

DISTRIBUTOR AGREEMENT

SIMET Technology Inc.(hereinafter referred to as "SIMET") located at 1065.Cad. 1280.Sok. No:5/17-18 Ovecler-Ankara 06460 TURKEY, authorizes **Axiom Tech LLC** located at 5A Tumanyan Str. 4-5 Apt. Yerevan, Republic of **ARMENIA**(hereinafter referred to as "DISTRIBUTOR") as the distributor to perform responsibilities according to the terms and conditions defined below.

1. Appointment and Acceptance

SIMET hereby appoints DISTRIBUTOR for the sales of the products in the Territory, defined in Paragraph #2. DISTRIBUTOR accepts the appointment and agrees to sell/promote defined products in Paragraph #3.

2. Territory

DISTRIBUTOR's territory shall consist of the Republic of **ARMENIA** and Republic of **GEORGIA**.

3. Supplying Scope

The products from SIMET to be carried by DISTRIBUTOR are listed below;

1. DRAYTEK CORP. Products
2. SYNOLOGY INC. Products

4. Quota Commitment

DISTRIBUTOR commits a quota of USD **15.000** during 05-June-2013 to 31-December-2013. If DISTRIBUTOR reaches USD **50.000** in the period, SIMET will consider Master Distributor Agreement with DISTRIBUTOR next year.

5. Price

SIMET shall furnish products to DISTRIBUTOR at SIMET's Tier one distribution prices. All prices stated are Ex-Works SIMET, and are exclusive of any beyond factory charges, such as taxes, duties, freight, licensing, etc.

6. Payment and Terms

The payment should be wire transferred (T/T) to SIMET's bank account base on T/T in advance within 3(three) working days from the date of the receipt of Proforma Invoice (PI).

SIMET's bank information is:

S.W.I.F.T : TEBUTRIS226
IBAN : TR520003200000000011694954
: TURKISH ECONOMY BANK,
UMITKOY BRANCH, ANKARA - TURKEY
Account # : 11694954(USD)
Beneficiary : SIMET Technologies Inc.
Beneficiary Phone : +90.312.4728787

7. Shipment

All shipments will be made Ex-Work SIMET to DISTRIBUTOR's shipping address indicated on the purchase order. SIMET shall ship products to DISTRIBUTOR via standard surface service, unless DISTRIBUTOR specifies to SIMET in writing the method of shipment and carrier to be used. Delivery will be deemed complete and risk of loss or damage to the products will pass to DISTRIBUTOR upon delivery to the carrier. In addition to any other charges due under this Agreement, DISTRIBUTOR agrees to pay all shipping costs hereunder.



8. Obligations of Distributor

A. Promotion of Products

DISTRIBUTOR shall establish a well trained, competent and aggressive sales team in the Territory. DISTRIBUTOR should undertake the following responsibilities:

- Promote SIMET 's branding on DISTRIBUTOR 's website
- Execute regular promotional activities in magazines, publications, etc.
- Send electronic mailings / direct mailings to customers
- Print and distribute catalogues with SIMET products
- Participate in exhibitions with SIMET product booths
- Host seminar(s) targeting DISTRIBUTOR's customers

B. Support of Products

DISTRIBUTOR shall assign employees to respond to customer's technical requests and provide technical support.

C. Reporting

DISTRIBUTOR shall provide on a regular basis the following reports:

- Annual sales and marketing plan at the beginning of the year
- Project Summary Report on a quarterly basis

D. Non Competition Provision

During the term of this agreement, DISTRIBUTOR has to put main focus on SIMET product and if SIMET does not have the product, DISTRIBUTOR will be allowed to order from others manufacturer for maintaining and keeping the customer.

9. Obligations of SIMET

A. General

SIMET shall list DISTRIBUTOR on Partner List.

DISTRIBUTOR shall reach to SIMET's marketing dept. with marketing and product technical information.

SIMET shall provide marketing literature support to DISTRIBUTOR.

SIMET shall provide prompt reply (within 24hours) to the enquiries of DISTRIBUTOR.

SIMET shall delivery the products within 10 (ten) working days from the date of receipt of the payment by DISTRIBUTOR and use its best efforts to fulfill delivery obligations.

B. Lead Referral

SIMET will send lead referrals to DISTRIBUTOR related to the sales of the Product in the Territory.

C. Project Protection

SIMET warrants providing project protection for projects that DISTRIBUTOR identifies or registers as "xxx project."

D. Support

SIMET shall conduct product & sales training to DISTRIBUTOR at least once a year.

10. Trademarks

10.1 All products sold from SIMET to DISTRIBUTOR shall bear such trademarks as SIMET may specify. DISTRIBUTOR shall not attempt to obtain any rights in or title to any trademarks of SIMET and shall not establish any other trademarks in his language or any other language, (either during the term of this agreement or thereafter) that is confusingly similar to any trademarks in such a way as to jeopardize their significance, distinctiveness or validity or SIMET's rights in and to them, including, without limitation, the use of any such names or marks in the business name of DISTRIBUTOR. DISTRIBUTOR shall further use the trademarks and trade names of SIMET only in a manner that complies with the laws of the countries in which they are used. If execution by either party of so-called Registered User or other special agreements or documents is necessary to effect such compliance, such party shall execute such agreement or documents.

10.2 The termination of this Agreement by either party shall not entitle DISTRIBUTOR to any termination or severance compensation or to any payment in respect to any goodwill of SIMET's trademarks established by DISTRIBUTOR during the term of



this Agreement or render SIMET liable for damages on account of the loss of prospective profits or on account of any expenditure, investment or obligation incurred or made by DISTRIBUTOR.

11. Warranty

SIMET warrants to DISTRIBUTOR that the product will be free from defects in materials and workmanship and will conform substantially to the specifications agreed upon in this Agreement. This warranty is effective for twenty-four months after the date of the original shipment of the product to DISTRIBUTOR.

DISTRIBUTOR shall be entitled to return defective products and parts to SIMET; DISTRIBUTOR will bear the shipping charges and SIMET will bear the return charges. In the event DISTRIBUTOR returns defective products and parts to SIMET during warranty period, SIMET shall repair or replace them at free of charge, except products or parts thereof proved to be not defective. Products and parts that are out of warranty (including by abnormal use) shall be repaired or replaced with charge.

12. Terms and Termination

12.1 The effective period of this agreement is from **05-June-2013** to **31-December-2013**. SIMET and DISTRIBUTOR will review the sales quota upon its expiration.

12.2 This agreement may be terminated before its expiration by a written consent of both sides

12.3 SIMET shall have the right to terminate this agreement when the items below take place:

12.3.1 When DISTRIBUTOR fails to make payment in accordance with the payment terms, defined in Paragraph #6.

12.3.2 SIMET will terminate agreement immediately when DISTRIBUTOR makes a change in its major controlling ownership or principal management.

12.3.3 SIMET will terminate agreement immediately when DISTRIBUTOR violates the conditions defined in Paragraph #10.

13. Arbitration

If SIMET or DISTRIBUTOR commences arbitration, arbitration proceedings shall be carried out the country as below:

13.1.1 Ankara, Turkey under the rules of the Commercial Arbitration Association of the Republic of Turkey.

IN WITNESS WHEREOF THIS AGREEMENT has been executed by the parties in duplicate. Each party shall retain one signed counterpart.

Simet Technologies Inc.

By:

Sinan BEDIR

Title: **President**

Date: **05-June-2013**

AXIOM TECH LLC

By:

Anna AKULYAN

Title:

