



Hi Anas,

To follow up on the discussion of the reseller agreement, which we also like to close fast.

Please find attached our demo model, as we like to offer to our partners the options to make use of our demo equipment in a flexible way and at minimum costs. I think we have succeeded in this by offering you to make use of our pool of demo equipment at only the return sending costs. For details, please see the attached PDF document!

When we have signed the reseller agreement, we will also provide you at no costs, for marketing (exhibition) purposes, a medium weight case with a data diode (empty one), display with LEDs and space for brochures etc.

On the costs issue. We've spoken with our point of contact of our bank, the ABN-AMRO bank, in Dubai. He told us that you can get a bank guarantee at the ABN AMRO in Dubai for 1% to 2,25% finance risk fee on a yearly basis. So for a 6 months bank guarantee you only pay 50% of the risk fee, with a minimum of a specified amount (somewhere around EUR 1.000 or 5.000 Dhs). The fee charged (between 1% and 2,25%) depends on your relationship with the bank and credit history. With you own bank you might even get a better deal. Add the 1% finance charge from Fox-IT (no minimum) on a yearly basis and the costs for AGT should be very low.

It will have an influence on your credit allowance by the bank, but as soon as the end-customer has paid, the credit allowance is back up. Note that we can always discuss the payment terms if we have the guarantee of a bank guarantee, to ensure you have enough time for the end-customer to pay you.

The issue of required bid bonds and performance bonds is what we've been told customary in the UAE. But the costs for these bonds (and the costs for the bank guarantee!) can be included in the end-customer price.

Please understand that it is up to AGT to determine these prices and the pricing model. We offer AGT the products in standard packages, spare parts and services. But the services can (and hopefully will) be offered by AGT. It's also up to you how you offer the products to your clients.

Would you prefer to change the reseller agreement to Dutch law and the court of The Hague? Please let me know.

Finally we need to have an agreement on the reseller agreement fast. I've received your e-mail message on the requested training before the GITEX and the workshop. Training is mentioned in the reseller agreement, and we can do the sales training (short training) as well. But we need to have the reseller agreement agreed upon, before I can make any definitive commitments. Also for the exhibition in KSA, we don't need to have our own exhibition space, we can be present in your booth as sales support. We will also supply you with marketing material (and the mentioned case) that you can use in your booth!

Kind regards,

Matthijs



Fox-IT BV
Olof Palmestraat 6, Delft
P.O. box 638, 2600 AP Delft
The Netherlands

Tel: +31 (0)15 284 79 99
Fax: +31 (0)15 284 79 90
Email: fox@fox-it.com
Web: www.fox-it.com

no. _____
Chamber of Commerce
Haaglanden no. _____



**DEMO EQUIPMENT MODEL
for the
FORT FOX DATA DIODE**

Classification **CONFIDENTIAL**

Date 28 June 2007
Version 1.0
Author Matthijs van der Wel
Business Unit INT
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Fox-IT
Olof Palmestraat 6, 2616 LM
P.O. box 638, 2600 AP Delft
The Netherlands

Tel.: +31 (0)15 284 79 99
Fax: +31 (0)15 284 79 90
Email: fox@fox-it.com
Web: www.fox-it.com

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no. _____
Chamber of Commerce
Haaglanden no. _____

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Fox-IT B.V.

Olof Palmestraat 6
2616 LM Delft

P.O. box 638
2600 AP Delft

The Netherlands

Phone: +31 (0)15 284 7999
Fax: +31 (0)15 284 7990
Email: fox@fox-it.com
Internet: www.fox-it.com

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1 Document Management

Version management

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This version replaces all previous version of this document. Please destroy all previous copies!

Distribution list

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Review management

Review by	Function	Date	Version

Change management

Version	Date	By	Remarks	Approval

Related documents

Version	Date	Description	Remarks



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2 Model

2.1 Introduction

Fox-IT is well aware that in some cases a successful sale most likely will be preceded by an official test performed by the potential end-customer. Therefore Fox-IT offers her partners the following options to obtain demo equipment for testing purposes by an end-customer.

