



## **Step-by-step Guide for a potential distributor v.1.0**

Dear Potential Distributor,

KENTAMED Ltd is a small, but fast growing, family-owned company that is based in Plovdiv, Bulgaria. We design, develop and manufacture electrosurgical equipment covering the entire spectrum of electrosurgical applications. Our company has been on the market since 1995 and in 2002 we established relationship with our first international distributor. Since then we have exported our units to more than 40 countries around the globe. We are very flexible in terms of conditions and requirements to our distributors around the world depending on their local market, on their abilities to provide technical support etc. We are confident that we can reach a viable and mutually beneficial agreement with every partner who is willing to invest time and efforts in distributing our products.

So, here are the basic steps that we would like to follow in order to develop our relationship with a distributor and flawlessly arrive at a point where distributorship agreement can be signed.

### **Step 1: Introduction period**

Please write a short (1-3 pages) introduction to your company. The following details are considered essential:

- brief history of your company;
- previous experience in electrosurgery;
- current markets that you operate on;
- size of your company, especially number of sales and technical support employees;
- Level of technical support that you think you will be able to provide (none; basic diagnostic; disassembling and diagnostic of different modules under our guidance, etc);
- Annual turnover. It is really up to you to decide if you would like to reveal this information, but it is vitally important to us. You do not need to be a "big" company in order become our partner;
- what percentage of your total activities/effort/turnover is related to electrosurgery;

Please feel free to add any other details that you think may help us to learn more about your company

**Please request area (territory) for exclusive distribution!**

**Specify all KENTAMED products that you are interested in!**

Please feel free to ask any questions or request additional information.



## **Step 2: Trial period**

If after the Introduction period both your company and KENTAMED Ltd decide to work toward potential partnership you will be required to purchase demo units of all models that are interesting to you. Then you will be granted market protection over a territory as close as possible in shape and borders to the requested one for a period of **6 months**.

During this time you will receive our support, as much as you require it, in order to achieve proper training of sales and technical personnel as well as to facilitate any demands of perspective customers.

By the end of this trial period we must clarify the following:

- finalize the territory – countries and regions
- agree on mandatory annual level of sales in order to maintain exclusive rights over the territory
- Technical support method. Here are some possible options: (1) Full maintenance and repair service down to a module (board) at your facility with remote guidance by KENTAMED (emails, Skype, Service Manuals, etc); (2) Basic diagnostic without disassembling at your facility and shipping the units to KENTAMED for repair. Please have in mind that any arrangement is possible but the Technical support method will have an impact on the prices
- shared transportation cost in case of a service event within the warranty period
- Any other important issues that are relevant and essential for a potential Distributorship agreement

If your company needs to register the demo units due to local legislation requirements you will be responsible for that and KENTAMED cannot cover any costs related to the registration. If the registration is on the name of the distributor (not the manufacturer) it cannot be done during the trial period and you will have to find the way to import the demo units as for “clinical trial and testing”

The trial period does not need to be extended to six months if the above mentioned points are clarified and both your company and KENTAMED Ltd. feel ready to sign a “Distributorship agreement”



***KENTAMED Ltd.***

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### **Step 3: Beginning of exclusive distributorship**

This starts with signing the "Distributorship Agreement". If you operate in a country where products must be registered on the name of the distributor, this is the first thing that needs to be done after signing the agreement. Once again, KENTAMED cannot cover any costs related to registration of the products unless otherwise specified in our Agreement.

In general, after becoming our distributor we will expect you to place orders according to the Agreement, to give us constant market feedback and to strictly take care of all responsibilities assigned to you by the agreement.

### **Step 4: Non-binding distributorship**

If you decide **not** to enter into a "Distributorship Agreement", you still can order our products according to our pricelist as well as to our General Terms and Conditions. In this case KENTAMED Ltd. will not be able to grant any market protection and will retain the right to discontinue supplying you with products if later other company enters into a "Distributorship Agreement" covering the territory on which you operate.