

**BASIC AGREEMENT**  
**FOR**  
**BUSINESS PROMOTION**

**BASIC AGREEMENT FOR BUSINESS  
PROMOTION**

This Basic Agreement (No.IR-JP-COC0-11-19) (hereinafter referred to as the "Basic Agreement") is made Jun 29 ,2011 (hereinafter referred to as the "Effective Date"), by and between:

1. Kewene Co.,Ltd. a corporation duly organized and existing under the laws of the Japan, with its registered address at 3-23-31 Nakano, Nakano-Ku, Tokyo T 164-0001 (hereinafter referred to as the "Licensor")

And

2. Pakzist Dena Company a corporation duly organized and existing under the laws of the Islamic Republic of Iran, with its registered address at No.134 Bustan 6, Pasdaran Street, Tehran.Iran Postal Code: 16646-77319 (hereinafter referred to as the "Investor")

(Both of which collectively are hereinafter referred to as the "Parties").

WITNESSETH:

*Whereas*, Licensor is owner of Intellectual properties for producing 9 types of natural detergent "Coconarizu" for multi-purpose application (hereinafter referred to as the "Coconarizu")as per Appendix L and also is owner of Intellectual properties for producing 9 types of Coconarizu Super Surfactant Base Series (CSSB Series) for multi-purpose application (hereinafter referred to as the "CSSB Series") as per Appendix 2.and Licensor would like to share his business activities by holding 20 percent of total stocks of Investor for producing and supplying "Coconarizu" and "CSSB Series")after establishment of "Coconarizu & "CSSB Series" Manufacturing Plant with production capacity of 20 ton /day (hereinafter referred to as the "Coconarizu & CSSB Series Manufacturing Plant ") at beginning of Business Objectives and Investor is willing to do so, all on the terms hereinafter set forth;

*Whereas*, Licensor has Intellectual properties for producing "Coconarizu" & "CSSB Series" and Investor has financial and marketing credibility, on purpose of proceeding the business of producing and supplying "Coconarizu" & "CSSB Series" (hereinafter referred to as the "Business Objectives")Parties desire to enter into a basic agreement, to enable both of them to realize the benefits from the synergy of their respective capabilities.

Now therefore, in consideration of the mutual covenants hereinafter set forth, Parties agreed as follows:

**1. Preamble**

The preamble constitutes an integral part of this Basic Agreement.

**2. Procedure of Business Objectives**

- 2.1 By Investor) Assignment of 20 Percent Investor' stocks to the Licensor in order to promote Business Objectives.
- 2.2 By Investor) Performing official procedure for appointing at-least one representative of Licensor in Investor's board of directors.
- 2.3 By Licensor) Granting Iran patent right of "Coconarizu" to Investor to proceed patent application in patent office of Islamic republic of Iran by submitting an official letter to the Investor which be sealed by the Iranian office of notary public.
- 2.4 By Licensor) Transferring Exclusive Ownership Rights of Intellectual properties (industrial property rights, patent rights, copyrights, merchandizing rights, trade mark rights, design rights, publishing rights, etc.) related to "CSSB Series" to Investor for execution in Iran. By granting related exclusive right to the Investor by submitting an official letter to the Investor which be sealed by the Iranian office of notary public.
- 2.5 By Investor) Granting Five years exclusive right to the Licensor for supplying two main raw materials of "Coconarizu & "CSSB Series" and one Thickener of "CSSB Series" to him by submitting an official letter to the Licensor which be sealed by Iranian office of notary public.
- 2.6 By Investor) Certifying acceptance of five years payment of five percent of net sales amount of "CSSB Series" as Royalty Fee to the Licensor by submitting an official letter to the Licensor which be sealed by Iranian office of notary public.
- 2.7 By Licensor) Providing manufacturing know how of "Coconarizu" "CSSB Series" to Investor by performing related practical producing instruction/Making some quantity of "Coconarizu" and "CSSB Series")
- 2.8 By Investor) Execution of necessary procedure for establishment of "Coconarizu & CSSB

Series Manufacturing Plant" in Iran and performance of marketing activities for making agreements with end-user/s of "Coconarizu" and "CSSB Series".

After establishment of "Coconarizu and CSSB Series Manufacturing Plant", Producing & Supplying "Coconarizu" "CSSB Series" and their marketing activities for expansion of its market.