2.2 Option 1: Demo equipment pool

Fox-IT offers a shared pool of demo equipment for her partners, resellers and direct end-customers. The pool consists of a limited set of demo equipment that can be booked for a specific period per end-customer. Fox-IT controls the shared pool. Reservations for demo equipment can be made at Fox-IT International Sales and Marketing (Mrs. de Boers: +31 15 284 79 17 or boers@fox-it.com). When a reservation request is received, Fox-IT will inform the requesting party as soon as possible when demo equipment is available.

Fox-IT will take care of the quality control and will check demo equipment for any problems as soon as it is received back at Fox-IT HQ in The Netherlands. The costs for sending the equipment to the place of business of the requesting party shall be borne by Fox-IT, the costs for returning the equipment to Fox-IT shall be borne by the requesting party.

Please note that the demo equipment pool offers equipment for a specific period only. After the period ends, it's the responsibility of the partner or reseller to return the equipment to Fox-IT. A rental fee follows if the equipment is not returned to Fox-IT within the agreed upon time.

2.3 Option 2: Demo equipment sale

If a partner or reseller does not want to make use of the demo equipment pool, the partner or reseller can also buy demo equipment at a special demo (discount) price. Please note that the option to buy demo equipment at a special price is for a limited number of equipment per partner or reseller only. Demo equipment cannot be sold to an end-customer without prior written approval from Fox-IT.

2.4 Table

	Option 1	Option 2
Availability	Demo pool	100%
Test period	Defined period only	Unlimited
Ownership	Fox-IT	Partner/reseller
Costs	Handling and shipping returning equipment only	Demo equipment price and one time transport costs
Purchase of equipment	No	Not without prior written approval
After the test period	Equipment must be returned to Fox-IT	Equipment must be returned to the partner or reseller or can be purchased to the end-customer with prior written approval from Fox-IT



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3 ANNEX to the DEMO EQUIPMENT MODEL

Demo Agreement (with Purchase Option)

between

.....
(Partner/Reseller/End-Customer name & address)

.....
- lessee -

and

Fox-IT B.V.
Olof Palmestraat 6
2616 LM Delft
The Netherlands

- lessor -

Annex 1 Equipment

Annex 2 General Terms and Conditions



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3.1 Subject Matter

- 3.1.1 The lessor shall rent out to the lessee the equipment described in Annex 1.
- 3.1.2 The rental period shall be months. The rental period shall begin at the time of delivery of the equipment to the lessee. The intended date is
- 3.1.3 Delivery of the equipment shall be subject to all documents to be furnished by the lessee and all necessary approvals being received in time.
- 3.1.4 Upon delivery, the lessee shall acknowledge receipt of the equipment, that the equipment is complete and that its condition is in conformity with the agreement. In conformity with the agreement is understood to mean that the equipment functions and operates in accordance with the specifications.
- 3.1.5 The lessee shall use the equipment let to him exclusively for ...(end-customer name)..... in(end-customer place).....
- 3.1.6 The lessee shall show the equipment in his books and records as the property of the lessor. The lessee shall immediately notify the lessor of any seizure and attachment and send him a copy of the attachment order. At the same time he shall inform the attaching creditor of the ownership of the lessor.
- 3.1.7 The lessee shall furnish to the lessor all information required for recording and administration of the equipment. The lessee shall grant the lessor the right to check the measures taken by the lessee for compliance with this agreement during normal business hours.
- 3.1.8 Any modifications to the equipment made by the lessee shall be subject to prior written approval by the lessor.
- 3.1.9 Relocation of the equipment to another place than that stated in paragraph 3.1.5 above shall require prior written agreement of the lessor. If the equipment is to be sent abroad, the lessee shall obtain the required approvals and handle the formalities in his own name and on his own account.

3.2 Use of the Equipment, Liability

- 3.2.1 The lessee shall carefully use the equipment, protect the equipment against excessive stress, comply with all legal provisions referring to the possession, use or maintenance of the equipment and follow the instructions of the lessor for maintenance, service and use of the equipment.
- 3.2.2 In the case of a defect, the lessor shall at his cost place the equipment in a condition that is in conformity with the agreement, unless the lessee is responsible for the defect. If the lessor is of the opinion that the equipment has to be dispatched, the lessee shall effect dispatch only by order of the lessor. The lessee furthermore undertakes to have all required measures on the equipment exclusively performed by the lessor, unless the lessor explicitly dispenses the lessee from this obligation in writing.
- 3.2.3 The lessee shall indemnify the lessor against any damages claimed by third parties and resulting from the use of the equipment.
- 3.2.4 The lessee shall be liable to the lessor for loss or destruction of the equipment.

