

DISTRIBUTORSHIP CONTRACT

N° 20641-20150928

Between

LAVORWASH SPA
Str. J.F. Kennedy 12, Pegognaga, Mantova, Italy

(hereafter called "the Supplier")

and

ITALTEH SRL
Str. Alecu Russo 55/3, Ap. 3, Chisinau

(hereafter called "the Distributor")

IT IS AGREED AS FOLLOWS

1. Territory and Products

- a) The Supplier appoints the Distributor, who accepts, to promote the sale of the products listed in Annex A-1 (hereinafter called "the Products") in the territory indicated in Annex A-2 (hereinafter called "the Territory").
- b) It is understood that the range of the Products as well as their qualities, prices etc., can be varied at any moment by the Supplier at his own discretion. The Supplier shall promptly inform the Distributor of such changes.

2. Distributor's functions

- a) The Distributor sells in his own name and for his own account, in the Territory, the Products supplied to him by the Supplier. He has no authority to make contracts on behalf of, or in any way to bind the Supplier towards third parties.
- b) The Distributor agrees to promote in the most effective way, and in accordance to the general directions given by the Supplier, the sale of the Products within the whole Territory and to protect the Supplier's interests with the diligence of a responsible businessman. He shall especially set up and maintain an adequate organization for sales (and, where appropriate, after-sales service) with all means and personnel as are reasonably necessary in order to ensure the fulfillment of his obligations under this contract for all and throughout the Products Territory.
- c) The Distributor shall not appoint with the place of Supplier, sub-distributors or agents for the sale of the Products without the previous written authorization of the Supplier.
- d) The Distributor shall be responsible for all advertising necessary to promote the Products within the Territory. Such advertising must be in accordance with the indications given by the Supplier, in order to warrant that it conforms to the Supplier's image and marketing policies. Unless otherwise agreed, the costs of advertising are to be covered by the Distributor.
- e) The Distributor shall take part at his own expenses, and subject to previous agreement with the Supplier, in the most important fairs or expositions concerning the Territory.
- f) The Distributor is free to fix the resale prices of the Products, with the only exception of maximum resale prices that the Supplier may impose. The Supplier may indicate non-binding resale prices, provided this does in no way limit the Distributor's right to grant lower prices to his customers.
- g) The Distributor shall with due diligence keep the Supplier informed about the developments of his activity, the market conditions and the state of competition (qualities and prices of competing products, marketing activities carried out by competitors, etc.) within the Territory, and about the laws and regulations in force in the Territory to which the Products must conform (e.g. import regulations, labeling, technical specifications, safety requirements, etc.).

LAVORWASH S.p.A.

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In accordance with art. 13 of the (law) D. Lgs. 30.06.2003 no. 196 (Code of the Privacy), we inform You that all personal data acquired with reference to the established commercial relationships will be treated as specified in the above mentioned law: the integral text of the law is available on the web site: www.lavorwash.it

3. Sales targets - Minimum turnover

- a) The parties will agree within the end of each year upon the sales targets for the following year. They undertake to do their reasonable efforts to reach such targets.
- b) Furthermore, The Distributor undertakes to purchase, during each year, Products amounting to at least the minimum yearly turnover indicated in Annex A-3. For the years following those for which a minimum turnover is indicated in Annex A-3, the parties shall determine jointly and in good faith the minimum turnovers within the end of the month preceding the year at issue. If nothing has been agreed the minimum will be automatically increased by 10% with respect to the minimum of the previous year.
- c) If the Distributor fails to attain within the end of any year the minimum purchase in force for such year, the Supplier shall be entitled, by notice given in writing by means of communication ensuring evidence and date of receipt (e.g. registered mail with return receipt, special courier), to terminate this Agreement with immediate effect, as provided for by art. 10.

4. Undertaking not to compete

- a) The Distributor shall not distribute, manufacture or represent any products which are in competition with the Products, for the entire term of this contract. In particular he shall not engage, within the Territory or elsewhere, directly or indirectly, acting as distributor, commission merchant, reseller, commercial agent, or in any other way, for the benefit of third parties who manufacture or market products which are in competition with the Products.
- b) The Distributor is free to distribute, manufacture or to represent non competitive products (as long as such activity is not carried out for the benefit of competing producers) provided that the Distributor informs the Supplier in writing in advance (stating in detail the types and characteristics of such products).

