

GaN Systems Inc. Distribution and Representation Agreement

THIS AGREEMENT ("Agreement") is effective as of Nov 23th, 2017 ("Effective Date") between [Shanghai INNOVATION Electronic Technology Co., Ltd.] ("Distributor"), a company established under the laws of [China], with offices at [RoomF,Floor 19, #257 Siping Rd,Hongkou District. Shanghai] and GaN Systems Inc. ("Manufacturer"), a company incorporated under the laws of Canada with head office at 1145 Innovation Drive, Ottawa, Ontario K2K-3G8 Canada.

NOW THEREFORE, in consideration of the promises hereinafter made by the parties, it is agreed as follows:

1.0 Description

- 1.1 Manufacturer appoints Distributor, on a non-exclusive basis, to stock and resell all products (the "Products") listed in Appendix A within the territory (the "Territory") listed in Appendix B and Distributor accepts the appointment and agrees to sell and promote the Products in the Territory in accordance with this Agreement.
- 1.2 If Distributor is stated in Section 1 of Appendix C as being appointed by Manufacturer as a representative ("Representative") to solicit orders of the Products, Manufacturer appoints Distributor as an independent representative for the limited purposes of promoting the sale, soliciting orders of Products from the specific customers listed in column entitled "Representation Customers" in the table set out in Section 2 of Appendix C ("Representation Customers") and providing the services as specified for each Representation Customer in Section 3 of Appendix C, and Distributor accepts such appointment, in and to the territory listed opposite the Representation Customer in the column entitled "Client Territory" in the table set out in Section 2 of Appendix C ("Client Territory") in accordance with this Agreement. For clarity, if Distributor is not stated in Section 1 of Appendix C as being appointed a representative, the Distributor shall not be appointed as a representative and any of the provisions of this Agreement that are stated to apply to only a Representative shall not apply to the Distributor.
- 1.3 Distributor acknowledges and agrees that the rights granted pursuant to this Agreement are limited to the Territory, and Client Territory if appointed as a Representative, and no rights are conferred upon Distributor with respect to the distribution of any Products outside of the Territory and Client Territory, as applicable. Distributor further covenants and agrees not to distribute, market, or sell Products to any person within the Territory if Distributor knows or has any reason to believe that such Products will be resold by such person, directly or indirectly outside the Territory and if appointed as a Representative, not to solicit orders for Products outside the Client Territory to any person that is not a Representation Customer. Distributor covenants and agrees that all enquiries with respect to and any orders for Products received by Distributor from outside the Territory or Client Territory, as applicable, shall be referred to Manufacturer.
- 1.4 Manufacturer reserves the right to add or remove Products contained in Appendix A by providing written notice to Distributor at least thirty (30) days prior to the effective date of the changes.
- 1.5 The relationship between Distributor and Manufacturer under this Agreement shall be solely that of independent contractor and of buyer and seller and neither party has any authority to bind the other party or to represent the other in legal matters or as an agent or franchisee.
- 1.6 Manufacturer reserves the right to offer and sell Products directly or indirectly, without any payments or other forms of compensation to Distributor to: (i) any customer or distributor or potential customer or distributor wherever located, and if Distributor is appointed as a Representative that is not a Representation Customer; (ii) if Distributor is appointed as a Representative, (A) any Representation Customer located in the Client Territory, if Distributor is not providing the services to the Representation Customer as specified in Section 3 of Appendix C; and (B) any Representation Customer located outside of the Client Territory; or (iii) any customer or distributor as agreed in writing by the parties prior to such transaction.

1.7 Appendix A, Appendix B and Appendix C contain terms and conditions that form part of this Agreement and in the case of a conflict between the terms and conditions set out in Appendix A or Appendix B or Appendix C and the body of this Agreement, the terms and conditions of Appendix A or Appendix B or Appendix C, as applicable, shall govern.

