

MEMORANDUM OF UNDERSTANDING

(MOU to be printed on Rs.100 stamp paper)

This Memorandum of Understanding made on the _____ at Bangalore by and between M/s. _____, a Company registered under Companies Act, 1956/_____ having its registered office at, _____ represented by its Mr. _____ herein after referred to _____, which expression unless repugnant to the context shall mean and include its successor in office, administrators and assigns of the one part and M/s. **Karnataka State Electronics Development Corporation Limited**, a company registered under Companies Act 1956 having its registered office at No.29/1, Race Course Road, Bangalore 560001, and represented by Sri.M.K.Srinivas,Manager(Commercial) hereinafter referred to as KEONICS which expression unless repugnant to the context shall mean and include its successor in office, administrators and assigns.

WHEREAS _____ is in the business of _____ .

AND WHEREAS, KEONICS is engaged in the activities of training in IT and marketing of IT & IT related products and solutions.

AND WHEREAS _____ and KEONICS recognize the necessity to Synergies and mutually co-operate to expand business and having decided to work together, and are desirous of entering into a MOU to sell and market, the above mentioned products and other related services for other Government Departments and is hereby agreed by and between the parties hereto as follows.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto, intending, to be legally bound, agree as follows:

1. KEONICS will confer the status of a preferred outsourcing partner to _____ for the requirements of development of Software products and solutions, IT consulting & training in the area _____
2. All pricing policies pertaining to the scope of work will be decided by _____ and made known to KEONICS and the total price to be quoted to the customers by KEONICS will be decided mutually between _____ and KEONICS. The average margin for each contract to KEONICS will be on a case-to-case basis.
3. _____ and KEONICS shall jointly draw marketing strategies
4. _____ will provide complete technical and commercial conditions and most competitive pricing to KEONICS

5. The brochure and technical presentations shall be created by _____ and front ended by KEONICS to the customers along with its representatives, if required. _____ shall provide full back up with regard to technical and commercial proposals
6. _____ shall provide all relevant technical information as sought by the end user and if need be depute its technical personnel for client discussion, along with KEONICS officials.
7. KEONICS and _____ shall exchange relevant information on the relevant business activities on a monthly basis in a transparent manner.
8. _____ will train KEONICS engineers to provide first level of support for the sale of PRODUCT Information without any cost to the KEONICS.
9. Both _____ and KEONICS may modify this MOU based on a mutual understanding. Such understanding shall always be in writing, signed by both parties
10. KEONICS shall be the leader in case of submitting bid and the _____ shall be consortium partner.
11. Involvement of KEONICS shall be limited to taking overall responsibility for the project as main contractor. However, the detailed agreement in terms of this MOU shall be entered into between _____ and KEONICS clearly defining the scope of work after award of contract by Client to KEONICS.
12. Based on the requirements / bid enquiry of Client, _____ shall submit competitive prices to KEONICS to enable submission of competitive bid by KEONICS. In case of subsequent negotiations necessitating reduction in price by KEONICS as Main Contractor, _____ and KEONICS will jointly work and provide revised offer with mutual consent.
13. _____ shall if so required by KEONICS shall depute the personnel for discussion with the Client during pre-tendering and post – tendering stage on the bid submitted
14. In case of an award of Contract by the Client to KEONICS, KEONICS shall place order on _____ clearly defining the scope of work and terms and conditions as agreed between the Client and KEONICS i.e., on a back-to-back basis. This scope of work would not, in principle, alter the pricing policy and margins agreed upon by _____ and KEONICS mentioned in Clause 2.
15. Payments to _____ by KEONICS shall be decided on a case to case basis. _____ will incorporate the details of the payment terms and schedule in each proposal, taking into consideration the execution strategy and model used to provide that particular solution.

16. In case any Earnest Money deposit or Bank Guarantee required by the prospect / tenderer as per requirement of Tender document, KEONICS will arrange the same. _____ will arrange performance /Security guarantee in respect of products delivered/installed during warranty period to KEONICS in the form of Bank Guarantee/Security Deposit to the extent as specified in the tender.
17. _____ undertakes to deliver products in accordance with terms and conditions of the contract of the end customer such as general requirements, commercial requirements, quality requirements, technical requirements pre-agreed in writing by _____ with KEONICS and _____ shall indemnify KEONICS for any loss or damage caused to KEONICS as a result of any material breach by _____ of any of the terms and conditions of the contract and MOU. _____ shall also provide installation documentation and training etc. In other words, _____ would support KEONICS on a back to back basis as per the terms of the contract of the end users. However, and notwithstanding to anything containing above and else in the MOU, _____ shall be responsible only to the extent of it warranties and the damages, if any, shall be restricted to the contract value.
18. If any dispute or difference of any kind whatsoever where to arise between _____ and authorized executing officer of KEONICS, _____ may approach the Managing Director of KEONICS.
19. Communication between _____ and KEONICS will be in English or Kannada in the form of writing or e-mails. In case of dispute or difference or any violation of this MOU, shall be subject to the Law Courts at Bangalore only.
20. The Term of the Memorandum of Understanding here under (the “TERM”) shall, commence from _____ to 31/03/2010 and renewed thereafter on payment of Rs 25,000/- for another two years unless either party gives in writing at least Thirty (30) days prior notice of termination.
21. _____ and KEONICS agree to exercise reasonable care to safeguard interest of each other to maintain confidentiality, Proprietary information and to prevent the unauthorized use or disclosure thereof by them or any other person.
22. Any copies or reproductions of the Proprietary information shall bear the patent; copyright, trademark or priority notices containing the original.
23. Upon termination of this Agreement, _____ and KEONICS shall return to each other any and all proprietary information (including any copies or reproductions thereof) in their possession or control and shall cease to use any such proprietary information.

24. _____ and KEONICS shall inform each other in writing if they learn of any unauthorized use of disclosure of proprietary information by any current or formal consultant / personnel or any other third party.
25. If any provisions of this agreement are determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this agreement.
26. KEONICS shall identify and communicate in writing, their authorized representative for operational co-ordination. Any communications on operations including proposals, and contracts, support shall be considered good and valid when communicated and accepted by the authorized representatives.
27. This Memorandum of Understanding constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written negotiations, representations, commitments, writing and all other communications between the parties if not released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representatives of each of the parties.

IN WITNESS WHEREOF the parties hereto have executed this MOU as of the date set forth above

For _____

**For Karnataka State Electronics
Development Corporation**

Keonics Representative

Witness

1.

2.

Witness

1.

2.

ADDENDUM TO INVITATION FOR EOI FOR SIGNING MOU

KEONICS has decided to levy a one time non-refundable Registration Fee of Rs. 1.00 lakh (Rupees One lakh only) from MOU Partners who have signed the MOU from 1st April, 2008. The MOU executed from 1.4.2008 will be valid for a period of two years i.e., up to 31.3.2010. Any further extension with mutual consent will be charged a renewal fee of Rs. 25,000/- (Rupees Twenty five thousand only) for further block period of two years.

Those who have already executed MOU from 1st April, 2008 are requested to remit Rs. 1.00 lakh by Demand Draft in favour of KEONICS before 30th April, 2008. Those who have submitted their papers for signing MOU are required to pay the fees before entering into MOU.