



Concept of

Sales and Service Support Agreement

at Sanet Trade and Services Co. Ltd.

Bangkok, January 01, 2021

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1 Supporting Services by a dedicated servicing business unit (BU)

The servicing business unit (BU) is a **department within the Sanet Trade & Services** organization focused on servicing specific products or even principals.

Sanet Trade & Services as a Thai owned licensed entity under Thai law offers a cost-efficient **contractual service** to its clients by creating sales opportunities, publicizing its products, and providing technical consulting and other supporting services to be agreed on a case-to-case base in Thailand and/or for ASEAN.

The servicing business unit is executed by Sanet through a dedicated and focused expert or a team of experts taking exclusively care of the principal's interests and prospects located in the Thai or ASEAN market.

2 Legal Set-up

The Business Unit is based on a **Sales Support and Service Agreement** between *Sanet Trade and Services Co. Ltd.* (STS) as a Thai Private Limited Company and its Principal using Sanet services to. Through dedicated business units, STS represents its clients in the Thai and/or ASEAN market by providing supporting business services as well as technical services.

Please note that **neither** Sanet **nor** our employees assigned to a business unit are **permitted to enter into sales or other contracts** on behalf of or clients. If our team will realize a business opportunity for you, we will for sure inform you in detail.

3 Characteristics of the Business Unit

3.1 Exclusively service manager or team

While **other importers or distributors** mostly request a high margin or commission for supporting sales activities and providing technical or administrative services to their clients, the services or business unit (BU) is strictly based on a transparent budgeted or fixed service fee.

We provide our services in clear communication about its content with our clients, and we try to conduct the services as cost-efficient as possible. Therefore, we jointly estimate our expenses and cost jointly with our client.

Our client in return, gives us some security that we will not run into losses when the service requires more staff and expenses as foreseen or budgeted.

Depending on an individual agreement, our client provides us this security by either reimbursement directly selected monthly cost or reimburses proven expenses exceeding jointly budgeted amounts.

This is an excellent system and we help our clients to get intensive market respond and market experience about our clients' products and services.

After an initial period of usually 3 years, our client may continue or terminate our service and **start his own sales and service** with support or the **Thailand Board of Investment (BOI)** or even within a **Joint Venture with Thai partners** he might have met during the time he was represented by Sanet.

A unique feature of the Business Unit is in the fact that we do not sell your products through a standard team of salespeople and technicians who perform the same service for several other customers in parallel.

- Instead, we assign each employee, many of whom we have to recruit specifically for you, to exclusively provide the service of just one single range of products, or even one special Principal. Therefore, only for you alone as our contractual client, they show full commitment to their tasks and duties.

In doing so, we **rely on your professional support** and, if necessary, special product trainings for us and our team members. Should you later decide to set up your own entity, we are generally open to allowing our employee to join.

3.2 Cost Efficiency, Transparency and Stability

The particular advantage of this set-up is cost transparency, efficiency und stabile. The client is supported by an experienced Thai service and marketing company, which however works without standardized sales margins, instead with a disclosed cost and profit structure following the example of the automotive or construction industry.

Typically, the calculated fees are calculated from (see Chapter 5):

- Cost of management and overhead of the services described below
- Cost of infrastructure and administrative tasks
- Budgeted cost, such as expenses, travel cost, or even personnel cost

which will be transparently totalized in the “**Budgeted Support Fee**”.

3.3 Standard Included Services

Typically, the Business Unit includes one or more of the following services, which may be modified contractually on a case-by-case basis and organized by the management or an assigned Experts or head of the servicing business Unit.

- Publicizing the Principal's products and services and introducing them to existing or new clients
- Creating sales opportunities for the principal in Thailand and ASEAN
- Servicing and developing existing or acquiring new customer relationship
- Consult and support existing distributors.
- On request: Initiate, survey, and support order processing in Thailand
- Provide technical pre-sales and after sales services.
- Other services as to be agreed
- Under Business Unit PLUS concept, STS also imports and trades spare parts and other goods, or invoices vices directly to the Principal's customers. Not yet implemented.

4 Fees and Reimbursements

As mentioned above, Sanet plays with “open calculation” to its clients. The budgeted cost of a servicing business unit depends by a high degree on the expertise and remuneration of the employees to be hired and lead by the Sanet Management Executives, the tasks to be assigned, special infrastructure to be provided and the administrative overhead.

While personnel costs are different on a case-to-case base and may strongly vary due to the qualifications needed, infrastructure, territory and overhead are relatively foreseeable. Therefore, to calculate the monthly fee, Sanet offers a “**Budgeted Support Fee**” including all cost except travel and service-related cost and paid-outs. *

Please contact info@sanet.co.th for detailed information

5 Special Cost Reimbursements

The following expenditures of the BU are not foreseeable in detail and, therefore, not included in the Budgeted Support Fee and will be charged separately:

- **Paid-outs** and **direct expenses** of the BU, e.g., for travel cost per km/or allowances, entertainment, special equipment for servicing employees, mobile phone expenses, handling of custom and transportation (e.g. for samples), additional agreed commissions, special staff incentives and benefits are transparently reported and re-imbursed on a 1:1 cost base. We will report comprehensively about cost and expenses accrued and not being included in the budgeted or fixed fee.

** In special cases, so if personnel cost is foreseeably volatil, a “Fixed Service Fee” may be agreed, where the “Principal” reimburses personnel cost separately as incurred.*

March 1. 2021