1.8 Manufacturer has the right to:

1.8.1 amend, update, add or remove provisions from Appendix A or Appendix B on thirty (30) days prior notice to Distributor;

1.8.2 remove provisions from Appendix C on thirty (30) days prior notice to Distributor; and

1.8.3 amend, update or add provisions to Appendix C immediately on notice to Distributor,

and the terms of such amended Appendix A, Appendix B or Appendix C, as applicable, shall be effective at the end of such notice period.

2.0 Term

2.1 This Agreement shall be effective from the Effective Date until Nov 22th, 2019 (the "Initial Term").

2.2 If this Agreement is not otherwise terminated under the termination provisions contained herein, it will be automatically renewed for successive twelve (12) month periods (each, a "Renewal Term") unless ninety (90) days' written notice is given by either party to the other prior to the expiration of the Initial Term or any Renewal Term, as the case may be, that it does not intend to renew this Agreement.

3.0 Distributor Responsibilities

3.1 At all times during the Initial Term or any Renewal Term, Distributor shall be obligated to market and sell all of the Products throughout the Territory.

3.2 Distributor shall provide a competent sales and technical support organisation in the Territory to facilitate the sale to customers of all of the Products and the design in of Manufacturer's Products by customers.

3.3 Distributor shall provide adequate resources to support customer inquiries, orders, shipments and ongoing customer service for all of the Products.

3.4 Distributor shall maintain stock levels of all of the Products to facilitate reasonable quantities of immediate delivery to customers.

3.5 Distributor shall be certified to industry standard quality control procedures such as ISO9000 or equivalent.

3.6 Distributor will: (i) promptly transmit to Manufacturer all customer inquiries, complaints and other important information that Distributor obtains from or respect to customers or prospective customers; and (ii) if Distributor is appointed as a Representative assist Representation Customers to place orders for Products in the Client Territory and promptly transmit such orders to Manufacturer, for acceptance or rejection by Manufacturer, when Distributor acts as a representative soliciting orders of Products and does not sell or distribute Products directly.

3.7 Distributor shall support Manufacturer's right to audit Distributor's premises with a minimum of five (5) Business Days' (as later defined) notice by providing access to all locations and relevant information to assess compliance with this Agreement.

3.8 Distributor shall make every effort to attend trainings offered by Manufacturer with adequate representation.

3.9 Distributor agrees not to make any representation or give any warranty with respect to any Product other than those contained in any current brochures, leaflets or other printed materials relating to a Product which may be issued from time to time by Manufacturer.

3.10 Distributor shall conduct all of its activities in accordance with all applicable laws and regulations.

- 3.11 Distributor will keep complete and accurate records with respect to all Products purchased from Manufacturer and sold by Distributor.
- 3.12 Distributor shall not reverse engineer any of the Products or otherwise develop a product that serves the same or substantially similar purpose as any of the Products whether or not that product also has additional uses or functions.
- 3.13 Distributor shall provide Manufacturer with notice of any one or more transactions that results in or will result in a change of control of Distributor as compared to the ownership and control of Distributor on the Effective Date (a "**Significant Ownership Change**") as soon as possible but in any event prior to the closing of any such transaction or transactions.

4.0 **Manufacturer Responsibilities**

- 4.1 Manufacturer will provide Distributor with lead-time information relating to the availability of Products on a regular basis. It is acknowledged that lead-times are an indication only based on historical ordering patterns and are not legally binding.
- 4.2 Manufacturer will provide Distributor with a price list (the "**Distributor Price List**") for all Products contained in Appendix A and from time to time Manufacturer may change the Distributor Price List in accordance with the terms of this Agreement.
- 4.3 Manufacturer will use reasonable efforts to provide advance information and related promotional material related thereto, if any, to Distributor of any new Product prior to the full commercial release of such new Product.
- 4.4 Manufacturer will provide Distributor with technical and Product information it considers necessary for the effective promotion and sale of the Products. Such information may for example, consist of, but not be limited to, data sheets, application notes and environmental information.
- 4.5 Manufacturer may, at its discretion, provide training to assist Distributor to effectively promote and sell Products.
- 4.6 For any business opportunity that Manufacturer has decided to support and has provided notice to Distributor that it intends to support, Manufacturer may provide direct technical support as it deems necessary as assistance to Distributor's sale efforts.

