

DISTRIBUTION AGREEMENT

THIS AGREEMENT is made on the
year]

BETWEEN:

[Insert name and address of the o
Principal")

AND

[Insert name and address of the o
Distributor")

WHEREBY IT IS AGREED as follows

1. Definitions

1.1 "Products" shall mean those p

1.2 "Territory" shall mean those a

1.3 "Trade Mark" shall mean those
Schedule 3.

2. Terms Of Distribution

2.1 The Principal hereby grants th
non-exclusive]

licence to distribute and sell in the
Trade Mark during the continuance

2.2 The Distributor shall purchase
packaged from the Principal (or an

2.3 The price for the sale of the Pr
shall be set by the Distributor who

2.4 Nothing in the Agreement sha
between the parties.

2.5 This Agreement or any rights or obligations hereunder shall not be assigned or transferred by either party without the written consent of the other party.

3. Contract Period

This Agreement shall remain in force for the period specified in the *agreement, e.g. 12 months*] from the date of signing thereof and thereafter unless or until terminated by either party. In the event of termination, notice shall be given in writing, such notice to expire at the end of the Agreement or any time thereafter.

4. Responsibilities

4.1 The Distributor shall during the term of this Agreement and faithfully serve the Principal as its sole agent and in its best endeavours to improve the goods and services.

4.2 The Principal warrants that he/she/it shall supply the Distributor and that where such goods or services are defective, the Principal will replace these at no cost to the Distributor.

4.3 The Principal reserves the right to modify the form or function of the Products without prior notice but shall notify the Distributor of such modification in the form or function of the Products obtained by the Distributor. The Distributor shall have the right to vary or cancel any order within a reasonable period of receipt of such notification. The Distributor shall cancel such order within *[Specify period]*.

4.4 The Distributor shall not be entitled to a refund or credit by the supply of Products not conforming to the specifications or modifications aforementioned. No interest shall be payable to the Distributor on any amount due in respect of modification.

4.5 The Distributor undertakes not to supply any other Products contrary to their supply by the Principal without the prior written consent of the Principal.

4.6 The Distributor shall at all times maintain sufficient stock to carry at least *[Specify amount of stock, e.g. one month's supply]* of the Products to enable the Distributor to meet any

Distributor shall supply reports every *month or quarter*] to the Principal for the Products.

4.7 The Distributor shall at all times maintain sufficient staff to sell, distribute the Products throughout the Territory.

4.8 The Distributor shall during the continuance of this Agreement supply the Principal with monthly reports on the 10th day of each month as to the sales of the Products in the previous calendar month together with other information as the Principal may require.

4.9 The Distributor undertakes to sell the Products as specified to the Distributor *[Specify how often sales targets will be set]*.

4.10 During the continuance of this Agreement the Distributor shall not manufacture, sell or import into the Territory the Products and shall not be involved in such manufacture sale or import.

4.11 The Distributor will ensure that it complies with all regulations and statutory requirements applicable in the Territory from time to time.

4.12 During the continuance of this Agreement the Distributor shall refer all enquiries received by it for the sale of the Products to the Principal. The Distributor shall also refer all enquiries received by it for the Territory to the Principal.

4.13 During the continuance of this Agreement the Distributor shall not sell the Products outside the Territory or export the Products from the Territory without the written consent of the Principal.

4.14 Unless otherwise agreed by the Principal the Distributor shall bear the cost of advertising and sales promotion for the Products.

4.15 The Distributor shall conform to all laws and regulations applicable to the sale of the Products in the Territory. The Distributor must obtain all necessary permits, licenses, and approvals for advertising, sales promotion, and distribution of the Products.

4.16 The cost of all merchandising Products shall be borne by the Distributor. If the Principal is obliged to replace or

4.17 Neither party shall enter into contracts, agreements or engagements that create a warranty or incur any liabilities on the other party or otherwise bind or oblige the other

5. Intellectual Property

5.1 The Principal grants to the Distributor a free licence to use its logo trade mark in accordance with Schedule 3 of this Agreement subject to the following conditions:

5.2 The Trade Mark shall not be used in any form without registration of the Trade Mark and shall not be used by third parties or registered as a trade or brand names, registered or unregistered, without the prior consent of the Principal.

5.3 The Distributor shall notify the Principal of the Territory of its Trade Mark. At the Principal's request, the Distributor shall take part in or give assistance in registering the Trade Mark in any documents and take any action to protect the Trade Mark in the Territory.

5.4 On expiry of this Agreement all rights in the Trade Mark shall expire and the Distributor agrees to return to the Principal all intellectual property.

6. Confidentiality

6.1 Both parties shall keep confidential and all information relating to the business of the other party save to such employees or agents of the other party as are necessary for the purposes of performing this Agreement, that all information in relation to the business of the other party for a period of *[Specify period of confidentiality]* after the expiry of this Agreement, except where such disclosure is required by order of a Court in the jurisdiction of England and Wales.

6.2 The parties further agree that any information disclosed in confidence and reasonably judged to constitute confidential information at any time during or after the expiry of this Agreement shall remain confidential

disclosure is required by Law or by England. Confidential information necessarily be limited to: Technical Marketing or Promotional informat

7. Force Majeure

Neither parties shall be liable for d under this Agreement if the delay beyond its reasonable control, incl civil disorder or industrial disputes period of at least [*Specify period*, force majeure shall be entitled to t to the other.

8. Termination

8.1 This Agreement may be termi right or remedy either party may h performance of this Agreement if a

8.1.1 Either party commits a seri persistent breaches of this Agreem performance, default or neglect of and such breach remains un-reme *days*] after notice of such breach h

8.1.2 Where the conduct of the Di detrimental effect upon the Princip

8.1.3 Either party is unable or has debts, the amounts or aggregate a bankruptcy level within the meanin a compromise for the benefit or th subject to an Administration Order of any of its property or assets app carry on business.

8.1.4 Where the Distributor comm

8.2 Such termination will take plac the other party and without prejud against the other for any breach c termination or which gave rise to t

8.3 Upon termination of this Agreement shall at the request of the Principal documentation in his possession of Principals business activities and a

8.4 Upon such termination the Distributor shall back all the Products falling within Distributor shall (if so required) supply Distributors customers for the Product

8.5 Upon termination the Products damaged or deteriorated or defective Product has a shelf life, more than destroyed forthwith by the Distributor authorised representative of the Principal

8.6 Upon termination the Distributor Trade Mark in any way whatsoever assign to the Principal free of charge relating to the marketing and/or distribution execute all documents and do all things enjoy the benefit of the said permission

9. Notices

9.1 Any notice given by any of the parties by personal delivery, pre-paid recorded facsimile transmission to the recipient Agreement or such subsequent amendments each other.

9.2 Any such notices shall be deemed

9.2.1 In the case of service by pre-paid forty-eight hours after posting.

9.2.2 In the case of service by teleworking day.

10. General

10.1 IT IS HEREBY DECLARED that and clauses of this Agreement shall each other. Should any part of this

paragraphs or clauses be found in
paragraphs, sub paragraphs and c

10.2 The Schedules to this Agreeer

10.3 Failure by either party to enf
Agreement is not to be taken as o
unless the waiving party acknowle

10.4 No addition to or modification
binding on the parties unless made
this Agreement or their duly autho

10.5 This Agreement sets out the
parties and is in substitution of any
between the parties.

10.6 Reference to any Statutory P
Statutory Provisions, which amend

11. Jurisdiction

This Agreement shall be construed
shall be subject to the exclusive ju

IN WITNESS of which the parties h
and year first above written.

[Insert principal name]
[Insert name or person signing on
[Insert their position]

Signature: _____

[Insert distributor name]
[Insert name or person signing on
[Insert their position]

Signature: _____



Schedule 1

Products

The Distributor will market, promote and sell the following products:

[Provide a full list of products]

Schedule 2

Territory

The geographical area of the customer's territory is:

[Insert territory, e.g. UK, Europe, etc.]

Schedule 3

Trade Marks

Product Trade Marks licensed to the Distributor are:

[Provide a full list of trade marks]

Schedule 4

Buy-Back of Products on Termination

The Principal will buy-back the following products on termination of this agreement:

[Provide a full list of products that the Principal will buy-back on termination of the agreement]

EXAMPLE AGREEMENT

DISTRIBUTION AGREEMENT

THIS AGREEMENT is made on the

BETWEEN:

Acme Digital Partners, 45 Dove
Principal")

AND

Precision Delta Spindles, 89 Flo
Distributor")

WHEREBY IT IS AGREED as follows

1. Definitions

1.1 "Products" shall mean those p

1.2 "Territory" shall mean those a

1.3 "Trade Mark" shall mean those
Schedule 3.

2. Terms Of Distribution

2.1 The Principal hereby grants th
and sell in the Territory the Produc
the continuance of this Agreement

2.2 The Distributor shall purchase
packaged from the Principal (or an

2.3 The price for the sale of the Pr
shall be set by the Distributor who

2.4 Nothing in the Agreement sha
between the parties.

2.5 This Agreement or any rights (including the right to assign or transfer) shall not be assigned or transferred by either party without the prior written consent of the other party.

3. Contract Period

This Agreement shall remain in force from the date of signature by the parties and shall terminate if either party giving the other not less than 30 days such notice to expire at the end of the term of the Agreement thereafter.

4. Responsibilities

4.1 The Distributor shall during the term of the Agreement and faithfully serve the Principal as its sole agent and in its best endeavours to improve the goods and services.

4.2 The Principal warrants that he/she/it shall supply the Distributor and that where such goods or services are defective the Principal will replace these at no cost to the Distributor.

4.3 The Principal reserves the right to vary or cancel any order without prior notice but shall notify the Distributor in writing of the form or function of the Products to be supplied as obtained by the Distributor. The Distributor shall have the right to vary or cancel any order within 30 days of receipt of such notification. The Distributor shall cancel any order within **30 days**.

4.4 The Distributor shall not be entitled to a refund or credit if not met by the supply of Products not conforming to the specifications and modifications aforementioned. No interest shall be payable to the Distributor on any order modification.

4.5 The Distributor undertakes not to supply any other Products contrary to their supply by the Principal without prior written consent.

4.6 The Distributor shall at all times maintain a minimum stock carry at least **3 months** stock of the Products to be supplied to the Principal received without undue delay. The Distributor shall advise the Principal **1 month** to the Principal as to stock levels.

4.7 The Distributor shall at all times maintain sufficient staff to sell, distribute and promote the Products throughout the Territory.

4.8 The Distributor shall during the term of this Agreement submit to the Principal with monthly reports on the sales of the Products made of the Products in the Territory together with such other related material as the Principal may reasonably require.

4.9 The Distributor undertakes to sell the Products as specified to the Distributor in each **quarter**.

4.10 During the continuance of the term of this Agreement the Distributor shall manufacture, sell or import into the Territory the Products and shall not be involved in any other such manufacture sale or import.

4.11 The Distributor will ensure that it complies with all regulations and statutory requirements applicable to the Territory from time to time.

4.12 During the continuance of the term of this Agreement the Distributor shall refer all enquiries received by it for the sale of the Products in the Territory to the Principal.

4.13 During the continuance of the term of this Agreement the Distributor shall not export the Products outside the Territory or import the Products from the Territory without the prior written consent of the Principal.

4.14 Unless otherwise agreed by the Principal the Distributor shall bear the cost of advertising and sales promotion for the Products.

4.15 The Distributor shall conform to all applicable laws and regulations of the Principal. The Distributor must obtain the Principal's prior written consent for all advertisements, sales promotion, and other marketing activities for the Products.

4.16 The cost of all merchandising and promotional material for the Products shall be borne by the Distributor. The Principal is obliged to replace the

4.17 Neither party shall enter into contracts, agreements or engagements, warranties or incur any liabilities or otherwise bind or oblige the other

5. Intellectual Property

5.1 The Principal grants to the Distributor free licence to use its logo trade mark in accordance with Schedule 3 of this Agreement subject to the following conditions:

5.2 The Trade Mark shall not be used in a manner that is likely to cause confusion with the registration of the Trade Mark and shall not be used by third parties or registered as a trade or brand names, registered or unregistered, without the prior consent of the Principal.

5.3 The Distributor shall notify the Principal of the Territory of its Trade Mark. At the Principal's request, the Distributor shall take part in or give assistance in registering the Trade Mark in any documents and take any action to protect the Trade Mark in the Territory.

