

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING ("MOU") is made this day of 2015

BY AND BETWEEN:

A. XXXXXXXX, with registered office at

AND

B. **SIMETI, s.r.o.**, Identification num. 62581805, with registered offices at Na Pankráci 1618/30, Nusle, 140 00, Praha 4, Czech Republic ("Simeti")

collectively referred to as the "Parties" and each individually as a "Party".

WHEREAS:

A. XXXXXXXXXXXX is a company interested in opening of production and further use and sale of Simeti products;

B. Simeti is a company with exclusive rights to Simeti inventions, technologies and products, specifically to the Simeti Small Wind Turbine 5 kW ("Wind Turbine");

C. The Parties regard each other as potential partners in pursuing business objectives of mutual interest with respect to the transfer of technology of the Wind Turbine ("Transaction");

D. XXXXXXXXXXXX has sufficient funds and experience to purchase technology from Simeti to begin production of the Wind Turbine and further sale of self-produced Wind Turbines.

NOW, THEREFORE, in consideration of the foregoing premises, the undersigned hereto agree upon this summary of principles and action points that is to serve as the basis for further discussion between the Parties.

1.

Purpose

Simeti has exclusive rights to all Simeti inventions, technologies and products and is an entity with the right (i) to produce Simeti products, (ii) to transfer Simeti technologies and (iii) to change or modify Simeti inventions (protected by Intellectual Property Laws).

The main product of concern is the Simeti Small Wind Turbine 5 kW, a device for generating electricity using the kinetic energy of wind, for which Simeti has a running production line.

Simeti has prepared a package, the contents of which are detailed below, as a framework for the transfer of relevant technology to clients who intend to establish their own manufacture of Wind Turbines.

xxxxxxxxxx is a company prepared to open a manufacture of Wind Turbines based on technology provided by Simeti. xxxxxxxxxxxxxx company has sufficient funds to purchase technology from Simeti and is ready to wire agreed amount as a fee for technology transfer after signing of Technology Transfer agreement.

The Parties acknowledge that their various and complimentary areas of skill and expertise are elements of a synergy favorable to the most successful cooperation.

2. Common Objectives

The common stated objective is to achieve the greatest economic turnover for all of The Parties.

Simeti shall be a supplier of technology and other services, tools, production equipment and other installations in accordance with Section 3 of this MOU. Simeti is prepared to provide a non-exclusive license under which XXXXXXXXXXXXX shall be authorized to produce Wind Turbines as a manufacturer in agreed amounts. Along with the production license Simeti shall grant XXXXXXXXXXXXX a non-exclusive license to use trademark "Simeti Wind Energy" for products manufactured under production license.

XXXXXXXXXXXX shall establish a production line which shall produce Wind Turbines by transferred technology. For the production XXXXXXXXXXXXX shall receive complete technological documentation which shall include primarily: (i) technological process how Wind Turbines are being completed, (ii) component drawings of individual spare parts, and (iii) detail description of used materials.

The technological documentation shall be in a language of the producer unless agreed otherwise.

3. Next steps

The signing of this MOU will initiate a course of action according to the following schedule:

1. Conclusion of a non-disclosure agreement (NDA) between the Parties.
2. Meetings and negotiations between the Parties
3. XXXXXXXXXXXXX makes a choice of Technology Transfer Package (ver. 1-3)
4. Conclusion of Technology Transfer Agreement
5. Payment of the whole fee to an attorneys escrow in the Czech Republic
6. Handing over of the complete technology documentation
7. Release of the fee from the attorneys escrow to Simeti
8. Further steps under Technology Transfer Agreements (for ver. 1 and 2)

4.

Technology Transfer Packages

Technology Transfer Package version I.

- License of utility model on production of MVE Simeti Wind Turbine in amount of 10000 pieces produced within 5 years
- Production drawing documentation, drawing documentation of technology process, photodocumentation
- Build-up of technology according to customer's needs
- Supply of production facilities
- Supply of components and manufacture sets according to customer's needs
- Supply of electronics
- Initiation of production and training of production experts
- Hand-over of know-how, consultancy of Simeti at customer's premises
- Successful execution of certification tests of quality of manufactured products
- Quality control by Simeti experts for the whole time of duration of the license

Price: EUR 2 500 000

Technology Transfer Package Version II.

- License of utility model on production of MVE Simeti Wind Turbine in amount of 10000 pieces produced within 5 years
- Production drawing documentation, drawing documentation of technology process, photodocumentation
- Build-up of technology according to customer's needs
- Supply of components and manufacture sets according to customer's needs
- Supply of electronics
- Initiation of production and training of production experts
- Hand-over of know-how, consultancy of Simeti
- Successful execution of certification tests of quality of manufactured products
- Quality control by Simeti experts for the whole time of duration of the license

Price: EUR 1 250 000

Technology Transfer Package Version III.

