

Distribution Agreement (CANADA)

THIS AGREEMENT dated this the _____ by and between **Nanov Display Inc.**, a Canada corporation with offices at 3888 Duke of York Blvd Suite 136. Mississauga, Ontario L5B 4P5, Canada (“NDI”) and -----, a ----- corporation with offices at ----- (“BUYER”)

1. **APPOINTMENT of BUYER:** NDI hereby authorizes BUYER to promote, sell and support certain NDI products subject to the provisions of this Agreement. BUYER hereby accepts such and confirms that its relationship to NDI is that of an independent contractor. BUYER is not an agent of NDI and is not granted, and agrees not to represent that it has been granted, any right or authority to assume or to create any obligation or responsibility, express or implied, for or in behalf of NDI whatsoever.
2. **PURCHASE of PRODUCTS:** BUYER has the non-exclusive, non-transferable right to purchase from NDI products as determined from time to time by NDI (the “Products”), and to resell the same to third parties within the United States. NDI has the unqualified right to add, delete, or modify the items, which constitute the Products at any time without prior notice.
3. **BUYER’S OBLIGATIONS:** BUYER shall use its reasonable diligent efforts to promote, sell and support the Products. BUYER shall maintain adequate facilities and staff and shall give prompt attention to inquiries and orders regarding the Products. BUYER, in its promotion of the Products, shall not make exaggerated claims regarding the performance capabilities of the Products, nor shall it make claims that are false or misleading in any respect.
4. **SCHEDULES:** The following Schedules apply to this Agreement:
 - a. Schedule A – Pricing
5. **TERM & TERMINATION:** The appointment of the BUYER shall continue indefinitely until such appointment is terminated by either party upon written notice to the other. Upon termination of this Agreement, BUYER shall return all proprietary and confidential information (including pricing information), promotion and advertising materials, and all Product samples and other materials provided by NDI without charge. Neither party shall by reason of the termination of this Agreement be liable to the other party for compensation, reimbursement, or damages either on account of present or prospective profits on sales or anticipated sales, or on account of expenditures, investments, or commitments made in connection therewith or in connection with the establishment, development, or maintenance of the business or good will of either party, or on account of any other cause or thing whatsoever. Such termination shall not affect any obligations incurred by BUYER to NDI prior to such termination.
6. **CONFIDENTIAL INFORMATION:** To the extent that BUYER receives any proprietary or confidential information from NDI, BUYER shall not communicate it to third parties, shall exercise due care and diligence to protect it, shall not use any of it except in connection with its activities pursuant to this Agreement, and shall return it to NDI upon request.
7. **ORDERING PRODUCTS:** Products may only be ordered by a firm, written, purchase order signed by BUYER (“Order”). In the event of a conflict between the terms of this Agreement and the provisions of any Order, the terms of this Agreement shall prevail. Any supplementary terms in any Order shall be null, void and without legal effect unless the same are expressly accepted by NDI in writing even if the Order has been accepted without objection or exception.
8. **ACCEPTANCE / REJECTION of ORDERS:** Every Order shall be subject to acceptance by NDI at its offices. To the extent the Force Majeure provisions of this Agreement are not applicable, without liability, NDI shall not be required to honor Orders accepted by NDI, but shall only be required to distribute its available Products among its resellers, distributors and other customers on a fair and equitable basis, and when not available, NDI may defer the shipment of Products. If an Order is rejected or a shipment delayed, NDI shall use reasonable efforts to so notify BUYER promptly.
9. **CANCELLATIONS:** BUYER may not cancel Orders for customized Products or for items requiring special accommodations in production or handling; otherwise, any Order may be cancelled by BUYER provided that written notice thereof is received by NDI at least ten (10) business days preceding the scheduled date for shipment. NDI may only cancel Orders previously accepted for reasons of Force Majeure as hereinafter more particularly stated.
10. **PRICING:** Prices and discounts in effect as of the date of this Agreement are embodied in Schedule A; however, due to normally anticipated increases in manufacturing costs, all prices and discounts are subject to change without prior

notice. Nevertheless, once an Order has been accepted, the price charged for the Products therein ordered shall be unaffected by subsequent price increases.

