SOFTWARE DISTRIBUTION AGREEMENT

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This Software Distribution Agreement (the “Agreement”) takes effect on [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Company"), a company organised and existing under the laws of [COUNTRY], with its head office located at:

[YOUR COMPLETE ADDRESS]

**AND:**

**[COMPANY NAME]** (the "Distributor"), a company organised and existing under the laws of [COUNTRY], with its head office located at:

[COMPLETE ADDRESS]

WHEREAS the Company is the owner of certain computer software known as [SPECIFY] and [SPECIFY];

WHEREAS the Company has developed and plans to continue the development of technologies solutions (hardware and software) that integrate new concepts for dispatch and transportation management systems that utilise real-time operation research techniques;

WHEREAS the Company is a wholly owned subsidiary of the Distributor (hereinafter "Distributor");

WHEREAS the Distributor (hereinafter "Distributor"), a company controlled by the Company, develops hardware products, such as the [SPECIFY] and is currently active in the [COUNTRY] market;

WHEREAS Distributor, the Distributor and the Company (hereinafter "[COMPANY NAME]Distributor") possess other technologies and plans to deliver other products that can be adapted by public safety agencies in conjunction with a computer-aided dispatch system in order to automate their business, including Software known as [SPECIFY] and [SPECIFY] as well as software to be used for purposes of [SPECIFY] which are presently in development phase;

WHEREAS the Distributor is focused on providing automation solutions to the [SPECIFY] Market and requires a next-generation system computer aided dispatch software solution combining open systems, Client Server, relational database and Windows technologies;

WHEREAS the Distributor may expand its business into other market verticals in the future;

WHEREAS the Distributor wishes to gain distributor status for the above mentioned and future Distributor;

WHEREAS the Distributor possesses other software products such as [SPECIFY] that can be readily marketed and distributed in both [COUNTRY/REGION] and [COUNTRY/REGION];

WHEREAS the Distributor has offices in [COUNTRY] and [COUNTRY] and is about to enter into a cooperative marketing agreement with the Distributor to distribute it's public safety and justice products in these areas;

WHEREAS the Company is developing similar products to be adapted to its software;

WHEREAS the Distributor acknowledges and agrees that the Company, in entering into this Agreement, is relying on the representations made by the Distributor with respect to the Distributor's sale and marketing strength;

WHEREAS the Company is granting to the Distributor, as of the date hereof, non-exclusive distribution rights with respect to certain software;

WHEREAS Company is granting to the Distributor, as of the date hereof, non-exclusive distribution rights with respect to certain hardware;

WHEREAS the Company is granting to Distributor, as of the date hereof, non-exclusive distribution rights for software(s) known as ["Criminal and civil justice and offender management systems"];

WHEREAS the conclusion of the distribution agreements referred to above between [COMPANY NAME] and the Distributor, [COMPANY NAME] and the Distributor and the Distributor and [COMPANY NAME] is an essential condition for the conclusion of this distribution agreement by the Company.

NOW IT IS HEREBY AGREED as follows:

1. **DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

"**Agent**" means a person authorised under paragraph 3.2 of this Agreement to act as agent for the Distributor;

"**Business Day**" means a day other than a Saturday, Sunday or a public holiday;

"**Competitive Product**" means any computer software that provides the same or substantially similar functionality and features as any given Product at a price within [PERCENTAGE %] of the published list price of the Product within the Territory, or part thereof, at that time;

[SPECIFY] or [SPECIFY] means a software system developed by the Company and designed to ·;

"**Customer**" means the beneficiary of a Licence;

"**Distributor Modifications**" means all modifications and enhancements of the Product made by the Distributor in accordance with the provisions of this Agreement;

[SPECIFY] means a software [SPECIFY];

"**Exclusive Product**" means those Products for which exclusive rights are granted to the Distributor under Section 2;

"**Exclusive Territory**" means [COUNTRY/REGION] with the exclusion of the Province of [COUNTRY];

"**Intellectual Property Rights**" includes patents, trademarks, service marks, registered designs, integrated circuit topography, including applications for any of the preceding, as well as copyright, design rights, know-how, confidential information, trade and business names and any other similar rights in any country;

"**Justice Markets**" means the market covering civil and criminal courts management for the country, provincial, municipal or local public authorities;

"**Licence**" means the grant of authority by the Distributor (it's Sub-distributors or Agents) to a Customer to operate a single copy of the Product on a designated CPU, on the terms and conditions set out in Section 5 hereto;

"**Non-Exclusive Products**" means those Products for which non-exclusive rights are granted to the Distributor under Section 2;

"**Non-Exclusive Territory**" means the world;

[SPECIFY] means the countries of the [COUNTRY], [COUNTRY] and [COUNTRY];

"**Planned Products**" means those [SPECIFY] planned software presently known as "Record Management", "Fleet Management", "Ticket Management", "Jail Management", "Court Management" and "Personal Schedule";

"**Portable Personal Computer**" means a rugged mobile computer developed and designed by the Distributor to perform in a hostile environment;

"**Preferential**" means under terms and conditions no less favourable for the beneficiary of such conditions as those given, at the relevant time, to any third party under the same or similar circumstances;

"**Product**" means the executable version of the Company's [SPECIFY] or [SPECIFY], as the case may be, and all modifications, enhancements and replacements thereof and additions thereto which may be provided by the Company and made available to the Distributor from time to time pursuant to this Agreement and shall include any Planned Product as soon as the Company shall consider, in its sole discretion, that any such Planned Product has achieved a sufficient level of development to be ready for distribution;

"**Product Description**" means the documents describing the facilities and functions of the Product as may be supplied to the Distributor by the Company from time to time;

"**Product Documentation**" means the operating manuals and other documents provided by the Company to the Distributor from time to time for use by Customers in conjunction with the Product;

"**Product Materials**" means the relevant Product, together with the Product Description and the Product Documentation related to this Product;

"**Public Safety Market**" means the market covering police, fire, ambulance and environment services provided by country, state, provincial, municipal or local public authorities;

"**Public Safety and Justice Market**" means the Public Safety Market and the Justice Market;

"**Radio Link**" means a radio communication protocol using TCP\IP;

"**Related Agreements**" means those distribution agreements entered into between [COMPANY NAME] and Distributor (as a distributor), between [COMPANY NAME] and Distributor (as a distributor) and between Distributor and [COMPANY NAME] (as a distributor) as of the date hereof;

"**Source Code**" means all existing and available logic, logic diagrams, flowcharts, orthographic representations, algorithms, routines, sub-routines, utilities, modules, file structures, coding sheets, coding, source codes listings, functional specifications, programme specifications and all other existing and available materials and documents necessary to enable a reasonably skilled programmer to maintain, amend and enhance the relevant Product without reference to any other person or documentation, both in human-readable or machine-readable form;

"**Services**" means any Product support services provided or to be provided by the Distributor under any agreement entered into with a Customer, including for the installation, the support, the customer programming and the enhancement of the Products;

"**Standard**" means published standard terms and conditions or, absent such publication, terms and conditions normally granted to unrelated third parties in the ordinary course of business for the provision of a given Product or Service;

"**Sub-distributor**" means a person authorised under paragraph 3.2 of this Agreement to exercise some or all of the functions of the Distributor;

"**Taxes**" means duties, sales, goods and services, excise and value-added taxes;

"**Territory**" means the territories referred to in paragraphs 2.1 and 2.2. When used in conjunction with the term "Product", "Product Materials", "Product Documentation" or "Product Description", the term "Territory" shall be understood as referring only to those countries, or part thereof, for which the exclusive or, as the case may be, the non-exclusive distribution rights with respect to the relevant Product, Product Materials, Product Documentation or Product Description are granted to the Distributor under paragraphs 2.1 or 2.2 of this Agreement;

"**Trademarks**" shall mean the following names and trademarks: [[SPECIFY] and "Radio Link"];

“[SPECIFY]” means systems developed by the Company that permit, through global positioning systems, the location of vehicles and equipment.