3.2.5 The lessor shall not be liable for damage due to the failure of the equipment. Machine downtimes and the like shall not release the lessee from his obligation to pay to the lessor the rental fee agreed or from any other obligation under this rental agreement. If a substantial damage or defect or considerably reduced performance cannot be remedied within a reasonable period of time, the lessee shall have the right to claim the replacement of the equipment concerned, any further obligations of the lessor being excluded. Should this replacement not be made within a reasonable period of time, the lessee shall have the right to deduct the amount of the rental fee accrued from the time of the failure until successful replacement from the next rental fee payment.

3.3 Costs

3.3.1 The agreed rental fee i.a.w. the desired option is € (EUR), plus the applicable turnover tax, and shall be payable in €, unless a deviating agreement is concluded. The rental fee shall be charged and become due for payment immediately after the rental period as stated in paragraph 3.1.2. Additional services to be charged shall be invoiced separately.

3.3.2 The lessee shall remit the rental fee to the account stated in the invoice.

3.3.3 The costs for sending the equipment to the place of business of the lessee shall be borne by the lessor, the costs for returning the equipment to the lessor shall be borne by the lessee.

3.3.4 The lessee shall bear all charges, contributions, taxes and other fiscal charges levied during the term of the rental agreement as a result of the possession and use of the equipment.

3.3.5 Should the lessee fail to perform the obligations stipulated in paragraph 3.3.4 and 3.5.1, the lessor shall have the right to fulfill the obligations of the lessee. In such case, the additional expenses incurred by the lessor shall become due together with the next rental fee to be paid by the lessee.

3.4 Default in Payment

3.4.1 Should the lessee be in default in payment of the rental fee in whole or in part or in any other payment agreed for more than eight days or not fulfill one or several of the obligations stipulated in this rental agreement, the lessor shall have the right

- to withdraw from this rental agreement or
- to assert his further legal or contractual claims.

3.4.2 In the event of defaulted payment, the lessor shall charge interest on defaulted payment according to UK law.

3.5 Insurance

3.5.1 The lessee shall insure the equipment against all insurable risks at the reinstatement value.

3.5.2 After delivery of the equipment to the lessee, the non-insurable risks and the risks beyond the responsibility of the lessor shall be borne by the lessee. The obligation to pay the rental fee shall not be affected.

3.6 Return of Equipment

3.6.1 The lessee shall return the equipment to the lessor immediately after the end of the rental period. The lessee shall inform the lessor of the intended return in writing 14 days prior to the date of return.



- 3.6.2 Upon return of the equipment, a receipt shall be prepared in which the lessor shall acknowledge that the equipment has been returned in proper and complete condition.
- 3.6.3 Prior to the return, any additional installations or modifications made to the equipment by the lessee shall be removed again at the request of the lessor. Full functionality of the equipment shall be maintained or restored. The lessee shall bear the cost incurred by the lessor for repair works which are necessary in the lessor's expert opinion.
- 3.6.4 Unless otherwise agreed by the parties, the costs of any additional installations or modifications made by the lessee and remaining in the equipment after the expired rental period shall not be reimbursed to the lessee.

3.7 Validity

- 3.7.1 The rental agreement shall end at the date of the signed acknowledgement of the lessor that the equipment has been returned to him in proper condition or upon purchase of the equipment by the lessee or upon purchase of the rental equipment by the lessee.
- 3.7.2 In case of violation of the rental agreement or if substantial circumstances become known which give reason to the assumption that the lessee will not comply with the rental agreement, eg suspension of payments, enforcement measures, bill protests, etc. the lessor shall have the right to claim immediate return of the equipment. If the equipment has not yet been delivered to the lessee, the lessor may withdraw from the contract with immediate effect and retain the rental fee already paid.

3.8 Purchase Option

- 3.8.1 The lessee shall have the right to purchase the equipment after the end of the rental period.
- 3.8.2 The General Terms and Conditions of Fox-IT attached as Annex 2 shall apply to the purchase, subject to the provision that the warranty period shall commence upon this rental agreement becoming effective.

