

EXCLUSIVE RIGHTS DISTRIBUTOR AGREEMENT (draft for discussion)

This Exclusive Distributor Agreement ("Agreement") is made and effective on this, the _____, by and between **KMH Touches Inc.**, having offices at 25 Concession Street 220 Unit Cambridge Ontario, Canada ("Company") and _____, with its principal place of business at _____ ("Distributor").

In consideration of the mutual promises contained herein, the parties agree as follows:

1. Definitions

As used herein, the following terms shall have the meanings set forth below:

a. "Products" shall mean the following Company products to be sold by Distributor:

All products as referred to in "Attachment 1: Products" incorporated herein by reference.

b. "Territory" shall mean the following described geographic areas and/or particular accounts:

All areas and accounts as referred to in "Attachment 3: Territory" incorporated herein by reference.

c. "Other Terms and Conditions" shall mean all terms, conditions, limitations, and modifications as described in "Attachment : Other Terms and Conditions" incorporated herein by reference.

d. "Language" applicable throughout this entire agreement is assumed to be English and both parties will fulfill their mutual obligations in the English language only.

2. Appointment

Company hereby grants to Distributor Exclusive rights for product mentioned in Attachment1 of this agreement.

3. Contractual Conditions

Distributor must meet the minimum aggregate order thresholds as defined in Attachment 2 to maintain exclusive distribution rights for the territory defined by Attachment 3 of this agreement.

4. General Duties

Distributor shall use its best efforts to promote the Products and maximize the sale of the Products in the Territory. Distributor shall also provide reasonable assistance to Company in promotional activities of Company with respect to the Products. Distributor shall also provide reasonable "after sale" support to Product purchasers and generally perform such sales related activities as are reasonable to promote the Products and the goodwill of the Company in the Territory. Distributor shall report every six months to Company by written report due by the 15th of the following month concerning sales of the Products and marketing activities of the previous period. This report, known as the "Sales and Marketing Report", shall include two parts, the "Product Sales Report" and the Marketing Activity Report". The Product Sales Report shall include orders written. Marketing Activity Report shall include a general synopsis of activities, such as advertisements, articles, trade shows, etc. Distributor will devote adequate time and effort to perform its obligations. Distributor shall neither advertise the Products outside the Territory nor solicit sales from purchasers located outside the Territory without the prior written consent of Company. Distributor's task is

to solicit orders from all potential customers in the Territory including individuals, businesses, government entities, resellers, dealers, retailers, and others.

5. Reserved Rights

Company reserves the right to exhibit, advertise, market and attend trade shows within the Territory. Company further reserves the right to enter into any agreements, partnerships, associations, joint ventures, OEM contracts, or other business relationships with manufacturers, suppliers, or other parties. Any sales or leads of Products made directly by the Company in the Territory will be credited and attributed to the Distributor, except that such sales will not count towards any quarterly or annual minimum sales quotas that Distributor may be subject to elsewhere in this Agreement. Company provides to Distributor possibility of discounts, rebate, compensation and other methods of stimulation and rewards.

6. Conflict of Interest

Distributor warrants to Company that it does not currently represent or promote any lines or products that compete with the Products. During the term of this Agreement, Distributor shall not represent, promote or otherwise try to sell within the Territory any lines or products that, in Company's judgment, compete with the Products covered by this Agreement.

7. Independent Contractor

Distributor is an independent contractor, and nothing contained in this Agreement shall be construed to (1) give either party the power to direct and control the day-to-day activities of the other; (2) constitute the parties as partners, joint venturers, co-owners or otherwise; or (3) allow Distributor to create or assume any obligation on behalf of Company for any purpose. Distributor is not an employee of Company and is not entitled to any employee benefits. Distributor shall be responsible for paying all income taxes and other taxes charged to Distributor on amounts earned hereunder. All financial and other obligations associated with Distributor's business are the sole responsibility of Distributor.

8. Software invention and video scenario creation

Distributor may at its own cost and expense construct special software or video scenarios ("Custom Software and Video Scenarios") for use and sale with the Products. All Custom Software and Video Scenarios shall be deemed to be a "work made for hire" and all copyrights shall vest with Company. Distributor agrees to execute any and all forms, documents, licenses, and releases to fully transfer all copyrights of Custom Software and Video Scenarios from Distributor to Company. Company must review and approve all Custom Software and Video Scenarios before it will be released back to Distributor to sell as part of the Products. The Distributor shall be allowed to sell the Custom Software and Video Scenarios royalty free. However, the Company reserves the right to charge a reasonable royalty in future distributor agreements or renewals.