5. Conditions of supply - Prices

- a) The Supplier shall accept to supply all Products ordered, subject to their availability, and provided payment of the Products is adequately warranted. All sales of the Products to the Distributor shall be governed by the Supplier's general conditions of sale, if attached to this contract. In case of contradiction between such general conditions and this contract, the latter shall prevail.
- b) The price payable by the Distributor shall be those set forth in the Supplier's price-lists as in force at the time the order is received by the Supplier with the discount indicated in Annex A-4 (if completed). Such prices are subject to change at any time, subject to a one month's notice.
- c) Payment will be made, unless otherwise agreed, (i) by means of an irrevocable letter of credit confirmed by a leading Italian bank at least thirty days before the agreed term of delivery and cashable against shipping documents, or (ii) by delayed payment, provided adequate bank guarantees, covering the entire debt of the Distributor, are made available in advance.
- d) The Distributor agrees to comply, with the utmost care, with the terms of payment agreed upon between the parties.
- e) It is agreed that, the Product delivered remain the Supplier's property until complete payment is received by the Supplier.

6. Active sales outside the Territory

- a) The Distributor agrees not to actively promote sales (e.g. through advertising, establishing branches or distribution depots) outside the Territory and in any case into the territories reserved by the Supplier exclusively for himself or allocated by the Supplier to other exclusive distributors or buyers.

7. Supplier's trademarks – Unfair Competition – Secrecy

- a) The Distributor shall make use of the Supplier's trademarks, trade names or any other symbols, but for the only purpose of identifying and advertising the Products, within the scope of his activity as Distributor of the Supplier and in the Supplier's sole interest.
- b) The Distributor hereby agrees neither to register nor to register through third parties, any trademarks, trade names or symbols of the Supplier (nor any trademarks, trade names or symbols of the Supplier that may be confused with the Supplier's ones), in the Territory or elsewhere. He furthermore agrees not to include the above trademarks, trade names or symbols of the Supplier in his own trade or company name.
- c) The Distributor shall inform the Supplier as soon as he gets notice of it, about any act of unfair competition or infringement of the Supplier's industrial property rights (i.e. trademarks, trade names, registered designs) by

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Handwritten signature
LAVORWASH S.p.A.
Via Kennedy 12 - 46020 Pegognaga (MN)

third parties and concerning the Products. He shall also assist the Supplier in defense of his rights in the Territory.

- d) The Distributor shall not reveal either during the currency of the contract or after its termination the Supplier's trade or commercial secrets or other confidential information that has come to his knowledge through his activities as Distributor for the Supplier, and agrees not to use such secrets or confidential information for purposes other than those of executing the present contract.

8. Exclusivity

- a) The Supplier will sell, in the Territory, to the Distributor but it will be free to appoint any distributors, commercial agents or intermediaries, for the purpose of distributing the Products. He will be also free to send his personnel to the Territory in order to harmonize the Distributor's activities with his own commercial policy and to contact directly the customers of the Territory.
- b) The Supplier is entitled to sell the Products to customers outside the Territory, even if such customers intend to export the Products into the Territory, but may not actively solicit or otherwise provoke such sales to third parties.

9. Term and termination of the contract

- a) This contract enters into force on the day of its signature and shall remain in force until terminated according to Articles 9 or 10, but shall in any case expire (if not terminated earlier) after a period of five years from the date of its entry into force. The parties agree to meet at least three months before the end of the five years' period in order to discuss the possibility of entering into a new contract after its expiration.
- b) Either party may terminate this contract by a written notice of three months within the first three years of duration of the contract and six months during the fourth year or thereafter. The termination notice shall be notified to the other party in writing by means of communication ensuring evidence and date of receipt (e.g. registered mail with return receipt, special courier).

