

CHANNEL PARTNER AGREEMENT

concluded by and between

ONLINET GROUP ZRT (registered office: 1112 Budapest, Budaörsi út 161., represented by **Ádám Wortmann** as CEO) hereinafter as **“Supplier”** on the one hand

and

..... (registered office: , tax number, represented by), hereinafter as **“Channel Partner (or abbreviated CP)”** on the other hand

Onlinet and Reseller are collectively referred herein after as **“Parties”** or **“Party”**.

as per the followings:

1.) The Supplier authorize the CP to represent the Supplier – in connection with the commercial activity falling within the Supplier’s scope of activity – as reseller/distribution agent in respect of the products/product groups/services specified in Appendix No. 1 of this contract. The CP will use any legal tool in sales, research, promotion, advertising, marketing and technical services to promote, advertise, increase brand awareness, sell, repair, maintain and support these products and services. Part of the contractual agreement between the Parties is the ONLINET NDA (Non-disclosure Agreement). The terms and conditions of the NDA applies fully as an addition to this agreement.

2.) The territorial scope of this contract covers the territory of every country listed in Appendix No. 2. Additional countries can be added with a separate, written mutual agreement.

3.) The CP shall act in the course of performing the sales activity specified above with the due care that can generally be expected. The CP will make any effort to maintain and improve the reputation of the ONLINET brand and products on the market, performing his tasks in the Supplier’s interest. The CP is allowed to employ third parties if that is necessary to fulfill his sales, marketing or technical services duties. The CP is responsible for the performance of the employed third party as if the task would have been performed by him.

4.) The Channel Partner status entitles the CP to the following rights:

- a.) To promote and sell Supplier’s products on its geographical territory
- b.) To service, repair, maintain and offer technical support for the products that has been sold
- c.) To receive 72% discount from the list prices
- d.) To receive any additional, commonly agreed special discounts in case of large projects

- e.) To receive max. 2 demo systems on a specially discounted price
- f.) To get Account Protection. Account Protection by definition means that if CP represents Supplier's products already at an end-user, Supplier will not engage another CP or OR (Official Representative) to promote their products to the same end-user, creating unwanted competition. Product representation means that CP has initiated or renewed contact with the end-user or they are already in a business relationship and a quote has been issued or an application to tender participation has been made. Supplier can't offer Account Protection in case that CP does not inform him about his current prospects, quotes and projects and the fact that CP has a business relationship with a specific end-user remains unknown. All information share must happen in writing, protected by the NDA terms.
- g.) To not get a specific annual target (financial or volume)
- h.) To get free sales and technical training for his staff that can be done in the Supplier's headquarter in Budapest, Hungary or at the CP premises. In both cases CP must cover the travel, accommodation and substitute costs.
- i.) To get first local installation support for free. Our engineers can travel to support and help the installation of the first system purchased without charging any additional engineer costs. This could also serve as an opportunity for a technical training and demonstration. The CP must cover the travel, accommodation and substitute costs. If additional travels are required, an additional engineering fee will be charged, 200 EUR (two hundred euros)/person/day.
- j.) To get free access to the Supplier's extensive collection of marketing materials including catalogues, leaflets, presentations, case studies, videos, comparison sheets, user manuals, technical documentation.
- k.) To get free sales and marketing support and advice, including expertise sharing, quote preparation, customer support, client demonstration and presentation, pilot system.

The Channel Partner status regulates the CP with the following restrictions:

- l.) No exclusive rights are given. Exclusive rights can be obtained after a certain level of sales volume has been reached. Gaining exclusive rights will require the sign of a different contract.

The **Supplier** is entitled to revise the partner status annually.

The revision is based on the followings:

- Sales volume
- Quotes volume
- Market activity
- Communication and information share with the Supplier
- Any investment made in promoting the Supplier's products
- Marketing, advertising and other product promotion activities
- Market coverage
- Willingness to learn and participation on trainings

As a general rule, the Supplier's ultimate interest is to generate a high volume of sales, but will also honor the efforts done in creating a market for its products and the CP's continuous hard work in maintain and increasing the demand and brand awareness.

5.) The Supplier will provide a logo to the CP to be freely used in any online or offline documents, presentations, business quotes, business cards, marketing materials, websites, email signatures, clothes, merchandising materials, etc. A sample of the logo is provided in Appendix No. 3 of this contract.

The Supplier will provide a Channel Partner Certificate as proof of the distribution and reselling rights. The Certificate has a 1(one) year validity and will be renewed every year after the partner evaluation. A sample of the certificate is provided in Appendix No. 3 of this contract.

