



COMMERCIAL DEALERSHIP AGREEMENT

This Non-Exclusive Dealership Agreement ("**Agreement**"), made and effective insert date (day/month/year) [_____], (the "**Effective Date**") by and between Cadex Inc. ("**Manufacturer**") and [_____] ("**Dealer**").

In consideration of the mutual agreements set forth herein, the parties agree as follows:

1. **Rights Granted.** Manufacturer hereby grants to Dealer a non-exclusive right, on the terms and conditions contained in this Agreement, to purchase, inventory, promote and resell "Manufacturer's Products" in (insert primary market area) [_____] for commercial sales only. No exporting of product is permitted without written authorization from the Manufacturer in advance. The Manufacturer retains the rights to Federal government and law enforcement sales unless otherwise authorized in writing by the Manufacture in advance. Nothing herein shall prevent or prohibit the Manufacturer from selling any of its's products directly to any customers or other dealers.
 2. **Products.** The term "**Manufacturer's Products**" shall mean the products, related service parts, and accessories manufactured and/or sold by Manufacturer.
 3. **Terms of Sale.** This Agreement shall control all aspects of the dealings between Manufacturer and Dealer with respect to the Manufacturer's Products, unless expressly agreed in writing by Manufacturer in advance. Any additional or different terms in any Dealer orders are hereby rejected. All sales to Dealer shall be made at existing established prices and terms. These prices and terms may be revised at Manufactures discretion with at least thirty (30) calendar days' prior written notice. All sales and prices are Ex Work. All orders are subject to acceptance by Manufacturer. Orders under two hundred dollars (\$200.00) will be subject to ten dollars (\$10.00) handling fees. Manufacturer agrees to properly pack all items for shipment. Risk of loss due to damage or destruction of Manufacturer's Products shall be borne by Dealer after delivery by Manufacturer to the carrier for shipment. Manufacturer will select the shipper unless Dealer requests a reasonable alternative agreed upon by Manufacturer prior to placing the order.
- Dealer agrees not to advertise Manufacturer's Products for sale below the Minimum Advertised Price (MAP) established by Manufacturer, without Manufacturer's prior written consent. The Manufacture may revise the MAP at any time.
4. **MAP Policy** Manufacturer has adopted a MAP policy, which is applicable to all authorized Cadex distributors and dealers around the world and is non-negotiable.

Dealers remain free to establish their own in "house" resale prices, the Manufacturer will, without assuming any liability, impose penalties as described herein against those who advertise Cadex products on any media at a price lower than the MAP.

This policy is applicable to all advertised prices made by Dealers advertising Cadex branded products.

Dealer may not use shipping, handling or free products incentives to circumvent MAP. Product promotions with a price below MAP guidelines shall not violate this policy if they are advertised in conjunction with Cadex approved promotional activities.

In the event a dealer chooses not to follow MAP, penalties will be imposed in the following manner:

1. **First Notification:** Manufacturer will send the dealer a communication noting the MAP violation and will be allowed 5 business days to fix the infraction without further sanction.
2. **Second Notification:** After 5 Business days with no remedy the Manufacturer will send the dealer a communication noting the MAP violation and demote the Dealer to the next lower level of pricing discount.
3. **Third Notification:** After an additional 5 business days without a remedy after the second notification, the Manufacturer will send the Dealer a communication noting the continued MAP violation and, depending on the severity of the infraction, will either cancel the dealer discount or terminate the dealership agreement.

Manufacturer reserves the right at any time to modify, suspend, or discontinue the MAP in whole or in part. Subject to the gravity and nature of the infraction, Manufacturer, at its discretion, may accelerate the sanction level. All matters of interpretation and application of the terms of the MAP shall remain within the sole discretion of the Manufacturer.

5. Payments. All order must be pre-paid (including freight) prior to shipment from the Manufacturer facility. Terms are not offered for payment unless otherwise agreed upon by Manufacturer in writing.

6. Marketing Policies. Dealer will at all times make good faith efforts to maintain adequate inventories of Manufacturer's Products and will promote vigorously and effectively the sale of Manufacturer's Products through all channels of distribution prevailing in Dealer's "primary marketing area" (as defined above), in conformity with Manufacturer's established marketing policies and programs. Dealer acknowledges its intent to concentrate its marketing of the Manufacturer's Products in its "primary marketing area," including any trade shows and Internet/Phone/Mail Sales.