3.9 Miscellaneous

- 3.9.1 The lessee shall without the written approval of the lessor not be allowed to transfer the equipment to a third party for exclusive or predominant use, except for the agreed demo purposes to the potential end-customer as mentioned in paragraph 3.1.5. Should the lessor agree to the transfer of the equipment to a third party, both the lessee and the lessor shall be possessors of the equipment.
- 3.9.2 The lessee may set off the claims asserted by the lessor only upon agreement of the lessor or against counterclaims that are legally enforceable or recognized by the lessor.
- 3.9.3 Should individual provisions of this rental agreement be void for any reason, the remaining provisions of the rental agreement shall not be affected. In such case, the invalid provision shall be deemed replaced or supplemented to reflect the originally intended commercial purpose.
- 3.9.4 The lessee shall undertake to inform third parties of the contents of this rental agreement only if and to the extent necessary for the compliance with the rental agreement.
- 3.9.5 Any amendments and supplements to this rental agreement shall be made in writing to become effective. A waiver of the written form shall also be expressed in writing.
- 3.9.6 The courts of London shall have exclusive jurisdiction. UK law shall be applicable.

.....

Place _____ Date _____

Signature: _____
Name: _____
Title: _____

Signature: _____
Name: _____
Title: _____

FOX-IT B.V.

.....

Place _____ Date _____

Signature: _____
Name: _____
Title: _____

Signature: _____
Name: _____
Title: _____



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ANNEX 1 to the DEMO AGREEMENT: EQUIPMENT

The agreement is valid for the following equipment:

FORT FOX DATA DIODE (FFDD)



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**ANNEX 2 to the DEMO AGREEMENT:
GENERAL TERMS & CONDITIONS (for Purchase option)**



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Commercial Conditions

1. General Terms & Conditions

The quotation or order confirmation is subject to the General Terms and Conditions of FENIT (www.fox-it.com/fenit) as filed at the District Courts of The Hague on June 3, 2003 with filing number 60/2003. It is applicable to all agreements, offers and proposals, except for explicit alterations made in these agreements. If not attached or sent, a copy can be made available on request (without costs). Deviating Terms of Purchase shall apply only insofar as they are confirmed in writing.

Fox-IT B.V. has the following remark additional to the mentioned Terms and Conditions:
Within Fox-IT B.V. it is not allowed to accept unlimited liabilities. All consequential damages such as but not limited to, claims of third parties, damage due to loss of service, loss of profit is excluded. Insuring consequential damages is not possible for commercially acceptable rates.

2. Prices

2.1 General

All prices and fees quoted are firm, fixed, net, **exclusive** VAT and in EURO currency (€). They are only valid for simultaneous order of the system quantities specified.

All prices quoted are net, Ex Works (**Customer**) (**location**), according to the Incoterms 2000, including standard packing, which is also suitable for transportation by sea. Any taxes, charges, freight, custom duties, insurance, or other legal fees which may arise or are imposed or levied by a government or governmental agency are not included and have to be paid by the purchaser.

Travel and accommodation expenses unless otherwise specified and agreed in the contract will be invoiced separately plus 15% administration charge.

Reseller prices are confidential.

2.2 Man Day Rates

The actual man day rate for 8 hours day including 50% of travel hours is **1.610 euros** excluding all other travel expenses, car rental, mobilization and subsistence. All these costs are charged at cost plus 15% administration charge (receipts will be provided except for travel by car which will be charged with report of travel km).

3. Delivery and Time Schedule

The delivery schedule (and on site installation) will be agreed upon.

Ex Works, Incoterms 2000, (**location**), (**country**).

Installation, acceptance and training on the job takes an estimated **3 days** per data diode based on the current information. If you can send us a more technical overview of the requirements and setup, we can give you a more detailed quotation.

4. Acceptance



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The Customer shall carry out the acceptance directly after Fox-IT B.V. indicated the system/equipment is ready for acceptance. If the acceptance is delayed for reasons for which the Supplier is not to blame, the acceptance shall be deemed to be performed.

The acceptance shall also be deemed to be successfully performed if the Customer has put the equipment into operation.

Transfer of risk of goods will be at delivery. Transfer of ownership will be at final payment.

5. Payment and Payment Schedule

Prices are based on following payment scheme and payment within 21 days after invoice date:

- o 100% of total contract price within 21 days after receipt of your order

(equipment is already in your possession)

The licenses and hardware will be invoiced on order or as agreed in the payment schedule.



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