1. **APPOINTMENT**
   1. The Company hereby grants to the Distributor, who accepts, the exclusive right to distribute and the exclusive licence to sub-licence in [SPECIFY], excluding the Province of [COUNTRY], the [SPECIFY] and [SPECIFY] Product Materials to Customers;
   2. The Company grants to the Distributor, who accepts, the non-exclusive right to distribute and the non-exclusive licence to sub-licence in the Public Safety and Justice Market throughout the world the [SPECIFY] and Radio Link Product Materials to Customers;
   3. The Company further grants to the Distributor, who accepts, the exclusive right to distribute and the exclusive licence to sub-licence the Company's Planned Products on the same terms and conditions as provided herein for Exclusive Products save for pricing conditions which shall be subject to diligent and good faith negotiations between the Parties as soon as any such Planned Product shall become a Product as per paragraph [SPECIFY].
2. **SUB-DISTRIBUTORS AND AGENTS**
   1. The Distributor shall not be entitled to assign any of its rights or obligations under this Agreement or appoint any Sub-distributor or Agent to perform such obligations, in accordance with the provisions of paragraph 3.2;
   2. The Distributor may appoint Sub-distributors or Agents provided:
      1. the Company has previously approved the appointment of each such Sub-distributor and Agent in writing;
      2. such Sub-distributor and Agent has acknowledged in writing to the Company in the terms outlined in Section 20 herein or such other terms as the Company may accept that such Sub-distributor or Agent shall retain confidential information reviewed by it under the sub-distributorship or agency in confidence and apply it only for the sub-distributorship or agency;
      3. no appointment shall be assignable or transferable;
      4. the Distributor shall be directly responsible to the Company for the performance of all monetary obligations due to the Sub-distributors or Agent to the Company as if they were due from the Distributor;
      5. the Distributor shall notify the Company of any breach by any Sub-distributor or Agent of the terms of its appointment immediately upon learning of it;
      6. the Distributor shall be responsible to the Company for the enforcement of the terms of the appointment and for inspecting the records and accounts of each Sub-distributor or Agent;
      7. no appointment shall continue after the termination of the Agreement; and
      8. appointments shall be in the terms *mutatis mutandis* as the terms of this Agreement so far as applicable, but excluding this Section.
3. **DURATION**

This Agreement shall commence on the date hereof and remain in force for a period of [NUMBER] years until otherwise terminated in accordance with the provisions of this Agreement.

1. **DISTRIBUTION AND SUB-LICENCING**
   1. Any Licence granted by the Distributor to and Customer hereunder shall be personal to the Customer, non-exclusive and non-transferable and shall at least include contractual provisions which:
      1. restrict the use of the Product in object forms on a single designated CPU within a designated location where the Customer conducts its business or part of it, and for the Customer's own internal needs only;
      2. prohibit the transfer of the Product except for temporary transfer in the event of CPU malfunction;
      3. prohibit any reproduction of the Product except for the reproduction of a single backup or archival copy;
      4. prohibit the assignment, time-sharing, sale, rental or other disposition of the Product;
      5. prohibit the reverse engineering, disassembly or decompilation of the Product;
      6. prohibit title to the Product, including any Intellectual Property Right therein, from passing to the Customer;
      7. expressly release and discharge the Company from any liability for any damages, whether direct, indirect or consequential arising from the use of the Product, in terms at least as stringent as those outlined in Section 26;
      8. require the Customer, at the termination of the Licence, to discontinue the use of the Product and destroy or return to the Distributor the Product Materials and all back-up, archival or other copies of the Product;
      9. prohibit the transfer of the Product outside the country for which the Licence has been granted to the Customer, and specify the Company as a third party beneficiary of the Licence,

with only those conflicting provisions which shall have been subject to a prior written authorisation from the Company;

* 1. Except as otherwise expressly provided herein, the Distributor shall not copy or otherwise reproduce the Product Materials, or any portion thereof, nor make or authorise any action concerning the Product Materials which would amount to infringement or violation of the Company Intellectual Property Rights;
  2. Save as otherwise provided in paragraphs 18.4 and 18.5, the Distributor shall make the Product available to the Customers in object forms only;
  3. The Distributor shall not distribute the Product Materials to any consultant, so-called service bureau (whether using batch, remote access, timesharing or other procedures), programming entities, independent sales organisation, value-added resellers or to any division or subsidiaries of such persons except with the prior written consent of the Company;
  4. The Product and the Product Documentation shall be made available to the Customers by the Distributor only by the provisions of a Licence duly executed by the Distributor and the Customer;
  5. Except as provided in 13.2, the Distributor shall not deliver possession of any copies of the Product or the Product Documentation to any third party unless that person has first executed a Licence;
  6. The Distributor shall contract in Licences with respect to a given Product only with Customers located in a country within their Territory for which the Distributor is appointed with respect to that Product and whereby that Product is to be used only in such a country;
  7. The Distributor shall comply with and perform its obligations under each Licence fully and promptly failing which the Company may affect compliance on behalf of the Distributor in which case the Distributor shall forthwith become liable to pay to the Company all reasonable costs and expenses so incurred by the Company;
  8. The Distributor shall ensure that only the current version of the Product and the Product Documentation supplied to the Distributor from time to time are delivered to Customers and shall promptly make any new, enhanced or replacement versions available to those Customers who shall be contractually entitled to receive such new, enhanced or replacement version;

5.10. The Distributor shall at all times take proper care of any copies of the Product and the Product Documentation which are from time to time in its possession or under its control;

5.11. The Distributor shall deliver copies of the Product Description to *bona fide* prospective Customers only;

* 1. If any Customer breaches the terms of a Licence, the Distributor shall use all reasonable endeavours to ensure that the breach is remedied. If the Distributor is unsuccessful or the breach is of such a nature that it cannot be remedied, then the Distributor shall terminate the Licence by its terms and exercise its rights to recover the Product Materials from the Customer or ensure that they are destroyed.

1. **DELIVERY OF PRODUCTS**

Any copy of the Product distributed by the Distributor shall be provided by the Company in object form only upon reception by the Company of a purchase order in a form to be agreed upon between the Parties together with a copy of a Licence duly completed and signed by the Distributor and the relevant Customer.