10. Earlier contract termination

- a) The Supplier may terminate this contract with immediate effect ex art. 1456 of the Italian Civil Code, without respecting a period of notice, by notice given in writing by means of communication ensuring evidence and date of receipt (e.g. registered mail with return receipt, special courier), in case of a breach, whatever the importance of the violation, of any of the following contractual clauses and relevant obligations: 2 (Distributor's functions), 3 (Sales targets - Minimum turnover), 4 (Undertaking not to compete), 6 (Active sales outside the Territory), 7 (Supplier's trademarks - Unfair Competition - Secrecy), or in case of occurrence of exceptional circumstances which justify the earlier termination (as set out in Articles 10.b and 10.c).
- b) Exceptional circumstances justifying the immediate contract termination shall be: bankruptcy, any kind of composition between the bankrupt and the creditors, death or incapacity of the Distributor, civil or criminal sentences as well any circumstances which may affect his reputation or hamper the punctual carrying out of his activities.
- c) If the Distributor is a company, shall also be considered as an exceptional circumstance justifying the immediate contract termination the occurrence of any important change in the legal structure or in the management of the Distributor company, carried out without the prior consent of the Supplier.
- d) Should the reason given by a party in order to justify the earlier contract termination according to this Article appear to be inexistent or should it not be a valid reason for earlier termination, then the termination notice shall nevertheless take immediate effect, but the terminated party will be entitled to recover damages arising out of the unjustified earlier termination.

11. Consequences of the contract termination

- a) Upon expiry of this contract the Distributor shall return to the Supplier all explanatory and advertising material and other documents which have been supplied to him and are in the Distributor's possession; the Distributor shall also cooperate with the Supplier in informing third parties about the expiry of the distribution contract. The Distributor in particular agrees to avoid, in his contacts with third parties, to make any reference to the previous relationship with the Supplier, in order to avoid any risk of confusion on the side of the customers.
- b) The right of the Distributor to use the Supplier's trademarks, trade names or symbols, as provided for under Article 7.a, shall cease immediately upon expiration or termination, for any reason, of the present contract.
- c) The Supplier will have the possibility to his own discretion to buy from the Distributor the Products the latter has in stock, provided they are still currently sold by the Supplier and are in new condition and in original packaging, at

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the price originally paid by the Distributor.

- d) The Distributor shall not be entitled to an indemnity for goodwill or similar compensation in case of termination for any reason of this contract.

12. Applicable law

- a) This contract is governed by the laws of Italy.

13. Dispute resolution

- a) For any controversies concerning the validity, interpretation, performance and/or termination of this agreement, as well as for any contractual or extracontractual obligation arising herefrom, the parties agree that the Italian judicial authorities will have exclusive jurisdiction and the Courts of Milan will have exclusive territorial competence.

14. Final clauses

- a) This Contract supersedes and replaces any other preceding agreement, written or verbal, that might have taken place between the two parties on the subject.
b) No addition or modification to this contract shall be valid unless made in writing between the two parties.
c) The Annexes form an integral part of this contract.

Pegognaga, 28/09/2015

LAVORWASH S.p.A.
Via J.F. Kennedy, 12 - 46020 PEGOGNAGA (MN)
The Supplier
Partita Iva 02228260200

The Distributor

The Distributor declares that he approves specifically, with reference to articles 1341 and 1342 of the Italian civil code, the following clauses of this contract: : 2 (Distributor's functions), 3 (Sales targets – Minimum turnover), 4 (Undertaking not to compete), 5 (Conditions of supply – Prices), 6 (Active sales outside the Territory), 7 (Supplier's trademarks – Unfair Competition – Secrecy), 9 (Term and termination of the contract), 10 (Earlier contract termination), 13 (Dispute resolution)

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(The Distributor)

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ANNEX A

A-1 PRODUCTS (ART. 1.1)

The Products are:

- All the products sold under the trademark(s): LAVOR/LAVOPRO

A-2 TERRITORY (ART. 1 a)

The territory assigned to the Distributor is: MOLDOVA REPUBLIC

A-3 MINIMUM TURNOVER (ART. 3.b)

Year	Amount (Euro)
2015	26000

A-4 DISCOUNTS (Art. 5.b)

A-5 KEY PERSONS (Art. 10.d)

Person	Position (e.g. director, majority shareholder)

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Partita IVA 03767560200

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