### **3. Territory**

- 3.1 Territory for establishment of "Coconarizu and CSSB Series Manufacturing Plant" shall be Islamic Republic of Iran (hereinafter referred to as the "Territory 1 ")
- 3.2 Territory for supplying "Coconarizu" "CSSB Series" shall be Global (hereinafter referred to as the "Territory 2")

### **4. Responsibilities of Licensor**

- 4.1 At the time of assignment of stocks in conjunction with Article 2.1 and after performance of official registration of at-least one representative of Licensor in Investor's board in conjunction with Article 2.2, simultaneously Licensor shall grant Iran patent right of "Coconarizu" to Investor to proceed patent application in patent office of Islamic republic of Iran by submitting an official letter to the Investor which be sealed by the Iranian office of notary public.
- 4.2 At the time of assignment of stocks in conjunction with Article 2.1 and after performance of official registration of at-least one representative of licensor in Investor's board in conjunction with Article 2.2, simultaneously Licensor shall transfer Exclusive Ownership Rights of Intellectual properties (industrial property rights, patent rights, copyrights, merchandizing rights, trade mark rights, design rights, publishing rights, etc.) related to "CSSB Series" to Investor for execution in Iran. In this regard Licensor shall grant related exclusive right to the Investor by issuing an official letter which be sealed by Iranian office of notary public.
- 4.3 At the time of assignment of stocks in conjunction with Article 2.1 and after performance of official registration of at-least one representative of Licensor in Investor's board in conjunction with Article 2.2, Licensor shall assist Investor on a best effort (by providing technical information, etc.) to proceed establishment of "Coconarizu & CSSB Series Manufacturing Plant" and at the meantime shall support Investor for its marketing relating to "Coconarizu" & "CSSB Series".
- 4.4 There shall not be any type of financial responsibilities for any payment or financial

guaranty relating to expenses of establishment of "Coconarizu & CSSB Series Manufacturing Plant" and its further probable expansion & related operation capital for marketing, producing and purchasing raw materials of "Coconarizu"

## **5. Responsibilities of Investor**

- 5.1 Investor by considering 20 percent holding share in favour of Licensor, on the best effort shall perform official procedure for assigning 20 percent of its total stocks to the Licensor.
- 5.2 Investor on the best effort shall perform official procedure for appointing at-least one representative of Licensor in its Board of directors.
- 5.3 Investor shall not be allowed to increase its registered capital without obtaining consent of the Licensor.
- 5.4 After provision of manufacturing know how in conjunction with Article 2.7, within 6 months, Investor shall proceed on a best effort to establish "Coconarizu & CSSB Series Manufacturing Plant" with production capacity of 20 ton/day and at the meantime shall promote marketing of "Coconarizu" and "CSSB Series".
- 5.5 Investor shall bear all types of financial responsibilities for any payment or guaranty relating to expenses of establishment of "Coconarizu & CSSB Series Manufacturing Plant" and its further probable expansion & related operation capital for marketing , producing and purchasing raw materials of "Coconarizu" and "CSSB Series".
- 5.6 At the time of granting Iran patent right of "Coconarizu" to Investor in conjunction with Article 2.3, Investor shall purchase exclusively two main raw materials of "Coconarizu" (that derived from coconut) for five years from Licensor and in this regard Investor shall grant related exclusive right to the Licensor for supplying above said two main raw materials to him for five years by issuing an official letter which be sealed by Iranian office of notary public.
- 5.7 At the time of transferring Exclusive Ownership Rights of Intellectual properties related to "CSSB Series" in conjunction with Article 2.4, Investor shall purchase exclusively two main raw materials and one thickener of "CSSB Series" (that derived from coconut) for five years from Licensor and in this regard Investor shall grant related exclusive right to the Licensor for supplying above said two main raw materials to him for five years by issuing an official letter which be sealed by Iranian office of notary public.

5.8 At the time of transferring Exclusive Ownership Rights of Intellectual properties related to "CSSB Series" in conjunction with Article 2.4, Investor shall Certifying acceptance of five years payment of five percent of net sales amount of "CSSB Series" as Royalty Fee to the Licensor by submitting an official letter to the Licensor which be sealed by Iranian office of notary public.  
In the above said certificate time of payment shall be specified to be performed 4 times per year.

**6. Special conditions**

To promote Business Objectives, there shall be no objection if Licensor transfers some part of his holding stocks to the third party/s.

**7. Effectiveness of Basic Agreement**

This Basic Agreement and its amendments, modifications and appendixes shall become effective immediately after being signed by Parties.

**8. INCOTERMS**

The terms and conditions other than specified in this Basic Agreement shall be interpreted according with "International Rules for the International of Trade Terms (INCOTERMS 2000) (Issued by International Chamber of Commerce No.460)"

**9. Entire Basic Agreement**

This Basic Agreement including its amendments, modifications and appendixes sets forth the entire Basic Agreement between the Parties in respect of the subject matter hereof and supersedes and cancels any and all previous agreements, negotiations, commitments and writings between the Parties in respect of the subject matter thereof.

**10. Good Faith and Fair Dealing**

10.1 *Implementation.* In carrying out their obligations under this Basic Agreement, the Parties will act in accordance with good faith and fair dealing.

**10.2** *interpretation*: The provisions of this Basic Agreement, as well as any statements made by the Parties in connection with this business relationship, shall be interpreted in good faith.

## **11. Term and Termination**

**11.1** **Term**: This Basic Agreement shall become effective on the Effective Date and shall remain in effect for an initial period of Ten years. Subject to satisfying the conditions set out in Article 5.6,5.7,5.8 Licensor and Investor shall discuss and determine, at the expiration of the initial period, whether or not the Parties renew this Basic Agreement and in case there was/were no evidence/ s to prove violation of any condition and term of this Basic Agreements by each party, this Basic Agreement automatically remain effective will be renewed for another **10** years and this automatically renewal conditions shall be applied for the further renewals.

