability company incorporated and existing under the laws of Norway under company registration number 914 000 475 and whose principal place of business is at c/o Forus Næringspark AS, Forusparken 2, 4033 Stavanger, Norway ("**Bsyskkelen**"); and
- (2) [insert] is a limited liability company incorporated and existing under the laws of [insert] under company registration number [insert] and whose principal place of business is at [insert] (the "**Distributor**").

(Hereinafter also referred to as a "**Party**" and collectively the "**Parties**")

WHEREAS:

- (i) Bsyskkelen is a company that runs a bike share program in Stavanger, and has developed and/or licensed the rights to an electric city bicycle with Smart Bike technology;
- (ii) Distributor is [insert a description of the Distributor].
- (iii) Distributor wishes to be appointed and Bsyskkelen wishes to appoint the Distributor on a non-exclusive basis for the manufacturing and distribution of the Products and BikePCB (as defined below).

THE PARTIES AGREE AS FOLLOWS:

1 INTERPRETATION

1.1 In this Agreement the following words and expressions shall have the following meanings unless the context otherwise requires:

“**Affiliate**” means, in relation to a Party, a company which is either directly or indirectly owned or controlled by that Party, or is under the common direct or indirect ownership or control of that Party or which directly or indirectly owns or controls that Party, but only for so long as such ownership or control exists, and “control” for the purpose of this definition, shall mean direct or indirect ownership of more than 50% of the issued voting equity share capital;

“**Agreement**” means this agreement including any Schedules or amendments hereto;

“**Confidential Information**” means all non-public information, whether oral or written, relating to the Party’s business, affairs, products and services that has or could have commercial value to the Party disclosing such information (the “**Disclosing Party**”), whether made available in writing or orally, and whether or not identified by the Disclosing Party at the time of disclosure as being confidential to the Disclosing Party;

“**Intellectual Property Rights**” means any patents, rights to inventions, copyrights and related rights, Trade Marks, trade names, domain names, rights in get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property right or proprietary right recognized in any country or jurisdiction in the world, whether registered or not, and whether in existence as of the Effective Date or arising or recognized thereafter and all applications and registrations therefor;

“**Products**” means the mechanical bicycle with electric motor as further described in Schedule 1;

“**Term**” means the period from the Effective Date and until expiry of the of the agreement upon termination by either Party in accordance with clause 6;

”**BikePCB**” means the Smart Bike technology, including but not limited to GPS, GSM 4, Bluetooth and interface to the eBike Controller, Lock and Docking points, and as further described in Schedule 1.

1.2 References to clauses, sub-clauses and Schedules are references to clauses, sub-clauses and Schedules to this Agreement.

1.3 References in this Agreement to the singular include the plural and vice versa.

2 **GRANT OF RIGHTS**

2.1 Subject to the terms and conditions of this Agreement, Bysykkelen hereby grants Distributor a non-exclusive license to make, have made, use, import, offer to sell and sell Products and BikePCB towards customers worldwide. The license includes updates and developments of the Product and BikePCB conducted by Bysykkelen during the term of this Agreement.

2.2 Distributor is granted the right to further develop the Products and BikePCB. Distributor will own the Intellectual Property Rights deriving from its own development work, but Bysykkelen shall be granted a perpetual, non-transferable, royalty-free license to use any such developments for the purpose of its own city bicycle program in Norway. For the avoidance of doubt, Distributor may not use the rights granted herein to develop new products on their own.

2.3 The Products and BikePCB may be sold under the trademarks of the Distributor, but Distributor shall include an acknowledgement in its agreements with customers and on its website that the Product and BikePCB are developed by Bysykkelen.

2.4 Distributor may appoint sub-contractors to act on Distributor`s behalf for the manufacture or distribution of the Products and BikePCB.

2.5 The Distributor acknowledges that Bysykkelen shall be permitted to appoint other distributors as it deems fit or supply the Products and BikePCB itself directly to customers.

