

DISTRIBUTION AGREEMENT VERSION 1

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DISTRIBUTOR AGREEMENT – TANGIBLE PRODUCTS VERSION 1

DRAFT

BETWEEN	AND
Company Name:	Distributor's Name:
Officer's Name:	Officer's Name:
Address:	Address:
Phone:	Phone:
Fax:	Fax:
Email:	Email:
Web Address:	Web Address:
hereinafter referred to as the "Manufacturer")	(hereinafter referred to as the "Distributor")

(the Manufacturer and the Distributor hereinafter collectively referred to as the "Parties")

This agreement establishes an understanding between the parties and as such both parties agree to be bound by its Terms and Conditions. This agreement shall not become binding upon the parties until it has been signed by an authorized representative of the Parties and signed and accepted by authorized officers.

RECITALS :

WHEREAS the Manufacturer desires that the Distributor provides him with the services set forth in this Agreement;

WHEREAS the Distributor wishes to provide these services for good and valuable consideration;

WHEREAS the Parties wish to confirm their agreement in writing;

WHEREAS the Parties are duly authorized and have the capacity to enter into and execute this Agreement;

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Recital

Manufacturer _____ Distributor _____

The recitals are an integral part of this Agreement. In the event of a conflict in the provisions of any attachments hereto and the provisions set forth in this Agreement, the provisions of such attachments shall govern.

1. Products and Territory.

- (a) Manufacturer hereby appoints Distributor on a non-exclusive basis Distributor for the sale of the following products during the term of this Agreement (hereinafter referred to as the "Products"):

[Describe products here]

- (b) Distributor shall not, without the prior written consent of Manufacturer, sell, market or distribute any version of any Product other than the version Manufacturer shall designate from time to time as its most current version.
- (c) Distributor shall use its best efforts to promote and sell the Products to the maximum number of responsible customers in the Territory; provided, however, that nothing in this Agreement shall be interpret to give Distributor any rights whatsoever with respect to sales to any other nation
- (d) Manufacturer is appointing Distributor hereunder with respect to the resale of Products to any purchasers whose principal place of business is located in the following described territory (the "Territory"):
- (e) Distributor shall not solicit orders from any prospective purchaser with its principal place of business located outside the Territory. If Distributor receives any order from a prospective purchaser whose principal place of business is located outside the Territory, Distributor shall immediately refer that order to Manufacturer. Distributor shall not accept any such orders. Distributor may not deliver or tender (or cause to be delivered or tendered) any Product outside of the Territory. Distributor shall not sell any Products to a purchaser if Distributor knows or has reason to believe that such purchaser intends to remove those Products from the Territory.
- (f) Manufacturer reserves the right, in its sole discretion, at any time upon thirty (30) days' prior written notice to Distributor, to expand or reduce in any manner the Products which are covered by this Agreement. Manufacturer also reserves the right, in its sole discretion, at any time upon thirty (30) days' prior written notice to Distributor, to expand or reduce in any manner the Territory, as defined in this Agreement.
- (g) Manufacturer may delete any Product from this Agreement after one-hundred-twenty sixty (120) days prior written notice to Distributor if Manufacturer is discontinuing the manufacture of such Product. Manufacturer may modify or

improve any Product upon giving Distributor thirty (30) days prior written notice of such modification or improvement.

2. **Clientele**

All clients that have bought product through Distributor belong exclusively to Distributor. All subsequent purchase of Manufacturer's Products by these identified clients have to be processed only through Distributor.

Given the termination of the Agreement, a commission of twenty percent (20%) on net price on all products sold to these clients will be paid by Manufacturer to Distributor for three (3) years after termination date.

Manufacturer will open sales logs to Distributor's appointed verificador upon request two (2) times a year during the duration of this agreement and one (1) time a year following the termination of this agreement for three (3) years the termination of this agreement.

3. **Prices and Payment.**

- (a) On the Effective Date, Distributor shall provide to Manufacturer a forecast for the next three [3] calendar months of Distributor's anticipated requirements of the Products and indicating the desired delivery dates. Distributor shall update this forecast on a rolling basis within ten (10) days after the beginning of each new calendar [month OR quarter]. Distributor shall not be required to place firm orders of the quantities of Products which it has forecasted.
- (b) Distributor shall order Products from Manufacturer by submitting a written purchase order identifying the Products ordered, requested delivery date(s) and any export/import information required to enable Manufacturer to fill the order. All orders for Products are subject to acceptance by [TITLE OF PERSON] at [MANUFACTURER'S ADDRESS, MANUFACTURER'S HOME CITY].
- (c) Manufacturer shall accept Distributor's orders, so long as such orders do not exceed _Three Hundred percent (300%) of the quantities of Products forecasted by Distributor; provided, however, that Manufacturer shall have no liability for rejecting any purchase order for Products which exceed such quantities or which require any modifications or additions in order to meet the specifications of Distributor or its customers.
- (d) If a purchase order is accepted in accordance with Section 2(b) above, the prices for Products covered by such purchase order shall be Manufacturer's net Distributor prices F.O.B.. [CITY OF DISPATCH], [STATE OR PROVINCE], [COUNTRY] which are in effect on the date of Manufacturer's acceptance. Manufacturer may from time to time change those prices, such change being effective immediately upon Distributor's receipt of notice thereof; provided,