1. **REMUNERATION**
   1. The Distributor agrees to pay the Company the purchase prices, royalties or fees applicable to the relevant Products or Services to be provided hereunder by the provisions of Schedule [SPECIFY] hereto (the "Purchase Price").
   2. On every second anniversary date of the execution of this Agreement, a revised Purchase Prices list shall become effective. The parties hereto undertake to negotiate in good faith the new Purchase Prices and to finalise such new Purchase Prices list at least [NUMBER] days before the date on which it shall come into force.
   3. Unless otherwise agreed in writing by the Parties, the payment of the Purchase Price for any given Product or Service shall be made by the Distributor, to the address of the Company hereinabove mentioned, [NUMBER] days after the date of delivery of the Product or the Services.
   4. Notwithstanding paragraph 7.3 with respect to any Services for which the Purchase Price shall be payable in the form of periodical instalments, the Purchase Price for such Services agreement shall be payable by the Distributor to the Company within [NUMBER] days following the date on which such instalment payments were due by the Customer to the Distributor;
   5. At the time of the payment of the Purchase Price with respect to any Licence or Services agreement, the Distributor shall supply the Company with one executed copy of each of the agreements to which the payment relates.
   6. If the Distributor repeatedly fails to make any payment to the Company on the due date or if the Parties fail to agree on a new Purchase Prices list, whenever required, then, without prejudice to any other right or remedy available to the Company, the Company shall be entitled to:
      1. suspend the performance or further performance of its obligations under this Agreement without liability to the Distributor or its Customers;
      2. upon receipt of a written notice from the Company to this effect, to immediately suspend the Distributor's right to enter into any further Licence or Services agreement until payment in full is made, the Distributor hereby agreeing to comply with such suspension; and
      3. charge the Distributor interest on any overdue amount from the due date until the date of payment at an annual rate equal to the yearly average of the reference rate of interest quoted daily by the principal financial institution of the Company in the [COUNTRY] area for loans in [COUNTRY] to its best commercial customers in the [COUNTRY] area, plus [PERCENTAGE %] per cent.
   7. The provisions of this Section shall survive the termination, for any reason whatsoever, of this Agreement.
2. **TAXES**
   1. The Distributor shall be responsible for the payment of all Taxes applicable to any Product sold, Services rendered or payments made hereunder.
   2. If the Company has paid such Taxes on behalf of the Distributor, then it shall be entitled to be reimbursed by the Distributor upon presentation of any proof of such payment.
3. **VERIFICATION**
   1. The Distributor shall keep and make available to the Company and its auditors, on request, accurate records to enable the Company to verify all payments due to it hereunder;
   2. During the term of this Agreement and for a period thereafter during which payments shall continue to become due by the Distributor to the Company, but upon a [NUMBER] Business Days' prior written notice, the Company shall have the right, during the Distributor's normal business hours, to send its auditors to audit the invoices, receipts and records of the Distributor relating to the obligations incumbent upon the Distributor hereunder and to verify the Payments due to the Company.
   3. The Distributor shall give such accountant full access to the relevant records. The Company shall use its reasonable endeavours to procure that such accountant shall keep such information confidential (and to enter into any confidentiality undertaking reasonably requested by the Distributor *in re*spect thereof prior to any disclosure) except that the accountant shall be entitled to reveal to the Company any information necessary to provide the Company with confirmation of the accuracy of the Distributor's Payment, remittances or any deviations therefrom. The report of the auditors made hereunder shall be final and binding between the parties hereto.
   4. Any such audit shall be carried out at the Company's expense unless it reveals a deficiency of [PERCENTAGE %] per cent or more of the payments remitted for the period elapsed since the most recent audit or, if none, the date of this Agreement in which event the Distributor shall pay the costs thereof. Payment of such costs and any Payment deficiency shall be made by the Distributor within [NUMBER] days after the date of receipt by the Distributor of a notice from the Company together with a copy of the auditor's report and fee note showing the amounts due. Any such deficiency shall carry interest by sub-paragraph 7.6.3 from the date it was originally due.
4. **GENERAL OBLIGATIONS OF COMPANY**
   1. The Company shall, subject to the limitations and without limiting any specific obligations provided for in Schedule [SPECIFY] hereto:
      1. provide the Distributor with such marketing and technical assistance as the Company may in its discretion consider necessary to assist the Distributor with the promotion of the Product;
      2. endeavour to answer as soon as possible all reasonable queries raised by the Distributor or Customers concerning the technical use or application of the Product;
      3. provide the Distributor with a reasonable number of copies of any promotional material relating to the Product which the Company may produce from time to time;
      4. give the Distributor reasonable advance written notice of any change in or modification of the Product, and
      5. provide the Distributor promptly with all information and assistance necessary to enable the Distributor to perform its obligations properly hereunder *in re*spect of any modified, enhanced or replacement version of or addition to the Product.
   2. The Company reserves the right, subject to the limitations or the specific obligations provided for in Schedule [SPECIFY] hereto:
      1. to modify, enhance, replace or make additions to the Product in any way whatsoever as the Company may in its discretion determine, and
      2. to discontinue licencing or sub-licencing any Non-Exclusive Product in their Territory.
5. **GENERAL OBLIGATIONS OF THE DISTRIBUTOR**

The Distributor shall, subject to the limitations and without limiting any specific obligations provided for in Schedule [SPECIFY] hereto:

* 1. actively and to the best of its ability to promote, solicit and conclude the granting of Licences and Service agreements throughout the Territory in accordance with this Agreement;
  2. actively arrange for demonstrations of the Product to actual and potential Customers using its equipment or facilities and other facilities as may be reasonable to the Distributor, to demonstrate the full range of features and capabilities of the Product;
  3. remain at all time equipped and prepared to give Product demonstrations reasonably as described in subparagraph 11.2, above;
  4. maintain adequate facilities and trained personnel for the promotion, demonstration, installation, and support of the Product in the Territory;
  5. provide Customers with timely and professional support for the Product, including without limitation advice and assistance as to the installation and use of the Product;
  6. promptly inform the Company of any facts or opinions of which the Distributor becomes aware likely to be relevant about the commercial exploitation of the Product and which are advantageous or disadvantageous to the interests of such exploitation;
  7. at all times conduct its business in a manner that shall reflect favourably on the Product and the good name and reputation of the Company;
  8. not by itself or with others participate in any illegal, deceptive, misleading or unethical practises including, but not limited to, disparagement of the Product of the Company or other practises which may be detrimental to the Product, the Company or the public interest;
  9. observe and comply with all applicable [YOUR COUNTRY LAW], orders, decrees, notices, rules and regulations relating to or in any way applicable to the sale and use of the Products in the Territory;
  10. not make any promises or representations or give any warranties, guarantees or indemnities *in re*spect of the Products except such as are provided hereunder or as expressly authorised by the Company in writing;
  11. refrain to supply the Product to any person knowing that the Product cannot meet that person's specified requirements;
  12. not supply or recommend any computer equipment to a Customer for use in conjunction with the Product except for equipment which may be recommended by the Company to the Distributor from time to time;
  13. supply to the Company such reports, returns and other information relating to orders and projected orders for the Product and regarding the Customers as Company may from time to time reasonably require;
  14. periodically, as practicable, inform the Company in writing about Customers' and prospective Customers' wishes and observations concerning the Product Materials;
  15. permit the Company and its authorised Agents at all reasonable times to enter any of the Distributor's premises to ascertain that the Distributor is complying with its obligations under this Agreement, that the Distributor at this moment irrevocably authorises the Company, its employees and Agents to enter any such premises for such purpose during the term hereof.

