

BIOCOM TECHNOLOGIES

Standard Distribution Policy

Our distribution policy is based on the following principles:

- . Selectivity to work only with the best partners
- . Development of long-term partnership relations
- . Collaboration on Responsible Care principles

The way to partnership:

In order to provide the best service to end-users of our products as well as to ensure the fulfillment of the Responsible Care commitment related to the distribution of its products, our company would like to develop long-term partnership relations with a selected number of industry distributors.

What we offer:

Partnership is characterized by long-term business relationship, delivery of quality products together with technical support and training relying on over 15 years of experience of running world-wide operations.

What we require:

Together with the full commitment to Responsible Care principles, we look for adequate geographical coverage and sufficient market penetration.

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Distributor / Reseller / Sales Agent Agreement

A. Distributor / Reseller / Sales Agent Definition:

1. Clearly understands and promotes the concept of solutions offered by Biocom products.
2. Proactively markets and sells the Biocom product line.
3. Meets mutually agreed upon, reasonable annual quotation and sales targets.
4. Actively promotes the Biocom product line and supports the sales and marketing objectives of the company.
5. Adheres to Biocom credit and privacy policies.

B. Level of Involvement:

Type	Involvement
Affiliate Partner	Gives Biocom a link to a prospective customer. May be requested by Biocom to help in securing the order once initial contact has been established by Biocom.
Sales Agent / Reseller	Initiates the project. Participates in joint sales call. Secures the order. Bills or lets Biocom bill the customer. Biocom installs the equipment. Biocom provides training and technical support.
Full Sales Support Distributor	Initiates the project. Secures the order. Bills (subject to credit approval) the customer. Installs the equipment. Provides training and technical support.

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C. Commission Structure:

Products	Affiliate	Sales Agent / Reseller	Full Sales Support Distributor
Full Biocom products as combinations of the software and hardware	10%	25%	40% (*)
Selected Biocom hardware items private labeled or purchased from third party vendors	N/A	5%	15%
Hardware accessories	N/A	5%	10%

(*) – Extra discounts may be granted based on gross sales performance for the last 12 trailing months. These extra discounts are re-evaluated every 12 months.

Last 12-month Gross Sales	Extra Performance Discount
\$0 - \$24,999	0%
\$25,000 - \$49,999	5%
\$50,000 - \$74,999	10%
Over \$75,000	15%

D. Biocom Sales Support:

1. Supply brochures, promotional materials, electronic presentation programs, and participate in major trade show exhibitions to promote Distributor / Reseller / Sales Agent sales success.
2. Limit distribution within trading areas based on estimated capabilities of the Distributor / Reseller / Sales Agent and past years activity. We encourage each Distributor / Reseller / Sales Agent to cover as many markets as possible.
3. Conduct training seminars at Biocom or the Distributor / Reseller / Sales Agent's facility, for sales people and service technicians sent at the Distributor / Reseller / Sales Agent expense.
4. Provide field installation and service to the Distributor / Reseller / Sales Agent at competitive rates upon request.
5. Maintain a customer service and engineering department to support the Distributor / Reseller / Sales Agent's needs and requests for quotations, product specifications and information.
6. Should the Distributor / Reseller / Sales Agent relationship be terminated, there will be a 30-day grace period to close all pending projects and business in progress. In house acknowledged order will be honored regardless of when shipment is made.

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Distributor / Reseller / Sales Agent

Signature

Signature

Mark Ferris, President

Signature

Printed Name

Date

Date

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Distribution Protection and Support Policy

The following document is designed to clarify Biocom relationship and policies with its distributors.

1. The Primary distributor / agent is designated by Biocom based on one or more of the following:
 - a. A written request for quotation, complete with application specifications.
 - b. A request for sales assistance call with a firm schedule set.
 - c. A joint sales call.

A distributor / agent is not considered primary by calling and giving a company name and asking for protection.

2. The first qualified distributor / agent to fulfill any of the criteria in #1 above will then be considered the primary distributor and protected for a period of 90 days. After 90 days, the project is subject to review by Biocom. The protection will be extended in 90 day increments based on the following:
 - a. Distributor / agent project activity
 - b. End-user indicated activity
3. If project protection is not extended, the project is open to any other qualified Biocom distributor. Contact Biocom for verification of project status at any time.
4. Conditions under which an additional distributor may quote the project:
 - a. If the customer who was quoted formally requests a second Biocom Quotation from a second distributor, Biocom will consider this request. In this event, the second distributor must submit a completed RFQ form that has been signed and dated by the customer with job title and phone number for Biocom verification. In this event Biocom will continue to offer sales support only to the primary distributor.
 - b. If the customer who was quoted sends written correspondence to Biocom requesting a change in distributor, a change will be made.
5. In the event that Biocom lead is given to a distributor, the distributor will submit a follow-up report within 7 days. Failing to do so will void Biocom protection for this account.