

PATENT SUBLICENSE AGREEMENT

This private agreement -valid for all legal purposes- is entered into

BY AND BETWEEN

GIAR ENERGY S.R.L. SOCIETA' BENEFIT, a company under Italian law, with registered office in San Severino Marche (MC - Italy) at Borgo Conce n. 29 – Company Registration Number of Marche Region, Fiscal Code and VAT No. 02064820430 – in the person of its legal representative, Mr. Simone D'Ambrosio,
Registered e-mail address: giarenergy.green.sb@pec.buffetti.it,

hereinafter also referred to as **“THE SUBLICENSOR”**

AND

_____, a company under Italian law, with registered office in _____ (____) at _____
_____ n. ____ – Company Registration Number of _____, Fiscal Code and VAT No.
_____ – in the person of its legal representative Mr. _____,
Registered e-mail address: _____@_____._____

hereinafter also referred to as **“THE SUBLICENSEE”**

together, the **“Parties”**

AND

Mr. **GIUSEPPE D'AMBROSIO**, born in Giulianova (TE - Italy) on 2nd August 1949, a resident of San Benedetto del Tronto (AP - Italy) at Viale De Gasperi n. 51 – Fiscal Code DMBGPP49M02E058J – who consent to the terms of the present agreement and signs it,

hereinafter also referred to as **“THE INVENTOR”**

Whereas

- Mr. Giuseppe D'Ambrosio has invented, designed and developed the following Invention:
Reaction Turbine, called GIAR Multiblade;
- Mr. Giuseppe D'Ambrosio has protected the above-mentioned Invention by means of the following exclusive rights:
 - (i). Italian Patent for Industrial Invention filed on 6th September 2012, application No. MC-2012-A-000074 titled “Turbina Multipale con Nucleo Centrale a Sezione Poligonale” (“Multiblade Turbine with polygonal cross-section core”), Patent No. 0001413577;
 - (ii). European Patent for Industrial Invention filed on 4th September 2013, application No. 13759443.8, Patent No. EP 2893185 B1 (International Patent No. PCT/EP/2013/002653 of 9th November 2016), claiming priority to the Italian Patent application described in (i) above, titled “Multiblade Turbine with polygonal cross-section core” and validated in Belgium, Cyprus, Croatia, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Ireland, Iceland, Italy, Latvia, Lithuania, Malta, Norway, Netherlands, Poland, Portugal, Spain, Sweden and Turkey;
- Mr. Giuseppe D'Ambrosio's Invention has been granted the Certificate of satisfactory performance by the University of Camerino (Italy);
- The Inventor, currently the sole owner of the above-mentioned GIAR Patents, has granted an exclusive

License to use said Patents to GIAR Energy Srl S.B. -whose details are given above- for the purposes agreed upon between the Inventor and GIAR Energy Srl S.B.;

- GIAR Energy Srl S.B. is interested in granting, against the payment of a fee, a Sublicense under the Italian Patent rights (as described above) exclusively for the purpose of one single installation of the GIAR Turbine on a river in Italy;

- _____ is a company whose business is the sale, transformation and transport of electricity, gas, steam as well as of energy sources, materials and products of other nature, both renewable and non-renewable;

- _____ is interested in implementing and/or diversifying its core business by realizing a hydroelectric power plant on the river so as to increase the production of energy to be sold in the market. To this purpose, _____ desires to use the technology protected by the Patent rights under which GIAR Energy Srl S.B. has been granted an exclusive License;

- _____ desires to be granted, against the payment of a fee, a Sublicense under the Italian Patent rights exclusively for the purpose of one single installation of the GIAR Turbine on a river in Italy;

- The execution of this Agreement is subject to the condition that the Sublicensee is granted a loan of € 21,600,000.00 (Twenty-one million six hundred thousand/00 Euros) by Manama Group Ltd, 504 King Faisal Highway, Manama 312, Bahrain. Said condition is necessary for this Agreement to come into force and represents, therefore, a suspensive condition of this Agreement.

Now, therefore -after having carefully examined their respective *de jure* and *de facto* positions- the Parties hereto agree as follows.

1. Premises

1.1. The premises and annexes constitute an integral and substantial part of this Agreement, shall have the force of an agreement and, in any case, represent an acknowledgment of what the Parties have declared and agreed and therefore shall be used to settle any dispute in the interpretation and execution of this Agreement.

2. Object of the Sublicense

2.1. By this Agreement, the Sublicensor grants the Sublicensee -whose details are given above and which accepts the granting- a Sublicense under the Italian Patent rights exclusively for the purpose of one single installation of the GIAR Turbine on a river in Italy.

2.2. It being understood that GIAR Energy Srl S.B. is the exclusive Licensee of GIAR Patents (of which the Italian Patent is the object of this Sublicense Agreement by and between _____ and the Sublicensor) and may therefore continue to exercise its intellectual property rights for all its business purposes and without any limitations or restrictions.