1. **MARKETING**
   1. Parties agree to actively develop and document specific marketing initiatives and to articulate and document resource plans in order to meet agreed marketing initiatives which shall include personnel, travel, equipment, participation to conventions, trade shows or seminars, installation of demonstration rooms, creation and distribution of promotional material (including videos, literature or information diskettes) in order to enable the Distributor to achieve the marketing initiatives agreed upon by Parties.
   2. The Distributor shall provide the Company each year, no later than [DATE], with sales forecasts, together with a global strategic plan, for the next calendar year covering marketing plans and market analysis, and including, without limitation, analysis of the business orientation and organisation, detailed proposals for action, strategies of market penetration and information about competition, new products and the market generally.
   3. More specifically, the Parties agree to give effect to the obligations incumbent upon them as provided in Schedule [SPECIFY] hereto.
2. **DEMONSTRATION**
   1. The Company grants to the Distributor a non-exclusive Licence, free of charge, to use the Product for demonstration and promotion purposes only within the Territory and during the term of this Agreement.
   2. The Distributor shall be entitled to demonstrate the Product and the Product Documentation to any *bona fide* prospective Customer but shall always retain the Product and the Product Documentation in its possession and under its control and shall not allow any such person to retain any copies of the whole or any part thereof.
   3. Parties shall comply with all further obligations regarding promotion and demonstration of the Products as provided in Schedule [SPECIFY] hereto.
3. **TRAINING**
   1. The Company shall provide training in the installation, implementation support and use of the Product to the Distributor as provided in Schedule [SPECIFY] hereto.
   2. Any additional training required by the Distributor shall be provided by the Company under Preferential conditions for Exclusive Products or under Standard conditions for Non-Exclusive Products.
   3. The Distributor shall use its best endeavours to encourage all Customers to complete training courses by the Company's minimum standard recommendations from time to time.
   4. The Distributor shall offer initial training classes to Customers by the best practises followed in the software industry and according to the rates outlined in Schedule [SPECIFY];
   5. The Distributor shall at all times, employ sufficient qualified personnel to meet its obligations under paragraph 14.3 and 14.4.
4. **INSTALLATION, SUPPORT AND MAINTENANCE**
   1. The Company shall provide operational and technical support services to the Distributor by conditions outlined in Schedule [SPECIFY].
   2. Except as otherwise provided for in Schedule [SPECIFY], any additional support services that the Company may agree to provide to the Distributor for the Distributor itself or Customers through Distributor's personnel (which customer support Services by Company shall normally be restricted to the resolution of serious problems requiring programmer level conditions) shall be provided under [Preferential] conditions.
   3. Subject to the limitations or specific obligations provided for in Schedule [SPECIFY] hereto, the Distributor shall offer installation, support and maintenance Services to the Customers by the best practises followed in the software industry.
   4. The Distributor shall use its best endeavours to encourage Customers to subscribe to additional support, maintenance or other Services the nature and pricing of which may be agreed from time to time between Parties hereto.
   5. The Distributor shall at all times employ sufficient qualified personnel to meet its obligations under paragraph 15.3 or 15.4.
5. **DEVELOPMENT AND ENHANCEMENT**
   1. The Parties shall devote sufficient resources including personnel, capital, equipment, travel or other related expenses to develop and enhance Exclusive Products to ensure that such Exclusive Products shall remain competitive with Competitive Products available in the Public Safety and Justice Market.
   2. The Parties agree to jointly develop and document specific development initiatives, including functional specifications, with respect to Exclusive Products.
   3. More specifically, Parties hereto agree to comply with the provisions of Schedule [SPECIFY] with respect to the future development and enhancement of the Exclusive Products.
   4. Except as provided in paragraphs 16.1 to 16.3, the Company reserves the right to make or to refrain from making any changes in or enhancements to the Products without incurring any liability or obligation whatsoever and without being required to make any corresponding changes in or improvements to the Products previously sold to the Distributor.
6. **CORRECTIONS AND MODIFICATIONS**
   1. The Distributor shall promptly notify the Company of any error or defect in the Product of which it becomes aware and provide the Company with documented examples of such error or defect.
   2. The Company shall within [NUMBER] Business Days of receipt of such notification evaluate the notified error or defect and provide the Distributor with an estimate of the length of time it shall take to issue a replacement copy for any such copy of the Product Materials, which is affected by such error or defect. The Company shall use its reasonable endeavours to provide any such replacement copy within the estimated timescale.
   3. Within [NUMBER] Business Days period referred to in paragraph 17.2, the Company shall devote its best efforts to provide the Distributor with a replacement or by-pass solution to the error or defect.
   4. If the Company is not able or fails to comply with paragraph 17.3, the Distributor shall be entitled to take, with the prior approval of the Company, such approval not to be unreasonably withheld or delayed, such measure and give such advice as may be necessary to provide a temporary solution to the error or defect for Customers pending the delivery of the said replacement or by-pass solution or of the said replacement copy.
   5. Save, and except as provided in paragraph 17.4 and Section 19, the Distributor shall not alter or modify the whole or any part of the Product in any way whatever.
7. **SOURCE CODE**
   1. [Within [NUMBER] days after the execution of this Agreement, the Company shall deposit [NUMBER] copy of the Source Code relating to the Product with an escrow agent under the provisions of the Source Code deposit agreement outlined in Schedule [SPECIFY] hereto (the "Escrow Agreement").]
   2. [At the same time as any modified, enhanced or replacement version of or addition to the Product is delivered to the Distributor under Section 16, the Company shall provide the escrow agent with [NUMBER] copy of the Source Code relating thereto.]
   3. The Distributor shall have access to the Source Code relating to the Product solely in those situations and under those conditions outlined in the Escrow Agreement or accordance with Section 19.
   4. The Company acknowledges and agrees that it may be necessary for the Distributor to negotiate Source Code escrow arrangements with prospective Customers. The Company shall consider in good faith and shall not unreasonably refuse any request made to this effect by the Distributor it is understood that [the conditions of any] such escrow arrangement shall be [at least stringent for the Customer as those set forth in the Escrow Agreement and shall, in any case] subject to the prior written approval of the Company and its legal advisors.
   5. The Company further acknowledges that it may be necessary for the Distributor to negotiate delivery of the Source Code with prospective Customers. The Company shall consider in good faith and shall not unreasonably refuse any request made to this effect by the Distributor for highly reputable prospective Customers; it is understood that any such authorisation shall be made under conditions at least as stringent as those outlined in Section 19.
8. **ACCESS TO THE SOURCE CODE BY THE DISTRIBUTOR**
   1. The Distributor shall have the right to have access and to modify the Source Code of the Product for the purposes described in paragraph 19.4, and for no other purpose, after having complied with all the provisions of this Section.
   2. The Source Code of the [SPECIFY] shall at all times be stored under lock and key in a separate and safe storage (the "Storage") exclusively controlled by an individual who shall be an officer or a full-time employee of the Distributor and who shall have signed a document in which he shall recognise that he has taken cognisance of all the provisions of this Section and Section 20, that he agrees to be personally bound by all the provisions of these Sections towards the Company and that he shall be personally liable for any violation of the provisions of these Sections (hereinafter the "Security Officer").
   3. The Security Officer shall be the only individual who shall have the right to remove and replace Source Codes from the Storage for the sole purpose of this section.
   4. The Distributor shall have the right to have access and to use the Source Code of the Product only to create minor modifications to the Source Code of the [SPECIFY] to either:

19.4.1. deliver functionality specifically required by a Customer;

* + 1. create a demonstration version of the [SPECIFY] Product to be provided to prospective Customers,

or

19.4.3. to integrate the [SPECIFY] Product into existing Product owned either by the Distributor or by third parties

*(hereinafter the "Purposes");*

* 1. Any access and modification of the Source Code shall be subject to a prior written authorisation from a designated officer from the Company (the " Company Officer") following a written request from an officer designated by the Distributor (the "Distributor Officer"), which request shall at least indicate:

19.5.1. the Purpose for which access to the Source Code is required;

19.5.2. the name of the Customer for whom modifications are to be made, the name of the person for whom the demonstration version of the Product is to be provided or the Product to which the [SPECIFY] shall be integrated, as the case may be;

19.5.3. a reasonably detailed description of the modifications that the Distributor intends to make to the Source Code, and

19.5.4. the name of all programmers who shall perform such modifications (the "Programmers")

*(hereinafter the "Request");*

* 1. Any Programmer named in the Request shall sign a document, which shall be appended to the written Request, indicating that he has taken cognisance all the provisions of this Section and Section 20, that he agrees to be bound personally by all the provisions of these Sections towards the Company and that he shall be personally liable for any violation of the provisions of these Sections.
  2. Upon receipt of the Request, to the extent that such a Request is, on its face, conform with the provisions of paragraph 19.5 the Company's Officer shall promptly return a duly signed copy of the Request to the Distributor's Officer who shall remit the same to the Security Officer.
  3. Any Programmer designated in the Request shall be personally responsible for the custody and secrecy of the Source Code during all the time when the Source Code shall cease to be under the custody of the Security Officer referred to in paragraph 19.2.
  4. No person other than the Programmer or Programmers named in the Request shall have access to the Source Code.
  5. Any work to be performed by any Programmer on the Source Code shall only be made on one or more computers physically and electronically isolated from any other computers (the "Security Computer"), which Security Computer shall at all relevant time be located in a separate room so that no other person than any Programmer shall be able to have access to the Source Code (the "Security Room").
  6. No person other than the Programmer or Programmers shall have access to the Security Room or the Security Computer once the Source Code shall be removed from the Storage to be placed in the Security Room.
  7. At least one of the Programmers or the Security Officer shall always be present in the Security Room at all times when the Source Code is in the Security Room. Otherwise the original version of the Source Code, as well as any copy in any form, modified or not, of the Source Code, shall be immediately delivered to the Security Officer to be replaced in the Storage under its custody and any copy of the Source Code, modified or not, stored in any manner in the Security Computer's memory shall be immediately erased from such Security Computer's memory.
  8. Once the modifications are completed, the original version and the modified version of the Source Code shall immediately be delivered to the Security Officer together with a single additional copy of the modified version of the Source Code which additional copy shall be immediately delivered to the Company by the Security Officer by such means that shall be agreed upon at such time between the Distributor Officers and the Company Officers. Any copy of the Source Code, modified or not, stored in any manner in the Security Computer's memory shall be immediately erased from such Security Computer's memory.
  9. The Distributor shall be provided by the Security Officer with [NUMBER], and only one, copy in object form of the Source Code so modified which copy shall be used only for the Purpose mentioned in the Request.
  10. The Company shall be assigned with all Intellectual Property Rights in and to the modifications performed by the Distributor to the Product for all the duration of such Intellectual Property Rights and throughout the world and shall have the right to integrate all or part of such modifications to any version of the Product or of any other Product in any form.
  11. The Distributor irrevocably agrees to complete and sign promptly, upon request from the Company to this effect, any document necessary or useful to confirm or otherwise give effect to paragraph 19.15.

