

SERCOMET, S.L.

LETTER OF INTENT

This Letter of Intent is made effective on the _____, 2021 (hereinafter "The Effective Date")

BY AND BETWEEN

SERCOMET, S.L., a Company organized and existing under the laws of Spain, whose principal offices are located in Gijón, Asturias, Spain, represented by Mr. Luis Castaño Colina, it is duly authorized as CEO, hereinafter referred to as « **SUPPLIER** » or « **SERCOMET** »

AND

_____ (from now on the **DISTRIBUTOR**), a Company organized and existing under the laws of _____, whose principal offices are located in _____, represented by Mr. _____, its duly authorized _____, hereinafter referred to as « _____ » or

RECITALS:

In furtherance of the discussions between Supplier and Distributor regarding an exclusive business relationship, this Letter of Intent is intended to summarize and set forth the preliminary and non-binding understanding between the parties with respect to the terms and conditions upon which a form agreement would be drawn up.

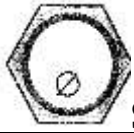
The terms of the distribution will be more particularly set forth in a definitive distribution agreement (hereinafter referred to as «Definitive Agreement» to be mutually agreed upon by the parties.

1) **DISTRIBUTION RIGHTS.** Distributor and Supplier are negotiating the terms and conditions of a distribution agreement under which Distributor will distribute various Supplier products, including but not limited to : **Ingots S8, Ingots LR22 (S10), Continuous Casting ø550 mm - ø700 mm** (hereinafter referred to as «Products»). The parties intend that the Definitive Agreement will include an exclusive right of distribution in Spain (hereinafter referred as to «Territory») with first right of refusal for other territories among the EU and Mediterranean States.

2) **VOLUME.** The volume of product required by the Supplier within a year, will be for a 65Tons casting (including S8 and S10 ingots plus other ingots) around 4.000 Ton/year. The definitive volumen will be discuss in the Definitive Agreement

3) **PRODUCTS.** The Products which are subject to the Definitive Agreement shall consist of high quality products sold with standard warranties including all applicable warranties of title, merchantability, and other uniform commercial code standard warranties. The Products will be covered by the international certificates, such us **EN 10204/ 3.1**

4) **DUTIES OF THE PARTIES.** Supplier will act as product developer and manufacturer of the Products. Distributor will act as marketer and distributor of the Products among the territory.



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5) GENERAL MATTERS. The parties agree to continue to negotiate all necessary provisions of a distribution relationship, including but not limited to , packaging, product development, trademark ownership, ordering, shipping and freight, technical training representations and warranties indemnifications, and in particular indemnification form Supplier in favor of Distributor against all claims an liabilities with respect to breach of Supplier’s representations and warranties, payments, and product return issues.

6) INDEPENDENT CONTRACTOR. Distributor will be considered and independent contractor of Supplier and shall in no way be considered as an agent of Supplier, nor shall Distributor have the authority to bind Supplier in any manner whatsoever.

7) GOOD FAITH NEGOTIATIONS. The parties agree to use good faith and their best efforts to negotiate a mutually profitable and beneficial Definitive Agreement, including all relevant terms and conditions thereto. During the negotiations hereunder, both parties agree to comply with all applicable laws.

8) OBJECTIVES. Both parties agree that the continued negotiations are based on the mutual profitability and benefit of an agreement and the ability to reasonably market and distribute world class, high quality Products.

9) DEFINITIVE AGREEMENT. The Parties contemplate the Definitive Agreement with respect to matters set forth in this Letter of Intent shall be executed prior to _____.The Definitive Agreement shall be subject to the approval of the board of directors of each party hereto.

10) GOVERNING LAW. The parties agree that the Definitive Agreement prepared between the parties shall be bound by the laws of Spain _____ and disputes arising under the agreement will be resolved within the Court of Madrid-

11) EFFECT OF LETTER OF INTENT. It is understood that this Letter of Intent is only an expression of the intention of the parties hereto and only such of those terms and conditions as incorporated into mutually satisfactory documents executed by the parties hereto shall be enforceable. In addition, without limiting the foregoing, this Letter of Intent does not and shall not be construed as binding agreement nor binding obligation on either party to proceed with the transaction contemplated by this Letter of Intent.

12) CONFIDENTIALITY. By their signature below, each party agrees to keep in strict confidence all information regarding the terms of the discussion with any other party with respecto to the subject matter of the Letter of Intent.

13) ACCEPTANCE. The parties indicate their acceptance of this document by signing this Letter of Intent at the appropriate space provided below.

For and on behalf of Supplier

For and on behalf of Distributor

SUPPLIER

DISTRIBUTOR

Signed By _____

Signed By _____

Name and Surname
Date
Title

Name and Surname
Date
Title