9. Purchases and Sale of the Products

A. Payment. Distributor will send 50% prepayment before the start of production and 50% more by letter of credit before the shipment. Delivery terms: FOB Incoterms 2020.

B. Orders. All orders for the Products shall be submitted to Company in writing by email (regular postal mail and other delivery services are acceptable) sent to the attention of Company. All orders received shall be verified by email sent from Company. The Company will notify the Distributor through

appropriate means when the goods have been transferred to a carrier specified by the Distributor. The Distributor is responsible for all transportation costs and applicable taxes and duties.

C. *Inquiries from Outside the Territory.* Distributor shall promptly submit to Company, for Company's attention and handling, all inquiries received by Distributor from customers outside the Territory. All inquiries shall be submitted to Company by email within five (5) business days and shall be included in the next monthly Sales and Marketing Report.

D. Individual orders for products submitted by the Distributor to the Company will be priced at 50% of the Company's retail price as posted on the Company's website. The Company will provide the Distributor with 30 days written notice of any changes to product prices which form part of this agreement.

10. Product Warranty

Any warranty for the Products shall run directly from Distributor to the purchaser of the Products. Pursuant to any such warranty, the purchaser shall contact Distributor directly to make arrangements for repair, return, or replacement of any allegedly defective Products. Distributor shall have sole authority to deal with customers regarding any such warrantable repairs, returns, or replacement. Upon receipt of any such warrantable products, Distributor shall separately contact Company to arrange for return or credit for these defective products. The decision for determination of defect and replacement or credit for these products shall be solely at the Company's discretion

11. Product Availability

Company shall use its best efforts in filling orders submitted by Distributor in a reasonable and timely fashion. Company shall immediately notify Distributor of any known or anticipated delays in filling new or previously entered orders and the estimated duration of any delays so that Distributor may fairly represent this information to existing or potential customers. Under no circumstances shall Company be responsible to Distributor or anyone else for its failure to fill accepted orders, or for its delay in filling accepted orders, when such failure or delay is due to strike, accident, labor trouble, acts of nature, freight embargo, war, civil disturbance, vendor problems, or any cause beyond Company's reasonable control.

12. Additional Responsibilities of Distributor

A. Selling Company Products via Internet. Distributor agrees to limit internet-based sales of products defined in this agreement to customers resident in the prescribed territory only. Sales outside of said territory by whatever means are not permitted. Distributor is also responsible for ensuring that third party resellers within the territory also adhere to this limitation.

B. Forecasts. Not later than the 30th day before order, Distributor shall provide Company with rolling forecast of orders showing Products requested.

C. Expense of Doing Business. Distributor shall bear the entire cost and expense of conducting its business in accordance with the terms of this Agreement.

D. Promotion of the Products. Distributor shall, at its own expense, vigorously promote the sale of and stimulate demand for the Products within the Territory by direct solicitation. In no event shall Distributor make any representation, guarantee, or warranty concerning the Products except as expressly authorized by Company.

E. Customer Service. Distributor shall diligently assist customers' personnel in using the Products and shall perform such additional customer services as good salesmanship requires and as Company may reasonably request.

F. Advising of Changes. Distributor shall promptly advise Company of any changes in Distributor's status, organization, personnel, and similar matters; any changes in the key personnel, organization, and status of any major customers of Company in the Territory; and any political, financial, legislative, industrial, or other events in the Territory that could affect the mutual business interests of Distributor and Company, whether harmful or beneficial.

G. Books and Records. Distributor shall maintain and make available to Company accurate books, records, and accounts relating to the business of Distributor with respect to the Products. Distributor shall also maintain a record of any customer complaints regarding either the Products or Company and immediately forward to Company the information regarding those complaints.

13. Additional Obligations of Company

A. Assistance in Promotion. Company shall provide Distributor with marketing and technical information concerning the Products, including samples of brochures, instructional materials, advertising literature, and other Product data in the English language. Distributor shall be responsible for translating these materials to other languages, the costs related to translation and printing of the translated materials as a cost of doing business.

B. Assistance in Technical Problems. Company shall assist Distributor and customers of the Products in all ways deemed reasonable by Company in the solution of any technical problems relating to the functioning and use of the Products.

C. New Developments. Company shall inform Distributor of any new product developments that are competitive with the Products and other market information and competitive information as discovered from time to time.