1. **CONFIDENTIALITY**
   1. Both Parties agree to consider and to treat as confidential any information or data disclosed to the other Party pursuant to this Agreement either in writing or orally which shall have been designated to the other Party in writing as confidential or which is treated as confidential by the other Party in accordance with normal practises in the computer industry (hereinafter referred to as "Confidential Information").
   2. The Parties agree that Confidential Information shall:
      1. be protected and kept in strict confidence by the Parties which must use the same degree of precaution and safeguard as is used to protect their proprietary information of like importance, but in no case any less than reasonable care;
      2. be only disclosed to and used by those persons within the Parties' or a Sub-distributor's or Agent's organisation who need to know to carry out this Agreement for use solely for this Agreement;
      3. not be used in whole or in part for any purpose other than the purpose of this Agreement without the prior written consent of the other Party;
      4. neither be disclosed nor caused to be disclosed whether directly or indirectly to any third party or persons other than those mentioned in sub-paragraphs 20.2.2 and 20.2.3 above or as otherwise agreed to amongst the Parties;
      5. neither be copied, or otherwise reproduced nor duplicated in whole or in part where such copying, reproduction or duplication have not been specifically authorised in writing by the Party to which this Confidential Information pertains.
   3. Any documents or information media containing Confidential Information and copies thereof disclosed by Company to the Distributor shall remain the property of Company and shall be returned to Company immediately upon termination of this Agreement.
   4. Neither Party shall have obligations or restrictions concerning any Confidential Information which it can prove:
      1. has come into the public domain before, or after the disclosure thereof and in such case through no wrongful act of the Party;
      2. is already known to the Party, as evidenced by written documentation in files of such Party;
      3. has been lawfully received from a third party without restrictions or breach of this Agreement or of a confidentiality agreement with the Party to which the Confidential Information pertains;
      4. has been or is published without violation of this Agreement, or
      5. is approved for release or use by written authorisation of the Party to which the Confidential Information pertains.
   5. The Distributor shall ensure that the persons referred to in paragraph 20.2.2 are aware of and comply with the confidentiality and non-disclosure provisions contained in this Section and the Distributor shall indemnify the Company against any loss or damage which the Company may sustain or incur as a result of any breach of confidence by any of these persons.
   6. If the Distributor becomes aware of any breach of confidentiality concerning the Confidential Information by any of its employees, then it shall promptly notify the Company and give the Company all reasonable assistance in connection with any proceedings, which the Company may institute against any such persons.
   7. The provisions of this Section shall survive the termination, for any reason whatsoever, of this Agreement.
2. **NON-COMPETITION**
   1. Except as expressly provided in paragraph 21.2 to 21.9 or in Schedule [SPECIFY] hereto, the Distributor agrees that during the term of this Agreement (whether alone or jointly and whether directly or indirectly) it shall:
      1. not be concerned or interested in the development, marketing, distribution, licencing or sale of any Competitive Product, save for only those client-server computer-aided dispatch systems which may be acquired by the Distributor by way of *bona fide* acquisition of a third party, only *in situ*ations where the Distributor shall have to fulfil purchase orders for customers who shall request specifically (and without inducement from the Distributor) such other systems in which case the Distributor agrees that it shall at all times devote its best efforts in order to induce such customers to migrate toward the Company's technologies;
   2. not display, demonstrate and otherwise represent the Products fairly in comparison with any Competitive Products;
      1. promptly forward to the Company any enquiries it may receive for the Products from persons situated outside the exclusive Territory;
      2. not enter into any agreement for the licencing and support of the Software with any prospective Customers situated in the Non-Exclusive Territory in which the other Party has established and formally recorded in writing its interest unless the latter fails to enter into a Licence or Service Agreement with that prospective Customer within a reasonable time thereafter;
      3. not hire or otherwise solicit any employee or representative of the Company or any of its subsidiaries, for a period of [NUMBER] months from the date such employee or representative leaves the Company; neither Party shall induce or recommend to any such employee or representative to leave the other Party.
   3. The Company agrees to withdraw from all marketing, selling and distribution opportunities with Prospective Customers in the Public Safety Market in the Exclusive Territory concerning the Exclusive Products.
   4. The Company agrees to withdraw from all selling opportunities with prospective Customers which may be simultaneously identified by the Distributor (including its Sub-distributors or Agents) and the Company in the Public Safety and Justice Market concerning Non-Exclusive Products.
   5. The Company agrees to withdraw from all direct sales efforts with prospective Customers that may be simultaneously identified by the Distributor (including its Sub-distributors or Agents) and the Company in the Public Safety Market [and in the private security market (with the exclusion of the electrical utilities market)] [throughout the world] with respect to the [SPECIFY].
   6. The Company agrees not to appoint any distributor whose principal business derives from the Public Safety and Justice Market, in the Exclusive Territory, for the [SPECIFY] in the Public Safety and Justice Market.
   7. Nothing in paragraph 21.4 shall be construed as preventing the Company from appointing and to continue to appoint other parties to distribute Non-Exclusive Products.
   8. Nothing in paragraph 21.5 shall be construed as preventing the Company to directly sell any Non-Exclusive Products to any Customer throughout the world in the Public Safety Market.
   9. The Company agrees that the Distributor shall, throughout the term, be treated in an equitable manner having regard to existing or future legal and business relationships between the Company and other distributors concerning Non-Exclusive Products.
   10. The Distributor agrees to actively inform the Company of any prospective commercial opportunities with third parties to favour the conclusion of joint ventures or similar type of commercial arrangements with such third parties for the marketing and sale of both Company's, [COMPANY NAME]'s and Distributor's products throughout the world.
   11. Parties agree to cooperate actively and to keep each other aware of any relevant or material information they may be provided concerning commercial opportunities or potential development in the Public Safety and Justice Market outside [COUNTRY] to jointly develop such market.
3. **RIGHT OF FIRST REFUSAL**

The Company may not, at any time, assign its Intellectual Property Rights for the Public Safety Market throughout the World and for the duration of such Intellectual Property Rights in and to the [SPECIFY] and [SPECIFY] (the "Rights") to a third party other than any company owned or controlled by or owning or controlling a company within the [COMPANY NAME] unless the Company has complied with the provisions set out herein below and first offered such rights to the Distributor and unless the right of first refusal so conferred has not been fully exercised within the allotted period:

* 1. the Company shall first transmit to the Distributor a written notice indicating his intention to assign the Rights (the "Offer"); such notice shall indicate the conditions of the proposed assignment, including the required assignment price (the "Selling Price");
  2. upon receipt of the notice indicated in paragraph 22.1, the Distributor shall then be entitled, within [NUMBER] days following the date of receipt of such notice, to be assigned with such Rights at a price equal to the price fixed by the Offer; such right of first refusal shall be exercised by written notice, which shall be delivered and received by the Company, within the prescribed period;
  3. where the right of the first refusal conferred hereinabove has been exercised within the allotted period, the Parties shall complete and sign, within [NUMBER] days from the date of acceptance of the Offer, a written agreement upon the same terms and conditions as those provided for in the Offer and pay the Selling Price; or
  4. if the right of the first refusal conferred hereinabove has not been exercised in accordance with the foregoing, the Company may then, within the following [NUMBER] days, assign the Rights in favour of a third party of his choice, provided that such assignment is carried out strictly on the terms and conditions set forth in the Offer; failing such disposition within the period allotted, the Company shall not so assign the Rights without re-offering them to the Distributor, in accordance with the method set out in this section.