3 **DISTRIBUTOR'S OBLIGATIONS**

3.1 The Distributor undertakes and agrees with Bysykkelen that Distributor, at all times during the term of this Agreement, shall:

- (a) Use commercially reasonable efforts to promote, market and sell the Products and BikePCB to customers;
- (b) regularly have Distributor`s sales and technical personnel participate on training courses;
- (c) comply with all reasonable instructions given by Bysykkelen in relation to the production and distribution of the Products and BikePCB;
- (d) promptly fulfil all orders placed by customers;
- (e) comply with all legislation, rules, regulations and statutory requirements existing in the relevant territory from time to time;

- (f) maintain on its own account an inventory of the Products and BikePCB at levels which are appropriate and adequate for the Distributor to meet its customer delivery requirements;
- (g) keep all stocks of the Products and BikePCB which it holds in conditions appropriate for their storage and to provide appropriate security for the Products and BikePCB, all at its own cost;
- (h) maintain a suitable level of technical competence to support the Products and BikePCB and, unless otherwise agreed, be solely responsible for providing such support to its customers;
- (a) inform Bysykkelen immediately of any material changes in ownership or control of Distributor and of any material change in its organisation or method of doing business which might affect the performance of Distributor`s duties under this Agreement.
- (i) inform Bysykkelen and keep records of any queries or complaints relating to the Products and BikePCB, provide Bysykkelen with all the relevant information or evidence and not disclose the subject matter and existence of such query or complaint to any third party; and;
- (j) inform Bysykkelen about any further development of the Products and BikePCB pursuant to clause 2.2 and give Bysykkelen access to technical material and information about any such the developments;

4 BYSYKKELEN'S OBLIGATIONS

4.1 Bysykkelen undertakes and agrees with Distributor that Bysykkelen, at all times during the term of this Agreement, shall:

- (a) supply the Distributor with (i) technical specifications in electronic format, and up to date information concerning the Products and BikePCB as Bysykkelen considers reasonably necessary to enable the Distributor to produce and distribute the Products and BikePCB, and (ii) at no cost, samples, marketing materials, brochures, product photographs at the sole discretion of as Bysykkelen.

5 PRICES AND PAYMENT

5.1 The prices to be paid by the Distributor to Bysykkelen are set out in Schedule 2 of this Agreement.

5.2 The Distributor shall pay the full amount invoiced by Bysykkelen in EUR within thirty (30) days of the date of the invoice. Bysykkelen will issue invoices on a quarterly basis.

- 5.3 All prices are exclusive of any applicable value added or any other sales tax, for which the Distributor shall be liable. The Distributor shall be responsible for the collection, remittance and payment of any and all taxes, charges, levies, assessments and other fees of any kind imposed by governmental or other authority in respect of the production, purchase, importation, sale or other distribution of the Products and BikePCB.
- 5.4 Any and all expenses, costs and charges incurred by the Distributor in the performance of its obligations under this Agreement shall be borne by the Distributor unless otherwise expressly agreed to in writing by Bysykkelen in advance of any such expenses, costs and charges are incurred.
- 5.5 The Distributor shall not be entitled to withhold payment of any amount due to Bysykkelen by reason of any set-off, counter-claim, abatement or other similar deduction.
- 5.6 If the Distributor fails to pay the price within thirty (30) days of the date invoice, Bysykkelen shall be entitled to charge interest on the overdue amount at the rate of 8% per month from the due date of payment until receipt by Bysykkelen of the full amount, without prejudice to any other right or remedy Bysykkelen may have.

6 TERM AND TERMINATION

- 6.1 This Agreement shall commence on the Effective Date and shall remain in force for an initial period of **five (5)** years and will thereafter renew, on each anniversary of the Effective Date for consecutive periods of **one (1)** year each, unless terminated by either Party by at least **sixty (60)** days' notice prior to the expiry of the then current term.
- 6.2 Agreement may be terminated before its scheduled expiration date, as follows:
- (a) Bysykkelen may terminate this Agreement, effective upon written notice to Distributor, if Distributor: (i) fails to make any payment called for under this Agreement when due, and such failure has continued for ten or more days; (ii) breaches any of its obligations in this Agreement, and such breach has continued uncured for ten or more days; (iii) there is any material change in the management or any change in control or ownership of Distributor which Bysykkelen reasonably considers to be adverse to its own interests; or (iv) for any reason, suffers the loss of any license or permit required by law that is necessary for Distributor to carry out any of its obligations under this Agreement, and such loss has continued for 30 or more days;
 - (b) Either party may terminate this Agreement, effective upon written notice to the other party, if: (i) such other party fails to observe or perform any of its obligations in this Agreement, and such failure has continued for 30 or more days after such party receives written notice from the other party specifying the nature of the alleged breach; (ii) any representation or

warranty made by such other party in this Agreement is shown to be inaccurate in any material respect; (iii) such other party voluntarily or involuntarily commences any proceeding or files a petition seeking liquidation, reorganization or other relief under any bankruptcy, receivership or similar law, such proceeding or petition is not dismissed within 60 days after first initiated.

