

- (viii) Damage to public property; and
- (ix) All such similar matters affecting Tyres On The Move Pty Ltd Goods and / or Services distribution.

5.4 Determination of Distribution Losses and Collection Efficiency:

The Tyres On The Move Pty Ltd shall also submit Monthly Energy Reports to the Distribution Licensee in the third week of the next month which shall cover information about Energy Efficiency in the Project Area for the Monthly Period such as Tyres On The Move Pty Ltd Goods and / or Services projected by Tyres On The Move Pty Ltd Goods and / or Services supplied to Consumers in Project Area based on Consumer sales in the Project Area for the relevant Monthly Period.

Any modification to the methodology to compute Distribution Losses and Collection Efficiency for each year during the term of this Agreement shall be jointly finalized by Tyres On The Move Pty Ltd and Distribution Licensee.

6. TERMINATION AND BUY OUT

6.1 Termination:

This Franchisee Agreement shall automatically stand terminated in case distribution network of the Distribution Licensee in Project Area and the grid connectivity to the Goods and / or Services of the Tyres On The Move Pty Ltd can be easily established.

6.2 Buy Out:

Upon termination of Franchisee Agreement, the Distribution Licensee will acquire the distribution infrastructure developed by the Tyres On The Move Pty Ltd and compensate Tyres On The Move Pty Ltd the prevalent book value of the asset.

7. INSURANCE

7.1 Insurance:

- (A) The Tyres On The Move Pty Ltd shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, the insurance for the value as may be indicated by the Distribution Licensee based on the depreciated cost of the electrical infrastructure.
- (B) Such insurance shall be non-cancellable except upon thirty (30) days prior written notice to the Distribution Licensee. If the insurance is cancelled or materially altered so as to be out of compliance with the requirements of this section within the term of this Franchise, Tyres On The Move Pty Ltd shall provide a replacement policy. Tyres On The Move Pty Ltd shall maintain

continuous uninterrupted insurance coverage, in at least the amounts required, for the duration of this Franchise.

8. AUDIT AND ACCOUNTS

8.1 Audit:

Tyres On The Move Pty Ltd will allow for yearly audit of assets and inventories within the Franchise Area by Distribution Licensee.

Tyres On The Move Pty Ltd shall allow yearly audit of the billing data & bill collection data including the system and database and consumer service centre's operated within the scope of the Franchise Area.

Tyres On The Move Pty Ltd shall also comply with all reporting formats and data requirements prescribed by the Auditors.

8.2 Accounts:

(A) The financial year of the Tyres On The Move Pty Ltd shall run from the first of April to the following thirty-first of March.

(B) The Tyres On The Move Pty Ltd shall, in respect of the Franchised Business:

(i) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Franchised Business are separately identifiable in the books of the Tyres On The Move Pty Ltd, from those of Other Business in which the Tyres On The Move Pty Ltd may be engaged;

(ii) prepare on a consistent basis from such accounting records and deliver to the Distribution Licensee:

a) the Accounting Statements;

b) in respect of the first six months of each financial year, an interim un-audited profit and loss account, cash flow statement, funds flow statement and provisional balance sheet;

c) in respect of the Accounting Statements prepared in accordance with this Section with separate accounting information pertaining to generation facility

of off-grid renewable energy system and distribution facility of off-grid renewable energy system, an Auditor's report for each financial year stating whether in their opinion, these statements have been properly prepared in accordance with this Section and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

- d) a copy of each interim un-audited profit and loss account not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than nine months after the end of the financial year to which they relate.

- (C) Accounting Statements under Section 8.2(B) shall be prepared in accordance with generally accepted governing States' of Australia accounting standards and/or as may be prescribed by the Distribution Licensee.
- (D) References in this Section to costs or liabilities of, or reasonably attributable to the franchised business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such business and interest thereon.
- (E) The Distribution Licensee may, from such time it considers appropriate, require the Tyres On The Move Pty Ltd to comply with the provisions of this Section 8.2(A) to 8.2(D) above treating the distribution business of the Tyres On The Move Pty Ltd as separate and distinct businesses.
- (F) Notwithstanding anything contained in this Section, whenever deemed fit, the Distribution Licensee may require the submission of a report prepared by an independent Auditor at the expense of the Tyres On The Move Pty Ltd to be included as an expense in the determination of aggregate revenues made in accordance with Section 5 of this Agreement.

9. RECORDS:

Tyres On The Move Pty Ltd shall maintain Records of Generation, Distribution, Operations, Tyres On The Move Pty Ltd Goods and / or Services Billing and Revenue Collection that are open and accessible to the Distribution Licensee. The Distribution Licensee shall have the right to inspect such Records of the Tyres On The Move Pty Ltd as are reasonably necessary.

