
DISTRIBUTION AGREEMENT

PARTIES

Shenzhen Lumin Lighting Co., Ltd.
深圳市绿明光世界科技有限公司

("The Manufacturer")

&

("The Distributor")

BETWEEN

Shenzhen Lumin Lighting Co., Ltd

1107# Building A, No.196, Tangtou Avenue,Shiyan Street, Baoan District,
Shenzhen,China P.C 518105

AND

RECITALS

The Manufacturer produces all range of LED lighting products on its catalogue. And the products are specially supplied to xxx market.

Prices shall be as per the applicable attached price list issued by the Manufacturer which will be reviewed every year.

The Manufacturer agrees to provide the Distributor with exclusive rights to import and distribute the products within the nominated Territory as per the terms and conditions set out in this Agreement and the Distributor accepts that appointment.

Provided that the Distributor complies with the terms and conditions of this Agreement the Manufacturer shall not directly supply the products to a purchaser in the Territory.

1. RELEVANT LAW

The Law that applies in China shall apply to this document.

2. DURATION OF AGREEMENT

The Agreement shall commence on the date of execution and remain in effect for a period of 2 years, subject to the terms of the Agreement.

3. RENEWAL OF AGREEMENT

The option to renew the Agreement for a further minimum period of 2 years shall not be unreasonably withheld by the Manufacturer. The factors that will bear upon the renewal include Distributor's sales performance so as to achieve purchase targets and satisfactory payment by the Distributor to the Manufacturer of all accounts in a timely manner.

4. CANCELLATION OF AGREEMENT

Where either party breaches the terms of the Agreement, the other party may give the defaulting party notice of its intention to terminate the Agreement. The termination will become effective 60 days after the receipt of written notice unless during the relevant period of 60 days the defaulting party has remedied the default to the reasonable satisfaction of the other party. A breach of this Agreement will include failure by the Manufacturer to supply products in a timely manner or failure by the Distributor to pay their accounts to the Manufacturer by due dates.

The Manufacturer reserves the right to effect immediate cancellation of this Agreement if:-

- i. The Distributor enters into liquidation whether compulsory or voluntary,
- ii. A meeting is convened or a resolution passed to appoint an official manager in respect of the Distributor,
- iii. The Distributor enters into, or resolves to enter into, a scheme or arrangement of composition with or assignment for the benefit of, all or any class of creditors,
- iv. The Distributor proposes a reorganisation, moratorium, or other form of administration,
- v. The Distributor is or states it is unable to pay its debts when they fall due,
- vi. The Distributor takes any steps to obtain protection or is granted protection from its creditors under any applicable legislation,
- vii. An administrator is appointed to the Distributor,
- viii. Anything substantially similar to the events specified above occurs under the law of any applicable jurisdiction.

4.3 If during any twelve month period commencing on the date of signing the Agreement by both parties hereto, the Distributor fails to purchase eighty- five per cent of the product sales goals, as provided in the sales budget pursuant to clause 7.1. The manufacturer shall reserve the right to termination of the Agreement, or the parties shall meet to or otherwise review the position. As part of that review the parties may fix new target levels taking account of market conditions, competitive activity, exchange rates and any other factors which could effect the ability of the Distributor to meet the product sales goals, if the Distributor fails to purchase ninety per cent of the new target levels during any twelve month period commencing from the date of the review the Manufacturer shall have the right to terminate this agreement by giving 30 days notice in writing.

5. PAYMENT OF GOODS

The payment of goods shall be carried out in accordance with the following circumstances:

- (1) 100 per cent payment shall be made in case an order below USD 100,000.
- (2) 30% deposit in advance and 70% balance is paid by irrevocable L/C at sight in case an order over USD 100,000.

6. MARKET/PROMOTION

- i. The Manufacturer will assist the Distributor in the promotion and market development of products in designated area at the Distributor's cost and own discretion. This may include from time to time the services of a Senior Manager to train the Distributor's staff on the Manufacturer's product lines.
- ii. The Manufacturer shall provide the Distributor with technical data, catalogues, product literature, samples and similar promotional material to enable the Distributor to carry out its obligations under this Agreement.

7. MARKETING PLAN & SALES BUDGETS

7.1 The Distributor's sales target: USD 500,000 per year for LUMIN lighting's all product range: outdoor lighting, industrial lighting, indoor lighting, commercial lighting.

