Consulting Proposal

Summary: this document is an outline of a consulting proposal between Low Power Company, Inc. (Lopoco) and Karl Pfister-Kraxner of PK Management Consultants (Karl or PK GmbH).

Lopoco proposes to engage Karl in a consulting role to help Lopoco with setup of business and go to market planning for Lopoco's products and services in the European market.

About Lopoco

Currently Lopoco designs and manufactures ultra-efficient, green tech servers that provide substantial energy and cost savings without sacrificing performance. They are built on proven, shipping technology without costly custom chips or strange form factors.

Key USPs are lower heat, less vibration, higher density, lower investment and substantially lower energy consumption (as much as 75% less).

Target Markets and Customer Segments

Lopoco management believes that the European market is going to be a target market where the potential customer pool is in need of the value proposition of Lopoco's products as the cost and energy savings, green mind set and general ecological and sustainability strategies show good fit.

Lopoco is considering having Karl Pfister-Kraxner of PK Gmbh to drive the market entry into European markets, starting initially with Small and Medium Enterprise (SME) customers in the German speaking markets of Germany and Austria.

The SME segment was chosen as we jointly expect that in the beginning phases, this market more closely matches the current capabilities of both parties to sell and deliver products without engaging with larger entities such as system integrators that will be a part of doing business with larger enterprises who often need service level agreements at the time of purchase of hardware. This allows for a straight forward go-to-market approach and we may “stay off the radar” of some larger competitors which would also benefit our early strategy.

At a later stage, once both parties have more experience in the market and a more substantial presence in the European area, larger third-party business through resellers and/or system integrators will be pursued if both parties agree.

Issues to be considered when selling in European

- Hardware product importation – procedure and handling
- Import taxation – currently the parties believe there is no import tax required, but VAT must be collected, recorded, and paid in each respective country
- CE Compliance Process – testing, record keeping, CE stickers
- Product Liability – Lopoco will need to indemnify PK GmbH for any and all liability that might stem from importation
- Warranty and On-Site Technical Support

Proposed Scope of Work

PK to act as interim Executive Project & Business Development Consultancy to set up required infrastructure as needed and approved, with support of Lopoco, to solve issues mentioned above. Karl will utilize his existing human and business resources as he sees fit to handle some of the tasks of Project Management.

Additionally Karl will work to drive the development of commercial business for Lopoco, initially in the territories of Austria, Germany, and Switzerland (DACH region). The acquisition of SME customers is the highest priority goal, and to this goal, Karl will increase its professional sales resources.

Operating Stages

1. 1-2 months
    - Set up required infrastructure
    - Creating prospective customer list
    - Developing marketing materials and collateral in cooperation with Lopoco
2. 1-2 months
    - Start acquisition of customers
    - Supporting the product evaluations with prospective customers, in cooperation with Lopoco
    - PR/Communication strategy planning (optional)
    - Supporting order fulfillment with acquired customers from this stage
3. 1-6 months

- This stage will commence should both parties agree that continuing with this project is of mutual interest.
- Creation of a continuing plan and strategy, including widening the operating area with Europe
- Establishment of a business presence in Europe for Lopoco, including staff, physical location, and resources

Commercial Framework

Time frame required for Stage 1 & 2 is two – four months. Stage 3 would be for general growth and maturing of initial efforts in Stages 1 & 2, should both parties agree to continue.

Compensation of PK GmbH by Lopoco

- Monthly stipend of 3,500 USD will be paid at the beginning of each month for the duration of stages 1 – 3.
- Extra expenses shall be reimbursed for pre-approved activities or resources when necessary, and may include: some travel expenses; printing or other collateral production expenses
- Not-strictly-necessary travel or other costs and expenses will be the responsibility of PK GmbH
- Sales commissions of 7.5% of the sales amount for deals involving no price discount. This includes any services including cloud services or support, no matter how they are billed. This commission arrangement will survive for ongoing and additional purchases of Lopoco products by customers developed under this agreement for a period of 12 months for hardware products and 24 months for reoccurring services, regardless of the lifetime of this agreement. If both parties decide to continue in business together beyond the time frame of this agreement, a new agreement with modified commissions compensation will be entered into.
- In lieu of additional monthly stipend or sales commissions, Karl will receive Lopoco Incentive Stock Option Grants (ISOs) with the following schedule:
    1. Quarterly grant of Lopoco Common stock equivalent to 3% of the outstanding shares of Common stock as of the commencement of this agreement corresponding to each stage of the agreement as listed above. If the agreement goes full term, that amounts to 9% over a maximum period of 10 months.
    2. Without implying any relation to the FMV of Lopoco Common stock at this time, a quarterly grant of 0.10% of the outstanding shares of Common stock as of the commencement of this agreement for each

10,000 EU of sales. This includes a 6 month value estimation of any Lopoco services sold by PK GmbH. This figure is not estimated based on any perceived FMV of Lopoco Common stock, but rather on the hopeful estimate that Karl will be able to land up to 200,000 EU in sales revenue by the end of this agreement time frame, which would result in an additional 2% of possible ISO grants. This part of the schedule will be capped at 2% total. If sales revenue exceeds that amount, then Lopoco and Karl are free to renegotiate the commission parts of the compensation outlined in this agreement to a cash-only commission schedule of 10%. This commission-style form of the compensation schedule does not survive cessation of this agreement as does the cash commission section.

Agreement Start

Commencement of this agreement is to-be-discussed. Possibly January 2015.

About PK GmbH

“You never get a second chance to make a good first impression.”

Led by Karl Pfister-Kraxner, MSc, MBA, PK GmbH is an interims management & boutique consulting company.

- Supporting startups defining a sustainable business model based on the core competences to ensure attraction of investors and first commercial customers to prove your product/business concept.
- In addition to start-ups, PK supports established companies to build new businesses and the required structure to access new market opportunities.

Defining and setting up your Go 2 Market Strategy and also support the implementation with “hands- on” approach. With our capability and global Contact Network we do drive your business locally & internationally, you will have the opportunity to approach customers and market in Europe and beyond and expand your Business Development team through our network. www.pk-mcc.com

Notes on Lopoco ISOs

This is a short summary of some of the factors involved with Lopoco stock option grants. It is NOT a complete list. All Lopoco ISO recipients are asked to sign the standard company ISO agreement at the time of the grant issuance.

- All Stock Option Grants are issued by the Board of Directors at the next practicable meeting of the Board of Directors.
- The option exercise price is determined by the Board of Directors using good faith rule-of-thumb methods to determine FMV at the time of the grant issuance.
- In the case of this agreement ending and not followed by a replacement agreement, all unexercised options will cease to exist 30 days after the termination of the agreement. All vesting will immediately stop at the termination of this agreement.
- Options granted as a result of this agreement will commence vesting after a 12 month period starting from the grant date, after which 50% of options granted will immediately vest. The remaining options will continue to vest at a rate of 2% of the granted shares each month for 24 months (2 years). The last month of each 12 month period will vest 3% instead of 2% to make up the fraction.