14. Trademarks and Trade names

A. Use. During the term of this Agreement, Distributor shall have the right to indicate to the public that it is an authorized Distributor of Company's Products and to advertise within the Territory such Products under the trademarks, service marks, and trade names that Company may adopt from time to time ("Company's Trademarks"). Nothing herein shall grant Distributor any right, title, or interest in Company's Trademarks. At no time during the term of this Agreement or at any time thereafter shall Distributor challenge or assist others in challenging Company's Trademarks or the registration thereof or attempt to register any trademarks, service marks, or trade name confusingly similar to those of Company. Company indemnifies Distributor for all use of Company's Trademarks.

B. Approval of Representations. All presentations of Company's Trademarks that Distributor intends to use shall first be submitted to Company for written approval (which shall not be unreasonably withheld) of design, color, and other details or shall be exact copies of those used by Company.

15. Term

This Agreement shall commence on the date first written above and shall continue for 5 years and will be extended in accordance with terms mutually agreed to by each party.

16. Termination

A. Termination for Breach. If either party defaults in the performance of any material obligation in this Agreement, then the non-defaulting party may give written notice to the defaulting party and if the default is not cured within thirty (30) days following such notice, the Agreement will be terminated.

B. Termination for Insolvency. Either party shall have the option to terminate this Agreement without notice, (1) upon the institution of actions against the other party for insolvency, receivership or bankruptcy, or any other proceedings for the settlement of other party's debts, (2) upon other party's making an assignment for the benefit of creditors, or (3) upon initiation of dissolution proceedings against the other party.

C. Termination of Exclusivity. Company retains option upon termination to terminate Distributor's exclusivity rights, and may allow Agreement to continue as a non-exclusive distributor agreement.

D. Return of Materials. All of Company's trademarks, trade names, patents, copyrights, designs, drawings, formula, or other data, photographs, demonstrators, literature, and sales aids of every kind shall remain the property of Company. Within thirty (30) days after termination of this Agreement, Distributor shall return all such materials to Company at Distributor's expense. Distributor shall not make or retain copies of any materials or confidential items that may have been entrusted to it. Effective upon the termination of this Agreement, Distributor shall cease to use all trademarks, service marks, and trade names of Company.

17. Limitation on Liability

In the event of termination by either party in accordance with any provisions of this agreement, neither party shall be liable to the other, because of termination, for compensation, reimbursement or damages on account of the loss of prospective profits or anticipated sales or on account of expenditures, investment, leases or commitments in connection with the business or goodwill of Company or Distributor. Company's sole liability under the terms of this Agreement shall be for any unpaid commissions if applicable.

18. Confidentiality

Distributor acknowledges that by reason of its relationship to Company hereunder it will have access to certain information and materials concerning Company's business plans, customers, technology, and products that is confidential and of substantial value to Company, which value would be impaired if such information were disclosed to third parties. Distributor agrees that it shall not disclose to any third party, any such confidential information revealed to it by Company. Without other notice, Distributor shall treat all information as confidential in nature. Upon specific request, Company shall advise Distributor whether or not it considers any particular information or materials to be confidential. Distributor shall not publish any technical description of the Products beyond the description published by Company. In the event of termination of this Agreement, there shall be no use or disclosure by Distributor of any confidential information of Company, and Distributor shall not manufacture or have manufactured any devices, components or assemblies utilizing Company's patents, inventions, copyrights, know-how or trade secrets.

19. Assignment

Neither party shall have the right to assign its interest in this Agreement to any other party, unless the prior written consent of the other party is obtained. However, Company may assign its rights and duties hereunder in connection with a merger, consolidation, spin-off, corporate reorganization, acquisition, or sale of all or substantially all the assets of the party without obtaining prior written consent. This Agreement shall be binding upon and inure to any successors or assigns of the parties.

20. Attorney's Fees

Should any action be brought by either party to enforce the provisions of this Agreement, the prevailing party, whether by settlement, adjudication or arbitration, shall have the right to collect reasonable attorneys' fees, expenses and costs from the non-prevailing party.

21. Governing Law and Jurisdiction

Any disputes under this contract can be considered only in the Swiss Chambers' Arbitration Institution (SCAI).

22. Waiver

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

23. Severability

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If any court or body of competent jurisdiction finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed and enforced as so limited. However, the invalidity or limitation of any such provision shall not affect the validity of the remaining provisions.