10. REMEDIES FOR NON-COMPLIANCE

10.1 Termination:

- (A) In the event of a material breach of this Franchise by the Tyres On The Move Pty Ltd, the Distribution Licensee may, without limitation, exercise all rights and remedies provided for

herein or otherwise available under the law, including termination of the Franchise. Without limitation, the following shall constitute material breaches of this Franchise:

- (i) The Tyres On The Move Pty Ltd.'s failure or refusal to pay any required amount payable to the Distribution Licensee.
 - (ii) Gross failure by Tyres On The Move Pty Ltd to provide required services desired under this agreement.
- (B) In the event the Distribution Licensee intends to terminate this Franchise pursuant to the previous subsection, the Distribution Licensee shall provide a written notice to cure, identifying the nature of the breach with reasonable specificity, and advising Tyres On The Move Pty Ltd of the Distribution Licensee's intent to terminate the Franchise.
- (C) Any termination of this Franchise shall be by a written order issued by the Distribution Licensee; provided, however, before any such recourse is adopted, the Tyres On The Move Pty Ltd must be provided an opportunity to be heard by the Distribution Licensee regarding such proposed action before any such action is taken.

11. RIGHTS-OF-WAY

11.1 Restoration of Property:

Whenever Tyres On The Move Pty Ltd disturbs the surface of any Public Right-of Way for any purpose, the Tyres On The Move Pty Ltd shall be responsible for restoration of such Public Right-of-Way and its surface within the area affected or otherwise damaged to at least a comparable or better condition as it was in prior to its disturbance by Tyres On The Move Pty Ltd. Such restoration shall be undertaken as quickly as possible at the Tyres On The Move Pty Ltd's own cost.

11.2 Maintenance and Workmanship:

- (A) The Tyres On The Move Pty Ltd Franchise shall carry out its operations as also maintenance of the infrastructure in such manner so as not to interfere with other public property or relevant public agencies.
- (B) Tyres On The Move Pty Ltd shall also carry out its operations in the manner so as to prevent injury to any person within the Distribution Licensee. All safety practices required by law shall be used during the operations of the Tyres On The Move Pty Ltd.

12. OTHER PROVISIONS

12.1 Compliance With Laws:

Tyres On The Move Pty Ltd shall comply with all applicable central / state laws and abide by the rules and regulations adopted or established pursuant to the Distribution Licensee's lawful authority.

12.2 Dispute Resolution:

- (A) Any dispute between the Tyres On The Move Pty Ltd and the Distribution Licensee arising out of / or in connection with this Agreement shall be first tried to be settled through mutual negotiation.
- (B) In the event of such differences or disputes between the Tyres On The Move Pty Ltd and the Distribution Licensee not settled through mutual negotiations within thirty days of such dispute, the matter shall be referred individually (or jointly) to the State Government for a decision.
- (C) The Tyres On The Move Pty Ltd and the Distribution Licensee shall undertake to carry out any decision relating to such dispute without delay.

12.3 Force Majeure:

Neither party shall be responsible or liable for or deemed in breach hereof because of any delay or failure in the performance of its obligations hereunder (except for obligations to pay money due prior to occurrence of force majeure events under this Agreement) or failure to meet milestone dates due to any event or circumstance (a force majeure event) beyond the reasonable control of the party experiencing such delay or failure, including the occurrence of the following:

- (a) Acts of God;
- (b) Typhoons, floods, lightening, cyclones, Hurricanes, draught, famine, epidemic, or other natural calamities;
- (c) Acts of war or Civil unrest;
- (d) Any requirement, action or omission to act pursuant to any judgment or order of any court or judicial authority;
- (e) Earthquakes, explosions.

12.4 Terms as to Suspension and Revocation:

It is a condition of this Agreement that the Tyres On The Move Pty Ltd shall comply with all the Regulations, codes and standards and also orders and directions of the Distribution Licensee. When Distribution Licensee expressly states that an order subjects the Tyres On The Move Pty Ltd to such

compliance, failure to comply with that order will render this Agreement liable to revocation without prejudice to the Distribution Licensee's right to revoke this Agreement on any other applicable grounds.

12.5 Severability:

If any Section, provision or clause of this Tyres On The Move Pty Ltd is held by a court of competent jurisdiction to be invalid or unenforceable, or is pre-empted by central or state laws or regulations, the remainder of this Franchise shall not be affected, except as is otherwise provided in this Franchise.

12.6 Training to be provided by the Distribution Licensee:

- (A) The Distribution Licensee shall create a cell in the organization for the development of the Tyres On The Move Pty Ltd concept, which shall be a step towards providing a sustainable system for supplying power to rural areas of the country.
- (B) The Distribution Licensee shall make all necessary arrangements so as to ensure creation of proper awareness and appropriate training facilities for the personnel to be deployed by the Tyres On The Move Pty Ltd for its operations, especially on the following aspects, amongst others;
 - (i) Technical Standards with O & M manuals,
 - (ii) Safety standards and Tyres On The Move Pty Ltd Goods and / or Services Literacy,
 - (i) Accounting Procedures.

13. DOCUMENTS TO BE PROVIDED BY THE DISTRIBUTION LICENSEE TO TYRES ON THE MOVE PTY LTD

- 13.1 Security Standards
- 13.2 Distribution System Operating Standards
- 13.3 Guidelines for Accounting Procedure

Dated this _____ day of _____, 20_____.

Tyres On The Move Pty Ltd

Distribution Licensee

By: _____

By:

Title: _____

Title: _____