**11.2** **Termination**: This Basic Agreement may be terminated by either patty upon notice, if the other party breaches any material term or condition of this Basic Agreement and fails to remedy the breach within thirty (30) days after being given notice thereof.

## **U. Confidentiality**

**12.1** During the term and after the termination of this Basic Agreement, the Parties acknowledge that they may acquire information about each other, such as business activities and operations, technical information and know how and trade secrets, all of which are highly confidential and are the property of the Parties as the case may be (hereinafter referred to as the "Confidential Information").

**12.2** Confidential Information shall not include information generally available to or known by the public, or comes lawfully into the possession of the Parties through a third party, or information independently developed outside the scope of this Basic Agreement.

**12.3** During the term of this Basic Agreement, Parties may disclose the Confidential Information to their employees and professional advisers (each a "Recipient") to the extent it is necessary for the purposes of implementing this Basic Agreement. The Parties shall procure that each Recipient is made aware of and complies with all the obligations of confidentiality under this Basic Agreement as if the Recipient is a party of this Basic Agreement.

The Parties shall hold all such Confidential Information in strict confidence and shall not reveal the same to any third party except pursuant to a court order whether arbitral or judicial, or upon prior written request of the Parties, or to the extent it is reasonably required for the purposes of implementing this Basic Agreement.

- 12.4 The Parties shall use their best efforts to cause the terms and conditions of this Basic Agreement to be kept confidential by Recipient and those to whom they are required by law to reveal them. The Confidential Information shall be safeguarded with at least as great degree of care as the Parties use to safeguard their own most confidential materials or data relating to their own business, but in no event less than a reasonable degree of care.

### 13. Miscellaneous

- 13.1 **Assignment:** This Basic Agreement will be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns. Notwithstanding the foregoing, neither this Basic Agreement, nor any rights or obligations hereunder, may be assigned or otherwise transferred, whether by operation of law or otherwise, without prior written consent of the other party hereto, which consent shall not be unreasonably withheld, and any assignment or other transfer without such prior written consent will be null and void.
- 13.2 **Severability:** If one or more provisions of this Basic Agreement are held to be unenforceable under applicable law, the Parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Basic Agreement, (ii) the balance of the Basic Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Basic Agreement shall be enforceable in accordance with its terms.
- 13.3 **Titles and Subtitles:** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.
- 13.4 **Counterparts:** This Basic Agreement may be executed in two counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.



13.5 Intervention and Arbitration

A-This Basic Agreement shall be executed by the parties hereto in good faith, and in case any doubtful point is raised or any dispute occurs concerning the interpretation or execution of the Basic Agreement, such matters shall be settled through the consultation of the parties.

B-In the event that an amicable settlement cannot be reached through consultation, the matters shall be referred to arbitration. The arbitration shall be conducted in English, by three arbitrators, of whom one shall be appointed by the Investor, another by the Licensor and the last by the said two arbitrators.

C-In the event that the said arbitrators cannot reach agreement on the appointment of the third arbitrator, the dispute shall be settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in Paris.

D-The place of arbitration shall be in Swiss unless another location is agreed upon by all the parties.

E-The arbitral award shall be final and binding upon the parties hereto and the parties shall comply in good faith with the decision. Judgment upon the award may be entered in any court having jurisdiction or application may be made to such court for juridical acceptance of the award or order of enforcement as the case may be.

13.6 Attorney Fee: In the event that this Basic Agreement becomes subject to litigation between the Parties hereto, the Parties agree that the prevailing party shall be entitled to an award of attorney's fees, costs, and the prevailing statutory interest from the other party.

13.7 Force Majeure: If the performance of this Basic Agreement or any obligations hereunder is prevented, restricted or interfered with by reason of fire or other casualty or accident, strikes or labor disputes, war or other violence, any law, order, proclamation, regulations, ordinance, demand or requirement of any government agency, or any other act or condition beyond the reasonable control of the Parties hereto, the Party so affected upon giving prompt notice to the other Party shall be excused from such performance during such prevention, restriction or interference.

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13.8 **Notices and other Communications:** Notice by any Party under this Basic Agreement shall be in writing and personally delivered or given by registered mail, overnight courier, e-mail, telecopy confirmed by registered mail, telefax or prepaid cable, addressed to the other Party at its address given here above (or at any such other address as may be communicated to the notifying Party in writing) and shall be deemed to have been served when delivered or, if delivery is not accomplished by reason of some fault of the addressee, when tendered.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed in duplicate by their duly authorized representatives, each party holding an original copy, as of the date and year first above written.

**Investor: Pakzist Dena Company**

**Representative: Mostafa Khodaei**

**E-mail: mostafakhodai@yahoo.com**

**Representative: Mohammad Kazem!ll**

**E-mail: mkhekmat@gmail.com**

**Licensor: Kewene Co.,Ltd.**

**.. Representative: Majid Saadati E-mail: J**

**apan@keweneco.com**