- License of utility model on production of MVE Simeti Wind Turbine in amount of 10000 pieces produced within 5 years
- Production drawing documentation, drawing documentation of technology process, photodocumentation
- Build-up of technology according to customer's needs
- Supply of components and manufacture sets according to customer's needs
- Supply of electronics
- Training of production experts
- Hand-over of know-how, consultancy of Simeti
- Successful execution of certification tests of quality of manufactured products
- Quality control by Simeti experts for the whole time of duration of the license

Price: EUR 970000

5.

Non-binding nature of this MOU

Nothing in this MOU shall be interpreted or construed as creating a partnership, association, or joint venture between the Parties. No Party has any right under this MOU to make commitments of any kind for or on behalf of the other Party, without the prior written consent of that other Party.

This MOU is a statement of intent by the Parties and is not legally binding.

In all other respects this MOU is not intended to and shall not create or reflect any binding contract, or any other form of financial or legal relationship between the Parties, and each Party is free to withdraw from negotiations without liability at any time. Accordingly, this MOU is not intended to and does not create any legally binding obligation for either Party to engage in any transaction.

Notwithstanding the above, the Parties acknowledge that this MOU manifests their mutual intent of making all reasonable efforts to foster and promote their prospective collaboration.

6.

Confidentiality

Each of the Parties shall treat this MOU and the fact, nature, content, and specifics of their discussions regarding joint business opportunities and the potential Transaction, as well as all business and technical information, procedures, documents, letters, plans, diagrams, sketches,

drawings, photographs, models, specifications, software and content which one Party may disclose (whether orally or in writing) to the other in pursuance of the Transaction ("Confidential Information") as confidential, with the caveat that the Parties may disclose Confidential Information (a) to their employees, officers, representatives, advisers and affiliates who require such information for purposes of evaluation, preparation, and negotiation of The Transaction and related documents; and (b) as may be required by law, by a court of competent jurisdiction, or by any governmental or regulatory authority.

Each Party shall ensure that any employee, officer, representative or adviser to whom it discloses such Confidential Information will fully comply with this section 6.

No Party shall use the other Party's Confidential Information for any purpose other than the working on and evaluation of a potential Transaction and the preparation and negotiation of potential Transaction documents.

7.

Expenses

Each Party to this MOU shall pay the expenses incurred by them in connection with this MOU.

8.

No waiver

No failure or delay on the part of any Party in exercising any right under this MOU shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude its further exercise or the exercise of any other right.

9.

Severability

Each of the provisions of this MOU are severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this MOU shall not in any way be affected or impaired thereby.

10.

Amendments

This MOU sets out the entire agreement and understanding between the Parties with respect to the range and limitations of the matters it pertains to. There shall be no amendment or variation introduced to this MOU without the prior written agreement of the Parties, such agreement to be signed and witnessed by a duly authorized representative of each Party.

11.

Anti corruption

Each of the Parties undertakes to comply, in relation to all actions and matters under and in connection with this MOU and The Transaction, with all applicable anti-corruption laws and regulations, including but not limited to the Bribery Act of 2010.

12.

Arbitration

Any dispute arising under or by virtue of this Memorandum or any difference of opinion between the parties hereto concerning their rights and obligations under this Memorandum, shall be finally resolved by arbitration. Such arbitration proceedings shall take place in Stockholm in accordance with the applicable rules of arbitration of the Arbitration Institute of the Stockholm Chamber of Commerce, but the proceedings should take place in the English language according to law of the Czech Republic. The decision of the arbitration proceedings shall be final and binding upon both parties.

13.

Effectiveness

Each Party retains one of two original copies of this MOU, both of which are to be regarded as one and the same instrument.

14.

Termination

This MOU shall come into effect on the date it is signed by both Parties and shall remain effective for a term of one year from the signing date, or until the first of the following occurrences: (i) the relationship established by this MOU is terminated by the Parties; (ii) the Parties enter upon a written agreement which cancels, supersedes, or changes the terms of this MOU.

The Parties undertake to share all pertinent information and to immediately inform each other of any decision or circumstance affecting their further cooperation, including the intent to withdraw altogether.

IN WITNESS WHEREOF, and by the signature of their duly authorized representatives, the Parties hereto have executed this MOU as of the date first set forth above.

For and on behalf of XXXXXXXX

For and on behalf of Simeti

Signed

Signed

Name:

Name:

Title:

Title: