

47-Distribution Agreement: Sets terms for product distribution channels.

Distribution Agreement

Effective Date: [Date]

Between:

Supplier: [Supplier's Full Name or Company Name], located at [Supplier's Address].

Distributor: [Distributor's Full Name or Company Name], located at [Distributor's Address].

1. Appointment of Distributor

- **1.1 Exclusive/Non-Exclusive Appointment:** The Supplier hereby appoints the Distributor as its [exclusive/non-exclusive] distributor for the sale and distribution of the following products (the "Products"):
 - [List of products to be distributed]
 - Product descriptions are detailed in Exhibit A (attached).
 - **1.2 Territory:** The Distributor is authorized to distribute the Products in the following geographic area (the "Territory"):
 - [Specify the Territory, e.g., regions, countries, or global rights].
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2. Term of Agreement

- **2.1 Initial Term:** This Agreement shall commence on the Effective Date and remain in effect for a period of [Number] years, unless terminated earlier as provided herein.
 - **2.2 Renewal:** Upon expiration of the Initial Term, this Agreement may be renewed for successive [Number] year periods upon mutual agreement in writing by both parties.
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3. Obligations of the Distributor

- **3.1 Sales Efforts:** The Distributor agrees to use its best efforts to promote, market, and sell the Products in the Territory.
- **3.2 Minimum Purchase Requirements:** The Distributor agrees to purchase at least [Number] units of the Products per [time period], as outlined in Exhibit B (attached). Failure to meet these minimum purchase requirements may result in the termination of this Agreement.

- **3.3 Marketing and Promotion:** The Distributor agrees to bear all costs related to the marketing and promotion of the Products, including but not limited to advertising, trade shows, and customer support, unless otherwise agreed in writing.
 - **3.4 Reporting:** The Distributor shall provide the Supplier with regular sales reports, including information about sales volume, market conditions, and customer feedback, on a [monthly/quarterly] basis.
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4. Obligations of the Supplier

- **4.1 Supply of Products:** The Supplier agrees to supply the Products to the Distributor in accordance with the terms of this Agreement. The Supplier shall ensure that the Products meet the agreed specifications and quality standards.
 - **4.2 Product Availability:** The Supplier agrees to use reasonable efforts to maintain sufficient inventory of the Products to meet the Distributor's orders.
 - **4.3 Support:** The Supplier agrees to provide the Distributor with marketing materials, product information, and any necessary training related to the Products.
 - **4.4 Warranties:** The Supplier warrants that the Products will be free from defects in materials and workmanship for a period of [warranty period], as further described in Exhibit C.
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5. Pricing and Payment Terms

- **5.1 Product Pricing:** The Distributor agrees to purchase the Products at the prices set forth in Exhibit D (attached). The Supplier reserves the right to adjust the pricing with [Number] days' prior written notice to the Distributor.
 - **5.2 Payment Terms:** Payments for Products shall be made by the Distributor within [Number] days of receiving the Supplier's invoice, unless otherwise agreed in writing.
 - **5.3 Late Payments:** Any payments not made within the agreed timeframe shall incur interest at a rate of [Interest Rate]% per annum.
 - **5.4 Currency:** All payments under this Agreement shall be made in [Currency, e.g., USD, EUR].
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6. Delivery and Risk of Loss

- **6.1 Delivery Terms:** The Products shall be delivered [Shipping Term, e.g., FOB, CIF] to the Distributor's designated location.
- **6.2 Risk of Loss:** The risk of loss or damage to the Products shall pass to the Distributor upon delivery to the shipping carrier or at the point specified in the shipping terms.
- **6.3 Delivery Schedule:** The Supplier shall deliver the Products to the Distributor in accordance with the delivery schedule outlined in Exhibit E (attached).

7. Intellectual Property Rights

- **7.1 Ownership:** The Supplier retains all right, title, and interest in and to the trademarks, trade names, logos, copyrights, patents, and other intellectual property related to the Products (the "Intellectual Property").
- **7.2 License:** The Supplier grants the Distributor a limited, non-exclusive, non-transferable license to use the Supplier's Intellectual Property solely for the purpose of marketing and selling the Products in the Territory.
- **7.3 No Transfer of Ownership:** This Agreement does not transfer any ownership rights in the Intellectual Property to the Distributor.

8. Confidentiality

- **8.1 Confidential Information:** Each party agrees to keep confidential any proprietary or sensitive information disclosed by the other party during the term of this Agreement, including but not limited to pricing, business strategies, customer lists, and technical information.
- **8.2 Duration of Confidentiality:** The obligations of confidentiality shall remain in effect for a period of [Number] years after the termination or expiration of this Agreement.

9. Termination

- **9.1 Termination for Convenience:** Either party may terminate this Agreement for any reason by providing [Number] days' written notice to the other party.
- **9.2 Termination for Breach:** Either party may terminate this Agreement for material breach by the other party, provided the breaching party fails to cure the breach within [Number] days after receiving written notice of the breach.
- **9.3 Effect of Termination:** Upon termination, the Distributor shall cease all sales and marketing of the Products and return or destroy any marketing materials provided by the Supplier. The Supplier shall fulfill any outstanding orders placed by the Distributor prior to termination.

10. Indemnification

- **10.1 Supplier's Indemnification:** The Supplier agrees to indemnify and hold harmless the Distributor from any claims, damages, or liabilities arising out of:
 - a. Defects in the Products.
 - b. Infringement of third-party intellectual property rights by the Products.

- **10.2 Distributor's Indemnification:** The Distributor agrees to indemnify and hold harmless the Supplier from any claims, damages, or liabilities arising out of:
 - a. The Distributor's breach of this Agreement.
 - b. Any representations or warranties made by the Distributor about the Products that are not authorized by the Supplier.
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11. Governing Law and Dispute Resolution

- **11.1 Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of **[State]**, without regard to its conflict of law principles.
 - **11.2 Dispute Resolution:** Any disputes arising under or related to this Agreement shall first be submitted to mediation. If mediation is unsuccessful, the dispute shall be resolved through binding arbitration in accordance with the rules of [Arbitration Organization] in [Jurisdiction].
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12. Miscellaneous Provisions

- **12.1 Entire Agreement:** This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements or understandings, whether written or oral.
 - **12.2 Amendments:** Any amendments to this Agreement must be made in writing and signed by both parties.
 - **12.3 Severability:** If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.
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13. Signatures

By signing below, the parties acknowledge that they have read and fully understand the terms of this Distribution Agreement and agree to be bound by them.

Supplier

Signature: _____

Name: [Supplier's Full Name]

Title: [Title]

Date: _____

Distributor

Signature: _____

Name: [Distributor's Full Name]

Title: [Title]

Date: _____

Disclaimer: This template is provided for informational purposes only and does not constitute legal advice. Distribution agreements can involve significant legal and financial obligations, and it is recommended to consult a qualified attorney to ensure that any agreement meets all legal requirements and addresses the specific needs of both parties.