5.0 **Pricing and Payment Terms**

- 5.1 Prices for Products are those contained in the then Distributor Price List at the time an order is accepted by Manufacturer. Prices are in the currency specified in Appendix A and payment terms are as set out in Appendix A. Prices do not include applicable taxes and an amount equal to applicable taxes will be payable by Distributor.
- 5.2 Manufacturer reserves the right to quote prices different to those contained in the Distribution Price List ("**Specific Pricing**") for specific business opportunities. All Specific Pricing must be confirmed in writing by Manufacturer prior to any commitment from Distributor to a customer.
- 5.3 Manufacturer may refuse further shipments of Products in the event of overdue payments or changes in the credit status of Distributor.
- 5.4 Manufacturer will use reasonable efforts to communicate Product price changes to Distributor generally thirty (30) days prior to the effective date of such price changes.
- 5.5 If Product prices increase, orders placed prior to the notification date of such price increase will be shipped at the price in effect at the time the order was placed.
- 5.6 If Product prices decrease, all open purchase orders for the affected Products will be invoiced at the new price and Distributor may, within thirty (30) days of effective date of such price decrease, request in writing a credit from Manufacturer to revalue its inventory of affected Products existing on the effective date of such decrease.
- 5.7 In the event that Distributor has been appointed as a Representative:

- 5.7.1 Distributor shall provide the services set out in Section 3 of Appendix C to and may solicit Product orders from Representation Customers within the Client Territory to be fulfilled by Manufacturer or another distributor in return for commissions based on resulting sales. All agreed services, associated customers, and compensation rates shall be set forth in Appendix C. No commissions will be payable on sales of Products to Distributor, or on sales of Products made by Distributor even if such sales are to Representative Customers. Manufacturer will pay Distributor commissions at the rates set forth in Appendix C attached hereto based upon the Net Billing Price of sales of Products. "Net Billing Price" is defined as the gross selling price of any Product, not including any interest or finance charges, reduced by direct costs associated with the sale of such Product, including but not limited to discounts, warehousing allowances, insurance and transportation charges, taxes, rebates, refunds, cancellations and returns. If Manufacturer, in its sole discretion, determines that the resulting sale of Products is the result of the combined efforts of Distributor and any other party, a portion of the commissions payable may be allocated across the parties ("**Split Commission**"). Split Commissions will be divided between Distributor and the other party (or parties) in such proportions as determined by Manufacturer to be equitable, and its decision to do so and the manner in which it does so will be final and binding on all parties involved. Manufacturer shall pay any commissions owed to Distributor under this Agreement net thirty (30) days from the end of the calendar month in which payment for the sales related to the commissions was received by Manufacturer.
- 5.7.2 No commissions will be due to Distributor, and any commissions paid will be refunded by Distributor, with regard to sales of Products in the event that and to the extent that: (i) such Products are rejected or returned in whole or in part; (ii) any portion of the purchase price for such Products becomes subject to adjustment or refund or rebate to the customer; (iii) any portion of the purchase price for such Products must be returned by Manufacturer to the customer in connection with any proceeding, whether voluntary or involuntary, involving such customer under any bankruptcy, insolvency or debtor's relief law; or (iv) Products are sold after this Agreement is terminated for any reason except pursuant to Section 5.7.3. Manufacturer may deduct any amounts owed by Distributor to Manufacturer from any commissions owed by Manufacturer to Distributor.
- 5.7.3 Upon: (a) the termination of this Agreement by Manufacturer or expiration of this Agreement or (b) Manufacturer has removed a Representation Customer from Appendix C and Distributor ceases to have Representative rights with respect to such Representation Customer; Distributor will be entitled to commissions on orders for Products that satisfy the requirements of Section 5.7.1 of this Agreement only if such orders are placed by: (I) Representation Customers and are accepted by Manufacturer within three (3) months of the effective date of termination or expiration in the case of (a) above or (II) the Representation Customer removed from Appendix C in the case of (b) above and are accepted by Manufacturer within three (3) months of the effective date of such removal, and only if such orders provide for shipment within six (6) months of such applicable date. Except for the foregoing, Distributor will have no other rights to any commissions whatsoever following termination or expiration of this Agreement or on the removal of a Representation Customer from Appendix C even if sales are made by Manufacturer to Representation Customers originally solicited by Distributor.