5.4 On expiry of this Agreement all rights in the Trade Mark shall expire and the Distributor agrees to return to the Principal all intellectual property.

6. Confidentiality

6.1 Both parties shall keep confidential and all information relating to the business of the other party save to such employees or agents of the party as are necessary for the purposes of performance of the Agreement, and that all information in relation to the Agreement shall remain confidential for a period of **2 years** after the expiry of the Agreement, unless disclosure is required by Law or by the courts of England.

6.2 The parties further agree that information which is confidential and reasonably judged to constitute a trade secret at any time during or after the expiry of the Agreement, unless disclosure is required by Law or by the courts of England. Confidential information shall not necessarily be limited to: Technical information, Marketing or Promotional information

7. Force Majeure

Neither parties shall be liable for delay or non-performance under this Agreement if the delay or non-performance is beyond its reasonable control, including but not limited to civil disorder or industrial disputes. If the delay or non-performance period of at least **90 days** the party shall be entitled to terminate this Agreement.

8. Termination

8.1 This Agreement may be terminated if either party fails to perform its right or remedy either party may have in respect of the performance of this Agreement if a breach of this Agreement has occurred.

8.1.1 Either party commits a serious or persistent breach of this Agreement, including but not limited to performance, default or neglect of duty, and such breach remains un-remedied after a written notice has been given by the non-defaulting party.

8.1.2 Where the conduct of the Distributor has a detrimental effect upon the Principal's business.

8.1.3 Either party is unable or has become insolvent, or has debts, the amounts or aggregate amount of which are at or near bankruptcy level within the meaning of the law, or has made a compromise for the benefit or the benefit of its creditors, or is subject to an Administration Order or a similar order, or has ceased to carry on business.

8.1.4 Where the Distributor commits a breach of this Agreement.

8.2 Such termination will take place from the date of the termination of the other party and without prejudice to the rights of either party against the other for any breach of this Agreement or which gave rise to the termination.

8.3 Upon termination of this Agreement the Distributor shall at the request of the Principal provide all the necessary documentation in his possession or control relating to the Principal's business activities and a full and complete account of the same.

8.4 Upon such termination the Distributor shall return back all the Products falling within the scope of this Agreement.

Distributor shall (if so required) supply the Products to the Distributors customers for the Product.

8.5 Upon termination the Products damaged or deteriorated or defective Product has a shelf life, more than destroyed forthwith by the Distributor authorised representative of the Principal.

8.6 Upon termination the Distributor shall not use the Trade Mark in any way whatsoever and shall assign to the Principal free of charge all rights relating to the marketing and/or distribution of the Product and execute all documents and do all things necessary to enjoy the benefit of the said permission.

9. Notices

9.1 Any notice given by any of the parties shall be given by personal delivery, pre-paid recorded delivery, facsimile transmission to the recipient's address in the Agreement or such subsequent address as may be notified to each other.

9.2 Any such notices shall be deemed to have been received as follows:

9.2.1 In the case of service by pre-paid recorded delivery, forty-eight hours after posting.

9.2.2 In the case of service by telefax, twenty-four hours on a working day.

10. General

10.1 IT IS HEREBY DECLARED that the Parties intend that all the provisions and clauses of this Agreement shall be binding on and enforceable against each other. Should any part of this Agreement or any of its paragraphs or clauses be found invalid, unenforceable or illegal, the remaining paragraphs, sub paragraphs and clauses shall remain in full force and effect.

10.2 The Schedules to this Agreement shall form an integral part of this Agreement.

10.3 Failure by either party to enforce any provision of this Agreement is not to be taken as an intention to waive that provision unless the waiving party acknowledges in writing its intention to do so.

Schedule 1

Products

The Distributor will market, promote and sell the following products:

Precision G-Force Spindle series

Schedule 2

Territory

The geographical area of the customer's operations is:

North America.

Schedule 3

Trade Marks

Product Trade Marks licensed to the Distributor are:

G-Force Spindles.

Schedule 4

Buy-Back of Products on Termination

The Principal will buy-back the following products on the termination of this agreement:

Precision G-Force Spindle series and spares.