

Memorandum of Understanding

This Memorandum of Understanding (“MOU”) is entered on December 1, 2017 (the “Effective Date”) by and between DEF US Inc., a corporation duly formed and existing under the laws of the State of New York and having its principal office at ____ (“DEF”) and ABC Japan Corporation, a corporation duly formed and existing under the laws of Japan and having its head office at ____, Japan (“ABC”, ABC and DEF collectively “Parties”).

WHEREAS, DEF is the leading company by developing and selling IoT Software products all over the world (“Products”);

WHEREAS, ABC is the exclusive distributor of Products in Japan (“Territory”) pursuant to the Exclusive Distributor Agreement dated April 1, 2013 (“Original Agreement”);

WHEREAS, DEF and ABC had been discussing for the expansion of sales of Products in Territory and agreed to establish, as company limited by shares under the laws of Japan, a joint venture company in Territory (“Joint Venture”). Joint Venture will be responsible for exclusively importing Products from DEF and selling the same in Territory;

WHEREAS, upon establishment of Joint Venture, Original Agreement will be terminated. DEF will enter separate exclusive distributor agreement with Joint Venture. Joint Venture will sell Products both through ABC and new distribution network of Joint Venture; and

WHEREAS, the parties desire to cooperate together for establishing Joint Venture pursuant to this MOU.

It is agreed as follows:

1. The Parties agree to incorporate each other in order to establish Joint Venture, for this purpose:

(a) DEF will be responsible for the following activities:

(i) Provide information (business, financial, and legal) to ABC necessary for establishment of

Joint Venture and make business plans for Joint Venture;

(ii) Finalize the terms and conditions of agreement to establish the Joint Venture between DEF and ABC ("Definite Agreement"). DEF will enter into Exclusive Distributor Agreement with Joint Venture for exporting Products to Joint Venture of which terms acceptable to DEF and ABC. Definite Agreement will contain model Distributor Agreement of which terms acceptable to DEF and ABC to be entered between Joint Venture and distributors in Territory including ABC; and

(iii) Attend the Development and Sales Meetings in order to discuss matters necessary for joint venture establishment and plan for sale and marketing of Products.

(b) ABC will be responsible for the following activities:

(i) Provide information (business, financial, and legal) to DEF necessary for establishment of Joint Venture and make business plans for Joint Venture;

(ii) Finalize the terms and conditions of Definite Agreement and related agreements specified in (a)(ii) above; and

(iii) Attend the Development and Sales Meetings in order to discuss matters necessary for joint venture establishment and plan for sale and marketing of Products.

2. The arrangement between the Parties described herein is on an exclusive basis during the terms of this MOU.

3. Expenses incurred in fulfilling its obligations and responsibilities set forth in this MOU shall be borne by each Parties. This clause does not create any funding obligation to Joint Venture.

4. The duration of this MOU shall be two (2) years commencing from the Effective Date unless Definite Agreement is entered, terminated by any party giving the other Party thirty (30) days' prior notice in writing, or the Parties agree not to form Joint Venture.

5. The Parties will keep confidential all information to be exchanged between the Parties in relation to this MOU and existence of this MOU (collectively "Confidential Information") during the term of this MOU and for a period of five (5) years after termination of this MOU regardless whether marked as confidential or not. Confidential Information shall not include information which (i) is or becomes a part of the public domain through no act or omission of the other

party; (ii) was in the other party's lawful possession prior to the disclosure; (iii) is lawfully disclosed to the other party by a third party without restriction on disclosure; or (iv) is independently developed by the other party without breach of the MOU.

6. This MOU shall be governed by and construed in accordance with the laws of New York, without regard to conflict of law principles, and the Parties submit to the exclusive jurisdiction of the state and federal courts located in New York to the extent permitted by law.

7. Either party may request changes to this MOU. Any changes or amendments to this MOU shall be incorporated by written instrument.

8. Notwithstanding any provisions to the contrary, the Parties hereby agree that this MOU is not intended to create a legally binding relationship between Parties hereto except Articles 2, 3, 4, 5, 6, and 7. No party shall have any other legal and or financial obligation or liability to the other unless and until Definitive Agreement is entered.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have caused this MOU to be executed on the Effective Date.

DEF US Inc.

ABC Japan Corporation