6.0 Orders, Acknowledgements and Deliveries

- 6.1 Distributor's request to purchase must be placed in writing or via a recognised and mutually agreed electronic data interchange format.
- 6.2 Manufacturer's agreement to sell will be confirmed by an order acceptance in writing or via a recognised and mutually agreed electronic data interchange format. Only such orders placed by Distributor and accepted by Manufacturer shall be binding on the parties. Where there is a conflict between the terms and conditions stated in any purchase order form used by Distributor and the provisions of this Agreement, the provisions of this Agreement shall prevail despite any statement to the contrary in such purchase order form or otherwise.
- 6.3 All shipping dates provided by Manufacturer to Distributor are estimated dates only.
- 6.4 Orders by Distributor may be amended or cancelled subject to the minimum notice period set out in Appendix A (the "Minimum Notice Period"). Order amendment or cancellation requests must be delivered to Manufacturer in writing or via a recognised and mutually agreed electronic data interchange format.
- 6.5 Scheduled orders by Distributor may be rescheduled subject to the Minimum Notice Period as long as the rescheduled delivery does not exceed twelve (12) months from the original order date. Reschedule requests must be made by Distributor in writing or via a recognised and mutually agreed electronic data interchange format.
- 6.6 All deliveries will be according to the provisions set out in Appendix A.
- 6.7 Liability for loss or damage in transit, or thereafter, shall pass to Distributor upon Manufacturer's delivery of Product to the carrier for shipment.
- 6.8 Distributor will be the importer of record into the Territory for all Products purchased by it and will be responsible for the accuracy of the information presented and the payment of all duties and taxes and will be liable for any fines or penalties resulting from any missing or inaccurate information.
- 6.9 Subject to the delivery method and related provisions as set out in Appendix A, all charges that may be incurred in connection with the delivery of the Product to Distributor, including, without limitation, in respect to freight, import duties, all applicable taxes, insurance and storage costs are the sole and exclusive responsibility of Distributor.
- 6.10 If Distributor is appointed as a Representative, no order for Products by a Representation Customer of Distributor received by Manufacturer from Distributor, or directly from any Representation Customer of Distributor will be considered binding unless and until accepted in writing by an authorized representative of Manufacturer, or, if no written acceptance is given by an authorized representative of Manufacturer, unless or until the order is shipped. Distributor has no right, power or authority, express or implied, to accept any order as binding upon Manufacturer and Manufacturer reserves the right to reject any order placed through Distributor. Distributor shall have no right to compensation from Manufacturer and Manufacturer shall have no liability of any kind to Distributor as a result of any rejection by Manufacturer of any order, including but not limited to any order placed through Distributor. Manufacturer's then-current terms and conditions of sale including, without limitation, Manufacturer's limited warranty, will govern the sales of Products by Manufacturer to Representation Customers of Distributor. Manufacturer reserves the right, in its sole discretion, to modify its terms and conditions of sale including, without limitation, Manufacturer's limited warranty, and to amend its prices, price lists, discount rates, delivery and packaging charges, methods of payment and any other matters relating to the sale of Products without incurring any obligation or liability to Distributor.