1. **PROPERTY RIGHTS**
   1. The Product Materials and the Source Code and the Intellectual Property Rights therein or relating thereto are and shall remain the exclusive property of the Company throughout the Territory, and no title to these shall pass to the Distributor or its Customers. All copies thereof in the Distributor's possession, custody or control shall be returned to the Company or otherwise disposed of by the Distributor as the Company may from time direct.
   2. The Company shall be the exclusive owner of all Intellectual Property Rights in and to any modifications made to the Product by the Distributor, its employees or any third party with the authorisation of the Distributor, including any modification made for or by any Customers in accordance with this Agreement, and any modifications made in conjunction with the Company as well as any Intellectual Property Rights in any product, work or software deriving from such modifications or collaboration throughout the world and for all the duration of such Intellectual Property Rights, the Distributor hereby irrevocably agreeing to promptly complete and sign, or to cause any third party mentioned hereinabove to complete and sign, upon demand from the Company to this effect, any document necessary or useful in order to confirm or give effect to this paragraph.
   3. The Distributor acknowledges and agrees that the Product Materials and the Source Code, including, without limitation, the Product, user interface, monitor display formats, modules and programming techniques developed and used in the Product Materials and the Source Code, and all enhancements, modifications and updates thereto made by the Company constitute the exclusive property of the Company, whether or not any portion thereof is or may be copyrighted or patented and that title to and full ownership thereof shall at all times remain exclusively in the Company.
   4. The Distributor shall notify the Company immediately if the Distributor becomes aware of any unauthorised use of any of the Product Materials or the Source Code relating to the Product or any of the Intellectual Property Rights therein or relating thereto and shall assist the Company, at the Company's expense, in taking all steps to protect or defend the Company's rights therein.
   5. The Distributor shall not use, reproduce or deal in the Product Materials or the Source Code or any copies thereof except as expressly authorised under this Agreement.
   6. The Distributor shall not at any time expressly or implicitly claim any right, title or interest in the Product Materials or the Source Code nor pretend to acquire or have acquired any Intellectual Property Right in the Product Materials or in the Source Code from a third party.
   7. The provisions of this Section shall survive the termination for any reason of this Agreement.
2. **TRADEMARKS**
   1. Subject to restrictions set forth below, the Distributor shall have the right to use the Trademarks during the term of this Agreement only in connection with the use and marketing of the Products and Services.
   2. The use of the Trademarks shall be subject to such reasonable restrictions and standards as the Company may from time to time adopt.
   3. The Distributor shall not use the Trademarks in any way after the termination of this Agreement.
   4. The Distributor shall not use any given Trademark in any country included in the Territory until such Trademark has been duly registered in that country.
   5. The Distributor shall follow the Company's instructions as given to the Distributor from time to time as to the use of each Trademark and shall cooperate with the Company in the registration of such Trademark within the Territory.
   6. Prior to any proposed use of a Trademark, the Distributor shall give the Company written notice of exactly how the Distributor proposes to use the Trademark, including drawings of all advertising copy. Such written notice shall be delivered to the Company at least [NUMBER] days before public distribution, and the Distributor shall make whatever changes Company requires in the use of the Trademark before making any public distribution.
   7. In any use of a Trademark, such Trademark shall not be combined with any other trademark, name, appellation, or marking unless the Company specifically consents in writing to such combination.
   8. The Distributor shall use the Company's trade names relating to the Software only in the registered or agreed style in connection with the distribution of the Software and shall not use such Trademarks or trade names in connection with any other products or services or as part of the corporate or any trade name of the Distributor.
   9. The Distributor shall not alter, obscure, remove, interfere with or add to any of the Trademarks, trade names, markings or notices affixed to or contained in the Software Materials delivered to the Distributor.
   10. The company may discontinue the use of any Company Trademark at any time, and the Distributor shall thereupon cease to use such Trademark. The company may add a new or altered Trademark at any time.
   11. Notwithstanding the foregoing, the Distributor may, with Company's prior written authorisation, use other trademarks, designations or logo in conjunction with the Products or Services provided that the Distributor shall, in such instances, reasonably display or acknowledge the fact that the Products, Services or related technology originates from the Company. The Company may require from the Distributor information or samples with respect to the manner in which such display or acknowledgement is made by the Distributor and shall have the right to require that the Distributor carry on such reasonable changes with respect to such display or acknowledgement in order to ensure sufficient visibility or knowledge of the Company as the source of such Product, Services or technology.
3. **REPRESENTATIONS AND WARRANTIES FROM COMPANY**
   1. The Company represents and warrants that it is the sole and exclusive legal and beneficial owner of all Intellectual Property Rights in and to the Product Materials and of the Source Code except for any portion of the Product Materials for which the Company has been Licenced by third parties and, in such case, that the Company is entitled to grant to the Distributor hereunder with respect to such Licenced portion of the Product. The Company further represents and warrants that it is not aware of any existing, potential or conflicting claim of ownership in or to the Intellectual Property Rights or any part thereof.
   2. The Company shall defend and save harmless the Distributor against any claim that the Product infringes any Intellectual Property Right of any third party and the Company shall pay any resulting costs, damages and reasonable legal fees incurred, provided that:
      1. the Distributor promptly notifies the Company in writing of any such claim; and

25.2.2. the Company has sole control of the defence and all related settlement negotiations, provided that the Distributor may involve its attorneys to assist in such endeavour, at its sole expenses.