7. Merchandising Policies. Manufacturer may provide Dealer with merchandising assistance in the form of advertising programs, product, sales training, and sales promotions. Dealer agrees to fully utilize such assistance in carrying out Manufacturer's merchandising and sales promotion policies.

8. Advertising Policies. Manufacturer will cooperate with Dealer in providing effective advertising and promotion of Manufacturer's Products throughout Dealer's principal marketing area. Dealer agrees, at Dealer's expense, to participate in, actively promote, and faithfully comply with the terms and conditions of such cooperative advertising and merchandising programs. Nothing herein shall prevent Dealer from independently advertising and marketing the Manufacturer's Products, provided the form and content of the advertising or marketing materials are approved in advance by Manufacturer in writing.

9. Product Warranty. Cadex Defence warrants that the product was originally manufactured free of defects in material, workmanship and mechanical function. For one (1) year from the original purchaser and is non transferable, Cadex Defence agrees to correct any defect in the product for the original

purchaser by repair, adjustment or replacement, at Cadex Defence discretion, with the same or comparable quality components provided, only if the product is returned freight prepaid to Cadex Defence, 755 avenue Montrichard, Saint-Jean-sur Richelieu, QC Canada J2X 5K8.

This limited warranty is null and void if the product has been misused, damaged (by accident or otherwise), damaged through failure to provide reasonable and necessary maintenance as described in the accompany manual of the product, or if unauthorized repair or alteration, including of a cosmetic nature, has been performed. This limited warranty does not apply to normal wear and tear.

In no event shall Cadex Defence be liable for any incidental or consequential damages arising from or in connection with this limited warranty.

10. Confidentiality. The terms of this Agreement and the pricing offered are confidential and proprietary business information of the Manufacturer. All correspondence between the Manufacturer and dealers is also considered confidential. Dealer agrees not to disclose the same to third parties.

11. Order Processing and Returns. Manufacturer will attempt to fill Dealer's orders promptly upon acceptance, but reserves the right to allot available inventories among all of its dealers if required.

Except for Manufacturer's Products that are defective at the time of sales to Dealer, Manufacturer shall not be obligated to accept any of Manufacturer's Products that are returned. In the event such returns are accepted, Manufacturer may impose a restocking charge, not to exceed 25% of current dealer price.

12. Use of Manufacturer's Name. Dealer will not use, authorize or permit the use of, the name "Cadex US/Cadex Defence/Cadex Inc." or any other trademark or trade name owned by Manufacturer as part of its firm, corporate or business name in any way. Dealer shall not contest the right of Manufacturer to exclusive use of any trademark or trade name used or claimed by Manufacturer. Dealer may, subject to Manufacturer's policies regarding reproduction of same, utilize Manufacturer's name, trademarks or logos in advertising of Manufacturer's Products.

14. Relationship of the Parties. The relationship between Manufacturer and Dealer is that of vendor and vendee. Dealer, its agents, and employees shall not, under any circumstances, be deemed employees, agents, or representatives of Manufacturer. Dealer will not modify or reverse-engineer any of Manufacturer's Products, nor sale any Products if they are aware of the intent of their customer to do likewise. Neither Dealer nor Manufacturer shall have any right to enter into any contract or commitment in the name of, or on behalf of the other, or to bind the other in any respect whatsoever.

15. Term and Termination. The term of this Agreement shall commence on the Effective Date and shall continue until December 31st of the following year. At the end of the term, the Agreement shall continue until terminated by either party on at least thirty (30) calendar days' prior notice without cause.

22. Notices. Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given to the appropriate party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery services;

If to Manufacturer:

Cadex Inc.
755 Avenue Montrichard,
ST-Jean-sur-Richelieu, Québec, J2X 5K8
Canada

To the attention of: Mr. Serge Dextraze, President/CEO
Contact: +1 450-348-6774

If to Dealer:

_____ (company)
_____ (address)
_____ (address)
_____ (contact name)
_____ (phone)

23. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the province of Quebec, Canada.

24. Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

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

Date : _____

(Legal name of the Client in capital letters)

Name : _____

Title : _____

Cadex Inc.

Name : Serge Dextraze

Title : President/CEO

Signature : _____

By its signature, the above-mentioned signatory represents and warrants that he has the right and full authority to bind the **Dealer**.

The above-mentioned signatory represents and warrants that he has the right and full authority to bind **Cadex Inc.**

Dealer