7.0 Reporting

- 7.1 Distributor shall provide reasonably detailed point of sale and inventory reports to Manufacturer each month within fifteen (15) calendar days following the end of the month. All such

reports shall be in writing or via a recognised and mutually agreed electronic data interchange format.

8.0 Product Changes and Obsolescence

- 8.1 Manufacturer reserves the right to discontinue manufacture or sale of any Product covered by this Agreement with a minimum of one hundred and eighty (180) days' notice to Distributor (the "Notice of Discontinuance").
- 8.2 Distributor may request to return any discontinued Product within sixty (60) days following receipt of the Notice of Discontinuance and receive credit for all Product returned equal to the price paid by Distributor plus all freight charges relating to the return of discontinued Product.
- 8.3 Manufacturer reserves the right to make changes to Products. Any changes materially affecting form, fit or function shall be communicated in writing to Distributor at least ninety (90) days before the first shipment to Distributor of the modified Product (the "Notice of Change").
- 8.4 Distributor shall make all reasonable efforts to inform customers having previously purchased Products affected by changes that materially affect form, fit and function and Distributor may cancel any open orders for Products affected by the changes without penalty.
- 8.5 Distributor will make every effort to sell any inventory of the old Product now modified by the new Product after receipt of the Notice of Change. Any old Production Qualified Product affected by the change(s) not sold may be returned to Manufacturer after sixty (60) days from receipt of the Notice of Change but no later than ninety (90) days after receipt of the Notice of Change in exchange for an equivalent value replacement of the new Product. Manufacturer will pay all freight charges related to such exchange. For the purposes of this Agreement, "Production Qualified Product" is Product shipped by Manufacturer to Distributor that has not been designated by Manufacturer on the shipping notice or invoice as being an engineering sample or non-qualified Product.

9.0 Warranty and Manufacturer Liability

- 9.1 Subject to section 9.3, Manufacturer's Product warranty will apply to Distributor's end customers from the date of shipment from Distributor to the end customer regardless of the date when Manufacturer shipped the Product to Distributor.
- 9.2 Manufacturer will make reasonable efforts to implement corrective action in response to warranty claims.
- 9.3 The Manufacturer's warranty will only apply to Production Qualified Products and no warranty applies to engineering samples and/or non-qualified Products and Manufacturer may require such Products to be shipped under technical waiver and terms where such Products cannot be cancelled, rescheduled or returned.
- 9.4 Manufacturer's liability to end customers shall be limited as stated in Manufacturer's Standard Terms and Conditions associated to the Product.
- 9.5 Manufacturer shall not be liable to Distributor for any special, indirect, consequential, punitive or exemplary damages, including for greater certainty any damages on account of the loss of prospective profits on anticipated sales or on account of expenditures, investments, leases or commitments in connection with the business.

10.0 Scrap Allowance

- 10.1 Subject to section 10.2, Distributor may return slow moving Product semi-annually following each of the December to May and the June to November periods after receipt of written authorisation from Manufacturer. Manufacturer reserves the right to request Distributor to scrap Product in lieu of returning such Product.
- 10.2 The value of all Product permitted to be returned or scrapped will be a maximum of 2.5% of the total net purchases of all Products by Distributor during the applicable December to May period or June to November period.
- 10.3 Distributor shall make a written request to return slow moving Product no later than June 15 for the applicable December to May period and December 15 for the applicable June to November period.

10.4 The credit for Product returned or scrapped will be the actual net price paid by Distributor. Manufacturer will pay all freight charges related to Products returned under the scrap allowance.

11.0 New Product Introduction

11.1 On release by Manufacturer of a new Product, Distributor will be expected to place an initial order (the "Initial Stocking Package") to support anticipated market demand for such new Product.

11.2 Quantities associated with each Initial Stocking Package order will be defined in writing by Manufacturer.

11.3 Product purchased as part of an Initial Stocking Package may be returned by Distributor, with prior written approval from Manufacturer, after six (6) months but not later than eighteen (18) months of the invoice date. Manufacturer will pay all freight charges related to Initial Stocking Package return.