3. Duration of this Agreement

3.1. This Agreement shall remain into force only until the production and subsequent installation of the GIAR Turbine on the river in Italy have been completed.

3.2. Once the realization of the hydroelectric power plant is terminated, the Sublicensee may continue to use the technology under the GIAR Energy Srl S.B. Patent at the premises of said power plant until the use of the plant proves to be profitable and advantageous.

3.3. This Agreement shall take effect upon the occurrence of the suspensive condition, more specifically from the moment the Sublicensor is granted the loan described above.

3.4. For the purpose of the execution of this Agreement, the Sublicensee shall communicate -within 5 (five) days of successfully receiving the funds- the occurrence of the suspensive condition; this Agreement shall take effect upon reception of the notice. Failing to send such notice shall result in the termination of this Agreement, without prejudice to the payment of the fee in favour of the Sublicensor as set forth in article 4, which shall be made in any case.

4. Patent Sublicense Fees

4.1. Pursuant to this Agreement, the Sublicensee shall pay to the Sublicensor the following fee: a fixed, invariable lump sum, subject to the occurrence of the following, progressive conditions:

1) the sum of € 125,000.00 (one hundred twenty-five thousand/00 Euros) shall be paid by _____ within 14 (fourteen) days of disbursement of the loan by Manama Group Ltd in favour of the Sublicensee;

2) the sum of € 125,000.00 (one hundred twenty-five thousand/00 Euros) shall be paid by _____ within 14 (fourteen) days of issuance of the hydraulic project approval for the realization of a hydroelectric power plant on the river using GIAR Energy Srl S.B.'s technology.

4.2. Both sums above shall be paid to GIAR Energy Srl S.B. by wire transfer using the following bank details _____ (SDI code: _____).

4.3. It is specified that, even in the event _____ fails to obtain the hydraulic project approval for the realization of a hydroelectric power plant, the obligations and the payments already made pursuant to article 4.1 n. 1) above shall not be prejudiced.

4.4. The Parties specify that the Sublicensor shall not be involved in the Sublicensee's business management and, as a result of that, the Parties will not share risks and profits.

5. Technical drawings and information

5.1. GIAR Energy Srl S.B., which has already provided _____ with the description and drawings necessary for the understanding of the Invention, shall provide the Sublicensee with all information and technical support that are essential to the production of the patented Invention and the realization of the plant where the Invention will be used.

5.2. The Sublicensee hereby undertakes to maintain as confidential and to not disclose the description and drawings necessary for the understanding of the Invention, as well as all technical information received from the Sublicensor for the purpose of the production of the Invention.

6. Restriction on assignment of this Agreement and of Sublicense

6.1. This Agreement may not be assigned in full or in part without the prior written consent of the Parties.

7. Product Quality

7.1. For the purpose of the production of the Invention protected by the sublicensed Patent rights, the Sublicensee shall comply with the quality standards provided by the Inventor and the Sublicensor.

7.2. The Sublicensor shall continue to supervise and manage the works and technical procedures necessary for the realization of the plant -until its startup- against the payment of a fee that will be agreed on a later date by means of a specific contract in which the process for the realization of the plant will be defined and agreed upon. All expenses for the realization of the plant shall be borne by the Sublicensee. In addition to that, the Sublicensor shall be held harmless against any liability arising from acts or omissions performed by third parties, suppliers, etc.

7.3. The contracting company that will produce the patented Invention shall be chosen by the Sublicensor in agreement with the Sublicensee.

7.4. Following the obtaining of the loan and the hydraulic project approval by the Sublicensee, the Parties reserve the right to stipulate an agreement on the realization of the plant and the use of the patented technology - as described in the present agreement- in which the Sublicensor is the general contractor or at the head of a so-called ATI (Associazione Temporanea d'Impresa – Temporary joint venture) with other companies of its choice.

8. Patent Maintenance

8.1. All actions that are necessary to keep the sublicensed Italian Patent in force as of the Effective Date and throughout the term of this Agreement shall be performed by the Sublicensor.

9. Patent Protection

9.1. The Parties undertake to inform each other, as soon as they become aware of it, of any counterfeiting and/or claim regarding the sublicensed Patent as well as of any claim regarding alleged violations of third parties' patented rights arising from the use of the sublicensed Patent.

9.2. In the event a third party questions, by means of a judicial or extra-judicial action, the validity of the exclusive titles or the fact that the use of the sublicensed Patent constitutes a violation of third parties' rights of whatsoever nature, the Sublicensor shall protect the Sublicensee's rights and agree a defensive strategy together with the Sublicensee; in case the Parties disagree on the strategy, the Sublicensor shall have the final word.

9.3. All legal expenses that may arise from judicial or extra-judicial proceedings shall be equally borne by the parties if the decision to initiate the legal action is taken by mutual agreement. Otherwise, the party initiating the legal action shall bear all relevant expenses and, at the same time, shall benefit from the possible advantages resulting from the dispute settlement.