11. **SHIPPING TERMS and CREDIT:** The shipping terms on the sale of Products to BUYER under this Agreement are F.O.B. in Vancouver, Canada. BUYER agrees to pay as a separate invoice item, applicable sales tax and freight. Partial shipments shall be permitted if insufficient quantities of Products are available to fill any Order. NDI shall have the unrestricted right at all times and without prior notice to establish, deny, cancel, modify, restrict or limit the amount and duration of credit, if any, extended to BUYER.
12. **INVOICES, PAYMENT and COLLECTION:**
 - a. OEM products and custom made products payment terms are upon negotiation of the each case. If it is not noticed payment term in advance, general payment term of OEM products and custom made products is upon confirmation of purchase order.
 - b. Invoices shall be issued to BUYER upon the shipment of Products, and if the sale is made on credit, BUYER promises to make payment in full within the fifteen (15) days of the invoice date. Pro-rata payments shall become due as partial shipments are made and invoiced. Shipments delayed to accommodate BUYER may be invoiced and dated the day NDI is prepared to ship, and in the event of such requested delays, BUYER agrees to reimburse NDI for any consequential costs. Overdue accounts shall be subject to a finance charge of one and one-half per cent (1 ½%) per month, or the highest legal rate applicable, calculated on the balance overdue. If an overdue account is referred to collection, BUYER agrees to pay the fees and collection costs incurred by NDI.
13. **INSPECTION of PRODUCTS:** BUYER shall promptly inspect the Products upon delivery and notify NDI of any nonconforming and rejected Products. Any Products not rejected within five (5) business days of delivery, shall be conclusively presumed to have been inspected and accepted by BUYER.
14. **RETURN of PRODUCTS:** Products may not be returned to NDI without prior authorization for any reason whatsoever. Such authorization shall be evidenced by a valid Return Material Authorization (“RMA”) number obtained from NDI’s Customer Support Department and shall be clearly and boldly inscribed on the outside of the return shipping carton.
15. **WARRANTIES:** Other than NDI’s limited product warranty as set forth in the documentation accompanying Products, which is incorporated herein by reference and made a part hereof as if the same were set out in full herewith, NDI MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
16. **FORCE MAJEURE:** A party in breach of this Agreement shall not be liable to the other party for damages arising from the breaching party's failure to fully comply with or to fulfill its obligations under this Agreement when such failure is due to reasons of Force Majeure including fire, flood, Acts of God, the inability to obtain materials at customary rates through normal channels of supply, severe weather, labor unrest or strikes, civil insurrection, war, or any other cause beyond the breaching party’s reasonable control; however, the failure to make the timely payment of money due shall not be excused for any cause or reason whatsoever.
17. **CONSTRUCTION and JURISDICTION:** This Agreement and all supplemental agreements hereto shall be construed, applied and enforced in accordance with the laws of the Country of Canada, and the courts of said Country, including the federal courts therein, shall have exclusive jurisdiction of the parties and of the subject matter of their respective agreements. Venue for any legal action shall be exclusively in New Brunswick, Canada, and both parties hereby waive any objection thereto.
18. **RECOVERY of COSTS:** In any action to enforce this Agreement, if such action results in an award of monetary damages or the granting of injunctive relief, all expenses, including, but not limited to, court costs and reasonable attorney fees, incurred by the prevailing party in such action shall be paid by the party against whom such damages or injunctive relief are awarded.
19. **MERGER, SEVERABILITY, ASSIGNMENT, ETC.:** This Agreement supersedes all previous agreements, whether written or oral, and constitutes the entire understanding of the parties with respect to the subject matter hereof. This Agreement may only be modified, amended, or supplemented by the separate written agreement of the parties. If and in the event any provision of this Agreement is determined to be unenforceable or in violation of law, it shall be deemed severed herefrom and all remaining terms, conditions and provisions shall remain in full force and effect. BUYER may not assign, transfer or sell all or any portion of its rights, duties or obligations accruing from or arising out of this Agreement without the prior written consent of NDI, which may be arbitrarily withheld. The failure of

Distribution Agreement (CANADA)

either party to require the performance of any term, condition, or provision of this Agreement or the waiver by either party of any breach under this Agreement shall not prohibit nor prevent a subsequent enforcement of such term, condition, or provision, nor shall such failure be deemed a waiver of any subsequent breach.

- 20. FACSIMILE SIGNATURES:** If facsimile copies of this Agreement bearing facsimile signatures are exchanged between the parties, such copies shall in all respects have the same weight, force and legal effect and shall be fully as valid, binding and enforceable as if such signed facsimile copies were original documents bearing original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date first above written.

Nanov Display Inc.:

Distributor:

By: _____

By: _____

Won Jin, CEO

Name and Title

ATTACHMENTS:

Schedule A – Pricing

Schedule A
Pricing and Demo Equipment

PRICING