6.) All prices are EXW prices which means that they refer exclusively to the product. The prices does not include packing, delivery, insurance, custom fees, VAT, any country specific taxes or fees and installation. The Parties settle these costs on the basis of a separate agreement, usually a Purchase Order where the exact volume and destination of the products ordered is defined, together with their exact cost.

7.) The CP will use the S.A.S. (Software Application Support) service simultaneously with the maintenance contract. Within the S.A.S. service, the **Supplier** ensures the availability of Hungarian software developers and provides troubleshooting services to the Agent.

The S.A.S. services includes the followings:

- Free upgrade to the new versions of the software
- Free bug repair
- Free remote software debugging and repair (if allowed by the end-user)
- Free, personalized and unlimited remote technical help and support by email, phone, fax, SMS, instant messaging, video chatting or using social media.

The cost of the SAS service is 10 EUR (ten euros)/month/system.

The CP gets 25% discount over 50 systems sold per year and 50% discount over 100 systems sold per year.

8.) The Supplier undertakes a warranty of 12 months as of the installation but maximum of 15 months after delivery for the products it sells. Longer warranties can be applied on additional costs.

In the framework of this, the Supplier undertakes to supply spare parts to the products it sells during the guarantee period and for 2 more years thereafter.

9.) The CP shall ensure a location for the receipt of products ordered by the CP and delivered by the **Supplier** where a person authorized to take the products over on behalf of the CP is present during the official working hours on every workday.

10.) Ordering a product is done by sending a Purchase Order clearly stating the products ordered, the total value of order (including delivery), the quote reference (if applicable), the delivery name and address, the invoicing name and address and the desired delivery date (refer to the quote delivery terms, if applicable).

If the Supplier postpones the delivery of the product upon the CP's request, then the payment falls due on the 14th day after the first postponement requested by the CP.

If the Supplier has to store the product for more than 30, that is thirty calendar days because of the postponement of the CP's order, then the CP shall pay, after 30 (thirty) days, a daily storage fee equaling to 1% (one per cent) of the ordered product but the total fee cannot exceed 10% (ten per cent) of the order value.

Every order can be cancelled in 7 (seven) calendar days. Every order cancelled after 7 (seven) days has to be paid in full. If any changes are being made in terms of technical specification or quantity, the CP accepts that this could incur longer delivery and additional costs.

The **Supplier** issues an official bilingual (English and Hungarian) invoice about the delivered product in compliance with the Hungarian invoicing regulations and forwards it to the Client together with the delivery but on the 14th day after the planned date of delivery at the latest.

All payments should be done in advance prior to delivery of the products from our warehouse. Supplier will issue a Proforma Invoice for this purpose. An official payment confirmation should be sent by email as proof of the payment. Payment terms could be negotiated in time, in accordance with the CP's performance, payment morale and other mutually agreed conditions.

11.) The Supplier's contact person is: Laszlo Penzes

The CP's contact person:

12.) The CP undertakes obligation not to conclude contract and not to establish any cooperation with companies selling other queue management systems.

13.) The Parties agree that the software and hardware sold by the Supplier will remain the Supplier's property until fully paid. All software remains the Supplier's intellectual property, the CP only obtains the right of use thereof. The CP however obtains the ownership of the hardware necessary to the operation of the service.

Under these terms, the partner will install each individual software licence only to the buyer/end-user specified in the project, for which the licence was purchased.

The partner is prohibited to:

- Translate, reverse engineer, decompile, or disassemble the software
- Rent, lease, assign, sell, sublicense, lend or transfer the software

- Modify the software or merge all or any part of the software with another program;
- Redistribute the the same software licence
- Separate the component parts of the software for Use on more than one computer

14.) Any modification of this contract shall be in writing.

15.) This contract enters into force on the day it is concluded and remains valid for an undetermined period of time.

16.) Either of the Parties can terminate this contract but the termination can take effect only from the end of the yearly cycle. This contract can be terminated by registered mail sent to the other party. The notice shall be sent by the 30th day before the end of the annual cycle at the latest.

17.) Concerning the issues not regulated herein the Hungarian law shall be guiding. As regards the issues which may not be settled amicably, the parties accept the exclusive competence of the Central District Court of Buda furthermore of the Metropolitan Court of Budapest.

This Contract after having been read and interpreted was duly signed by all parties in full agreement with their wish, in 4 counterparts of which each party received 2.

Location and date:
Budapest,

.....
ONLINET Group Zrt
As Supplier
Represented by Ádám Wortmann

.....
as Channel Partner
Represented by