6.3 Termination of this Agreement for whatever reason shall be without prejudice to any other right or remedy of either Party in respect of the breach concerned (if any) or any other breach.

7 CONSEQUENCES OF TERMINATION

7.1 Upon termination of this Agreement for whatever reason:

- (a) Distributor shall refrain from manufacturing and selling Products and BikePCB and products that are substantially similar to the aforementioned. However, the Distributor may fulfil existing orders for production and/or continue to sell Products and BikePCB available in stock, but shall in any event cease to sell any Products and BikePCB six (6) months after the termination date of this Agreement;
- (b) the Distributor's customers right to use the Products and BikePCB shall not be affected and Distributor may provide support to these customers' use;
- (c) each Party shall, at the other Party's request and at its own expense, either return or destroy any Confidential Information or technical material and information related to the Products and BikePCB that belongs to the other Party, then in its possession;
- (d) Distributor shall at Bysykkelen's request give access to technical material and information about the development of the Products an BikePCB that Bysykkelen has license to use pursuant to clause 2.2;
- (e) all outstanding invoices shall become immediately payable; and
- (f) Each Party shall cease to use the other Party's Intellectual Property Rights, unless otherwise is necessary to exercise its rights under clauses 7.1(a) and 7.1(b). Bysykkelen is entitled to continue to use any Intellectual Property Rights as described in clause 2.2 above.

7.2 Termination of this Agreement for whatever reason shall be without prejudice to clauses which either explicitly or implicitly are to survive termination, such as clause 8 and clause 11.

7.3 It is hereby expressly agreed between the Parties that the Distributor shall not be entitled to receive any payment from Bysykkelen by way of compensation for loss of distributorship upon the termination of this Agreement.

8 **INTELLECTUAL PROPERTY RIGHTS**

- 8.1 Except as set out Section 2 of this Agreement, each Party hereby acknowledges and agrees that this Agreement shall not be construed as granting or conferring, either expressly or implicitly, any Intellectual Property Rights belonging to a Party, the ownership of which shall remain under the sole and exclusive ownership of the respective Party at all times.
- 8.2 The Distributor shall notify Bysykkelen immediately of any infringement or suspected infringement of Bysykkelen's Intellectual Property Rights and of any actions, claims or demands in relation to any Intellectual Property Rights and the Distributor shall render its assistance to Bysykkelen (at Bysykkelen's cost). Bysykkelen has a right to enforce and defend its Intellectual Property Rights, but this is not an obligation.

9 **WARRANTIES**

- 9.1 Bysykkelen provides Distributor with the rights granted in this Agreement as is and with all faults. Bysykkelen makes no express or implied representations or warranties of any kind. Among other things, Bysykkelen disclaims any warranty of merchantability, of suitability for a particular purpose, of non-infringement, of validity or scope of Bysykkelen's Intellectual Property Rights or of the success of the exploitation of the Products or BikePCB.

10 **INDEMNIFICATION AND LIMITATION OF LIABILITY**

- 10.1 Distributor agrees to indemnify, hold harmless, and defend Bysykkelen against any claim of any kind arising out of or related to the Distributor's (or anyone Distributor is liable for) exploitation of any rights granted to Distributor under this Agreement or to the breach of this Agreement by Distributor.
- 10.2 In no event shall Bysykkelen be liable to the other for any special, exemplary, indirect or consequential damages including but not limited to lost contracts, loss of business, loss of goodwill, damage to reputation or replacement products, even if the lossmaking Party has been informed of the possibility for such losses arising out of the Agreement. Bysykkelen's total liability under this Agreement shall be limited to direct damages up to an amount equal to **NOK 100,000**.
- 10.3 No limitation of liability or exclusion of losses shall apply to (i) negligent acts of either Party that cause death or personal injury or (ii) the Distributor's breach of clauses 8 and 11.

11 **CONFIDENTIAL INFORMATION**

- 11.1 Each Party shall during the term of this Agreement and after its termination:

- (a) keep all Confidential Information confidential and not disclose it to any other person, subject to clause 11.2; and
- (b) not use any Confidential Information for any purpose other than the performance of its obligations under this Agreement.

