



DISTRIBUTOR POLICY OVERVIEW

INTRODUCTION

SoftPLC Corporation is proud to offer a very simple, competitive and aggressive distributor program. This overview document is intended to identify our goals, expectations and policies in working with our distributors. We do not enter into distributor relationships casually – we want to form long-term, mutually beneficial partnerships.

In order to ensure our distributors are successful, SoftPLC Corporation provides the following services to their distributors:

- < Extremely attractive discount policy
- < No minimum stocking requirements
- < Consigned software for demonstrations and customer support
- < Premium support providing unlimited technical phone assistance along with version and revision upgrades for consignment software
- < Existing customer information and qualified prospect leads
- < Distributor email newsletter for information updates
- < Joint sponsorship of approved sales seminars
- < No charge for reasonable quantities of product brochures and other marketing materials
- < Technically superior, high-quality, feature-rich products
- < Mutually-Cooperative Authorized Systems Integrator Program
- < Annual Distributor training/update meeting

APPOINTMENT CRITERIA

SoftPLC Corporation products are considered “high-tech” and customers will expect the distributor to provide technical sales expertise, application support, and to be the first contact for customer support. Therefore, SoftPLC distributors must meet the following criteria:

- < Have the sales and technical capability to create demand, market, sell, distribute and properly recommend SoftPLC Corporation’s products for customer applications
- < Have the ability to identify, target, and implement sales objectives/goals for their authorized territory
- < Represent other vendors who provide complimentary products and services that support the marketing and application efforts of SoftPLC Corporation’s Core Product Strategy
- < Have the ability to provide local customer service and basic technical support services through one or more SoftPLC product “experts” on staff

NUMBERS TO BE APPOINTED

SoftPLC Corporation follows a policy of limited distribution. We will appoint a minimum number of distributors sufficient to:

- < Achieve sales and support objectives for SoftPLC Corporation products within the authorized territory
- < Ensure Distributor has reasonable opportunity for reward and to have a profitable relationship with SoftPLC

SYSTEMS INTEGRATORS PROGRAM

SoftPLC Corporation has an established program for Authorized Systems Integrators. This program exists because SoftPLC Corporation's products often require a high degree of technical expertise to design and apply them as part a larger system. System Integrators have the ability and business charter to perform such engineering services for a customer.

The Systems Integrator program provides various incentives to help them sell our products, (including consigned software, and discounts on product purchases). We expect Systems Integrators to do business through their local Authorized Distributor. We therefore expect the Distributor to comply with the Systems Integrators program fully, and consider this implicit to our agreement with the Distributor. Distributor duties include:

- < Assist SoftPLC Corporation in locating, recruiting, and signing qualified Systems Integrators
- < Assist in the product/applications training and sales support of the Systems Integrators
- < Honoring the pricing discount schedule of the Systems Integrators program
- < Actively promote SoftPLC Corporation products within Systems Integrators
- < Co-support selling activities with Systems Integrators to establish a mutual and trusting working relationship

THE AGREEMENT

The Distribution Agreement fully outlines the responsibilities of each party.

Separately, a Mutual Business Plan is updated at least annually and serves as the marketing and business plan for SoftPLC and the Distributor.