

DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT (hereinafter 'Agreement')
_____, between _____, a _____ with
business at _____ (hereinafter 'Supplier'), and _____
_____ corporation with its principal place of business at _____
(hereinafter "Distributor"),

RECITALS

WHEREAS, Supplier is in the business of developing, marketing, and supplying software products, including the Products (as hereinafter defined);

WHEREAS, Distributor is in the business of distributing computer software and remarketers and assures Supplier that it has the facilities, personnel, and technical resources to market the Products in the Territory (as hereinafter defined); and

WHEREAS, Distributor wishes to obtain, and Supplier is willing to grant, the right to distribute the Products (as hereinafter defined), solely to such dealers and remarketers to be Authorized Dealers (as hereinafter defined) for purposes of resale in the Territory

NOW, THEREFORE, in consideration of the foregoing premises and the terms and conditions and agreements set forth herein, and other good and valuable consideration, the receipt of which are hereby acknowledged, Supplier and Distributor, intending to be legally bound, agree to the following:

Article 1

DEFINITIONS

For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

- 1.1 **"Authorized Dealer(s)."** The computer products dealers and remarketers set forth in Exhibit A [to be created by document user]
- 1.2 **"Confidential Information."** Any data or information, oral or written, that relates to either party's (or, if either party is bound to protect the confidential information of another person's information, such other person's) past, present, or future research, development, or business activities, including any unannounced product(s) and service(s), trade secrets, or information relating to services, developments, inventions, processes, plans, strategies, or customer and supplier lists, forecasts and projections. Confidential Information shall include information that (a) is publicly available or in the public domain, (b) is or becomes publicly available or enters the public domain, (c) is rightfully communicated to the recipient, (d) is already in the public domain, (e) is independently developed by the recipient, or (f) is approved for release by the disclosing party without restriction.
- 1.3 **"End-User."** Any person or entity who obtains copies of the Products solely for their own internal use.

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internal programming needs.

- 1.4 **“End-User Agreement.”** The written license statement contained in each Product which the End-User obtains the limited right to use a Product.
- 1.5 **“Intellectual Property Rights.”** The intangible legal rights or interests evidenced in (a) any idea, design, concept, technique, invention, discovery, or improvement which is patentable, but including patents, patent applications, trade secrets, and know-how of authorship, whether or not copyrightable, but including copyrights and other rights recognized by law; and (c) any other similar rights, in each case on a worldwide basis.
- 1.6 **“Products.”** Sealed software packages composed of (a) the computer programs on software diskettes in the form generally released by Supplier to the retail channels; and Exhibit B *[to be created by document user]* and (b) the user guides, reference materials developed by Supplier for distribution and use in combination with the software programs.
- 1.7 **“Quota.”** Specified minimum quantities of each Product as set forth in Exhibit C *[to be created by document user]*, consisting of an initial stocking order to be ordered and paid for within 30 days of this Agreement and a continual minimum monthly volume commitment.
- 1.8 **“Territory.”** The country or countries set forth in Exhibit D *[to be created by document user]*.
- 1.9 **“Trademarks.”** *[Describe.]*

Article 2

LICENSE

- 2.1 **License.** Supplier hereby grants to Distributor, and Distributor hereby accepts, an irrevocable, non-transferable, non-exclusive right and license to distribute the Products to Authorized Dealers located in the Territory.
- 2.2 **Reserved Rights.** All rights not specifically granted to Distributor hereunder are reserved to Supplier. Except as expressly provided hereunder in connection with the Products, Supplier does not convey any Intellectual Property Rights to Distributor. Distributor shall have no right whatsoever to receive, review, or otherwise use the source code for the Products, which are permitted to be distributed by Supplier in source code form only. Supplier reserves the right to discontinue developing, producing, or distributing any of the Products and to modify, replace, or add to the Products at any time.

Article 3

OBLIGATIONS

- 3.1 **Distribution to Authorized Dealers.** Distributor shall distribute the Products to Authorized Dealers.
- 3.2 **Minimum Commitments.** Distributor shall maintain an inventory of Products and facilities sufficient to serve adequately the demands of Authorized Dealers on a continuous basis. Such inventory shall equal or exceed the quantity of Products necessary to

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anticipated demands of Authorized Dealers for a period of at least _____ shall in all cases order from Supplier at least the Quota of each Product each

- 3.3 Promotional Efforts.** Distributor shall use its best efforts to promote vigorously the marketing and distribution of the Products to Authorized Dealers in the Territory. Distributor may advertise the Products in advertising media of Distributor's choice, provided the audience or circulation is located in the Territory. Distributor shall not use promotional material supplied by Supplier. In all advertising and promotional activities, Distributor shall comply with Supplier's standard cooperative advertising policies from time to time by Supplier.
- 3.4 Authorized Dealer Support.** Distributor shall maintain and service at least _____ Authorized Dealers and shall provide all such Authorized Dealers with training, technical assistance appropriate for the promotion, marketing, and distribution of the Products, and assistance shall include (without limitation) the services described in Exhibit [redacted by document user], which Distributor shall provide without charge during the term of this Agreement to Authorized Dealers. Distributor shall call upon each Authorized Dealer regularly supplies the same or any other software products with reasonable frequency and shall answer promptly all inquiries or requests for information relating to the Products. Distributor shall make available literature and other information that Supplier requires to be made available to Authorized Dealers. Distributor shall regularly participate in trade shows and conferences on Supplier's behalf and shall attend Supplier's distributor meetings.
- 3.5 Distributor Assistance.** To assist Distributor with the distribution and support of the Products, Supplier shall provide training to Distributor for Products _____ times per year. During the duration of this Agreement, upon Supplier's reasonable request and at Distributor's expense, Distributor shall use best efforts to have a minimum of _____ percent of Distributor's outside sales force present for such training sessions; (b) Distributor shall develop an annual marketing plan for Products; and (c) Distributor shall _____ per _____, upon Supplier's reasonable request, to ensure the performance under this Agreement.
- 3.6 Distributor Personnel.** Distributor shall train and maintain a sufficient number of technical and sales personnel, including at least _____ microcomputer sales representatives to serve the demands of Authorized Dealers for the Products and to call on all Authorized Dealers with reasonable frequency.
- 3.7 Technical Expertise.** Distributor and its staff shall develop and maintain sufficient technical expertise in the industry, the Products, and competitive offerings (including specific functions) so as to be able to demonstrate and support the Products for Authorized Dealers.
- 3.8 Market Conditions.** Distributor shall advise Supplier promptly concerning any information that may come to Distributor's attention respecting Supplier, the Territory, market position, or the continued competitiveness of the Products in the Territory. Distributor shall report charges, complaints, or claims by Authorized Dealers or other persons about the Products. Distributor shall confer from time to time, at the request of Supplier, on market conditions, sales forecasting, and product planning.
- 3.9 Supplier Packaging.** Distributor shall distribute Products with all packaging, disclaimers, and End-User Agreements intact as shipped by Supplier and shall require Authorized Dealers to adhere to the terms of the End-User Agreement for the Products.

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