12.0 Trade Marks

12.1 During the term of this Agreement, Distributor may use Manufacturer's trademarks (the "Trade-marks") associated with the Products solely for the promotion and sale of the Products in the Territory.

12.2 Trade-marks must be reproduced exactly and not modified in any way.

12.3 Distributor acknowledges that Manufacturer is the exclusive owner of the Trade-marks and Distributor has no right, title or interest whatsoever in the Trade-marks or any goodwill association therewith.

12.4 All promotional and other material relating to the Products created by Distributor, whether such materials include Trade-marks or not, must be pre-approved in writing by Manufacturer prior to use by Distributor.

13.0 Termination

13.1 This Agreement may be terminated without cause by either party by written notice of termination to the other party at least six (6) months before the termination date.

13.2 Either party may terminate this Agreement with cause, effective immediately upon written notice to the other party if: (i) the other party materially breaches any term of this Agreement and fails to cure such breach, which is a curable breach, within thirty (30) days after receipt of the non-breaching party's written notice of such breach; (ii) the other party materially breaches any term of this Agreement which is not capable of cure; (iii) the other party dissolves, becomes insolvent or makes a general assignment for the benefit of its creditors; (iv) a voluntary or involuntary petition or proceeding is commenced by or against the other party under federal, state or foreign bankruptcy laws; or (v) the other party becomes insolvent, is unable to pay its debts as they become due or ceases to conduct business in the normal course.

13.3 Manufacturer may terminate this Agreement on thirty (30) days notice to Distributor in the event that there is a Significant Ownership Change unless the Manufacturer has provided its prior written consent to the transaction or transactions pursuant to section 20.6.

13.4 This Agreement may be terminated pursuant to the provisions set out in Section 14.1 below.

13.5 In the event of termination pursuant to Article 13 or pursuant to Section 14.1, Manufacturer reserves the right to request return of all Product inventory and associated promotional materials within thirty (30) days of termination date. Manufacturer will pay all freight charges associated with termination returns unless the termination is for cause as a result of Distributor's actions in which case such charges shall be borne by Distributor.

13.6 In the event of termination of this Agreement pursuant to sections 13.1 or 13.2 or pursuant to Section 14.1, Manufacturer reserves the right to cancel all open orders for Products with immediate effect.

14.0 Force Majeure

14.1 No failure or omission by Manufacturer or Distributor in the performance of any obligation under this Agreement shall be deemed a breach of this Agreement or create any liability if the same arises on account of force majeure, which term shall include any event or cause beyond the control of Manufacturer or Distributor, as the case may be, including but not restricted to acts of God, acts or omissions of any government, or agency thereof, rebellion, insurrection, riot, sabotage, invasion, quarantine, restrictions, strike, lock out and transportation embargoes, provided that the party relying on this Section shall forthwith after any such event give written notice to the other party of its inability to perform such obligation and the reasons therefore. If force majeure continues for a period of more than three (3) months, without the parties hereto being able to develop an alternative satisfactory arrangement, then either party has the option of immediately terminating this Agreement.

15.0 Export Control

15.1 The Products are of Canadian origin and, as such, are subject to export licensing and other restrictions under Canadian law. Distributor acknowledges that it is knowledgeable about Canadian and US government export and re-export requirements, or that it will become so prior to engaging, directly or indirectly, in any transaction involving the Products.

15.2 Distributor will at all times have all necessary legal permits and licenses required by any governmental unit or agency and will comply with all applicable international, national, state, regional and local laws and regulations in performing its duties hereunder and in any of its dealings with respect to Products, including but not limited to Products distributed by Distributor to third parties.

15.3 Distributor will furnish Manufacturer such documents and information with respect to export control, in such form as Manufacturer may from time to time require to assure proper compliance with the above-mentioned requirements.

15.4 In the event of any investigation or proceeding of either Manufacturer or Distributor regarding export licensing, then both Manufacturer and Distributor will provide such documentation and other information as is required to ensure that any such investigation (in either country) is brought to a prompt and commercially optimum solution.

