

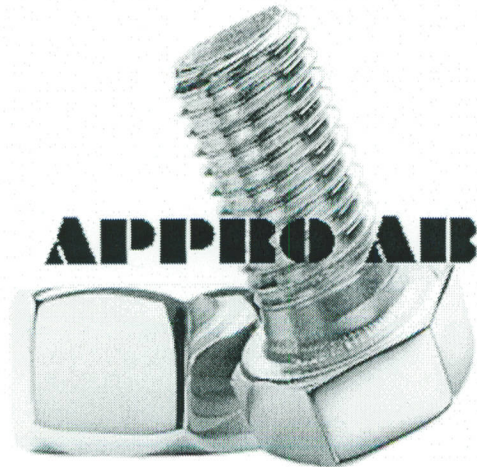


Distribution Agreement

Clyde Fasteners Limited

&

APPRO AB



CHAPTER I

Subject matter of the contract

The firm: **Clyde Fasteners Limited**

whose registered office is at: **Hawbank Road, East Kilbride, Scotland, G74 5ET**

represented by: **Alex Calder**

which is hereinafter referred to as "the Supplier"

appoints: **Appro AB**

whose registered office is at: **Aröds Industriväg 72, 422 46 Hisings Backa, Sweden**

represented by: **Peter Fjordman**

which is hereinafter referred to as "*the Distributor*"

to be his only distributor in the territory of: Sweden.

which is hereinafter referred to as " the Territory"

the following products: **Clyde Fasteners total range in Socket screws, bolts, Special Fasteners & Component Parts**

which are hereinafter referred to as " the Products".

CHAPTER II

Duties of the Distributor

Article 1. - Legal situation of the Distributor

The Distributor shall buy and sell in his own name and for his own account. He shall act as independent trader towards both the Supplier as well as the customers. He shall effectively promote the sale of the Products in the Territory, without being authorised to act in the name of the Supplier. Furthermore, he shall safeguard the interests of the Supplier with the due diligence of a responsible businessman and shall always keep the Supplier informed of his activities as well as of the market conditions within the Territory.

Prices and conditions of sale and resale

- 2.1** The Distributor shall be free to fix his resale prices.
- 2.2** The Distributor shall sell the Products specified in Chapter I with the trademark and/or appearance prescribed by the Supplier.
- 2.3** All sales between the Supplier and the Distributor are based on the conditions attached hereto. The sum due to the Supplier shall be paid in € (Euro) to Clyde Fasteners Limited – account No. 00720674 Sort code: 83-28-13 Royal Bank of Scotland, 24-25 Princess Mall, East Kilbride, Glasgow.

Obligation to buy

Payment terms for distributor: 60 days

Publicity and fairs

The Distributor and supplier shall advertise the Products within the Territory. The costs of the publicity shall be borne by the Distributor and the supplier by agreement.

Trade secrets

The Distributor shall not, even after the expiration of the Contract, use or communicate to third parties know-how which has not entered the public domain or trade secrets which he may have learnt in any way through his activity in connection with the contract.

Appointment of sub-distributors and / or agents

7.1. The Distributor is entitled to appoint sub-distributors or commercial agents for the sale of the Products in the Territory. He shall inform the Supplier of such appointments.

***Assistance against unfair competition and infringement
of industrial property rights***

The Distributor shall inform the Supplier of all acts of unfair competition affecting the latter and of all infringements of industrial property rights of the Supplier which come to his notice. The Supplier shall have the right to decide on how to protect himself against such acts and infringements. The Distributor shall thereby at his own cost provide such assistance as the Supplier may reasonably require.

Stocks

The co-operation will be based on direct deliveries to Appro AB and not to end-users.

CHAPTER III

Duties of the Supplier

Documents and advertising material

The Supplier shall assist the Distributor in giving him all necessary documents, prospectuses and any other necessary information, which remain the property of the Supplier, unless the contract provides for their transmittal to customers.

The Supplier's right to conclude direct contracts

The Supplier undertakes to sell within the Territory only to the Distributor. He shall not appoint another person or another firm for the sale or the representation of the Products within the Territory.

He shall transmit to the Distributor all orders or enquiries coming from customers in the Territory.

***Permission for, or prohibition of, other distributors of the Supplier
to sell outside their contractual Territory.***

The Supplier is entitled to sell the Products to customers outside the Territory, even if the latter intend to export to the Territory.

CHAPTER IV

Prices & Currency granted to the Distributor

Prices

On all purchases of Products, the Distributor shall receive an offer based on the pure net price.

Currency

On all purchases of Products, the Distributor shall receive an invoice in **Euro €**

CHAPTER V

Duration of the Contract

Article 25. - Expiration of the Contract

The Contract is concluded for an indefinite period. The Contract may be terminated by giving 6 months' notice by registered letter. It shall not, however, expire before 31.12.2006

Indemnity and compensation

If the distributor has orders in the system for end-users, or stock from the supplier, the distributor is entitled to full compensation, if the supplier terminates the contract without completion of the orders. The supplier is allowed to complete the orders without compensation.

If the Distributor terminates the contract, all work in progress and any agreed stock must be taken and paid for by the Distributor in the agreed credit terms outlined in Chapter II.

CHAPTER VI

Miscellaneous Provisions

Applicable Law - Governing version

The Contract shall be governed by the law of the country where the Supplier has his registered office.

The version in the English language of the Contract shall be the governing version.

Dispute settlement

Any dispute arising out of or in connection with this Contract shall be finally settled under the rules of arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules.

Modifications and amendments

All modifications and amendments to this Contract must be made in writing.

Assignment of the Contract

Neither party shall assign the Contract without the agreement of the other.

Pledge or lien

The Distributor shall have no pledge or lien on the property of the Supplier.

Signed:
Alex Calder



Date: 28-09-2005

For & on behalf of
The Supplier.
Clyde Fasteners Limited

Signed:
Peter Fjordman



Date: 26-09-2005

For & on behalf of
The Distributor.
APPRO AB

This agreement refers to the Orgalime Model Form of Exclusive Agreement (Euromodel) with Distributors Abroad.
Dated June 2000