10. Patent Counterfeiting

10.1. The Sublicensee shall promptly notify the Sublicensor of any case of counterfeiting of the patented Invention it finds.

10.2. The Sublicensor hereby authorizes the Sublicensee to take -for the whole duration of this Sublicense Agreement- any anti-counterfeiting action provided for by law.

11. Early termination

11.1. The Sublicensor may, with immediate effect, terminate this Agreement -without prejudice to any possible damage compensation in favour of the Sublicensee- by sending to the Sublicensee a registered letter with return receipt in which it declares its will to exercise its right to terminate the agreement, provided that the following conditions occur:

- a) the Sublicensee does not comply with the obligation of paying the fee as described in article 4 within 15 (fifteen) days of receipt of a notice of default from the Sublicensor;
- b) the Sublicensee does not comply with the obligations set forth in articles 2, 3, 6, 7 of this Agreement;
- c) the Sublicensee is subject to an insolvency proceeding.

11.2. The Sublicensee may, at any time and with immediate effect, terminate the Agreement -without prejudice to any possible damage compensation in favour of the Sublicensor- by sending to the Sublicensor a registered letter with return receipt in which it declares its will to exercise its right to terminate the contract, provided that the following conditions occur:

- a) the Sublicensor does not comply with the obligations set forth in articles 8, 9 of this Agreement;
- b) the Sublicensor is restricted from using the Patent for longer than 3 months;
- c) the Sublicensor is subject to an insolvency proceeding.

12. Termination of Agreement

12.1. Upon expiration of this Agreement pursuant to article 3.1 or in the event of early termination resulting from the Sublicensee's failure to comply with a core obligation set forth in this Agreement, the Sublicensee:

- a) shall stop using the Patent with immediate effect but may benefit from the economic results from the installed plants until those plants remain efficiently active;
- b) shall return all materials connected with the use of the sublicensed Patent.

13. Guarantees

13.1. The Sublicensor guarantees the validity and novelty of the sublicensed Patent and guarantees also that the use of the Patent does not violate any pre-existing third parties' right. Therefore, in the event a third party claims

that the selling of the product is illicit or that the Patent is not valid, the Sublicensor shall return all the payments received and shall compensate the Sublicensee for damage.

13.2. In the event the nullity of the titles is declared in a judicial proceeding, the Agreement shall terminate on the day the judgement on the case is *res judicata*. All the sums paid as payment for the Sublicense hereto shall be returned and damage shall be compensated.

14. Applicable Law

14.1. This agreement is governed by the laws of the Republic of Italy.

15. Fees and expenses

15.1. The Sublicensee shall pay all fees and expenses incurred in connection with this Agreement as well as all the fees for the registration of this agreement in the public records. The Sublicensor, in its turn, shall remain available for the completion of all necessary formalities.

16. Final Provisions

16.1. Any modification or addition to this agreement shall be made, on pain of nullity, in writing and duly signed by the parties.

16.2. The full or partial nullity of one or more clauses in this Agreement shall not affect the validity of the remaining provisions. In this case, the Parties shall find an agreement to substitute the null clauses with other, valid clauses having the same or a similar content so as to meet the contractual aims, unless the nullity regards essential clauses.

17. Dispute Settlement

17.1. In case of disputes arising out of this Agreement, an attempt at mediation shall be made before the Mediation Bureau of the Chamber of Commerce of Macerata (Italy) and settled according to the Bureau's Regulations.

18. Competent Court

18.1. In case the mediation procedure has not yet been initiated or the parties fail to find an agreement within 90 days, all disputes arising out of or in connection with this Agreement shall be settled by the Court of Macerata (Italy).

San Severino Marche (MC), __/__/____

THE SUBLICENSOR

THE SUBLICENSEE

We hereby declare that we have read and clearly understood the general terms and conditions of this Agreement, and in particular the provisions set forth in the following paragraphs: 6. (Restriction on assignment of this Agreement and of Sublicense), 8. (Patent Maintenance), 9. (Patent Protection), 10. (Patent Counterfeiting), 13. (Guarantees), 16. (Final Provisions), 17. (Dispute Settlement), whose clauses -specifically and accurately negotiated- are considered as accepted for all legal purposes pursuant to articles 1341 and 1342 of the Italian Civil Code.

THE SUBLICENSOR

THE SUBLICENSEE

Mr. Giuseppe D'Ambrosio, whose details are given above, in his capacity as the owner of the GIAR Patents, hereby authorizes GIAR Energy Srl S.B. to grant a Sublicense to the company _____ to use the Italian Patent titled "Turbina Multipale con Nucleo Centrale a Sezione Poligonale" ("Multiblade Turbine with polygonal cross-section core") for the purposes indicated in article 2 above.

THE INVENTOR