15.5 Distributor shall indemnify and hold Manufacturer harmless from and against any claim, action, fine, loss, cost and damages arising out of or relating to any non-compliance with export control restrictions by Distributor and Distributor shall compensate Manufacturer for all losses and expenses resulting thereof.

16.0 Patent Indemnification

16.1 Manufacturer agrees, at its own expense, to indemnify, defend and hold harmless Distributor and its customers from and against every expense, damage, cost and loss (including reasonable legal fees incurred) and to satisfy all judgments and decrees resulting from a claim, suit or proceeding insofar as it is based upon an allegation that a Product furnished by Manufacturer is or has been infringing upon any patent, copyright or proprietary right, if Manufacturer is notified promptly of such claim in writing and given authority, and full and proper information and assistance (at Manufacturer's expense) for the defence of same.

17.0 Applicable Law

17.1 This Agreement shall be governed by and interpreted in accordance with the laws of the jurisdiction listed in Appendix B (notwithstanding conflict of law rules) and the parties do expressly and irrevocably attorn to the jurisdiction of courts of such jurisdiction with respect to any matter or claim, suit, action or proceeding arising under or related to this Agreement. To the fullest extent permitted by applicable law, Distributor waives and agrees not to assert, as a defense or otherwise, (i) any claim that it is not subject to the jurisdiction of any such court, (ii) any objection that it may now or hereafter have to the laying of venue in any such court, or (iii) any claim that any action, suit or proceeding has been brought in an inconvenient forum.

18.0 Confidentiality

18.1 The parties acknowledge and agree that the terms and conditions of the non-disclosure and/or confidentiality agreement referenced in Appendix A shall govern the confidential information of the parties under this Agreement and such terms and conditions are hereby incorporated into this Agreement by reference.

19.0 Distributor Indemnity.

19.1 Distributor hereby agrees to defend, indemnify and hold harmless Manufacturer against any liability, losses, damages or costs (including any legal costs) incurred or suffered by Manufacturer as a result of any breach, negligent act or omission or wilful default on the part of Distributor or its Representatives arising either directly or indirectly from the performance (or non-performance) by Distributor or any of its Representatives of any obligations under this Agreement.

20.0 Miscellaneous.

20.1 The parties hereby expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods and the Uniform Law on the Sale of Goods and the Uniform Law on the Formation of Contracts for the International Sale of Goods.

20.2 Any notice, request, demand, consent or other communication required or permitted under this Agreement shall be in writing and shall be given by personal delivery (including courier) by prepaid registered or certified mail or by fax (confirmed by mail) addressed to the party for which it is intended at the in the first paragraph of this Agreement and shall be deemed to be given on the day of delivery or transmission if during normal business hours, or, if after business hours, on the next following Business Day, or if mailed by registered or certified mail, on the day which is five (5) Business Days after such notice is mailed during normal postal conditions. In the event of a postal disruption, any notice mailed will be deemed received on the fifth (5th) Business Day following resumption of regular postal service. Either party may change its address for notices and other communications upon notice to the other party in the manner aforesaid. "Business Day" means any day except Saturday, Sunday or any other day where a statutory holiday is observed in the Province of Ontario, Canada.

20.3 Except as otherwise provided herein, this Agreement may not be amended or otherwise modified except in writing signed by both parties.

20.4 This Agreement, including all schedules attached hereto, constitutes the entire agreement and understanding between the parties with respect to all matters herein and supersedes all prior oral or written agreements and understandings between the parties with respect to the subject matter of this Agreement.

20.5 The words "hereof", "herein", "hereunder" and similar expressions used in any section of this Agreement relate to the whole of this Agreement (including any schedules attached hereto) and not to that section only, unless otherwise expressly provided for or the context clearly indicates to the contrary. Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. The word "including" will mean "including without limitation".