11.2 Any Confidential Information may be disclosed by:

- (a) each Party to any governmental or other authority or regulatory body; or
- (b) each Party to any employees of that Party,

only to the extent necessary for the purposes of this Agreement or as is required by law and subject in each case to the Party applying the same degree of care as such Party would have applied to protect its own Confidential Information.

11.3 The restrictions on the receiving Party's use and disclosure of Confidential Information shall not apply to any Confidential Information which the receiving Party can demonstrate (a) is wholly and independently developed by the receiving Party without the use of Confidential Information of the Disclosing Party; (b) is or has become generally known to the public from a source having the right to disclose such Confidential Information without breaching any confidentiality obligation to which it may be subject; (c) at the time of disclosure to the receiving Party, was known by the receiving Party free of nondisclosure restriction; or (d) is approved for release by written authorization by the Disclosing Party, but only to the extent of and subject to such conditions as may be imposed in such written authorization.

12 **FORCE MAJEURE**

12.1 Neither Party shall be liable for any delay nor non-performance under this Agreement caused by any event beyond its reasonable control (a "**Force Majeure Event**") provided that the Party affected gives prompt notice in writing to the other Party of such Force Majeure Event and uses all reasonable best efforts to continue to perform its obligations under this Agreement. Either Party may terminate this Agreement if the Force Majeure Event continues and has continued for more than six months. No Force Majeure Event shall relieve Distributor of its payment obligations under this Agreement.

13 **GENERAL**

13.1 Other than as set out under clause 2.4, the Distributor may not assign, charge or sub-contract its rights or obligations without Bysykkelen's prior written consent. Bysykkelen shall have the right to assign this Agreement to an Affiliate on prior written notice to Distributor. Notwithstanding the foregoing, Bysykkelen consents to Distributor's appointment of or sale of Products and BikePCB to sub-contractors on the following conditions: (a) Distributor will

remain and be solely responsible for all acts and omissions of its sub-contractors and (b) Distributor will cause each sub-contractor to comply with the provisions here in as if such sub-contractor was an original signatory hereto for such purposes.

13.2 Any notice required to be given under this Agreement shall be in writing and may be given personally, by post, by e-mail or by facsimile addressed to that Party at the address set out in this Agreement or as notified to the other Party pursuant to this clause. A notice given by post shall be deemed to have been served five (5) days after posting. Notice given in person, by e-mail or by facsimile transmission shall be deemed to be served immediately provided that, in the case of a notice by email or facsimile, the sender has received confirmation of successful transmission.

13.3 Nothing in this Agreement shall be interpreted as or construed as Distributor being an agent of Bysykkelen. The Distributor shall not describe itself or hold itself out as being an agent of Bysykkelen or make any warranty or representation or do any other acts in the name of or on behalf of Bysykkelen. The relationship of the Parties created by this Agreement is, and is intended to be, that of independent contractors.

13.4 This Agreement constitutes the entire understanding between the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, negotiations and discussions between the Parties relating to it.

13.5 Any amendment or variation to this Agreement must be in writing and signed by both Parties.

13.6 If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of this Agreement and the remainder of the provision in question shall not be affected.

14 **GOVERNING LAW AND JURISDICTION**

14.1 This Agreement shall be governed by and interpreted in accordance with the laws of Norway, without giving effect to any conflict of law's provisions that would result in the application of the laws of a different jurisdiction.

14.2 Any dispute arising out of or in connection with this Agreement shall be amicably negotiated between the Parties and, failing resolution, shall be referred to and finally resolved by the Norwegian courts.

IN WITNESS WHEREOF the Parties have entered into this Agreement on the Effective Date