* 1. If a claim described in paragraph 25.2 has occurred or, in the Company's opinion, is likely to occur, the Distributor agrees to authorise the Company at the Company's option and expense to procure for the Customers the right to continue using the Product or to replace or modify the Product without material loss of functionality.
  2. The Company warrants that for a period of [NUMBER] year following the delivery of the copy of the Product to the Customer such copy of the Product shall conform and function according to the Company's technical specifications for the Product at the date of order if properly used according to the Company's technical specifications. The Distributor acknowledges that the Product is of such complexity that it may have certain defects when delivered, and the Distributor agrees that the Company's sole liability and the Distributor's sole remedy *in re*spect of any breach of the said warranty shall be for the Company to provide corrections of documented programme errors in accordance with paragraphs 17.2 and 17.3 hereof so that the copy of such Product would conform and function in accordance with the Company's technical specifications or, at its discretion, to replace such Product by a copy meeting such technical specification.
  3. Notwithstanding paragraph 25.4, the Company shall have no obligation to defend the Distributor or to make any payment of costs, damages, legal fees or otherwise for any claim based upon:
     1. use of other than a current unaltered version of the Product; or
     2. the combination, operation or use of the Product with any hardware, Product, equipment or process not specified by the Company or approved by the Company if such infringement would have been avoided but for such combination, operation or use.
     3. Excluded from the Company's warranties are any defect of the Product resulting from accident, abnormal physical, electrical or electromagnetic conditions, wrong use, a variation of energy sources from the Company's specifications or failure to provide suggested air conditioning and humidity control in accordance with the Company's specifications.
  4. For more certainty, the Company shall have no liability or responsibility whatsoever under this Agreement for any Distributor Modifications.
  5. IN NO EVENT SHALL THE COMPANY HAVE ANY LIABILITY TOWARD THE DISTRIBUTOR OR ITS CUSTOMERS FOR LOSS (DIRECT OR INDIRECT) OF PROFITS, LOSS OF BUSINESS REVENUE OR FAILURE TO REALISE EXPECTED SAVINGS OR FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OR THE LOSS OF DATA OR INFORMATION OF ANY KIND, HOWEVER CAUSED, OR FAILURE OF ANY PRODUCT TO WORK OR PERFORM IN ANY WAY, OR ANY LIABILITY TO CUSTOMERS OR THIRD PARTIES, EVEN IF ADVISED OF THE POSSIBILITY THEREOF AND WHETHER ARISING FROM NEGLIGENCE, BREACH OF CONTRACT OR OTHERWISE.
  6. EXCEPT FOR THE FOREGOING EXPRESS WARRANTY, THE COMPANY NEITHER MAKES NOR GRANTS ANY OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED. THE EXPRESS TERMS OF THIS AGREEMENT ARE IN LIEU OF ALL WARRANTIES, CONDITIONS, TERMS, UNDERTAKINGS AND OBLIGATIONS IMPLIED BY STATUTE, COMMON [YOUR COUNTRY LAW], CUSTOM, TRADE USAGE, COURSE OF DEALING OR OTHERWISE, ALL OF WHICH ARE HEREBY EXCLUDED TO THE FULLEST EXTENT PERMITTED BY [YOUR COUNTRY LAW]. [COMPANY NAME] HEREBY EXCLUDES ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, MERCHANTABLE QUALITY, OR FITNESS FOR ANY PURPOSE, PARTICULAR, SPECIFIC OR OTHERWISE TO THE FULLEST EXTENT PERMITTED BY [YOUR COUNTRY LAW].
  7. The foregoing provisions state Distributor's exclusive remedies and in no event shall the Company's liability for any given claim exceed the amounts received by the Company pursuant to hereunder with respect to the Licence or other agreement under which the Product or Service gave rise to such a claim, even if the Company is advised of the possibility of such damages.
  8. Notwithstanding any provision to the contrary in this Agreement, the Company does not exclude or limit its liability for material injury caused through the Company's intentional or gross negligence nor for bodily injuries caused to third parties by the Company's fault.

1. **INDEMNIFICATION FROM THE DISTRIBUTOR**
   1. The Distributor shall save harmless and indemnify the Company, and keep the Company fully and effectively indemnified on demand, from and against any and all losses, claims, damages, costs, charges, expenses, liabilities (including reasonable attorney's fees) resulting from or due to claims, demands, proceedings or actions which the Company may sustain or incur, or which may be brought or established against it by any person and which in any case arise out of or *in re*lation to or by reason of:
      1. any breach by the Distributor of its obligations under this Agreement; or
      2. any unauthorised action or omission of the Distributor, its Sub-distributors, Agents or employees thereof; or
      3. the manner in which the Distributor markets the Product;
      4. the independent supply by the Distributor of any Products or Services for use in conjunction with or about the Product, or
      5. any Distributor Modifications.
   2. If any claim is made against the Company for which indemnification is sought under paragraph 26.1, Company shall consult with the Distributor and, subject to being secured to its reasonable satisfaction, shall co-operate with the Distributor about any reasonable request made by the Distributor *in re*spect of such claim.
2. **TERMINATION**
   1. This Agreement shall automatically terminate effective forthwith upon the occurrence of any of the following event of default, at the option and discretion of the non-defaulting Party:
      1. if any Party generally becomes unable to pay its debts as they become due, admits in writing its inability to pay its debts generally, makes an assignment for the benefit of its creditors;
      2. if any proceedings are instituted against any Party which seek to adjudicate it as bankrupt or insolvent or which seek liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief or composition of it or its debts under any [YOUR COUNTRY LAW] relating to bankruptcy, insolvency or reorganisation or relief of debtors or which seek the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, unless in any such case such proceedings are contested in good faith by such Party and any such order, appointment or other relief stays pending the outcome of the contested proceedings and such order, appointment or other relief or rescinded within [NUMBER] days;
      3. if any Party takes advantage of any[YOUR COUNTRY LAW] relating to bankruptcy, insolvency or, generally, relief of debtors.
   2. This Agreement may be terminated by the Company, at its discretion, if the Distributor is in breach of the provisions relating to the payment of the Purchase Price and does not remedy its default within [NUMBER] days after having received from the Company notice specifying the default and requiring that it be remedied.
   3. This Agreement may be terminated by any Party, at its discretion, by giving to the defaulting Party notice of termination if the other Party is in default under any other provision of this Agreement and if the Defaulting Party does not remedy such default (if such default is capable of being remedied) within [NUMBER] days after having received from the non-defaulting Party notice specifying the default and requiring that it be remedied.
   4. Any Party may terminate this Agreement at its discretion, at any time and without cause, upon prior written notice of [NUMBER] year to that effect. The Agreement shall terminate, without any further notice, [NUMBER] year after receipt of such termination notice.
   5. The termination for any reason of any Related Agreements shall entitle any Party to terminate this Agreement on the same date as such Related Agreement.
3. **EFFECT OF TERMINATION**

Upon termination or expiration of this Agreement:

* 1. All rights and obligations of the Parties under this Agreement shall automatically terminate except:
     1. for such rights of action as shall have accrued before such termination and any obligations which expressly or by implication are intended to come into or continue in force on or after such termination;
     2. that the terms of this Agreement shall remain in full force and effect solely to the extent and for the period necessary to permit the Distributor to properly perform its continuing obligations under Licence or Service Agreements subsisting at the date of termination and which shall have not been transferred to the Company in accordance with Section 29 (and the Distributor's obligations under paragraphs 28.3 and 28.4 below shall be suspended during such period as those continuing obligations subsist);
     3. that the obligations of the Parties contained in paragraphs 5.8 and 5.12 shall continue *in re*spect of each Licence or Service Agreement subsisting on the date of termination.
  2. The Distributor shall immediately eliminate form all its literature, business stationery, publications, notices and advertisements all references to the title "AUTHORISED [name of the Product] DISTRIBUTOR" and all other representations of the Distributor's appointment hereunder.
  3. The Distributor shall, at its own expense, forthwith return to the Company or otherwise dispose of as the Company may instruct all promotional materials and other documents and papers whatsoever sent to the Distributor and relating to the business of the Company (other than correspondence between the Parties), all property of the Company and all copies of the Product Materials and the Source Code relating to the Product, being in the Distributor's possession or under its control.
  4. The Distributor shall cause the Product to be erased from all computers of or under the control of the Distributor, and one of its officers shall declare under oath to Company that the same has been done by the terms herewith.
  5. If the event of default giving rise to termination is by the Distributor, all monies owing to the Company by the Distributor as at the time of termination shall become immediately due and payable to the Company.
  6. Each Licence or Service Agreement then subsisting shall continue in effect and shall survive the termination of this Agreement subject to the provisions of Section 29.