20.6 Manufacturer may sell, transfer and assign any or all of its rights and obligations arising from this Agreement to any person upon notice to Distributor, provided that the assignee shall agree in writing to be bound by the covenants and agreements contained herein and so assigned by Manufacturer. Upon such assignment and assumption, Manufacturer shall be under no further obligation hereunder with respect to any of the rights and obligations so assigned. Distributor shall not assign or transfer its rights or obligations under this Agreement or any document relating to this Agreement to any person without the prior written consent of Manufacturer. Any transaction that results in (i) the amalgamation or merger of the

Distributor with one or more third parties; and/or (ii) a Significant Ownership Change for Distributor, shall be deemed to be an assignment of this Agreement that will require the prior written consent of the Manufacturer. Distributor shall not appoint sub-distributors of the Products without the prior written consent of Manufacturer. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

20.7 The failure by either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect its right to require performance at any time thereafter, and no term or provision of this Agreement is deemed waived and no breach excused unless such waiver or consent is in writing and signed by the party to have so waived or consented. Any consent by any party to, or waiver of, a breach by the other party, whether expressed or implied, does not constitute a consent to, waiver of, or excuse for, any other different or subsequent breach by such other party of the same or any other provision.

20.8 If any provision of this Agreement shall, to any extent, be held to be invalid or unenforceable, it shall be deemed to be separate and severable from the remaining provisions of this Agreement, which shall remain in full force and effect and be binding as though the invalid or unenforceable provision had not been included.


20.9 Each of the parties hereto covenant and agree to execute and deliver such further documents as may be necessary or desirable in order to give full effect to this Agreement.

20.10 The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

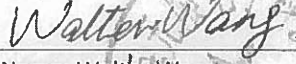
20.11 This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereby have caused this agreement to be executed as of the day and year first written above.

GaN Systems Inc.

Signed: 
Printed Name: Larry Spaziani
Title: Vice President, GaN Systems Inc.

Distributor

Signed: 
Printed Name: Walter Wang
Title: President, Shanghai INNOVATION Electronic Technology Co., Ltd.



Appendix A

1. Products.

Manufacturer Part Number	Minimum Order Quantity (MOQ)	Currency	Payment Terms	Minimum Notice Period (Change, Cancellation, Rescheduling)	Incoterms
GS61004B GS61008T/P/D GS66502B/D GS66504B/D GS66506T/D GS66508T/B/D GS66516T/D	Mini Tape & Reel (250 Parts)	USD	30 Days Net from Shipment Date	60 Calendar Days	FCA (Free Carrier)

2. Other Provisions.

(a) Non-Disclosure Agreement (NDA) must be in affect at all times during the Term of this Contract.

Appendix B

1. Territory

Subsidiary	Distribution Territory	Office Address
Shanghai INNOVATION Electronic Technology Co., Ltd.	China	Room F, Floor 19, #257 Siping Rd, Hongkou District. Shanghai
SHENZHEN ONECHIP TECHNOLOGY LIMITED	China	Room 303, Building 4, Zhu Guang Hi-Tech Innovation Park, 2 nd Longzhu road, Shenzhen
INNOVATION TECHNOLOGY CO., LIMITED	Hongkong, China	Flat Room 303, 3/F, 4 ON Chuen Street, ON TAI Industrial Center, Fanling NT, Hongkong

2. Applicable Law Jurisdiction:

- Province of Ontario and Laws of Canada applicable therein.

Appendix C

1. Commission rates on sales of Product to Representative Customers if listed in the table below:

Representation Customer	Client Territory	Services Agreed	Commission	Split commission Allocation	Generated from
{details of the customer Name being covered by Distributor}	Details of division and location(s) being covered by Distributor}	{Details of the services agreed and the expected outcome}	{commission payable on total revenue generated for GaN Systems}	{Only where applicable % Allocated for this specific service}	{Details of Company(s), Division(s), and Location(s) generating the Revenue upon which commission will be based}