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

for and on behalf of

for and on behalf of

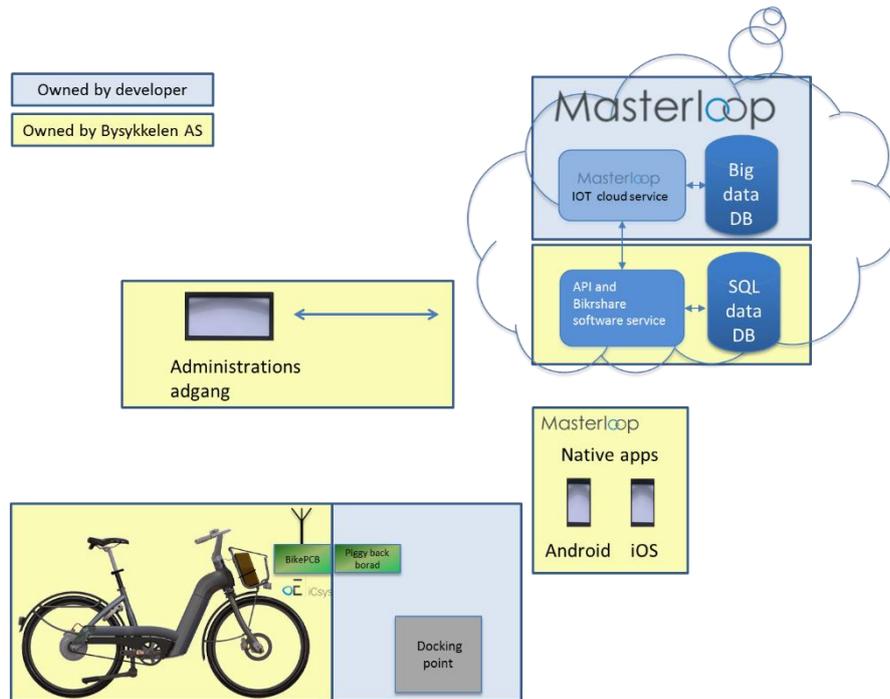
BYSYKKELEN AS

[Distributor]

Schedule 1

Bsyskkelen AS intellectual rights to the bike share system

This document outlines the extent of the ownership of the intertextual rights to the new bike share system.



1. Bsyskkelen AS owns all rights to bike design and software according to the illustration above. The interface to docking points will be an open interface. Developers own the rights to: docking points and hardware and core IOT cloud services, as shown in the drawing.

In general, Bsyskkelen AS owns all right to use and the right to produce bikes, furthermore, Bsyskkelen AS holds the right to major parts of the software used for the bike share system. The description below is based on the complete and finished system in operation. In the following the individual elements are described in details:

Parts	Description of associated rights
Bicycle	All intellectual rights to the bike design. The design includes:

Parts	Description of associated rights
	<ul style="list-style-type: none"> • a number of unique elements, these are owned and • a number of standard components owned by the providers. <p>All unique elements require tools, typically moulds and jigs etc. to produce the bike. Bysykkelen AS also owns these tools. A licence fee must be paid to use the bike design.</p>
BikePCB	<p>Hardware and Software design are fully owned.</p> <p>If the BikePCB is used without use of the bike design a licence fee must be paid.</p> <p>With use together with the bike design the BikePCB may be produced and software used without a licence fee.</p>
Central system /Back office system (Web access)	<p>Bysykkelen owns all rights to the back office system.</p> <p>The software may be used and resold without a licence fee.</p>
Native apps	<p>Bysykkelen owns all rights to the native apps.</p> <p>The software may be used and resold without a licence fee.</p>
MasterLoop IOT cloud service	<p>The cloud service is owned by Masterloop. The system requires this kind of service to be operational.</p> <p>The same system or equivalent is needed. Royalties must be paid to use this service.</p>
Kimaldi Piggy back and docking point.	<p>Bysykkelen AS do not own the current design, however, Bysykkelen AS has all associated us rights.</p> <p>Furthermore, the hardware and the software are defined as an open interface. Bysykkelen AS owns the interface specification and may design compatible docking points without limitations.</p>

Note: No patents exist. "Owns" and "Owned" refer to a full or shared ownership.

Schedule 2

PRICES

The Parties agree that Distributor shall pay a licence fee for the right to manufacture and sell the Products and BikePCB worldwide as follows:

1. “The bike design” with Bike PCB”:

1-2000: EUR 100 per Product and BikePCB produced

2000+: EUR 50 per Product and BikePCB produced

2. “The bike design” without Bike PCB

1-2000: EUR 100 per Products produced

2000+: EUR 50 per Products produced

3. BikePCB

1-2000: EUR 10 per Bike PCB produced

2000+: EUR 5 per Bike PCB produced

The number of units produced by the Distributor, shall be reported to Bysykkelen on a quarterly basis. Bysykkelen shall have the right to conduct a yearly audit, and if there are errors in the numbers reported by the Distributor which amounts to more than 5% of the total amount of units produced, then the Distributor shall bear the costs associated with the audit. Otherwise such costs are borne by Bysykkelen.