1. **PERFORMANCE OF OBLIGATIONS ARISING UNDER LICENCE AND SERVICE AGREEMENT AFTER TERMINATION**

Parties agree that following the termination of this Agreement for any reason:

* 1. Customers shall retain the right to use the Product Materials by the Licences granted to them before the termination or expiration of this Agreement.
  2. The Distributor shall have no right to use the Product Materials or to provide the Customers advice and assistance as to the installation and use of the Product Materials except under Licence or Service agreements which shall not have been assigned to Parties as per paragraph 29.3 hereof.
  3. The Distributor irrevocably agrees to transfer, at no cost, all rights and obligations under any Licence or Service Agreement selected by the Company, by way of assignment or by such other legal means or operation which may be available under the [YOUR COUNTRY LAW] applicable to such Licences or Service Agreements as the Company may direct, provided that following such transfer the Distributor shall have no further obligations toward the Customers with respect to the performance of the Distributor's obligations following such transfer or that the Company or any third party for the benefit of whom such transfer shall be effected guarantee the Distributor against any claim arising for non-performance or faulty performance of such obligations (the "Transfer").
  4. After the date of the Transfer, the Company, or any third party designated by the Company, shall comply with all Distributor's obligations with respect to any Licence or Service Agreement so transferred and shall fully indemnify the Distributor for any claims from the Customers based on non-performance or faulty performance of such obligations by the Company or such third party after the date of the relevant Transfer.
  5. The Distributor shall give to the Company or to such third party that the Company may indicate, all reasonable cooperation in transferring the Distributor's rights and obligations under such Licence and Service Agreement to the Company or such third party.
  6. For more certainty, the Company shall have no obligation to accept the Transfer of any Licence or Service Agreement relating to any third parties' product or services (including other products owned or distributed by the Distributor or products which have been amalgamated with any Company Products).
  7. Upon the transfer, the Distributor shall immediately pay to the Company, or as it shall direct, a proportionate share of any Service fees paid in advance by the Customer thereunder apportioned from the effective date of the transfer to the expiry date by the total period to which the payment relates.
  8. Unless this Agreement has been terminated by the Company because of a default of the Distributor which has not been rectified to the Company's satisfaction within the delays provided for in Section 27, the Company shall continue to provide to the Distributor support and maintenance services incumbent upon the Company hereunder under the Company's Standard Conditions.

1. **PUBLIC ANNOUNCEMENTS AND PRESS RELEASES**
   1. Before the execution hereof, no Party shall make any public statement or issue any press release concerning the transactions contemplated by this Agreement except as may be necessary, in the opinion of counsel to the Party making such disclosure, to comply with the requirements of any [YOUR COUNTRY LAW], regulation, regulatory policy or the other of judgement  of a court or tribunal of competent jurisdiction. If any such public statement or release is so required, the Party making such disclosure shall consult with the other Party prior to making such statement or release, and the Parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such statement or release which is satisfactory to all Parties.
   2. Following the signature of this Agreement, the Parties agree to develop and document press and public relation material which material shall not be disseminated in any form without the prior consent of both Parties.
2. **LEGAL RELATIONSHIP**
   1. In giving effect to this Agreement, neither Party shall be or be deemed an Agent or employee of the other for any purpose, and that their relationship to each other shall be that of independent contractors. Nothing in this Agreement shall constitute a partnership or a joint venture between the Parties. Neither Party shall have the right to enter into contracts or pledge the credit of or incur expenses of liabilities on behalf of the other.
   2. During the continuance of this Agreement the Distributor shall be entitled to use the title "AUTHORISED [name of the relevant Product] DISTRIBUTOR" or such other title which may be approved by the Company but such use shall be in accordance with the Company's policies in effect from time to time and before using such title (whether on the Distributor's business stationery, advertising material or elsewhere) the Distributor shall submit to the Company proof prints and such other details as the Company may require and the Company may in its discretion grant or withhold permission for such proposed use.
3. **ASSIGNMENT**

The Distributor may not assign any rights or benefits in this Agreement to any person. The Distributor agrees to perform its obligations under this Agreement itself, and not arrange in any way for any other Person (save and except their employees) to perform those obligations except as expressly permitted herein. No assignment of benefits or arrangement for substituted performance by the Distributor shall be of any effect against the Company except to the extent that it has expressly authorised hereunder or consented in writing to it.

1. **INTERPRETATION**

Any specific obligation incumbent upon a Party or the Parties under the provisions of Schedule [SPECIFY] shall be read and interpreted in conjunction with the terms hereof. In case of ambiguity, inconsistency or incompatibility between any provision hereof and any provision contained in Schedule [SPECIFY], the provision which is more specific shall prevail over the provision which is more general to the extent of any such ambiguity, inconsistency or incompatibility, as the case may be.

1. **GENERAL**
   1. Any notice, demand or other communication (in this section, a "notice") required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made if delivered in person during normal business hours on a Business Day and left with a receptionist or other responsible employee of the relevant Party at the applicable address set forth below or if sent by any electronic means of sending messages, including telex or facsimile of transmission, which produces a paper record ("Electronic Transmission") during normal business hours on a Business Day charges prepaid and confirmed by prepaid first-class mail and which notice shall be delivered or sent at the following address:

In the case of a notice to the Company, addressed to it at:

Company

Attention:

Telecopier:

And in the case of a notice to the Distributor, addressed to it at:

Distributor

Attention:

Telecopier:

Each notice sent by this Section shall be deemed to have been received if delivered during the recipient's normal business hours, at the time on the day it was delivered, or at the start of business on the first Business Day thereafter if the day on which it was delivered was not a Business Day; or one hour after it was sent on the same date, it was sent by Electronic Transmission, or at the start of business on the first Business Day thereafter if the day on which it was sent by Electronic Transmission was not a Business Day.

Any Party may change its address for notice by giving notice to the other Party as provided in this Section.

* 1. Time is of the essence of each provision of this Agreement.
  2. If any action is required to be taken under this Agreement on or by a specified date, which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.
  3. This Agreement shall be governed by, and interpreted and enforced in accordance with the [YOUR COUNTRY LAW] in force in the Province of [COUNTRY] (excluding any conflict of [YOUR COUNTRY LAW] rule or principle which might refer such construction to the [YOUR COUNTRY LAW] of another jurisdiction) and shall be treated in all respects as a [COUNTRY] contract.
  4. This Agreement, together with any agreements and other documents to be delivered pursuant or concurrently hereto constitutes the entire agreement between the Parties about the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, between Parties. There are no representations, warranties, conditions, other agreements or acknowledgements, whether direct or collateral, expressed or implied, and form part of or affect this Agreement. The execution of this Agreement has not been induced by, nor do either of the Parties rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgements not expressly made in this Agreement or in the agreements and other documents to be delivered pursuant hereto.
  5. Each Party shall do such acts and shall execute such further documents and shall cause the doing of such acts and shall cause the execution of such further documents as are within its power, as the other Party may in writing at any time and from time to time reasonably request be done or executed, in order to give full effect to the provisions of this Agreement.
  6. This Agreement may be amended or supplemented only by a written agreement signed by each Party.
  7. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other further exercise of such right or the exercise of any other right.
  8. This Agreement may be executed in any number of counterparts; each executed counterpart shall be deemed to be an original; all executed counterparts taken together shall constitute one agreement.
  9. Any tender of documents or money hereunder may be made upon the Parties, or their respective counsel and money may be tendered by bank draught upon a [COUNTRY] chartered bank or by negotiable check payable in [COUNTRY] funds and certified chartered bank or trust company.
  10. Except as expressly provided otherwise in this Agreement, dates and times which any Party is required to perform any obligation under this Agreement, other than payment of money, shall be postponed automatically to the extent, and for the period of time, that the Party is prevented from doing so by circumstances beyond its reasonable control. Such circumstances shall include acts of nature, strikes, lockouts, riots, acts of war, epidemics, government regulations imposed after the fact, fire, communications line failures, power failures, earthquakes or other disasters. The Party prevented from rendering performance must notify the other Party immediately and in detail of the commencement and nature of such circumstance and the probable consequences of it and other obligations of both Parties affected by this delay shall be adjusted accordingly. Each Party whose performance is delayed must use reasonable effort to perform its obligations promptly, must employ all resources reasonably required in the circumstances and must obtain supplies or Services from other sources if reasonably available.
  11. This Agreement shall be effective and shall be binding on the Parties hereto and their assigns, representatives, heirs and successors as of the date hereof. Furthermore, this Agreement shall be binding and effective against any purchaser or transferee of all or any part of the assets, undertakings, property, Products (save for Licences to use the Products granted in the usual and normal course of business) or shares (save to employees, under a share purchase plan) of Company.
  12. The Parties expressly exclude the application of the [COUNTRY] Convention for the International Sale of Goods.
  13. Notwithstanding its date of execution, the Parties hereby agree that this Agreement shall be deemed to have been entered into on the formal date of [SPECIFY].

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# COMPANY DISTRIBUTOR

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title