This contract is valid for the duration of the exclusive rights.

24. Section Headings

The section headings used in this Agreement are inserted for the purpose of convenience only and shall not be construed to limit or extend any provision hereof.

The Parties agreed that they could not sign this agreement without adopting all the rules, regulations, policies, and other regulations that are freely available on the websites of the Parties, having previously studied all the possibilities and all the information specified by each other.

Each Party undertakes that all its actions in accordance with this Agreement shall comply with all applicable laws, rules and regulations.

Parties are obliged before signing the Agreement to make sure that it takes into account all the interests of the Parties, both direct and indirect, and interests in the future.

25. Entire Agreement

This Agreement, together with any attached schedules or addendums, constitute the entire agreement between Company and Distributor and supersedes all prior agreements or understandings with respect to the subject matters contained herein. This Agreement shall not be amended, altered or changed except by a written agreement signed by both parties.

26. The below signed parties hereby acknowledge that they have read and understand the entire Agreement, that they have authority to enter this Agreement on behalf of their respective organizations, and that they have freely and voluntarily executed this Agreement as of the day and year first written above.

for Company:

KMH Touches Inc.

25 Concession Street 220 Unit Cambridge Ontario, Canada

Company number: 80901-1182-RT 0001

Company VAT number: 80901-1182 RT0001

Website: <https://kmhtouches.com/>

E-mail: info@kmhtouches.com

Tel.: + 1 519-740-1607

By: General director Kathryn Hogan _____

for Distributor:

Company number: _____

Website: _____

E-mail: _____

By: _____

Attachment 1: Products

The following products:

- 1) Flosspot™ Silk 1 Glass Jar + 40m Spool of Silk Floss
- 2) Flosspot™ Silk Refill 2x40m Spools of Silk Floss
- 3) Flosspot™ Gold 1 Stainless Steel Jar + 50m Spool of Vegan PLA from Corn Floss
- 4) Flosspot™ Gold Refill 2x50m Spools of Vegan PLA from Corn Floss
- 5) Travel Case 1 Case, Silver Colour
- 6) Travel Case 1 Case, Gold Colour

are the subject of this Exclusive Distributor's right Agreement. Any products not explicitly listed are excluded from this agreement.

All company products as listed and described in the company's official catalog. This list shall reflect the company's official product catalog with suggested retail pricing and product description, or a specified list of represented products or models.

From time to time, upon written notice from Company to Distributor, Company may modify, add to, delete from, or limit the products on this list available to Distributor.

Attachment 2: Exclusivity Thresholds

To maintain exclusive distribution rights Distributor must meet the following thresholds each year:

| Year | Minimum Aggregate Order Value/Year |
|------|------------------------------------|
| 1. | \$50,000 |
| 2. | \$100,000 |
| 3. | \$150,000 |
| 4. | \$200,000 |
| 5. | \$250,000 |

Attachment 3: Territory

All accounts, except as noted, in the following geographic or geopolitical areas, countries, nations, territories, or sovereignties are the subject of this Exclusive Distributor Agreement. Any geographic or geopolitical area, country, nation, territory, or sovereignty not explicitly listed is excluded from this agreement.

Territory - _____

Attachment 4: Terms and Conditions of Sale of Products

Shipping and delivery timing - Company shall determine a "ship by" date separately for each order received from Distributor. Company shall be responsible for shipping the order no later than the "ship by" date for each order received. "Ship by" date shall mean the date Company shall deliver the ordered products to the shipping company.

Custody transfer and timing - at Company's place of business upon delivery to shipping company.

Delivery method and terms - best method as determined by Company. Distributor is responsible for all shipping and handling costs including but not limited to export/import fees and duties; customs processing, transfers, and clearance; taxes (value added, VAT, sales, etc.) and license fees or costs; and any other costs required to deliver product to Distributor. Company should provide all the required documents for legal work in country and for legal export \ import procedure.

Payment terms - Distributor shall partially prepay all orders prior to shipment. Funds must be in USD. Payment terms should be consistent with those specified in 9A.

Product Prices - to be determined by Company.

Product Discounts - to be determined by Company.

Custom Software Discounts - determined by Distributor.

Custom Video Scenario Discounts - determined by Distributor.

Volume Discounts - the Company will offer the Distributor reasonable volume discounts based on the aggregate value of each order placed. These discounts will be settled on a case-by-case basis during the first year but can be formalized over time based on the mutual desire and interest of each party.