7.2 The first order shall be USD 100,000 within one month after signing the Agreement; the purchase volume shall reach USD 250,000 in the sixth month after signing the Agreement. Otherwise, the Manufacturer reserves the right to cancellation of the Agreement.

7.3 The Distributor and the Manufacturer will meet or discuss annually to develop and agree on a marketing plan and sales budget for the Distributor in respect of the following financial year. The plan and budget will refer to the following:-

- i. product sales goals for the Distributor during that financial year,
- ii. marketing and sales strategies,
- iii. product promotion programs and advertising,
- iv. product literature, and
- v. new products

and the plan and budget will be assessed and reviewed by the Manufacturer and the Distributor on a quarterly basis.

8. TECHNICAL ASSISTANCE

The Manufacturer shall provide reasonable technical and engineering assistance at its own cost and discretion to the Distributor and its clients.

9. CONFIDENTIALITY

The Distributor agrees to keep strictly confidential and maintain as trade secrets all pricing and customer information relating to this Agreement.

10. DISPUTE RESOLUTION

In the event of a dispute between the parties, as to the rights or obligations under this Agreement such dispute shall be resolved in a spirit of good faith and on a commercially realistic basis by mutual negotiation.

If the dispute has not been resolved by negotiation within 1 month of the dispute having arisen, then the dispute shall be referred to mediation.

The mediator shall be independent and chosen by both parties. Each party shall bear its own costs of mediation. The costs of the mediator shall be borne equally.

If a mediator has not been chosen within 2 months after the dispute has arisen or the dispute has not been resolved within six weeks of the mediator having been chosen, either party be entitled to commence legal proceedings against the other party in relation to the relevant dispute, without further notice to that party.

11. FORCE MAJEURE

An obligation of either party under this Agreement shall be suspended during the time and to the extent that the party is prevented from or delayed in complying with that obligation by Force Majeure.

Force Majeure means a circumstance beyond the reasonable control of a party which occurs without the fault or negligence of the affected party including but not limited to war, strikes, lockouts, industrial disputes, acts of God, government restrictions and intervention, transport delays, fire, riots, revolution, fire, earthquake, flood, storm, theft, vandalism and accidents of any kind. A circumstance which affects the Distributor to make payments pursuant to this Agreement shall not constitute Force Majeure unless that circumstance is caused by an impediment in or affecting the banking system in the Territory.

This Agreement, where an obligation has not been carried out because of Force Majeure, shall continue and it should not be considered a breach of duty whilst that event of Force Majeure subsists.

12. PROPERTY & RISK

- i. the risk in the products shall pass on to the Distributor upon handover to the Distributor's shipping agent .
- ii. notwithstanding delivery of the products or their installation, property in any given products shall remain with the Manufacturer's until the Distributor has paid and discharged any and all other indebtedness to the Manufacturer for all accounts.

13. AGENCY EXCLUDED

Nothing in this Agreement shall be construed as establishing or implying any partnership or joint venture between the two parties and nothing in this Agreement shall be deemed to constitute the Distributor as agent of the Manufacturer to:-

- i. incur any expenses on behalf of the Manufacturer,
- ii. enter into any arrangement or make a representation or warranty on behalf of the Manufacturer,
- iii. pledge the credit of, or otherwise bind or oblige the Manufacturer,
- iv. commit the manufacturer in any way whatsoever,
without in each case obtaining the Manufacturer's prior written consent.

14. ASSIGNMENT

This Agreement shall not be assigned or transferred by either party except by the written consent of the other, which consent shall not be unreasonably withheld. The Distributor must also gain the written consent to the Manufacturer to transfer the Agreement if there is any change in control in the Distributor.

15. TERRITORY

The Distributor's Territory to import, distribute and install the Manufacturer's products shall be the Country of xxx.

The Distributor must not, without the consent of the Supplier, which consent shall not be unreasonably withheld, knowingly use or sell the scheduled products for projects located outside the defined Territory.

16. LEGALITY

If any provision of this Agreement or part thereof is held illegal, unenforceable or otherwise invalid, that provision or part shall be deemed to be severed from this Agreement and the remainder of this Agreement shall continue in its effect.

17. AMENDMENT

No variation, modification or waiver of any obligation under this Agreement shall be made unless by written instrument signed by both parties.

IN WITNESS WHEREOF the parties have executed this Agreement.

SIGNED on behalf of
Shenzhen Lumin lighting Co., Ltd

SIGNED on behalf of

.....
Signature

.....
Signature

.....
Name

.....
Name

.....
Title

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Title

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